Council-Manager Memo #14
Wednesday, March 2, 2011

CHARLOTTE.

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INFORMATION:

New Markets Tax Credits

Staff Resource: Patrick T. Mumford, N&BS, 704-336-5612, pmumford@charlottenc.gov

Charlotte Community Improvement, the certified development entity comprised of the City of Charlotte, Charlotte Center City Partners and the Charlotte-Mecklenburg Development Corporation has been notified that it was not successful in its pursuit of New Markets Tax Credits (NMTC) per the June 2010 application.

NMTCs are an economic development tool, issued by the U.S. Treasury, to provide gap financing for projects in low-income communities. NMTCs have been used to help fund retail, commercial and community centers, as well as below-market rate loans targeted to small businesses. The City participated in the NMTCs application for the purpose of providing assistance for developments in our revitalization corridors, which are eligible geographies.

The awarding of NMTCs is a highly-competitive process and most entities do not receive an allocation from their first application. Charlotte Community Improvement received a report card of its application which was categorized as "good," a very favorable rating which crossed the threshold to be considered for an award. However, because of the large number of applications, many scoring in the "good" range, and some in the "excellent" range, did not receive an allocation.

Charlotte Community Improvement will be further analyzing the feedback to improve its application should a 2011 allocation be announced.

Crown Ballroom Structural Capacity for Production Equipment

Staff Resource: William Haas, E&PM, 704-336-4625, whaas@charlottenc.gov

In December, the CRVA provided the City Council with a report on facility operations, and Councilmember Barnes asked about a comment from NASCAR staff suggesting that the Crown Ballroom "has some structural limitations that would need to be addressed to handle the level of rigging typically utilized for significant production events, including their top tier awards banquets."

Engineering & Property Management staff has reviewed the rigging issue with NASCAR representatives. Rigging points are structural elements on the ceiling that support temporary lighting, speakers, cabling, etc. associated with the production of large events. The project's architect, Pei Cobb Freed, was asked to analyze the "as-built" condition of the 50 rigging points in the Crown Ballroom and re-calculate the capacity of each point. Based on the final design and construction, the designers have concluded that the capacity of each rigging point is significantly greater than the original rating.

Staff has shared this information with representatives of NASCAR, and they appreciate that the City has reviewed this issue further. They are pleased with the resulting capacity ratings for the rigging points. Although there are many factors in determining where such events are held, the rigging capacity should not be an issue that would impede current or future NASCAR events.

City Source Tells Stories of Citizen Service

Staff Resource: Sherry Bauer, Corporate Communications & Marketing, 704-336-2459, sbauer@charlottenc.gov

City Source is the City of Charlotte's unique 30-minute program for citizens to learn about City services as well as about how City employees serve the community. The program airs the first and third Thursday of each month at 7 p.m. on Cable 16 (Time Warner Cable) and AT&T Uverse, and is streamed live online at www.charlottenc.gov.

Starting in March, staff will produce the **attached** flyer **(SEE TABLE OF CONTENTS ON LEFT**) to promote upcoming episodes and include the information in Council-Manager Memos. Additionally, staff is making the flyer available to City departments whose services, programs and employees are featured in an upcoming episode and encouraging staff to share the flyer with their employees, stakeholders and email databases.

Tune in March 3 for features on the Men's Empowerment Coalition, how to nominate a CMPD police officer for outstanding contributions in the community, how CDOT makes road signs, new guidelines from Animal Care & Control on safely restraining your pet, and four UNC Charlotte fellows helping the City become more energy efficient.

January 26 Metropolitan Transit Commission Meeting Summary

Staff Resource: Carolyn Flowers, CATS, 704-336-3855, cflowers@charlottenc.gov

At its meeting on Wednesday, February 23, 2011, the MTC took action on one item and heard two information items:

Financial Policies

MTC members unanimously approved changes in CATS Financial Policies. Key changes included utilizing additional financial tools to fund CATS programs, changing the level of routine fare increase which occurs every two years to ensure that riders pay a reasonable share of the cost of the service, and aligning CATS reporting requirements to be in accordance with National Transit Database reporting requirements.

