

The City Council of the City of Charlotte, North Carolina convened for a Budget Retreat 3:05 p. m. on Wednesday, March 21, 2012 in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Anthony Foxx presiding. Councilmember present were John Autry, Michael Barnes, Warren Cooksey, Andy Dulin, Clarie Fallon, Patsy Kinsey, LaWana Mayfield, James Mitchell and Beth Pickering.

ABSENT UNTIL NOTED: Councilmembers Patrick Cannon and David Howard

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ITEM NO. I: INTRODUCTION

Mayor Foxx said every year we go through this exercise and I think we must start it as soon as we finish with the last budget. I know this is a system wide effort that grows into these types of presentations to us and we don't often give thanks to the staff for the hours and hours of time they spend working on this, but I just wanted to say thanks for you all do to help us get ready.

City Manager, Curt Walton said thank you Mayor, I appreciate that very much. Today we are talking about the general CIP for fiscal year 2013 through fiscal year 2017. As we go through it I will explain why we are focusing exclusively on the CIP. I think that will take a fair amount of time and conversation. There is a lot of information that we are going to be reviewing with you today. We would like to get all the way through, but if you are just going to explode without asking a question then we certainly can take that into consideration.

I want to thank a lot of people also. This is a very unique process but the organization has worked very hard on this product and hopefully you will see that it mirrors a lot of what we talked about at the Retreat. This is the 28th budget that I've had a hand in here which besides making me very old means that I've seen a lot of things come and go and what we will be talking about today I think is at least one of, if not the most critical thing that I've seen in these 28 budgets. We talked some at the Retreat about the trending in the data and I've got some of that to review with you again today, but we believe we are in a very different place and that it is critical for us to address it. When we finished last year's budget process we had \$5 million in debt capacity left for the capital budget. What that means is \$5 million for roads, for intersections, for affordable housing, for neighborhoods. Five million generally won't build a police station, just so you know. It is a very small component and the Mayor very accurately said, as we finished the budget last summer we started on this process and we started very differently. We basically alleviated the constraints of the capital program in the past. We've usually done things in a certain order or certain magnitude of projects. We took that all off the table and said basically to our organization, based on what we know the trends and the data, what do we need to do to make Charlotte in 2020 the place that we all envision Charlotte can be. The organization worked on that for a number of months and in November the Leadership within the organization took that work and shaped it into priorities and further described the projects and defined those projects and we've been working since then on the product that you will see today. We are presenting it one month earlier than usual because it is a very big project so we wanted to give you that additional time. As I said at the Retreat, I believe this is a critical juncture for the City of Charlotte. We are a great city, but we have had a past of growth based on assumptions, particularly through financial industry that we probably can't rely on going forward. That means we are going to have to determine what it is we are going to rely on going forward. We have in our Mission Statement that we are a platform for economic development so what we are going to see today is really grounded in economic development and how we can move the economy forward for Charlotte. We believe our job is to provide the infrastructure in order to get Charlotteans to jobs, so you will see a good bit of that.

ITEM II: DRAFT GENERAL CAPITAL INVESTMENT PLAN

City Manager, Curt Walton said let's talk first about what we are focusing on today. What you see here is the tax rate, 43.7 cents and that is in three components. The general fund is basic city services, Police, Fire, Solid Waste Engineering, Transportation, street lights. It is primarily Police and Fire, therefore it is for most of the salaries and benefits. When we talked about the Public Safety Pay Plan last time it would be in that 36 cents. It is our basic service delivery fund

and a lot of that is living throughout the community. Pay-As-You-Go Fund, there is a copy of the current Pay-As-You-Go fund budget on Page 35 in your material, but the biggest categories in the Pay-As-You-Go fund are the transit maintenance of effort, which is the amount the City of Charlotte spent on Transit at the time CATS was created about 12 years ago. It is innovative housing, it is business corridors, it is building maintenance and it is technology. If we go back up to debt service, debt service is the long-term debt that we generally issue for 20 to 30 years. You have a number of policies around debt service preserving the existing tax base, funding partnerships, serving with a platform for economic development, providing a balance capital plan and anticipating infrastructure and facility needs. These policies and some others have been in place for many, many years. The 6.5 cents is used mostly for debt retirement on debt that has been issued over the past years, but there is also another component for things that have been approved and are held there. A couple examples, the widening of Rea Road in south Charlotte is a big project that was approved several years ago that we are still working our way through. Included also is Eastland. The voters approved \$16 million for Eastland in I believe 2008 so that money is still held there. There in an incentive held in reserve in the 6.5 cents and Neighborhood Improvement projects from the 2010 bond as well.

I want to go over about 8 or 9 of the slides that we looked at at the Retreat. Just to remind you from a staff's perspective, what it is that we see ourselves dealing with. Here you see population gained and population lost and what jumped out in the red and the green is that more than 50% of the green is outside of I-485. There is a heavy concentration of red so population declined in inner city on the east side and a little bit along the southwest. This is something that was in the Observer and it matches our data as well and that is comparing the transformation of Charlotte over the last 37 years. Neighborhoods that used to be more prosperous or more affluent that have now trended toward the poorer side of the scale. You will see it change from the very ... the red and south Charlotte the green to now the poorer neighborhoods that people had ... the low and middle class and making that the predominant person of our central, west and east part of Charlotte. We also showed you public assistance which is a significant amount of red and that is 10,000 in a zip code so a lot of Charlotte is on public assistance as well as food stamps and you see an 8-year comparison of where they were in 2002 and where we are now in 2010.

We looked at some school data and there are two things going on here. The red, yellow and green dots are the performance of schools on the end of grade proficiency test. You can see the preponderance of red dots within the corporate limits of Charlotte and then down below the free and reduced lunch, the pink, yellow and green and generally the color of the dots fairly closely correlates with the color of the free and reduced lunch.

Councilmember Howard arrived at 3:12 p.m.

Councilmember Kinsey said the people on food stamps, public assistance, does that track other cities? Do we have more than other cities? This is a little alarming to me that we have so many.

Mr. Walton said I don't know that we have that for other cities, but we can try to get that. I think the degree to which it has changed in those 8 years that it is no start to us but we will see if there is some comparison.

Councilmember Howard said could we get demographics on the food stamps?

Mr. Walton said we will try. That is DSS information so to the degree we can we will.

Ms. Kinsey said in looking at these, it would help me if I had some gage of where the main highways are so I would know what might possibly be in District 1.

Mr. Walton said we will be glad to try that.

Mr. Walton said we also look at the Retreat where higher value tax values are going, higher value homes and you see the circles that are in south central Charlotte and the other circles are in Mooresville, Harrisburg to the east, Weddington to the south and Belmont to the west. If you overlay the two you see that there appears to be correlation between the higher property values

and the higher performing schools, including crossing county boundaries into Cabarrus, Gaston and Union.

This is single family tax values as a result of the last revaluation. The dark yellow is actually depreciation up to 53% of the tax values from the previous revaluation. The green are appreciated more than 20% and that is primarily south central Charlotte, North Mecklenburg and Mint Hill.

Mr. Howard said that is actually a positive one compared to everything else, right? That says that some of the butterfly area actually went up.

Mr. Walton said not as much of the butterfly area depreciated as we saw with the food stamps and assistance. You are right, a little bit better.

Mr. Barnes said what it does say is that in those areas that are yellow, many of those houses lost half their value.

Councilmember Cannon arrived at 3:34 p.m.

Mr. Walton said yes. In this one you saw last year and we looked it at the Retreat, four of these areas from the revaluation equal 50% of the value and those are from the very center of Charlotte down through S1, S2 and S3. Essentially Randolph Road to Park Road, down past Ballentyne. At the Retreat, after we showed you this, I think you did really good work on developing a vision for Charlotte for 2020 and that is in your material. It very closely matched the work that the staff had been doing since last summer on this same issue. The same thing can be said for the Action Agenda which was too long to put here, but is in your material as well. We agree with a lot of those things that you thought were very important to take action on over the next few years. We showed you that there are a number of plans already in place that you have approved that will help us get to where we want to be in the transformation of 2020 for the City of Charlotte. The 2030 Transit Plan was a great plan that we now know cannot be accomplished with the ½ cent sales tax. It is probably, in its current form more like a 2050 Transit Plan. That is something that we need to pay attention to. Your Business Corridor Strategy is working so we have modeled some of the work here around the Business Corridor area.

Councilmember Dulin said let's go back to the 2030 and possibly the 2050 Transit Plan. When will this body talk about the change of the 2030 to 2050 Transit Plan?

Mr. Walton said that will emanate from the 2030 to the 2050 but the change emanate from the MTC. We are starting to see some of the changes already. The Red Line has a very different funding strategy. The Streetcar has had a different funding strategy and they have even put more of our own money into the Blue Line Extension in order to make that work. We are seeing some of the changes but there hasn't been an amended plan coming out of the MTC yet.

Mr. Dulin said will the Council or the MTC or the Transportation and Planning Committee be working on that change? I think that is important information for this body to know and for the community to know that we are cognizant of things getting flushed out. I might see 2030 but I certainly won't see 2050, but it would be interesting as a body to work on that information now.

Mr. Walton said I agree. The MTC has essentially decided to wait until the sales tax stabilized. We had a very good month in January so that was really the first positive month we've had in a while.

Mr. Howard said at the very least, what Mr. Dulin is saying is correct. The whole idea that we could do it not only in 2030, but do it in that same order because the only we are going to move that forward and not be out 2060 maybe as being more flexible in the way we approach it. Actually I have requested that of several people at MTC. Can you guys go back and soften some of this, do we have to do in this order language because it is just not doable anymore.

Mr. Dulin said it goes along the way too, back in 2005, 2006 and 2007 where we were working to open the Blue Line, one of the places we stumped our toe was not talking about in real dollars.

We were talking about it in the dollars that had been estimated instead of talking about 2005, 2006 dollars and that is where that big jump came. That is where the misinformation came to the community. We are not talking about dollars here. The program is dollars, but I want to make sure we are talking about in real time. If it is going to be 2050 before we can build this thing out, let's tell everybody so the people don't get shocked about it.

Mr. Walton said on the right side of the pyramid, the Airport Intermodal from a business perspective can be one of the most informational things that happens in Charlotte for years to come. That is well underway. The targeted industry sectors, it is just not in your ED Focus Area Plan. I think we right on target and we have tried to reflect those in what you are going to see to the degree possible. In the Center City 2020 Plan we have tried to incorporate as much as possible because it is the center of our region and it is the employment hub of our region so we have tried to reflect that as well. Last, from the Retreat, we showed you that the budget in our opinion is the greatest catalyst for change that we have available to us. The premise that we have been working in this budget, both operating and capital, is to use the budget for a catalyst to leverage private and other public sector investment wherever possible. I think the biggest change for us is to emphasize fewer but larger projects that have more of the community impact than we have approached it in the past.

Our recommendations today, and this gets to why we are six weeks ahead of schedule because it is different. The new capital program is a serious risk and I have told you over the last several budgets that in my opinion we have two opportunities, 2012 and 2014 to address that because it is always the first question that the rating agencies ask is how are you going to demonstrate that you can meet and are willing to meet the capital investment needs of a growing community and they still are growing. So not having a program is a serious risk. If you look at our history, going back to 1986 every two years at least and for a number of years, every year, we've had bond referendums and in '93 and '94 that included some water and sewer money before we went to revenue bonds. You can see we have invested in the community on a regular basis at very regular dollar investment amounts since 1987. I am recommending to you an 8-year view basically 2020 as a period with a 5-year CIP, but basically representing you an 8-year CIP today and that will include referendums in 2012, 2014, 2016 and 2018. If you ultimately agree with our strategy that would be what the 2012 through 2018 window would look like. Essentially, the same degree of dollars that we've looked at historically going back. It would be in 2014 one of the largest bond referendums we've had, tagging along with 2008. I've got here \$900 million program requiring \$32 million. It is actually \$926 million which you will see in your package. A lot of investment in Charlotte we believe that it is critical. There are two funding options available – further cuts to the operating budget and I will address that first. We have made a number of cuts. If you remember in 2009 you approved 52 cuts to the operating budget and I think there is a very thin margin in the operating budget. We've also already heard about the Public Safety Pay Plan so I don't think there is a margin in the operating budget that would greatly contribute to that \$32 million. The only other option is additional revenues and as you know the only revenue of any size that we have at our control is the property tax. I'm recommending you consider a 4 cent property tax increase in order to fund this program. Whatever you decide, you will not be voting on this until June so this is big enough that we wanted you to have the time you needed to get the information you needed on each of these projects.

