Council-Manager Memo #64
Friday, August 27, 2010

CHARLOTTE.

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WEEK IN REVIEW:

Mon (August 30)	Tues (August 31)	Wed (September 1)	Thurs (September 2)	Friday (September 3)
		2:00 PM Housing & Neighborhood Development Committee, Room 280		

CALENDAR DETAILS:

Wednesday, September 1

2:00 PM Housing & Neighborhood Development Committee, Room 280
AGENDA: Housing Locational Policy

August and September calendars are attached. *(see attached, left side table of contents)*

INFORMATION:

Tuesday, September 7 – Room Change Notification for Community Safety Committee Meeting
Staff Resource: Eric Campbell, City Manager's Office, 704-336-2241, ecampbell@charlottenc.gov

In the August 25 Council-Manager Memo, City Council was advised that the Community Safety Committee will meet to review the Airport's Request for Proposals (RFP) for Taxi Service on Tuesday, September 7 at Noon. Please note that the meeting location has changed to CH-14 to help accommodate a larger audience.

Tuesday, September 7 – Council Workshop at the Airport
Staff Resource: Julie Burch, City Manager's Office, 704-336-3187, jburch@charlottenc.gov

The September City Council Workshop will be held on Tuesday, September 7 from 5:15 to 7:30 p.m. at Charlotte Douglas International Airport. The agenda will be entirely Airport-related. Topics of discussion will include an overview of current and projected operations and services, the capital improvement program, finances, organization, customer service and community outreach. The Airport Advisory Committee will present its annual report to the Council.

There will be no Citizens' Forum this night.

Additional information, including directions, parking and other logistics, will be provided to Council in the Workshop Agenda to be distributed next Wednesday, September 1.

Status of EpiCentre Infrastructure Reimbursement Agreement
Staff Resources: Tom Flynn, N&BS, 704- 432-1396, tflynn@charlottenc.gov
Bob Hagemann, City Attorney's Office, 704-336-2651, rhagemann@charlottenc.gov

Due to the recent articles in the *Charlotte Observer* and the *Charlotte Business Journal*, staff wanted to update Council on the status of the City's EpiCentre Infrastructure Reimbursement Agreement (Agreement). In summary, the City has received what was outlined in the agreement: public infrastructure improvements, an easement for transit passengers from the light rail station, and the economic benefit of a retail and entertainment center in Center City Charlotte.

In 2004, City Council approved the Agreement with EpiCentre Associates LLP. The Agreement

calls for the City to pay $2.2 million as partial reimbursement for the cost of constructing public infrastructure (sidewalk, street trees, and a retaining wall) in and around the EpiCentre redevelopment of the old Charlotte Convention Center. The project included a platform connecting the EpiCentre to the light rail, a parking garage, four levels of retail, and a hotel. Shortly after the Agreement was executed, EpiCentre Associates LLP assigned the Agreement to Pacific Avenue LLC, which is permitted by the Agreement.

The Agreement provides that the $2.2 million be paid in four annual installments of $550,000 beginning upon completion and acceptance by the City of infrastructure improvements and 50% retail occupancy. An amendment to the Agreement was approved by City Council in 2008, allowing for three of the four annual payments to be paid prior to completion of the infrastructure. This amendment recognized the phased development of the project.

The public infrastructure has been completed except for a small area adjacent to the site of the residential tower. A surety bond has been posted to guarantee completion. All outstanding work items must be completed and accepted prior to the final payment of $550,000 scheduled for spring 2011. The City could also call on the surety if the work is not completed.

Earlier this year, Pacific Avenue LLC assigned the Agreement to EPP College Street LLP. As with the previous assignment, this assignment was permitted under the Agreement. As a result, the City made the third payment to EPP College Street LLP. Although Pacific Avenue LLC's assignment to EPP College Street LLP has been questioned, please note that the City had no right to disapprove the assignment. The City was also not privy to Pacific Avenue LLC's agreements with its lenders.

Sustainable Communities Initiative Regional Planning Grant

Staff Resource: George Berger, E&PM, 704-432-5216, gberger@charlottenc.gov

At the July 26 meeting, City Council approved a resolution supporting submittal of an application for a Sustainable Communities Regional Planning Grant, which is a program administered by HUD (as part of a joint effort by HUD, the EPA and the US DOT). The grant application was submitted on August 23, 2010 by Centralina Council of Governments staff on behalf of a regional consortium for the bi-state, 14-county Charlotte metropolitan area. The total grant request is for almost $3,931,000 with an additional 37% provided in "leveraged match" from agencies and local governments from across the region. Almost 40 letters of support and pledges of in-kind "leveraged match" were part of the grant application.