FY2012-13 Transit Operating Program

Staff presented an overview of the Transit Operating Program for the next fiscal year. The budget plans for a minimal level of operating growth. CATS will increase revenue by reducing sales discount levels for non-profits and the Employee Transportation Coordinator (ETC) program. A public hearing will be held on this proposed change at the March MTC meeting. Next year will also be the first full year for the exterior advertising revenue program. CATS will make program changes to Special Transportation Service (STS) to align resources with ADA requirements, and will eliminate funding for the DSS taxicab service. In addition, CATS will transfer three positions to other City departments. The greatest challenge for bus operations is managing ridership demand under a limited growth plan. Rail Operations plans to begin an overhaul program for all light rail vehicles, which are approaching about 200,000 miles each, so they will last for the expected 30-year life span.

Transit Rules and Regulations Policy

The Transit Rules and Regulations Policy is due for its regular three-year review. Proposed changes include incorporating Paid Fare Zones into the policy, updating the language to match language in state ordinances, encourage no smoking at facilities through signage, and language to cover the use of digital or other audio devices.

CATS CEO Report

Under the CEO's report, Carolyn Flowers discussed:

a. **Ridership**:
   Inclement weather caused a decrease in ridership on a number of days in January. Some express lines were impacted significantly, but overall ridership was reduced only about 1%. System ridership is up 1% over the prior year despite a fare increase, a good indicator that CATS will have strong ridership growth in this economy.
b. **Capital Budget**:
   The Capital Budget is on next month's MTC agenda. There are a number of uncertainties involved, based on the uncertain political and economic environment. CATS will project revenues for areas for which it already has commitments and grants, and will wait for commitments from funding partners before putting anticipatory funds in the budget.
c. **Project Delivery Method**:
   CATS staff recently held a workshop to discuss the project delivery method for the Blue Line Extension (BLE) and how to contain project costs in the future. The consultant hired to analyze the BLE project determined that there are no major cost reduction benefits to changing the project delivery method because the project planning phase is so advanced. However, the analysis gives a good sense of how to proceed for future projects.
d. **Exterior Advertisements:**
   CATS is proceeding with plans to advertise on the exterior of buses and light rail vehicles. MTC members were shown an example of an ad CATS will display on buses to introduce businesses to the new advertising opportunity.
e. **Rapid Transit Update:**
   CATS staff met with officials to encourage including the Blue Line Extension and Red

Line Commuter Rail projects in federal and state budgets. MTC's representative from the NC Board of Transportation, John Collett, has arranged a meeting between MTC members and NCDOT officials on March 8 to discuss the Red Line project. Ms. Flowers will notify MTC members of the meeting details.

f. **Democratic National Convention (DNC)**:
Planning for the DNC will comprise a major work effort for staff over the next 18 months, including budget issues to include in a Memorandum of Understanding (MOU) to recover costs for additional services CATS will provide for the DNC. CATS and other city departments met with DNC organizers last week. CATS will seek full recovery for convention service costs.

g. **Risk of Rising Fuel Prices**:
MTC members have questioned the impact of rising fuel prices on CATS' budget. For every ten cent increase CATS pays in fuel costs, CATS' costs increase by $330,000 per year. Fare box recovery through increased ridership does not cover the full cost of the fuel increase. If gasoline prices reach $4.00/gallon, CATS may have to examine service reductions. CATS is working to minimize the impact of increases in fuel prices, but CATS has already reduced expenses drastically. Hard choices may be necessary.

The next MTC meeting will be March 23, 2011 at 5:30 p.m.

ATTACHMENTS (SEE TABLE OF CONTENTS ON LEFT):

January 24 Economic Development Committee Summary