For the first response that you might hear is the city goes up every year. No we don't! This dates back to 1986 and if you agree for a tax increase for FY13 it will be the third tax increase since 1986. The public's reception is very, very different, but it is just those three yellow bars and one hasn't happened yet, so the technical answer right now is there have been two. The red bar in 1994 and 1997 were part of Police Tax Equity issue that came through ... that helped load on the other side. Essentially the County went up when we went down and it was a revenue neutral thing where they began to pay us. It didn't work and about 7 years later we reversed the trend and went back up to where we were and the County came down. Technically someone could say that is a tax increase. It is but it didn't make additional revenue, it was a revenue swap with Mecklenburg County. I think the point is, it is not something that the City Managers, the Council or the Mayors over the past 25 years have gone to well very often. It is only in those two periods and we are recommending a third. What that means on a monthly or yearly basis for a \$200,000, a \$400,000 and a \$600,000 house, a lot of folks have it escrowed, \$6.67 monthly on

a \$200,000 house, \$13.33 monthly on a \$400,000 house and \$20.00 monthly on a \$600,000 house. The annual amounts are \$80.00, \$160.00 and \$240.00.

Currently, this is a comparison of the five largest municipalities in North Carolina. We are second and Raleigh had a revaluation just at the height of the market so I think this is a 2007-2008 rate. If you ultimately agree with our recommendation we would pass Winston Salem by .2 of a cent. This is a comparison of the City and County tax rate and I used it to show you what the impact of different approaches to capital budgeting is.

Councilmember Kinsey said on the City property tax rate, compared to Greensboro, Durham, etc. what are their county rates and where does that put us in relationship to the other cities?

Mr. Walton said it is pretty much the same proportion. I think all of them hover around \$1.20 or \$1.30 together.

Mr. Howard said that makes Ms. Kinsey's point that the county's rate is higher than Mecklenburg then to make up for the difference.

Mr. Walton said we've got that and will be glad to give that to you. When Charlotte went up from 64 cents to 69 cents in 1986/1987 that is when they created the debt service component of the tax rate. See that middle component that we started with and that is the biggest reasons that these tax rates diverged. At that point Charlotte started putting money into the debt service fund whether or not they were issuing debt. The county does pay-as-you-go basis and they are working towards something like we are doing, but they have a ways to go. This is what we were talking about, the change from 47.7 cents instead of 43.7 cents.

Mr. Howard said can you go back to the charts for the different years? If I'm looking at that right, because of being tax neutral our rate went down and it would go back to the 1999 level. Am I looking at that right?

Mr. Walton said yes.

Mr. Howard said we are actually going back to an earlier rate.

Mr. Walton said with that long-winded introduction, Ron, Julie, Eric and Ruffin will be presenting the meat of this so I will turn it over to Ron.

Deputy City Manager, Ron Kimble said I am pleased to be with you today to walk you through some of the material that you have in front of you. I would be remiss if I didn't take this opportunity to thank you as elected officials for what you have done at your Planning Retreat recently, but more importantly, your City Manager, Curt Walton, who has led this staff on a pretty incredible journey over the last many months and I give Curt a lot of credit for marshalling the forces and this is probably the most collaborative effort that I've seen in my 12 years here at the City of Charlotte and I think we've got something very impressive to show you that you can absorb, that you can consider, that you can chew on, that you can work with the staff over the next many months and we are here today to try and walk you through some of the ambitious, transformational, catalytic, leveraging public and private resources, placing emphasis on larger projects and packaging them together, trying to provide measurable outcomes for the investments that you make in the capital program, but most importantly outlining it with the vision that you have set for us at your recent Planning Retreat and prior Councils have also led us to this point. We are aligning ourselves with what we saw as your vision at the recent Retreat. You have many materials in front of you. I know that you have the PowerPoint and we will continue to walk through that. We also have some supplemental CIP information and we might refer to this from time to time because it does have important narrative information that isn't in the PowerPoint per se, but it is additional information that you can take with you and read at your leisure, but it adds to the flavor of what we are talking about today.

The most important piece I'm going to walk through now is the four-pager that talks about investing in corridors, increase in connections and improving communities, picking up on the vision that you have recently set at your Planning Retreat and most specifically the chart that

talks about the individual projects in several categories, investing in corridors being the first category, increasing connections the second, and improving communities in the third. We are looking at this again to promote job growth, to promote economic vitality, to look at ways in which we can increase connectivity in our communities, the ways in which we can address the quality of life, the economic vitality and the issues that you have said are very important and the priorities for the City of Charlotte. It is going to be our job in the next many minutes to walk you through these. I'm going to go first with a couple of corridors. Ruffin Hall will follow, talking about the remaining corridor and some of the major road projects and infrastructure items. He will be followed by Eric Campbell who will talk about public safety and some of the maintenance facilities and then Julie Burch will finish up and talk about affordable housing and investing in our communities and neighborhoods in Charlotte.

The two corridors that we have adopted and embraced and again a map of those is also included on the 4th page of your handout. It is really confined in the corridor viewpoint in the Airport/West Corridor, in the East/Southeast Corridor, which really takes in Independence and Monroe and the Albemarle Road areas and then the Northeast Corridor which is the Blue Line Extension and also taking in Graham Street going out to the University. Those are the three particular corridors that we focused on as we looked at this very collaborative and ambitious and kind of forward thinking CIP. The first one is the Airport/West Corridor. Many of you were around when they talked about the Dixie/Berryhill Land Use Plan that was adopted by the Council back in the early 2000s. It was the western frontier, probably the most undeveloped part of our county, maybe in addition to the far eastern side of our country, but it is some of the most topographically challenged area because it is along the river. It has been an area that probably has been slower to develop over the years, but you decided back in the early 2000s to get out front of that and make sure that there was a good land use plan in place so that when growth and development did happen you were ahead of that and you had a plan for how that area west of I-485 should develop. This was building upon the established community elements. This was a very robust plan, it involved the communities and I think it was 8,000 acres so the neighborhoods themselves helped you develop this plan and it was adopted by the Council. You all know what has happened, and Mr. Walton mentioned this, we now have an Airport Intermodal Project that is on the cusp of coming to reality. It will start construction in a couple of months and it will take about two years to build and the Airport Intermodal Facility is scheduled to be finished and ready to open sometime in early to mid 2014. With that there is going to be a huge amount of growth pressure on this area of our community, especially the area west of I-485 where a big number of new companies, new businesses, mixed use development with amenities that will support the job growth in that area, road connections, infrastructure with water and sewer and storm water, and there will be a lot of pressures on the areas west of I-485. There was an economic impact study done in 2005 where this Intermodal Facility with \$90 million of private investment will generate over \$9 billion in economic impact over the future years and support over 5,000 new jobs, not necessarily in this area. It could be existing businesses that grow and prosper as a result. It could be small business growth and development, but it also going to be new businesses and new jobs and some of those businesses will want to locate near in close proximity to the Airport Intermodal Facility. We feel that the majority of the impacts will be driven by the new wave kind of companies, research and development, light manufacturing, warehouse distribution, transportation logistics and to realize this impact and this growth that is certainly going to locate itself in close proximity to the Airport Intermodal that we've got to be a head of that curve.

We are suggesting and we are proposing that we looking at getting out front with the creation of some very much needed road improvement infrastructure projects that start to create the kind of development and the kind of parcels and the kind of growth in a harmonious way with the surrounding community that will allow the jobs and the quality of life to still be great in this particular area. There are two projects which we have identified. Again, this is the Airport Intermodal Project, this is the third parallel runway which is now open for business, this is the relocated Wallace/Neal Road right along the inside edge of I-485 that had to be relocated with the new Airport Third Parallel Runway. This is the existing Garrison Road and ties in at Byrum Drive. This is the proposed Garden Parkway that would connect over to Gaston County, still being talked about, still not a reality, but still having planning funds applied to it at the State level. What we are suggesting is that a spine road be built and constructed ahead of and with the growth that will most certainly occur with this Airport Intermodal Project, and we would term it for the time being, New Garrison Road. It is a three section road, section 1 being \$10 million

from here to this location. There is a major creek crossing here that causes the expense to be a little higher. \$13 million from this location here up to here and another \$7 million to complete a widening of Garrison Road and complete the connection all the way down to Berwick, so the total road estimate for that particular spine road to serve the 8,000 acres in Dixie/Berryhill is \$30 million. That is a major investment, but one that we feel will marry up with the huge growth and development that most certainly will occur west of I-485 when the Airport Intermodal goes in.

In order to create a better network, this road currently exist, Dixie River Road, but it is a two-lane rather narrow section winding with ribbon edges, dip sections and ultimately to create the kind of connectivity and the kind of street connections and the bicycle and sidewalk and the street amenities that we want, this road would ultimately need to be upgraded as well. We did not put that in as early a phase as this other road, it is in a later phase, but the estimated cost of that particular road is \$13 million and that would be a widening and improvement of Dixie River Road. We feel these kinds of infrastructure improvements are necessary, they are ambitious, but they need to be out there because of the growth pressures. In addition to these general CIP dollars you would need water and sewer dollars to go into these projects as well because as the roads go in you would certainly want to put in the water and sewer and there would also be storm water dollars that would have to be allocated here as well, and maybe re-prioritize some of those to take advantage of a huge job generator, known as the Intermodal Facility. That is a view of what we would suggest and propose as a much needed infrastructure improvement to marry up with the Airport Intermodal Facility.

Mr. Dulin said could you please describe to us the kind of economic development that most certainly will occur because of the Intermodal Facility? To me it is a generational shift on how we are going to move goods and services in and out. We are building our own port, but it is a big rail yard when you look at it. What kind of economic development is attracted by a big rail yard?

Mr. Kimble said people want to cut their transportation costs. They want to cut their logistics costs. Locating close by in Charlotte and close by to this particular area cuts the transportation charges to get your goods and services from your company straight to the port, straight to air and straight to trucking out of one facility.

Mr. Dulin said as we fund this potential new road, are you building that road with residential in mind? What is the zoning out there? Are you building it for industrial space, big box, are we going to build it with the width, the breadth and the depth to handle 30 years of truck traffic?

Mr. Kimble said we will go back to the Dixie/Berryhill Land Use Plan where most of the area that would have been on the east side of this particular road is already zoned mixed use development. We would probably have to tweak the zoning but you would also have to look at the opposite side of the road because you are probably going to have business development that occurs on both sides of this new road. You will have to look at the land use plan. A majority of the area west of I-485 towards the river would still remain residential, would still remain the way it is today, but we are talking about the area closest to I-485 and the area that sneaks up and snugs up against I-485 as being the parcels of land that are more suitable for the kinds of job growth that would occur west of I-485.

Mr. Dulin said the \$30 million price tag, have we factored in environmental studies that will have to be done for the water shed over there because we will be hearing from the environment folks.

Mr. Kimble said we've done our best job, obviously, these roads have not been designed, but we've done our best job of doing estimates of what these kinds of roads would cost given the terrain and the topography they have to go through. The way that we've handled them on past projects of this type, factoring in environmental concerns and environmental factors and we've also tried to escalate pricing to the year in which the bonds would be out there for the public to vote on. This way it would be in the 2014 bond package and this road would be in the 2016 bond package, so we've tried to make sure our pricing is advanced to those points in time so that we've got an accurate ballpark number to put forth at this particular point in time. Clearly it would have to be refined some more as we move toward design.

Mr. Dulin said very rough math, that is roughly a 4-mile section of road. Is that about where we are coming in on other roads? Rea Road is not a good example because it is very complicated.

City Engineer, Jeb Blackwell said this is estimated according to or normal practices. This is very preliminary design work so it is a rough estimate but it is conforming with our normal estimates.

Councilmember Mayfield said with regards to the Intermodal there has been some concern where the transfer and difficulty and how complex it may be. Are those things that we have already taken into consideration with creating our Intermodal?