The value of the City's leveraged match is estimated at $525,800 and has been authorized for use in the grant application by the City Manager. This calculation was made after careful review by City staff and is based on staff time spent in the planning process, oversight of projects of particular concern to the City, development of materials and data, and facilitation of best practices presentations. It is further understood that there will likely be a subcontract with the City to perform additional modeling work outside the scope of this leveraged match and for the expanded geography of the region.

No information has been provided by HUD regarding a tentative review period and likely time of award announcement. If the consortium is awarded a grant, the process will allow the region to flesh out the core values of sustainable growth. It will allow the region to develop new local strategies, through a creative and innovative public engagement process, to address problems that limit the implementation of the CONNECT Core Vision, and will provide a framework for implementation, progress reporting, and mutual accountability.

The process for accomplishing this transformation of CONNECT from Vision to Plan will involve three parallel tracks:

- An extensive public outreach and education process;
- An intensive data collection and modeling process that will enhance current travel-demand modeling to encompass a range of community metrics, provide a 'baseline scenario, and project current conditions into future growth;
- A series of research projects that will assess regional needs in several specific areas, including affordable housing, food access and logistics, and redevelopment tools (financial and technical).

These three tracks will come together in a series of public engagement processes around scenario planning and modeled results. The public process will provide very specific, geographically-based input on components such as employment, transportation facilities, open space and agricultural preservation. The alternatives generated will be modeled and vetted, and the public and community leadership will then arrive at the development scenario that meets their goals for a sustainable community and region. Finally, quantifiable modeled benchmarks and implementation tools will be developed that allow communities to assess progress toward sustainability goals.

City and Centralina Council of Governments staff will keep Council advised as the HUD application review progresses.

Water and Sewer Rate Study Launched

Staff Resource: Barry Gullet, Utilities, 704-391-5060, bgullet@charlottenc.gov

A comprehensive review of water and sewer rates officially kicked off Wednesday night, as a citizen stakeholder advisory group held its first meeting at the Environmental Services Facility on Westmont Drive.

Fifteen community volunteers representing the diverse water customer base in the Charlotte-Mecklenburg Utilities service area will meet at least four times as participants of the advisory group, which was established using the *Stakeholder Group Process Recommendations* approved by City Council in April 2010.

Red Oak Consulting, a division of the worldwide engineering firm Malcolm Pirnie, Inc., is the rate study expert working with Charlotte-Mecklenburg Utilities. Red Oak has extensive

experience among water utilities around the U.S. and presented an overview to the stakeholder group on Wednesday night.

Red Oak will work with Utilities staff and, using input from the Stakeholder Advisory Group and citizens comments gathered during a series of upcoming countywide public meetings, a rate structure recommendation will be presented to City Council by early February 2011.

Final details are being put together regarding two sets of five upcoming public meetings that will begin in mid-September. This rate study involves a significant public outreach component and staff will follow up with a full list of the public meetings, times and locations when the information is finalized next week.

The Utilities Advisory Committee and City Council's Restructuring Government Committee have been and will continue to be engaged in all steps of the process. Additional rate study information will be added to www.cmutilities.com web pages within the next few days, and staff will use social media messages, media releases and limited paid advertising to promote the upcoming public meetings in order to generate maximum attendance.

August 25 – Metropolitan Transit Commission Meeting Summary
Staff Resource: Carolyn Flowers, CATS, 704-336-3855, cflowers@charlottenc.gov

At the meeting on Wednesday, August 25, 2010, the MTC had one update, one action item and one information item on the agenda:

Red Line Task Force Update
The Red Line Task Force will be working with a consultant to develop a financial plan for the project. The committee will now be an official subcommittee of the MTC, with future meetings open to the public.

MTC Policies and Procedures
MTC members acted on updates of two policies and procedures. The Travel Markets policy, which is utilized when making decisions on reducing or adding service, was brought to MTC for approval on its regular three-year review schedule. Staff proposed no changes for the policy. MTC unanimously approved the CATS Travel Markets policy with no changes.

The Procurement Policy was brought for MTC review and approval with two small administrative changes. The FTA circular on Third-party Contracting Requirements has changed its number from 4220.1E to 4220.1F, so CATS proposed to change the Procurement Policy to reflect the new FTA number. In addition, the State of North Carolina has increased the ceiling for construction and repair projects that must be sent to bid from $300,000 to $500,000. Staff proposed to change the Procurement Policy to reflect the new state requirement. MTC members unanimously approved the two administrative changes in the CATS Procurement Policies.