Mr. Kimble said the Airport Intermodal is a transformational asset in this community. Many jobs and many corporations and much investment will want to occur in this region and in close proximity as a result of it. It is an investment asset for this community. There is not a challenge. It eliminates a lot of the challenges in getting your goods to market because it gets them faster to market and it gets them to ports, to truck and to air all in one particular area.

Ms. Mayfield said maybe I need to rephrase the question because one of the problems they had at London Heathrow was the different types so making sure that the actual building was capable of handling the many different forms of transportation that was coming through. So that is something we've taken into consideration?

Mr. Kimble said Norfolk-Southern and the Airport are in join cooperation. We dug out this huge trench and piled the dirt on top to create the third parallel runway and it saved millions of dollars in hauling that dirt into the runway and it created the trench to put the Airport Intermodal Facility in. Great creative thinking on the part of people who are putting this together.

Mr. Howard said one of the problems on that side of I-485 or Dixie/Berryhill for a long time, was alluded to the water and sewer. I would assume this is probably in some CMUD plan long range to get water and sewer over to this area anyway. A lot of this can't happen without that.

Mr. Kimble said remember I mentioned how collaborative this process has been under the Manager's direction. All Departments of the City have been hands on deck to be sure that they are participating in how these things would come about. It is the most collaborative process I've seen in a long time.

Ms. Kinsey said the businesses that we anticipate will locate in proximity to the Intermodal Facility, how many would we think would be relocating from somewhere in Mecklenburg County and how many would we think would be brand new businesses coming into the County?

Mr. Kimble said we have not made that projection, but I bet if we dived into the economic impact report that was done in 2005 we could extract some of that information and that was the best estimate and the best guess at the time when that was done by Norfolk-Southern.

Ms. Kinsey said it would be interesting information.

Mr. Kimble pointed out the existing city limit lines for the City of Charlotte. Right now we are trying to get all of the Airport land and all of the Airport Intermodal into the city limits and we are working on that as we speak. We can get to I-485 but the challenge is the land mass west of I-485 and we want to make sure that we are looking on how we bring these areas into the city limits of Charlotte as these new businesses and these new roads, water, sewer and storm water go into these particular locations. We are doing this because we know that the job growth is going to happen and we want to be able to get out front of that job growth, but we also want that job growth to be inside the city limits of the City of Charlotte. A challenge is working ambitiously to make sure that we can find a way that these businesses are getting all the services from the City of Charlotte and they are also contributing to what we do every day as a government known as the City of Charlotte. I believe there will be ways to do that and it will be our commitment that as we go down this path that is one of the precursors and one of the conditions to putting this infrastructure in. We can build roads outside the city limits, but not maintain them right now

under existing law, but we wouldn't want to build roads of this magnitude outside the city limits without getting the return on the investment.

Mr. Dulin said is there a population base in that section that you could speak of. The people that live out there, it is good living on the river.

Mr. Kimble said that is the challenge to make sure that the land use changes and the zoning change we make don't disrupt the quality of life of people who enjoy a more serene living along the river. You also have the growing southwest part of Charlotte that will feed directly into these areas and these road connections will help free up some of the traffic congestion that is on these roads on the eastside of I-485 as well. It creates a couple more arterial connections more south.

Mr. Dulin said is Berwick not with us yet?

Mr. Kimble said I believe parts of Berwick are in and other parts are out. Remember this Garden Parkway is very important as it relates to the Airport Intermodal in truck traffic and goods coming here to the Airport Intermodal Facility. This is a major connection because there is not another river crossing until you get way down here at Lake Wylie and the next one is up here at Wilkinson Boulevard so this is a major road connection as it relates to the profitability, growth and development of the Airport Intermodal area.

Mr. Dulin said I'm on board with the Intermodal and it would be interesting to see where the tracks coming in and out. That is as important and it is dead north and dead south isn't it?

Mr. Kimble said they are coming in and out I think from the north.

Mr. Kimble said we are ready to move to the next corridor, East/Southeast. I wanted to make sure that you saw that this is the Independence Boulevard Area Plan geography that you recently adopted I believe in the middle of last year. Remember that in that plan there was a number of very important future road connections, bicycle, sidewalk connection improvements, some opportunities for public/private partnerships and the Independence Boulevard Area Plan had a large number and a large dollar amount that would have to be included in future budgets in order to include those infrastructure improvements. On this particular map we are showing some of those road connections. Some of them would be privately built and some of them would be publicly built, some of them would also be public/private. The road might be private, but it would need some help from public with some major intersection improvements as those new roads connected to existing roads. Shown in the blue/green are these road connections or those road connections that were in the Independence Boulevard Area Plan. There is no way that we will be able to, on the City's dollar, be able to implement all of those roadway connections, so some of these were described in the Area Plan as private built roads and as areas redeveloped the private sector would have to do the road grid system. Some of them were major roads where the City might have to help with the private sector and there were some other connections where it might be that the City itself had to step in and complete the road connections. Also shows in the Independence Boulevard Area Plan were some yellow areas and these are depicted on the map. These were sidewalk and bikeway connections that were in the Independence Boulevard Area Plan. Not all of them can be done all at once. This Independence Area Plan was a 25-year to 30-year look at the future so we are only talking about an 8-year window here of bond capacity and ability to do infrastructure projects, but we wanted to show you on the Independence Area Plan map, the sum total of all the things that were included in that from a long range and a long range vision perspective.

I'm going to walk you through some of the specifics, but it is not all of the specifics. It is examples of things that we have identified as game changers, transformational infrastructure CIP and trying to find a way to re-boost and redevelop the Independence area for the future. One of those is a road connection from Pierson Drive and getting it all the way over to Monroe Road, creating another major connection from Independence over to Monroe Road. This is the Oakhurst Plan that you recently approved and I believe there is a little tweak on your agenda for Monday that the Manager has informed you about. This project is a green light project right now and works in great cooperation with an extended road that would be traffic calmed and would be a road that would have amenities and use to the neighborhood as well as creating this major

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connection. I think this is in at \$3 million as part of some of the money that you would see in the East/Southeast Corridor land acquisition and street connections. It is at \$25 million on your chart. There is also a much needed road connection, this is already in I believe and this is the road that we made Wal-Mart put in as part of the plan when it came forward, but the intent was with the old Coliseum Shopping Center, to make sure that we could have another connection over to Wendover Road to create great redevelopment potential for this particular site. We had envisioned that this particular road would be built by the private sector when they decide to redevelop this old Coliseum area, but as it connects to Wendover Road, there would need to be some very expensive intersection improvements and working on how this relates to the overall interchange at East Independence Boulevard and so we view this as a public/private opportunity when this site is going to redevelop and that would come under such money as the public/private employment opportunities and that is in at the \$20 million amount in your chart. I'm giving you some examples of where infrastructure dollars from the city may be better spent by doing them up front and that would be this particular connection, but then working in partnership with the private sector to build these kinds of roads and let the private sector bear some of the costs and we would partner with them to get the roads in.

Mr. Howard said this service road is somewhat the model that the State wants anyway because it eliminates that driveway out. I'm also hearing you say that maybe what we are doing is putting money on the table so we can incentivize somebody to redevelop this property?

Mr. Kimble said it is all about leveraging and incentivizing, yes. How can we spend our limited dollars in the best way to leverage private investment and create the partnerships that grow jobs in our community? That is what we are trying to do.

Mr. Howard said it is the RFP as much as it is getting the word out that we are willing to participate on the redevelopment of this plan as well as pulling off what the state wants which is a service road.

Mr. Kimble said there are other roads that I could identify on maps that would go into this kind of detail that would show you where some of the highest priority needs are, where we feel redevelopment potential is greatest and how we can leverage and partner with the private sector in order to create those much needed road connections.

Mr. Howard said this is actually the model for all the way up Independence Boulevard, eventually on both sides of the road?

Mr. Kimble said that is correct because you are not going to be able to access the freeway the same way you did before, yet these lands are still available for redevelopment and we need to find the right way to partner with the private sector to make that happen.

Mr. Howard said it is not going to happen while you have to come in and out on Independence Boulevard.

Mr. Dulin said further out on Independence near Sardis Road, there are right-of-ways behind the apartment complexes that have been put away years and years ago.

Mr. Kimble said you are exactly right and as you start to look out to the southern boundary of the Independence Boulevard Area Plan you are going to see some of those reservations and in the need in the plan for the private sector if they are going to redevelop, they are going to need to put in the grid pattern of streets that helps us get connectivity in and around Independence.

Mr. Dulin said take it back to the Coliseum Shopping Center, I can see that connector, and this is brainstorming a little bit, but I thought that might not be a bad place, and the County doesn't have any money to do it, but that wouldn't be a bad place for linear county park, a sports complex along Independence Boulevard. The lights won't bother anybody. We don't own it, but if we put the road in maybe, we want places for amateur sports and I've always thought that wouldn't be a bad place for amateur sports.

Mr. Kimble said you are leaping ahead two slides, but that is okay.

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Mr. Dulin said I do that a lot.

Mr. Kimble said leaping ahead one slide, Monroe Road going from Briar Creek all the way out to Sharon Amity, we really believe there can be some better treatment, bicycle, sidewalk, pedestrian refuge, greening, making sure that we develop a much better street for the ultimate businesses that are going to grow and redevelop along Monroe Road, especially if we talk about what is going to happen with the ULI Study and as we move forward and study different options for where rail might go in the southeast corridor. Monroe Road really needs some upgrade in this particular area. Central Avenue Streetscape would be an excellent picture of what it looked like before and after. Wilkinson Boulevard before and after. We believe that Monroe Road needs some of that same tender loving care and the ability to make it a better street with all the modes of transportation in that area between Briar Creek and Sharon Amity.

Councilmember Autry said isn't Monroe Road a state maintained road?

Mr. Kimble said challenges – we've done it before on South Boulevard so we would have to determine if we want to invest this kind of money, but the collaborative viewpoint and thinking was, if we want the street to perform better we're going to have to be the ones that are going to be investing money because it is closer in and it is very important to the strategic development of our community.

Mayor Foxx said if we plant trees are they going to get cut down?

Mr. Kimble said, don't make me go there Mayor. Continuing his presentation, Mr. Kimble said probably the most transformational piece that we are showing you today, in your Economic Development Focus Area Plans, for each of the last two or three years, you've had a priority of growing amateur sports in the Charlotte region and what you have also said is you would like for that to be done in a public/private partnership fashion, but it is not the old model where the city invests all its money in public facilities, but there is a way to marry up with the private sector to grow amateur sports in our community. What this does is looks at a repurposing somewhat of the Bojangles Coliseum. Currently in the Bojangles Coliseum there are 11,000 seats. This plan would raise the floor in Bojangles Coliseum to the first concourse level, to the first isle level eliminating the lowest seats down in the bowl. By doing that you create the opportunity for storage and meeting rooms and other types of indoor amateur sports that don't need a tall ceiling because you can get at least a 13-foot ceiling in the underneath portion of this. By raising the floor, you get more floor surface where you can put more courts, basketball courts, more volley ball courts, more wrestling mats, more cheerleading space, more karate space, more ping pong, table tennis, type types of indoor sports that could come to Charlotte, but now don't have a place for indoor amateur sports and you can create an equivalent of, if you use basketball as an example, 4 full-size regulation basketball courts on the raised floor and still retain 7,000 seats in Bojangles Coliseum that can be used when you have the major championship game of an indoor amateur sport with the full view of 7,000 seat arena for the indoor championship. You also retain the ability to have high school graduations in 7,000 seats and you can still have concerts, still have community events so although you are repurposing it for indoor amateur and we lose some seating, we don't lose its availability for important community events that have to take place in this community and Bojangles Coliseum serves a very useful purpose for those community events. We did not want to lose that. In addition to raising the floor in Bojangles Coliseum we see the ability to add a building that we have sized around 80,000 square feet, a building that can hold up to 8 more basketball courts in it so that in tandem with Bojangles Coliseum, if you are talking basketball as one example, you could get as many as 12 full-size basketball courts in the combination facilities and in our study and our evaluation nationwide, 12 is the critical break point to get at least that minimum number of basketball courts, if you are using basketball as your model, and creating that much space to become a major attraction for indoor amateur sports in Charlotte. We propose a public/private partnership where tourism dollars could be spent to raise the floor in Bojangles, private money could come into play to build the middle building and refine the right management, operations and ability to market these facilities in a public/private venture. We also have designed a vision plan for the area that in first phase would be the raising of the floor in Bojangles, the addition of the middle building and also creating a removal of blight in the area so that we can make this a destination for amateur sports of an indoor variety and it would be a safe, a very pristine, a very new, a very attractive area for
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families who would want to bring their children to this area for indoor amateur sports. The recent economic impact report talks about the power of indoor amateur sports and the vibrancy that they bring to the community. We also have families in our community who don't like to always travel out to somebody else's community and be on the road all the time. Occasionally they would like to be home in their own bed and winning the championship by resting comfortably at home. There are many, many sports, indoor amateur variety that we could lure to this destination with a vision of this type.

Phase I would be to raise the floor, place the building and try and create some additional parking because Phase II would be to bring restaurants and maybe even a new hotel to this area and also eventually Phase III would be going across the street and finding a way to make sure that we are connecting across the street with some amenities in this particular space that has two hotels on it, the old bowling alley and former Pease Architect and then Monroe Road is back here. There might be a way to connect this facility in a grand fashion back to Monroe Road and ultimately redevelop that whole area to be a two-sided kind of development to both Independence and back to Monroe Road. As you are starting to see the collaboration that we have done as a staff, looks at infrastructure along Monroe Road, looks at infrastructure along Independence, looks at new creative ideas and tries to marry them all up so that we are really looking at a redevelopment of the Independence Corridor in a much different way than we've looked at it in the past and we are very serious about it because it needs help and we are wanting to make sure we are boosting it.

Councilmember Fallon said this is very ambitious. Have you costed out Phase I yet?

Mr. Kimble said we have an estimate and again we've got to go through a whole lot more to get to the final numbers, but we are at a \$60 million estimate for our first phase development. Ten to twelve million is a ball park estimate on raising the floor, another \$25 million for adding this building and another \$25 million for making sure that we are clearing the blight and we are creating the site prep and we are making this area right for redevelopment. It is using three different types of funds, tourism funds, CIP infrastructure and blight removal funds and private sector dollars to leverage one against the other to carry out the vision. That is a rough estimate because you realize we have been working as hard as we can to get the estimate at this point.

Councilmember Mayfield said how do you consider connecting across Independence?

Mr. Kimble said we are not willing to say we are going to have a direct connection because we've got to bridge across Independence Boulevard but there may be ways to use the greenway to connect back over here. This could be a park, it could be either development we haven't yet identified the specific use that would go across the street, but that would be a later phase anyway and as we redevelop this area and create the vision we would more readily define what would go across the street and what we would need to do to clear out some of the blight that is there now.

Ms. Mayfield said with some of the uses that were just called out, how does that fair in comparison with the presentation that was given last week for a proposal for baseball that we are looking at uptown?

Mr. Kimble said baseball is an outdoor venue. What we are talking about here is indoor amateur sports. We are not only confining our discussion of amateur sports to this location, this will become the indoor amateur sports mica or haven, but there are other outdoor facilities, for instance in Matthews, they are building the soccer and lacrosse and field hockey program and that is going to fit nicely with the region. There is also talk in smaller communities in Mecklenburg County of some of the things they are going to do and what we need to do is knit all this together for a holistic amateur sports set of facilities that serve this region very well. It is a regional view and this is part of filling that regional view.

Ms. Mayfield said I appreciate that clarity because I might receive some of those questions in comparison.

Mr. Barnes said regarding the raising of the floor, are you suggesting that we would use part of the CRVA budget to do that?

Mr. Kimble said we give to CRVA, according to formulas, a certain amount for marketing this community. We hold all the debt capacity monies on our side of the ledger. This would be working with CRVA so that they have prudent spending of their dollars and the debt capacity that we have and working together to create greater capacity for investment in this community. It is a partnership with CRVA and they have to constrain their spending and we have to invest our debt capacity in order to make these models happen.

Mr. Barnes said regarding the new building with the additional courts, that would be funded by the private sector?

Mr. Kimble said that is our vision and our intent to create the public/private partnership.

Mr. Barnes said the parking lots, the taking down of those dilapidated hotels, the creation of the space for a potential hotel or restaurants and the road improvements would be the city's contribution to the project?

Mr. Kimble said that is the intent too, the CIP dollars.

Mr. Barnes said where we see this estimated \$25 million for the Bojangles area redevelopment, that money is the third thing I just talked about?

Mr. Kimble said absolutely correct. By recognizing that it leverages \$35 million of other dollars and we are all about leveraging. We believe the job growth and economic life and economic vitality is best brought about in the future by leveraging and partnerships between the public and the private.

Mr. Barnes said I think that could be a really good deal for east Charlotte.

Mr. Autry said around the Bojangles area, is the zoning there now to do all of this or is that going to have to be changed?

Mr. Kimble said we will have to look at that. We have not really gone all the way with a deep dive of that, but we would need to bring back to you a more flushed out vision and all of the elements that go into making the vision a reality.

Mr. Autry said the same question on the previous slide?

Mr. Kimble said that is simply an infrastructure improvement project, but we could look at what might need to change along Monroe Road if we want to see a different kind of business growth.

Mr. Autry said once we determine what we want to encourage there?

Mr. Kimble said right. It is all about inducing and incentivizing to make happen.

Mr. Dulin said the CRVA money that you have said would be used for this project, and I think this is forward thinking and pretty neat. I think you all did good work thinking through this process. That building is the same age I am and I wish I could get a redo. That building has held up a lot better than I have. We are talking about CRVA money for this and we are talking about CRVA money for the baseball field because only a certain amount of money that we filter down after everybody else chews on it, they get to that tourism related expenditures.

Mr. Kimble said I want to clarify. We are talking about public dollars that come from the hospitality and tourism industry, a part of which CRVA gets and most of which the city retains on its side to build tourism assets in this community. That is what we are really talking about. The CRVA is important because they market our community and they run our facilities, but they don't get a majority of the money that parceled out for hospitality and tourism in this community. A lot of it is for debt on the facilities.

Mr. Dulin said but you can only use one pot of money one place. How are you going to do both of these projects?

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Mr. Kimble said we are collaboratively looking at that to make sure that we will have the debt capacity available to do these kinds of projects, and it is our responsibility to bring back to you the positions for the projects that we are putting out here and that would be our intent to do so.

Mr. Howard said can we get a report on how that works that Mr. Kimble just talked about, the debt service and what comes off of it. You are talking about money that fits in for baseball and this is CIP money, right?

Mr. Kimble said there are three different pots of money used for this vision. Tourism money for raising the floor. Private money for the new building and the general CIP dollars to clear the blight in the area and baseball would use tourism dollars. It is our responsibility to make sure the capacity is there to do the things that we are putting on your plate.

Mr. Howard said what I'm asking for is some information about how those tourism dollars come in, not necessarily how they are going to be spent.

Mr. Kimble said we will be glad to do that.

Mayor Foxx said I understand that there are folks who think that the hospitality industry funds these things, but we are being asked to spend public money and that is a distinction that I do not want to be left on the table.

Mr. Kimble said thank you Mayor, and that is why I started out with these are public monies that originate from people who stay at hotels and eat in restaurants. It originates there, but they are public monies.

Assistant City Manager, Ruffin Hall said I'm going to carry us through the last of the three corridors under the first category and then go to the second category which is connection and then move on from there. I do want to reiterate one point and I know it is going to sound like a broken record, but Ron, Julie, Eric and I get to stand up here and work through all this project work, but there has been a lot of energy and effort spent by city staff working across departmentally on creating some really new ideas. This has been going on for a little while, but I just put in my little two cents that I'm proud of the way the organization approached this particular CIP. We are doing it differently and I think those of you who have seen presentations before in this room and down at the dais can certainly appreciate how this particular CIP is different and that really started with an organizational effort.

The Northeast Corridor is the third area and there is five categories of investment. This particular corridor is getting a lot of attention obviously from the Blue Line Extension which ultimately will lead to a little over a billion dollars of transit investment from state, local and federal dollars. That particular investment needs to be leveraged to help capture the vision statements that you have identified as part of your February Retreat. The first is what we call NECI, The Northeast Corridor Infrastructure Program and that is similar to the SKIP Program, for those of you who remember the South Corridor. What does that mean? That is the funding that we use to help create connections between the transit stations and adjacent neighborhoods so they can be pedestrian improvements, crosswalks, median improvements, sidewalks, connections. On this particular slide you see several examples of potential NECI projects that help create these connections to the neighborhoods. That connection allows the neighborhoods and then hopefully also businesses access the transit stations. Other examples, streetscape, bicycle facilities, greenways, landscaping and lighting. That is the first area and that is all along the North Tryon Corridor, along the Blue Line Extension.

The second area is this icon, UNC-Charlotte's campus. That is a proposal from UNC-Charlotte for a partnership related to informatics. If you are like me, the first time I heard that terms I through well that sounds cool and informatics sounds exciting, but I didn't know what it was, so I went through a bit of a learning process. Informatics is an evolving area of very, very high level computer, analytical power that goes on to analyze data quickly. We have connection to an internet that are a thousand times faster than what we regularly go through and you have very high level computers able to analyze very large frames of data in a very fast amount of time. That allows you to do much more research and analytics than what you would normally be able

to with your normal PC computing power. The city has actually gotten involved with this at a much lower level. Some of the best examples of what is going on right now in CMPD relating to crime analysis is going through some software of analytics and it has been extremely successful in helping to identify crime trends and be able to address them. Also using some analytics work in our quality of life studies so that is an example of how it actually impacts the city.

This particular proposal is for \$10 million to up-fit some shelf space on UNC-Charlotte's campus. It is empty space on the 4th floor of their ... building that would construct, furnish and equip the space to allow a private sector company to come in and create a partnership with the Research Institution to leverage their investment and the research assets of UNC-Charlotte. This is an example of promoting jobs that is very consistent with your vision statement when you start talking about leveraging the local educational institutions to ... the economy with the talent diversity of ideas and business synergies. We would be creating an incentive and then a partnership to work with those particular units. Additionally, and not only the encouragement of high skills, high paying jobs, this leverages some federal research dollars that are out there looking for some connection. This is in the proposal stage and we still have a lot of things to do to work through this in terms of the details of how this would work and what potential partnership could be leveraged, but this is an example of the kind of things that are supportive of your vision.

The second area has to do with bridge connections to the Northeast Corridor area and there are two bridges particularly that I'm going to talk about. The first is the North Bridge, Research Drive to JW Clay Boulevard and the second is IBM Drive to IKEA Boulevard and the shorthand for this is North and South Bridge. The reason we are saying that is north of Harris Boulevard and south of Harris Boulevard is the two shorthand label. One of the things that can impede progress in this particular corridor is the way I-85 creates a significant barrier and separation to this particular corridor. It is not just about creating traffic congestion around W. T. Harris Boulevard and Mallard Creek Church Road, it also creates separation between uses. Employment centers in one area versus retail in another, neighborhoods from jobs, etc.

The North Bridge at I-85 to connect Research Drive to JW Clay. This will help to create some of those connections for those particular purposes, such as connecting the University Research Park to the Shops at University Place as well as Mallard Point. Also it would create connection for JW Clay Boulevard here which is a transit station. This is also consistent with the University City and University Research Park Area Plan so it is not just for economic development, but it is also for connections between those two areas.

The South Bridge, IBM Drive to IKEA Boulevard and University Pointe Boulevard, again it is consistent with supporting University City and University Research Area Plan, connects employment, housing and retail and services. In this particular case there is a lot more of an emphasis between allowing these folks in University Research Park Area, which has a large ... concentration center access to many of the retail amenities that are over here. Again this connection is able to facilitate that and it encourages mixed use development within the Research Park. Both of the bridges also relieve congestion at Harris Boulevard and Mallard Creek Church Road because you are able to create more connectivity across I-85. These are just bridge crossings, they are not interchanges so you are not going to have another intersection with I-85. These are specifically enabled for the local traffic to go back and forth across I-85 and the bridges will be built under urban street design guidelines, so sidewalks, pedestrians, bicycle trails.