Blue Line Extension (BLE) Draft Environmental Impact Statement (EIS) Update

CATS has completed the Draft EIS for the BLE, a study of the project's environmental impacts required by the National Environmental Policy Act (NEPA) of 1969. Distribution of the Draft EIS began on August 17, to elected officials, agencies, interested parties, residents, business and property owners, and others. The Draft EIS is also posted on CATS website at www.ridetransit.org, at CATS office on the ninth floor of the Charlotte-Mecklenburg Government Center, and at select public libraries. FTA requires a 45-day circulation period for the Draft EIS. CATS is soliciting public review and comment through the website; meeting with business, community and neighborhood groups along the corridor; and at two public meetings on September 9 and 14, as well as soliciting verbal comments from the public at the Public Hearing at the September 22 MTC meeting. Comments will be accepted until October 12.

The project has completed the 30% design phase, and will have visual and noise impacts in several areas. The Draft EIS describes the measures the project proposes to mitigate the impacts. There will also be a significant number of acquisitions and displacements for the project. All affected property owners received notice of the Draft EIS. When CATS receives the FTA's Record of Decision (ROD), real estate acquisition can commence. CATS will follow the guidelines of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, which requires that property be acquired at fair market value.

The changes in the project's scope between the 15% and 30% design levels include the addition of a Vehicle Light Maintenance Facility and storage yard at the existing Norfolk Southern Intermodal Yard. Norfolk Southern is constructing a new Intermodal Yard at the airport. CATS is also proposing a parking deck at the Sugar Creek Station and adding five additional signalized intersections along North Tryon Street. The alignment into the UNC Charlotte campus was shifted at the University's request to allow for future expansion, requiring a longer bridge over Toby Creek on the campus.

After an initial report that CATS was allocated an earmark of $33.7 million in federal funds for the BLE, the final funding amount from the Senate's earmark was $3.7 million. CATS is reevaluating its financial plan and the 2030 System Plan to determine strategies to continue implementation of the 2030 System Plan. The challenges of the current economy with reduced sales tax revenues have significantly affected the plan. CATS plans to obtain a financial consultant to evaluate transit industry practices for building major capital projects and to explore creative funding options.

A motion was made and seconded to perform a comprehensive Economic Value Added (EVA) analysis for each component of the 2030 System Plan. MTC will use the EVA analysis to determine the best alternative for implementation of the 2030 System Plan. The motion was passed unanimously.

CEO Report

Under the CEO's report, Carolyn Flowers discussed the following:

a. **Advertising**:
CATS was approached with a proposal to wrap two local-route buses in an event-driven timeframe until the end of October. Revenue could total $12,000 for the two buses if the ads ran for two months. Staff presented a representation of the ad, which would resemble a race car. MTC members unanimously approved the decision to pursue the advertising proposal to wrap two buses through the end of October.

b. **Sentinel Barriers**:
FTA has a new requirement to install Sentinel between car barriers on platforms in the space between two rail cars, to improve the safety of visually-impaired passengers. CATS will begin testing barriers at the Sharon Road West station, for ultimate installation at each Blue Line station.

c. **Stockholders' Meetings**:
CATS conducted eight public meetings over the summer to show taxpayers how sales tax revenues have enhanced transit projects. The public was particularly interested in the planning and timing for the Northeast and North Corridors, bus/rail interface, late-night service, changes in routing from the current hub-and-spoke system, streetcar, service to the airport, rail on Independence Boulevard, and advertising.

d. **Ridership**:
There was a slight increase in June ridership, followed by a small decrease in July, which was anticipated due to the fare increase. Sales tax revenue rebounded. The last four months of FY10 showed recovery, but economists are still predicting slow growth.

e. **Upcoming MTC Meetings**:
The September meeting will include the public hearing for the BLE Draft EIS, as well as a review of the advertising policy and the annual Management Report. MTC will examine the 2030 System Plan in October with a workshop on the 2030 System Plan occurring at the November meeting.

Other Business

MTC members unanimously voted to approve the nomination of Bill Thurnberg as the new designee from the Town of Mooresville.

The next MTC meeting will be September 22, 2010 at 5:30 p.m.

ATTACHMENTS:

Council Follow-Up Report: *(see attachment, left side table of contents)*

Contents Include:

- Citizens' Forum – Scottie McCluney