Finally in the area of the Northeast Corridor is what we are calling Applied Innovation Corridor. I will try to give you some general descriptions about what this is. I would suggest that the concept here is more important than some of the specific projects that we are currently considering. The Center City 2020 Vision Plan recommended looking at targeted economic growth and industry recruitment in the Center City area towards UNC-Charlotte. This is consistent with what you talked about at the February Retreat, looking for opportunities in that 21st century job growth. What does the future look like and how can we create incentives for businesses and jobs that match what we are looking at going forward. Those kinds of jobs are an easy production, infrastructure, bio scientist, informatics, tech savvy companies, small business and entrepreneurship. This what we are really talking about. Where can we create a geographic

area that can create an incentive for small business, start-up and entrepreneurial activities. It is also relatively nearby the amenities of transportation, moving of freight, etc. in the center city area. What these projects as a part of Applied Innovation Corridor represent, the two purple lines, North Graham Street and Matheson Avenue represent streetscape and road improvements to create connections between those various areas. Graham Street, for example is a relatively narrow road, it has got limited right-of-way, adjusting the utilities and allowing that road to open up would create a much more positive amenity for that particular street. Matheson would be able to connect to the North Davidson area to this particular employment center area. There is also an alignment of Woodward Avenue and 24th Street intersection that needs to be improved. Then there are some other dollars out here available for leveraging other street connection and other private investment opportunities that may occur. One of those examples is the Statesville Avenue Landfill and we are always interested in looking for opportunities here. Some of this is not completely prescribed yet. This is a conceptual point in order to try to look for opportunities to pursue those particular types of jobs. Both for the informatics as well as the Applied Innovation Corridor in your supplemental CIP packet, Pages 5 and 6, there is additional written information that lays out those particular projects if you have additional questions.

Mr. Dulin said is that the last we are going to be into the corridor section of our conversation this afternoon?

Mr. Hall said yes sir.

Mr. Dulin said we are missing a corridor – the South Corridor. Do we have any projects or any discussion about helping increase traffic flow? Are we going to work in the south to help the people that are paying the bills?

Mr. Hall said we have some other projects in other categories that are in the south, these top three were specifically business corridor development projects from an economic development perspective. There is traffic congestion and some other things in this connection category I'm getting ready to describe in this next section. We are about 1/3 of the way through the projects and Mr. Dulin I appreciate the introduction to this particular section. A lot of what we described in that first section related to corridors is some dynamic and different ways that we are approaching the CIP. There are road and sidewalk and pedestrian improvements in those corridors that both Ron and I talked about, but the way we emphasized it and shaped it was more around an economic development framework. The vast majority of the money is still traditional city infrastructure projects. The public/private partnership money is in there, but a lot of it is road development, sidewalks, pedestrian improvements, and streetscape. Traditionally what you have in your CIP's in the past are more of these kinds of projects so increasing connections is more of your standard or typical transportation types of improvement. The purpose to these particular projects, while there is always a connection between transportation and economic development, is really for traffic congestion and other amenity types of purposes, which I will describe in just a second.

These are the five areas I'm going to talk about – Road/Infrastructure Projects, Cross Charlotte Multi-Use Trail, Streetcar Expansion, Traffic Control & Bridges and Sidewalks and Pedestrian Safety. The first area is Road/Infrastructure Projects and these are again more of your traditional road construction projects that are intended to address either specific traffic congestion or traffic safety issues as well as looking to leverage partnership, particularly with the State of North Carolina or with some development that has been going on, but it is really for our transportation related purpose. There are three and these are fairly significant dollars – Prosperity Church Road Northwest Arc, Eastern Circumferential/Railroad Bridge and the Park South Drive Extension. The first area for Prosperity Church Road Northwest Arc, this project completes the northwestern leg of the I-485/Prosperity Church Road interchange that was originally contemplated back in 1999. The easiest way to explain the tremendous need for this particular project is I-85 continues to be widened and constructed along the outside of the City of Charlotte, but many of those cases from a transportation engineering perspective, you have to be careful that the interchanges don't back up under the old model. If you have a lot of traffic moving down I-485, yet when they get off at the interchange it clogs up and backs you into I-485 then you really have not been able to mitigate the traffic congestion that I-485 has intended to do.

This is one of the key areas that has been identified as potentially could have a traffic problem if you don't expand the interchange area in order to accomplish the I-485 opening in 2014.

The second is the Eastern Circumferential/Railroad Bridge and this is the coordination with the State and is one of the areas that is an impact of that double track railroad discussion that Mr. Kimble alluded to back when we were talking about the Music Factory and also next month the Transportation staff is going to come and talk to you about the impacts that the railroad improvement that the state and the railroad are doing right now. This is one of those examples of a potential impact that is mitigated by the City's participation. This will construct the Eastern Circumferential road from Hanberry Boulevard down to Back Creek Church Road. This particular segment will be constructed by NC-DOT. The plan is to layer the intersection and build a railroad bridge over that particular section and if we didn't connect this particular section from Hanberry Boulevard to Back Creek Church Road it would simply stop, but by connecting up the roadwork and the bridgework that the state is going to do for the railroad project and creating those connections they have created a smooth flow in traffic pattern of Mallard Creek Church Road down to Back Creek Church Road. That mitigates a potential problem from the railroad crossing.

The third is Park South Drive Extension. This is in the SouthPark Mall area and would extend Park South Drive, a two-lane street from Fairview to Carnegie Boulevard. There will also be some east bound left-turn lane improvements on Fairview. This really just helps to mitigate the traffic congestion that sometimes occurs in the Fairview Road area by creating more of a grid pattern transportation network in order to access the various retail areas in SouthPark Mall. This is also consistent with two rezoning proposals.

Mr. Dulin said that is a dream. It is within 20 feet of the corner of a six-story building. It is easy to make a slide of what we want to do and we've talked about that every time a rezoning comes up at Carnegie Boulevard. It comes up and people are very passionate about it and it actually would be a nice project, but it squeezes the building on Fairview and it squeezes the back side of Piedmont ... or within feet on the eastern side and we are not talking but about 1,000 feet and that project. I would love to see you all come out there and try to building that thing, but nobody has talked to the people that own the building.

Mayor Foxx said would we get a response to that?

Mr. Hall said this particular alignment isn't to go through the building. It is to go through the parking lot. There is an alignment that can go through that particular area. There is a two-level parking deck in the back that is underutilized that would be impacted by that particular movement, but the traffic related impacts in this particular area led us to make the recommendation.

Mr. Dulin said you can recommend anything.

Mr. Hall said this is the early part of the process.

Mr. Howard said I know one of those rezoning on the back on Carnegie, didn't we ask the developer to reserve that space to bring that road in?

Planning Director, Debra Campbell said I do not know all the details of that proposal but I will be happy to provide you with additional information.

Mr. Dulin said I know that the neighbors on all sides, including Piedmont and the people on Wintercrest, would like to have that connection done, but the reality of getting that connection done is very, very, very complicated and a long process. It will certainly outlive my public service and it might outlive my life.

Mr. Hall said the next proposal is something that really does represent a difference from how we approached the CIP in the past. This is a proposal to create a connection of a 26-mile trail from Pineville to Cabarrus County. Cross Charlotte Multi-Use Trail, a 26-mile proposal for purpose of really two things. One has to do with transportation opportunities, multimodal transportation
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option for folks to provide as a recreational area, but also to get to jobs or to get to other places. There is definitely a great interest within the community for bicycle and trail amenities that are off street and the majority of the proposed trail that the county has put forward is off street, meaning we are not competing with street traffic in order to go down those particular trails. This would provide also significant economic development impacts in terms of areas adjacent to these particular greenways and trails, but also it is considered to be a key amenity to many of the folks in that create class. These are the kinds of things that help recruit and retain creative class types of jobs and this is one of the reasons why our folks brought this forward as a new idea. Our proposal is that we partner with Mecklenburg County which has some greenway bounds that are out there. They've put most of that money on hold for now, but we believe that by putting forth \$35 million and partnering with Mecklenburg County we can figure out how to accelerate the completion of this particular trail in a much more reasonable format. One of the things that we've talked about is looking at ways where the city can provide investment and expertise in areas that are much more suitable for our types of engineering and technical work. For example, the segments that are in this downtown area that are crossing major intersections or are highly urban in nature, we are in that space a lot and some of the easiest segments to do on a greenway or trail in a suburban area, it is simpler to implement. We believe that if we partner with the County and bring some of our urban engineering technical expertise to the table we will be able to expedite, accelerate and make this project happen. Otherwise we believe it is going to be a very, very long time for this to ever come to fruition.

Mayor Foxx said in terms of the alignment, I assume there was some thought process that has gone into the particular alignment there. Can you shed light on that?

Mr. Hall said there is a general alignment in place. I say general, consider it a magic marker broad, not a pencil, so you have a general alignment area that is already on the table that the County has considered, but when you get into actually setting the trail on the ground in some of these areas it would require additional design, engineering and planning and even working with property owners to figure out where that specific alignment would be. In the areas that have been completed, such as the Little Sugar Creek, obviously that is a specific alignment and it has been completed. Much of this, particular through these areas of North Tryon Street, etc. we would have to go down the path of planning and design exercise to figure out the specific location for much of the alignment, but a lot of it is already in general concept.

Mayor Foxx said I think the greenway as it is, is one of the most transformative things that has happened in a long time. If we were to embellish what is there I hope we are taking a 360 look at it because there is some transformations that can happen at Stewart Creek. There are some other directions you can go in, but I just want to make sure we are thinking about there are other ways that we can forge this connection.

Ms. Kinsey said I am very familiar with what has been built and know the route all the way to South Carolina along the creek. What about going north, are we going to find a creek to go along because that is sort of what draws people I think, or some amenity like that. I'm not familiar enough with the creeks up that way to know if that is what we are trying to do.

Mr. Hall said in your CIP packet there is a greater description of that on Page 12. I recall that Toby Creek is one and there is another creek referenced.

Transportation Director, Danny Pleasant, said there are a number of creeks and greenways which are largely out of sight because they are in the wooded areas. The portion to the north is going to be more complicated. Toby Creek is the piece you see over by UNC-Charlotte so this will connect UNC-Charlotte and some of the greenways will feed into that. There is Mallard Creek and I think Clark's Creek feeds into that all the way through the NoDa area into Little Sugar Creek.

Ms. Kinsey said I'm a little uncomfortable with us saying that we could do this better than the county because of our engineering expertise because they have done a good job.

Mr. Hall said to that point I wouldn't suggest that we can do it better. I believe you notice in the write-up, we've had preliminary conversations with their staff and they are interested in
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partnering with us as well. We would do it as a joint expertise, not one does it better than another, but we are in a position because of our normal real estate and engineering staffing levels to be able to accelerate things in ways they are not currently staffed for. To them that represents an opportunity. That is an excellent point. We are in this to create growth and that is an urban situation so they can clearly do it. One more point that the Mayor raised in terms of opportunity and leveraging opportunities, another reason to be in this business is if the city is involved in a partnership with the county then we can ... where the alignment goes. We can start picking up some of those opportunities that may be as a part of your vision and your direction about some of goals and objectives whereas otherwise that opportunity isn't there.

Ms. Kinsey said actually the city has partnered with the county because we have done those bridges and the county in meetings recognizes that, so we already have that partnership.

Mr. Hall said it has been a very positive conversation with the county staff to explore that.

Mr. Hall said the Streetcar is probably the most prominent project proposal in this particular package. It has obviously gotten a lot of attention over the last several years. The Streetcar project is included in the 2030 Plan and it was adopted in November 2006. Currently, there is no funding available in CATS long range financial plan for the Streetcar. We are all familiar with the impacts of the ½ cent sales tax and what it is currently able to do associated with the Blue Line Extension and basically run the operations in the bus system. There are really three rationales for putting the Streetcar on the table at this point. The first is economic development and redevelopment of some of our critical areas along this particular alignment and we've talked about that before. We've all gone through those particular discussions in terms of what Streetcar can do in terms of encouraging development around the area. Also and perhaps not to be underestimated, the second reason is it also corresponds to two of the top three busiest bus routes the city has. Route #7 which is Beatties Ford Road and Route #9 which is Central Avenue is some of busiest buses that CATS runs in its current configuration. It corresponds to a lot of folks using that particular area. Finally this particular proposal makes key connections going from French Avenue to Sunnyside Avenue between the Arena Transit Center Area and Gateway Station. Those are going to be critical transportation hubs for the city under your long-range vision of the community. How that particular occurs, how that particular gets built are going to be critical infrastructure changes that will impact the community for quite a long time and I think everyone in here would agree with that. This also creates links between key downtown educational institutions as well. Johnson C. Smith, Johnson & Wales, CPCC and we are talking about connections with Presbyterian Hospital and this is probably one of the most difficult segments associated with going through the uptown area. This is able to accomplish the hardest part in terms of the engineering and design criteria.

Just to clarify, this segment here is what is currently funded under the rough description of the Elizabeth Avenue area. What we are proposing to do is to fund the yellow line here west to French Street which is just past Johnson C. Smith and this segment to Sunnyside, which stops just short of Central Avenue. One of the reasons this stops at Central Avenue is there is significant costs and intermediate issues with jumping over the CSX Railroad at that particular point. It is also limited by funding. This proposal to construct the yellow is \$119 million. So of your package, this is \$119 million for Streetcar going east and west. There is a supplemental map in your handbook that shows a little bit more in detail about where that is the case. For the remaining segments going out to Rosa Parks and Eastland, those areas can certainly be considered in the future as funding becomes available.

Traffic Control and Bridges – Upgrade the traffic signal system and control devices, those are standard improvements and those particular improvements do the most to impact traffic congestion than just about anything we do. That has to do with replacing the control devices on the controller, signal surveillance camera as well as the cabling and connections to the intelligent transportation system that allows CDOT folks to control how the traffic lights are timed from a remote location.

Ms. Kinsey said I want to know who cut down all those trees.

Mr. Hall said this particular slide was for the bridges – the repair and replacement of bridges program and as you can see we replaced the bridge at Highland Avenue and I am not immediately aware of that. Danny or Jeb do you have any idea about the changes here?

Ms. Kinsey said we are supposed to be planting trees, but they have cut down the trees.

Mr. Walton said we didn't cut down the trees. Focus on the bridge.

Mr. Hall said when they see these particular views and the age of this particular bridge, and this is some of the core infrastructure. The new bridge is obviously reconstructed and makes it safer so this is a bridge safety issue. Sidewalks and pedestrian safety – the sidewalks program is something that you have been committed to for many years. The sidewalks program has adapted over the last several years to looking at areas primarily related to thoroughfares for traffic safety purposes. These two slides just show you illustrations on Ashley Road and that particular project I believe is funded and currently in process. Raintree Lane represents an after in terms of what that can look like once those thoroughfare sidewalks are constructed. I want to emphasize that there are sidewalk projects throughout this particular proposal so a lot of time there is confusion and it is understandable when we say the city sidewalk program, they think all the sidewalks come out of this one program. There are sidewalks associated with neighborhood improvement projects and we do that a little bit differently, a lot of the economic development proposals we just talked about have sidewalks in them. This is a program that is particularly designed around thoroughfare sidewalks and in the past has had a lot to do with sidewalk petitions and collector and local streets. We are contemplating as a part of this proposal to continue to refocus our efforts on sidewalks as it relates to traffic safety, particularly on thoroughfares. The pedestrian safety element of this particular program used to be in a separate component of the CIP and we are proposing to put those things together. Pedestrian safety projects would include things like school zone flashers, marked crosswalks, and raised crosswalk areas the countdown pedestrian signals, pedestrian refuge areas and pedestrian improvements. Those kinds of things that can help the pedestrian move safely across some of our roadways. This is really a traffic safety program that we are going to continue doing going forward.

Mayor Foxx said pennies for progress is not completely what this is, but it is sort of that and tiering projects to certain fixed points in time so that citizens know what is coming when and we actually deliver those projects at that time because in the past we've said here is the project, but the schedules have been more fluid in terms of when the projects actually get built. Is there a way we can deliver our guarantee to citizens about what will happen when.

Mr. Hall said yes sir. As you may recall in the past we've had the three year vote to drive program. That was back in the late 90's or early 2000s which was a pledge that road projects would be completed by a three year period. There is a lot of factors that have contributed into that which makes that harder to obtain, particularly as it relates to some of the contracting and bidding, but that has always been the staff's priority to be in that framework. Another thing that we would need to do as a part of this package, this is an 8-year program so ultimately, and this will require some discussion with this body, is to go ahead and show what the projects are in that 8-year framework by bond referendum so that you can have some predictability about when those projects will be on the ballot and then how soon they would be able to occur. As to the pennies for progress point you made, we actually did discuss that quite a bit from the framework of that as being another funding alternative but at the end of the day we felt the timing was just not appropriate at this time to be putting that on the table. We gave that a considerable amount of thought.

Mr. Walton said the pennies for projects model we do think is a good idea and is probably something we should talk about before the long session. We didn't think there was any chance in the short session. It would be countywide so we would have to work more broadly at the rate, but I think if we targeted the interstates and the state roads that probably would resonate pretty well. We support it but thought it was not the time now but would like to have that conversation in the second half of this year.

Mayor Foxx said as far as our capital program is concerned, in the past I think we have been able to say here are the projects that get funded through this particular bond package, but I haven't
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always gotten that we've been clear about, we've had targets for completion but actual completion has been a little more fluid based on what the program is and my question is can we be precise this time and deliver a promise that project is let in this bond year and it will get done by X point in time.

Mr. Hall said we can be precise Mr. Mayor as it relates to some of the projects better than others. For example in the past we have been able to predict pretty well about the completion of road projects that are pretty straight forward, but the neighborhood improvement projects are much harder to predict and that is because the public use of process for those kinds of projects is so much more elaborate. The staff can put forward a timetable, but if the neighborhood has some competing interest and they require \$10 million instead of \$5 million that can slow the process down. I think we can certainly put forward the projects with a proposal about when they will be done, but what I would say is that on some of them that would involve the public dialogue or involve the public/private partnership stuff, that schedule is harder to predict.

Mayor Foxx said this has been a product of a long period of time of trying to push and pull each other to re-imagine the way we do our capital planning. In a time when so many businesses and so many families are kind of stressed and still climbing out of the dungeons of the recession, I think what you are putting forward is something that at least provides people a certain baseline level of certainty about what the tax rate would be over a longer horizon on the one hand, but I also think part of that has to be some real precision on what is going to happen, when it is going to happen and when it is going to get done. For those who vote in 2012 to something this bold, you want to have some confidence that it will actually happen in the future and you don't control public referendums, but you certainly can control some of the other parameters around which this kind of thing happens. I would ask for your sensitivity and attention to that. In the past I've asked you this question about what a penny on the property tax correlates into in terms of bond capacity, fluctuated from various years. What is that currently? How are you estimating that correlation now?

Mr. Walton said in the past we have said things like a 15 to 1 ratio for every dollar, but since this is over such a long window the cash flow goes with the projects in the different years. I don't know that there is a correlation that I can give you on this one. It would be much more than 15.

Mayor Foxx said will we have the ability to lock interest rates in at the time the Council would vote on this or would that happen over that 8-year period?

Mr. Walton said we would have to do at the point of bond sale. We've made assumptions but they will increase. We can't lock in more than when we are ready to spend because once we sell we only have a limited time to spend.

Assistant City Manager, Eric Campbell said I will be beginning the Improving Communities part of your conversation and I will walk you through some of the public safety projects as well as some of the maintenance facilities that we will be discussing. Looking at the Public Safety Facilities the CIP program actually has one joint communication center. I think you were introduced to this concept a few months back when we were actually acquiring land for it, also 6 Police Division Stations as well as land purchases for future fire stations. The Joint Communication Center is really a great collaborative effort between our Fire and Police Departments. As you can see from the slide, these are the agencies and functions that will be located within the Joint Communication Center. One of the things I would like to elaborate on is it would be a permanent EOC (Emergency Operation Center) for us right now. Currently we do not have a permanent center and we are using the Police and Fire Academy as such. This would give us a permanent home for that function. Also one of the things I wanted to note is it does not have medic on that list. We have been talking with medic as a potential partner in this project and as we move forward we will be providing the space and accommodation to it, so they have decided the time is right to join us in this endeavor.

The Joint Communication Center allows the receipt and dispatch all emergency calls from one location and alleviates the need of having calls transferred from other remote areas. 911 call takers will be able to enter a call directly and to the computer aided dispatch and dispatch from their position. This Center will also facilitate cross agency dispatching among the assignments

of Police, Fire and Medic if they end up coming into the building. We will also have the capability as a regional dispatch center once this is up and functioning forward. We will operate on the one system concept giving everyone access to the same information without duplicating systems. It also facilitates the communication among agencies that is critical in emergency operations so we would have everybody together, using the same system, giving the same information at the same time. The results is a greater use of operations, increased efficiency and better management of the overall system of joint communication among the public safety entities. It ultimately provides better service for our citizens at a lower costs because you would have everybody centralized, which would be a great help. It will also allow CMPD to reallocate some of its space that is now being used by their communication purposes in the headquarters to be relocated and give them the option to reallocate the space they have actually given us a longer lifespan on the Police Headquarters at this point. In addition we are also including the six Police Stations. All Police Division Offices will be designed to adhere to the Department strategy of neighborhood services at the neighborhood level. CMPD has clearly stated that they would like their Divisions centralized within their Divisions, located in areas where the presence of police facilities can enhance the local neighborhoods, a higher level of visibility to the public and accessible to public transit and provides work areas that facilitate communications among their Division personnel. Also provide adequate parking for vehicles. It would be a facility that could work in the neighborhoods with the community for community meetings and allow room for growth as additional personnel are added. As you can see these are the Divisions that are proposed. I would like to note that there are four stations currently in process which is the Providence Division, Eastway Division, Steele Creek Division and Metro Division. Some have been completed and two are actually on the drawing board now to be completed.

Mayor Foxx said as we consider adding assets into the area, are we correlating that with any added people power and if we are, can you shed light on what the operating budget looks like in that 8-year period. Are we looking at any operating increases over that 8-year period?

Mr. Walton said we are not looking at operating of 8-year period. Year 2013 is the second year of a two-year budget and we look into the next two-year windows, but that is as far as we go. I think we know at some point we are going to need to add the 14th Division so that will probably be in that 8-year window, but we haven't projected on the operating side in the same way.

Ms. Fallon said I don't see a North Division and that is your largest Division up there without a house. It is the largest one in Charlotte and isn't it supposed to be broken up?

Mr. Walton said the University City Division?

Ms. Fallon said no, University City is different than the North Division.

Mr. Walton said I don't think we know that one Division will be split in half, making the 14th. I think all 13 would probably be reconfigured to make the 14th.

Ms. Fallon said it would the other end of Harris because that is where it is now but it takes in Highland Creek, down by NorthLake that whole area. University City is different and there is a temporary North Division there now.

Mr. Walton said we will get that answer for you. We went down the priority list of the Police Master Facilities Plan. I'm sure it is something the Police have taken into account, but I can't really address it. We'll get that for you.

Mr. Campbell said one of the things I would like to note in the development of the CIP, as you can see the Western Division, Hickory Grove Division and University City Division are locations that Neighborhoods and Business Services were partnering with CMPD. One of the things that the Manager has strongly stressed for our Department is an effort of collaboration and Neighborhood and Business Services has definitely taken the lead in working with CMPD and altering their service area plans to mirror the division boundaries so they can overlap in services, therefore providing more comprehensive services to the neighborhoods within the community. This CIP mirrors that effort to make sure that we are providing comprehensive services to the citizens in that method.

Moving on to Maintenance Facilities, there are two that we are proposing, the Northeast Equipment Maintenance Facility as well as the Sweden Road Maintenance Yard Replacement. The city has not added a heavy equipment maintenance bay since 1981. They are currently in the process of adding two at the Louise Avenue facility. The size of the city's equipment fleet has more than tripled since that same time so the equipment that is now being purchased is bigger than most of the current facilities that we have. Especially we are looking at fire trucks and tandem vehicles and things like that so we need the facility available to provide the maintenance on these vehicles. As for the heavy equipment maintenance base contributing to the length of time heavy equipment maintenance cycles times are available. The lack of maintenance base also contribute to the reserve fleet requirements where the reserve fleets need to be available to cycle in and out. The location of the Northeast shop would greatly reduce the crew down time for CDOT and CMUD so that is our advantage of creating the Northeast Equipment Facility.

Looking at Sweden Road, the facility was not designed as a maintenance facility and there are many environmental things we need to make that more effective and efficient to us. The equipment the city is purchasing is bigger and often takes up to three bays to do one vehicle, so improving and renovating that would provide us the access to definitely improve that. We also have the working conditions, the locker rooms, the break rooms are marginal at best at that facility and the property has a higher better use if property developed and given the proximity to the light rail and other development that is going to be occurring around it. Those are the main issues around the maintenance facilities.

Mr. Dulin said in 2006 or 2007 we were considering selling the Sweden Road facility.

Mr. Walton said that has changed because of market. Steve Harris owns a lot of the land around it and was interested in buying it. I don't think that interest is there now so that is in the latter years of these 8-years and it gives an opportunity for the market to come back and for us to decide if it is the right place. Right now I think it is but whether it is in 2018, it might not.

Mr. Dulin said are we going to put too much money into it to make it feasible to sell?

Mr. Walton said no, what we did before, I think we had some pretty deplorable working conditions out there so we fixed those. We wouldn't put any more money into it until we make a decision on final stay or go.

Mr. Dulin said so right now this is the wish list.

Mr. Walton said it is not a wish list. It is something that we would plan to do. It is just whether we do it in that location when we get there. It is right for transit development and we would be glad to move somewhere in the vicinity and build somewhere else. It is something that we believe is a need, it is just at the later end of the 8 years.

Assistant City Manager, Julie Burch said I don't believe there is anybody behind me. We are almost to the "good night" part. I am pleased to be able to stand before you and present the last two elements of the proposed Capital Improvement Plan, and we do thank you for your attention this afternoon and the questions that we have received. One of the things I want to do is to acknowledge as we enter into the discussion about Affordable Housing, acknowledge Neighborhood and Business Services, particularly Pat Mumford and Pat Wiedeman and their team for helping to develop this proposal. As shown on the slide we have six components to the proposed Affordable Housing matter, \$60 million over 8 years. This proposal would continue to build on the strong commitment that this Council has made over the years to affordable housing. Please keep in mind that we as a city don't actually construct affordable housing units, but we do provide a good portion of financing to match or assist private sector financing of affordable housing and also in terms of matching state tax credits set aside as well. The city funding would assist private or non-profit developers with the construction of many affordable housing units. The acquisition or rehab of existing single family or multifamily apartments which have been foreclosed upon or which otherwise might be in financial distress or in need of repair. The program would also devote funding to supportive services housing and that would provide funding to developers whose developments include services for residents such as employment

training, health care access, mental health counseling and substance abuse treatment. In that way those services would help those homeless residents get on their feet and hopefully transition into a more permanent housing and employment situation. There is listed there incentive based inclusionary housing and the funding under that component would be a case subsidy to market rates, private developers who set aside a portion of their development for assisted housing. This would be an additional to a voluntary density bonus. This particular aspect is actually anticipation of recommendations that will be coming to the Council later this year related both to that density bonus piece as well as the case subsidy. There have been stakeholders involved in that effort for the last several months. As a direct result of Council's adoption of an incentive based inclusionary housing action plan which Council adopted in June 2011. There has been a lot of staff work, particularly led by Planning and Neighborhood and Business Services in developing the horsepower behind that particular component. You will be hearing more about that in the coming weeks and months.

As I wrap up this particular piece on Affordable Housing, just to point out the obvious, and the need for affordable housing continues to be quite a challenge for this community as well as communities across the country. Affordable means no more than 30% of monthly income being spent on housing. For many folks in our community, housing can consume up to 60% of monthly income. Recent studies indicate that there is a need between 17,000 and 24,000 affordable housing units in Charlotte. Just as a reminder, the targeted income for these kinds of programs listed on the slide is families or individuals making 60% or less of median. For a family of four 60% of median right now is approximately \$41,100 per year. This proposed funding is meant to meet the basic need for housing for those in this community who find themselves challenged by that.

Moving on to the last component or the proposed CIP, and that is the Comprehensive Neighborhood Improvement Program. We are proposing \$120 million over the next 8 years. These improvements are the traditional infrastructure that we think about when we think about neighborhood improvement programs. As you know the city has done a lot of infrastructure work over a lot of years with bond money under the banner of neighborhood improvement. This previous NIP has consisted primarily of stand along projects, met neighborhood needs, but they were really not looked at as part of a broader, more long-term strategy. We are calling this proposal a Comprehensive Neighborhood Improvement Program for a very deliberate reason. We are suggesting that we take a more strategic long-term thoughtful look behind the what, where and why in terms of the city making infrastructure improvements. We believe that this supports transforming the city into 2020 just to reflect back on the work that you saw 2 or 3 hours ago by now, in terms of the presentation. The basis for the neighborhood improvements would be the adopted area plans along with additional stakeholder input. This would definitely involve a lot of partnership and bringing people around the table, and I will talk about the areas we have in mind in a minute. What we want to do is better connect literally and figuratively the various public and private and non-profit assets in the community and then couple that in coordination with public safety, code enforcement, social services, education, to bring kind of a totality of resources and focus to a particular area. Again, rather than stand alone projects that met an individual neighborhood need we are looking at a broader geography and how we can not only improve a particular neighborhood, but how can we connect adjacent neighborhoods as well.

Mayor Foxx said I want to interrupt for a second and applaud the staff for what I think is one of the more transformational things you all have done that fits squarely within what you are talking about. We interrupted our retreat a couple of years ago to go to the Project Lift announcement, but allowing Project Lift to make use of one of our neighborhood buildings I think is a huge transformational collaboration that we've done. We've given them value or adnominal amount on an annual basis and I think that speaks to Neighborhood and Business Services and Engineering and Property Management and others working on that, so Curt and to your staff I want to say a big kudos to you. It is not always about spending money, but sometimes about using assets differently.

Mr. Dulin said along this line I want to say there are examples of how the city is very nimble. We are all working in our areas, etc. but a couple of years ago I met and spoke with a couple that don't live too far from where I live and I didn't know it, but they had a physically challenged

child and they were not able to walk on their street very well because the streets had been constructed so long ago that the curbs were real high. I brought it to Danny Pleasant's attention at just the right time and Danny got on it and DOT got in and in a very quick number of weeks and months they got in there and made ADA curb cuts along this street so this couple who physically have to walk with their son, one on each side, could go for a walk around their neighborhood. That was pretty cool and nobody knows what happened, it just showed up which I thought was pretty cool and Danny and DOT got on it quick. There are examples of this kind of thing, not only now but in the past. I see Danny sitting over there and I don't know if I ever thanked you Danny, but you really changed that family's life, so thank you and the folks that work for you.

Mayor Foxx said great comment, absolutely.

Ms. Burch said I would like to talk a little bit more about the collaboration piece. Mayor, as you pointed out this does represent that and I definitely want to acknowledge the role of our Staff Community Tablet which is a group of city, county, CMS, Foundation for the Carolinas, United Way, but a group of folks that come together every month and a lot of the ideas and thought behind the CNIT came from that group and particularly led by Tom Warshauer and his staff and I want to definitely acknowledge their hard work in doing that. This does require us to look at things differently and to the idea and the characteristics that we are using to select areas through this, those characteristics include not only certainly the basic infrastructure needs for a particular area, but opportunities for public/private and non-profit collaboration and partnership, strong existing community partnership, and those might with the schools for example, certainly opportunities for private sector leveraging and participation and finally geographic and urban suburban balance. I think you've heard a full year throughout this presentation today in terms of partnerships, collaboration, leverage, and a whole host of other investments in the community beyond the City of Charlotte. That is what this is all about as well.

Here is the map of the communities we are proposing be targeted for the new and improved, if you will, Neighborhood Improvement Program. The selected neighborhoods represent a combination of targeting revitalization in established urban areas as well as addressing emerging issues in the newer suburban areas of the city. They are listed on the slide and in your packet, starting on Page 18 in the supplemental CIP information, you will find profiles of each of those areas, at least in a preliminary sort of fashion in terms of assets, challenges and opportunities that the staff has already identified for each of those. The planning process would start with the area plans for each of these areas and each of them have at least two to build upon and then there would be intensity stakeholder processes to develop economic strategies and action agendas to jointly plan with the community and folks that live and work in that area, of they could live and work in that area in terms of private investment in particular, in terms of how that money would be spent, how that city infrastructure dollar would be best directed.

Staff believes that the economic and social challenge that we face as a community indeed requires a new way of thinking about how we go about making our infrastructure investments with the limited dollars that we have. We believe that the Comprehensive Neighborhood Improvement Program is a way to help address these challenges that the community faces and fits quite nicely with the rest of the package that you have seen here this afternoon.

Mr. Walton said while the package is different the state law on how we put things on ballots is relatively prescriptive so it would look similar to what it has in the past. We have tried to give you an estimate at this point of how much would be in each year and which of the three categories. Facilities and equipment, those are certificates of participation, and that means it is not voter approved debt. That is the cheapest and most effective way to do buildings and by far, and remember the amount of \$236 million is public safety, particularly in the first year, the \$155 million. That is the way we see it right now. We are still working with the cash flow and Mayor to your point, what we can be sure we can get done and what needs to be pushed out. The distribution may look a little bit different the next time you see it, but that is essentially the way we are seeing it right now. It is very consistent with what we have done in the past as far as these micro categories, transportation has always been our largest component of the General CIP and it would continue to be with public safety facilities and affordable housing neighborhoods in roughly the same portion. We know this is a tremendous amount of information and that is why

we did it two months early. We want to give you the time you need. We have a Budget Retreat on April 11 and this would be one of a number of topics that day. If you need additional information, feel free to let us know and we will be glad to walk through any or all of it and if not we will be back on April 11th. Budget presentation as we amended at the Zoning meeting is May 9th. A week later would be the time to add things into the budget or take things out of the recommended budget. The Public Hearing is May 29 and then Straw Votes on May 30th and Budget Adoption on June 11th. From this point you have 2 ½ months to budget adoption.

The operation budget, I should have addressed earlier. We did not see a major change there. Our main focus is being able to manage fuel prices and deal with compensation. There is not going to be anything terribly significantly different about the operating budget, but as you can tell the capital budget is going to be different enough for all of us.

Mr. Howard said the first thing I want to do is say Whoa. That was an impressive presentation and I think I want to comment you Curt on it being not only well thought out, but going to the level you did and being creative as well as looking at projects that would be transformational was impressive for me. One of the things Mr. Dulin alluded to earlier, and I am assuming you were going to say what about South Charlotte, I think the point of what I saw was an effort to make sure we start to spread that based that you probably talked about earlier of being concentrated into one area. If we can start figuring out how public infrastructure dollars and public investment to spread that growth around the city so we are not concentrating in one area. To me that is what the point of this was and I want to make sure that we concentrate on that being the focus from the beginning of this conversation and not necessarily that we just spread it around. The point is to spread the investment around so we can start pulling the tax base from being concentrated in one area. One of the things I didn't hear you really talk about is how important this is to the bond rating of communities. The fact that we haven't had a CIP and if we don't do something to deal with that, how does that affect us in the future and how do you see these projects playing into making them feel more comfortable about out tax base being stable?

Mr. Walton said I think it is critical to our relationship with the bond rating agencies. As you know if you lose it, it is really hard to get it back and our borrowing costs go up. There is a practical cost of losing it, but I think the bigger thing is we have been AAA for 40 plus years and it is really an indicator of a well managed city for all of us. It is something that is very important that we be able to tell our rating agencies that we are planning for the city in the future.

Mr. Howard said one of the things that was new information for me on Council was how important a message it was for us to have a healthy CIP program for the rating agencies. Could you explain that and why that is important?

Mr. Walton said they know Charlotte's reputation and that we are a fast growing community so we will need to demonstrate for them that we cannot only meet the needs of the future, but they also know these trends. They do a lot of homework in the post 2008 era. They do a lot of homework on communities and they know these trends also. They will want to know how we are going to address those trends going forward and how we are going to reverse those trends. It is a multilayer conversation that we have to with them. By the time we get there they are not as interested, in my opinion, as what you are going to do, as that you are going to do it. They leave what you are going to do up to the local community, but it is very important for them to see long-term investment.

Mr. Howard said it seems to me that this was a fairly intense conversation with you and your key staff about what are the most important projects. I was wondering if you could shed some light on how you dealt with pulling these out and what didn't make it. How did you figure this out because I would suspect that there was a lot longer list than what we saw today.

Mr. Walton said there is, but I would say in most cases what got pulled out were bigger versions of these things. We could do \$400 million in neighborhoods so it is a matter of culling it back to what we think we can get accomplished and what we can finance. We will need to back and look at the list because it has been a while, but I wouldn't say there is anything significant that I can think of that is left out, but almost everything is smaller.

Mr. Dulin said you mentioned \$236.5 million and all or most of that is for public safety. When we hired the additional police officers with the recovery money, did that set aside enough money to cover their expenses after the three-year fan out? We are about there now, are we not?

Mr. Walton said 2015 so we are getting close.

Mr. Dulin said that \$236.5 million does not include money to start covering those officers. That model that we set up a year ago is still in place and working. Is that correct?

Mr. Walton said yes sir, on the operating side.

Mr. Dulin said the \$236.5 million is additional public safety dollars?

Mr. Walton said it is additional facility like the Communications Facility. These are all hard costs.

Mr. Dulin said haven't we already modeled and have planned for the purchase and the payment of the new facility, the fire, police and medic?

Mr. Walton said no, we've done the Fire Admin Building which is on Dalton. We've bought the land for the Joint Communication Center, but we haven't budgeted any money for the construction of that. That is what is in that \$236.5 million.

Mr. Autry said as my district looks at the next phase of the NCDOT Independence Freeway Project, one of the things that keeps coming up are the things like the brick wall that are the confluence of Albemarle and Independence, also on the other side where they are following the Pierson on ramp to Independence and then in Chantilly and along Hawthorne. Who built those?

Mr. Walton said who would build them going forward? The state does build some but they build generally cement blocks with some kind of ... on it and they do that fairly rarely. I think the only wall that I can remember that we built was the wall between I-77 and Greenville and that area on I-77 north. It is a discussion that we have with the state and they generally don't do it. We generally haven't done it either because there could be so many of them. Councilmember Pickering got a request over the week-end about the same thing relative to I-485 and McKee Road and it is the possibilities are so many for those walls we have chosen in the past not to get into that business. I think if it were going to be built and especially if it were going to be built something other than a concrete wall it would be us.

Mr. Autry said did we, the city build the wall between Albemarle and Independence?

Mr. Walton said no.

Mr. Warshauer said at Eastway/Sheffield, that was NCDOT that built that.

Mr. Walton said I don't think we have building any walls have we?

Mr. Pleasant said that was a number of years ago, but NCDOT does build walls. We went into an agreement with them to pay them the incremental costs of the brick work. We have done that in a number of sites around the city.

Mr. Autry said as we are looking at the interchange that is coming on line at Sharon Amity and Idlewild and Conference, we would certainly like to see that continuity continue out with the project. Is this the cycle to have that discussion or would that be in the next budget cycle as completion of the road is to be more along line.

Mr. Walton said I assume the construction would be in the next cycle, but there is nothing in here now for that sort of thing. I think this cycle would be the time for the conversation. It is definitely a problem because it is quality of life, but the new section of I-485, the last segment, we will have it all through there. It is the kind of thing that once you start it is hard to know where to stop and it is a very expensive proposition.

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Mr. Austry said I understand that, but you also understand that the concern that we have looking at what we are up against already that we at least have that kind of continuity to continue.

Councilmember Cooksey said if you could go back three slides, could I get the distribution of capital funding? About how much in approved general obligation bond debt are we planning to issue for this fiscal year from what has been approved in the past?

Interim Budget Director Randy Harrington said the amount that was approved was \$203.6 million.

Scott Greer said we generally do 70-90 range because of the commercial paper program and we actually are in the process of issuing real GO bonds but they are from the previous commercial paper program, but it is generally in the 70 to 90 range.

Mr. Cooksey said so it is safe to say that per year when we have GO debt approved, we are going through it at the rate of 70 to 90 and maybe \$100 million per year. What leads me to wonder about that and I look at this in terms of distribution of capital funding in proposed future referendums is that based on the capital for FY11 we came into FY12 with \$493 million of general obligation bond debt unissued. So at the rate of even \$100 million per year we've got five years worth of approved debt now to issue before we even talk about this. For a future conversation I would be interested in seeing not the referendum date, but the estimated issuance date for each of these categories because again we are sitting on five year's worth now. I can appreciate that bond agencies are looking at what are we doing but it sounds to me like we've got five year's worth in the hopper now.

Finance Director, Greg Gaskins said you've got multiple issues to go through and I think what we should do is go over a little more detail, but let's talk about some of the factors. One of the things is what Scott was talking about with the CP program, you've actually spent more money than you see when you look at your number. That number is actually less than it appears to be. It is the right number in terms of what you are looking at, but just because of the fact that we are with the commercial paper program, you spend money before you issue the debt and it is slightly a lower number. The second thing is we went through sort of an unprecedented downturn where the deliverance slows down the expenditure. What we are going to be seeing I think is the reversal of that with this program. You are going to be seeing it speeding up instead of slowing down. It is the combination of those two things that may make that number slightly different than it appears when looking at the other number. I would say that would be a good conversation to have, but those two differences are clearly there.

Mr. Cooksey said I understand the commercial paper right now is about \$109 million, or at least it was at the end of FY11 so we've got that \$100 million or so to go. What concerns me is that I ask a question and I got an answer and when I explained what the answer meant to me, now I have a different answer in terms of what the per year expense is going to be.

Mr. Gaskins said I think you are actually going to see a higher number than that is being anticipated in this proposal.

Mr. Cooksey said I may have not phrased the question properly. I thought I ask how much are we going to issue this year and what is that typical issue rate going to be.

Mr. Gaskins said the proposal under this I think is a little different than the one we did particularly because there was a slow down. So there is a difference between those two numbers.

Mr. Cooksey said in the future I think it would be wise to watch yourselves to know when the referendum date and when would the first issuance date be. What kind of lag are we projecting because we've got nearly a half a million in unissued debt right now to burn through before we get to others.

Mayor Foxx said there have been years for instance where a bond package may have been approved in 2002 for a neighborhood project and you've got the design phase and you get on the
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ground phase. You can go 6 or 7 years before you actually see something hitting the ground. I think one of the things that is incumbent upon something like this, if the community is to embrace it, is rethinking how quickly we deploy those dollars and get them deployed in a way that people see the impact of it right away. That is one piece. The other piece is that in terms of dollars that have been approved, but not spent or issued yet, I do think that is an important question and I would imagine some of that would be tied up in some of the enterprise funds, but my guess is there may be some dollars that are still committed, but not spent yet.

Mr. Gaskins said there is another little twist in here. Curt asked us in terms of looking at this to look at it a little bit differently. One of the things that Randy and I and Jeb have talked about is managing that process a little bit differently in terms of how we are handling those expenditures and the estimation of that so that we try to be more precise in terms of relating the projects on the ground and where there are to the issuance of debt. It may be that this is a good opportunity in terms of talking about that, to do that exercise and it would probably be by bond issue. In other words, Randy had gotten to enough definition to really determine what was in the bond issue, we could make an estimate based on that and then try to manage to that. What that would mean is you would be making an adjustment in that second issue based on the expenditure pattern and where you were on the first one. As part of the big idea we have actually talked about managing this in a slightly different way than we've done in the past.

Mr. Cooksey said it would be interesting to see those time tables to get to that point. Just to be clear, the \$593 million is GO debt and not an enterprise fund. It is property tax back to approve some obligation debt that is available. I look forward to seeing the figures stacked in that different way about when it actually gets issued versus when it would get approved since we do have that existing backlog and some time to get through it. I saw it at our first gathering after Thanksgiving and nothing has changed my mind yet. Many Charlotteans saw an increased tax bill this year and I'm not interested in increasing the tax bill next year. I don't think that would be responsible of us so that is the tack I'm looking to this budget discussion. One thing that does come to mind is if some sort of tax increase does go into effect, just to be thinking about the map showing where money comes from and where it will be spent, and particularly I thought it was interesting, this map doesn't show the parts of Charlotte where about 60,000 to 70,000 people actually live within a taxing jurisdiction, we are going to make the conversations about separating south Mecklenburg into a separate community that much more interesting.

Mr. Howard said a lot of the complex projects that we deal with have exactly the cycle that the Mayor talked about, design, environment and those take multiple years sometimes. We actually try to get enough money to do the whole project no matter what the process is, so we don't have to come back after we do design to do the environmental. If we are doing one row we don't put all those phases into three different bond referendums. We try to put the whole thing in, but from a cash flow standpoint it may take time to spend that money out. Some of this is actually looking at, if you want to look at how much money you've got, you've got to see how many projects you actually got already underway and how much of that money is committed already. It is unfair to just throw that out without taking into consideration the way projects work. I would like to know how much money has actually been spent in that same wedge in past bond referendums because I think a lot of the reason why there is not a need is because those needs have been met. I would like to know how much money when we talk about these different areas, how much money has been spent maybe by districts since that is the way the conversation is going. That is a fairly healthy part of the community and that is why it is doing that. What I heard today is that we want to make these other parts of the community healthy so they could take on their part of the tax burden as well. I would hope this conversation doesn't go down, how much did I get out of it, especially if you've already got a fair amount. I would like to know in the last five bond referendums, how much money went to whatever district and maybe I won't like the answer, but I would think that is probably because that is already a healthy part of the community

Mr. Cooksey said I may have read the data incorrectly and I look forward to confirmation of reputation, but based on what I have gone back on those bond issues, the very first General Obligation Bond program south of McAlpine Creek was the Rea Road project in 2008 that isn't finished yet.

Mr. Dulin said Mr. Howard I understand the at-large members of Council have a more global view of the city, but by definition those of us that are elected in a district are elected to represent the people that live within that district. There is 100,000 of them that live in District 6 that would like for me to take my opportunity today to speak up for them. They pay property taxes too so we just want to make sure that the folks in District 6 are heard and their one chance of being heard is from me tonight. We can look at the data about the proportion about who is paying property taxes and they deserve to be on the list as well when it comes to projects of importance to them. It my responsibility to step up and speak, not that I don't want to make neighborhoods better in other parts of the city too, because we as a Council make votes every Monday night to help the city as a whole.

Mayor Foxx said it sounds like we are going to have an interesting several months.

Ms. Fallon said you know if one part of the boat leaks the whole boat goes down and our obligation is to everybody, not just one district because I feel an obligation to every district. That is one of the problems in Charlotte, we have no interest to connectivity and we have to for us to be viable. The purpose is magnificent and the only thing I'm asking is for the public can we break it down to show them what they are getting and what they are paying for bottom line. It will be much easier for them to understand.

Mr. Cooksey said I think it is worth adding to the conversation that it is within our authority to take, not simply the GO bond questions, but also property tax increase questions to the voters in a referendum whether for a general property tax increase or for a property tax increase for a specific purpose. That may be something to consider for a proposal as grand as this affecting so much of the city as a whole.

Mayor Foxx said a lot has been said so far today and a lot needs to be digested, but when I look at our city it has grown exactly the way people intended it to go. The infrastructure has been built over a long period of time has driven wealth into certain directions and to some extent the idea of how Charlotte should grow has actually worked. I think the question now is do we have a broader theory of action as it relates to how the city grows. It is not to the exclusion of any particular part of the city, but it is a question of whether we can envision, for example, young mobile people living in the Beatties Ford Road Corridor or the West Boulevard Corridor or along Independence Boulevard in east Charlotte and how does the city play a role in making that happen. I leave with one final thought on this and we will pick it up in conversations later. I think insofar as we are looking at the traditional way the city impacts growth this is some of the broadest thinking that a city staff has brought to a City Council so I want to comment the staff on their innovative and creative thinking. It is now incumbent upon us to sort of measure our temperature as to what we think the community will support. There is one area that I think we should consider that is not currently on the table and we referenced it earlier with the Community Center for Project Lift and that is education. I think if we are going to make bold moves I think there is probably a little bit more stuff we can take on that issue and I'll be giving that some thought over the next several months and I hope you will consider that at an appropriate time.

The meeting was adjourned at 6:05 p.m.

Ashleigh Price, Deputy City Clerk

Length of Meeting: 3 hours
Minutes completed: May 12, 2012