

The City Council of the City of Charlotte, North Carolina convened for a Dinner Briefing on Monday, May 29, 2012 at 4:08 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Anthony Foxx presiding. Councilmembers present were John Autry, Michael Barnes, Patrick Cannon, Andy Dulin, Clarie Fallon, LaWana Mayfield, James Mitchell and Beth Pickering.

ABSENT UNTIL NOTED: Councilmembers Cooksey, Howard and Kinsey

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ITEM NO. 1: CONSENT QUESTIONS

There were no questions from Council on the Consent items.

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ITEM NO. 2: PROPOSED CHARLOTTE KNIGHTS UPTOWN STADIUM

City Manager, Curt Walton, said this is a follow-up to our last presentation that was a follow-up to the Economic Development Committee recommendation and I don't know if Mr. Mitchell ---wants to make any comments.

Councilmember Mitchell said we are going to have two speakers today, our first Deputy City Manager Ron Kimble will talk about the funding model and then Dan ??? will share with us the rendering he has, a little short video, which will take about three minutes. If we can have those two speakers for this topic I think we will have a good presentation.

Deputy City Manager, Ron Kimble said we are here to give you an update on the Charlotte Knights Baseball Stadium Proposed Funding. You have a write-up in your agenda packet which kind of gives the history of this project over the last couple of months. You are very familiar with that history, but it is repeated in your material. You also have a copy of the PowerPoint that will be on the screen in front of you so you can follow along at your seats and also on the screen as well. Remember that this is an entertainment facility that is available to the general public and families at a very affordable price. These are the things that the Economic Development committee heard and the kinds of things that they put forth in the discussions. We are just reviewing this. A venue that convention goers and leisure tourists will help fund, a facility that host many community events because during the committee discussions there tens if not hundreds of community events that were talked about for such a facility. A fair and equitable public/private partnership for all parties. The committee analyzed many public private deals on AAA and a few AA, but mostly AAA baseball stadiums and this was on the lower side of public participation in that public/private partnership. There is built in risk protection for the taxpayers and tourism partners in the draft agreements that have been sent forth for Council consideration. There was an economic impact report that showed \$38 million in direct annual economic impact, \$66 million in direct and indirect, which is called total annual economic impact, 490 jobs, some of them as noted in the committee are part-time jobs. They are not all full-time jobs that that is disclosure that we want to make, but 490 direct jobs, 749 direct and indirect and again there are several job opportunities for youth related to the Charlotte Knights Stadium opportunity. Baseball oriented development - a great amount of effort and scrutiny was given to what types of development could grow in and around the proposed baseball stadium and the estimate is \$362 million of investment, that is construction value, not necessarily assessed value over the next decade in the area surrounding the proposed baseball stadium.

Councilmember Cannon said the second bullet from the last where you have including youth employment opportunities, is that a tie in or through the Mayor's Youth Employment Program as well?

Mr. Kimble said it absolutely could be.

Mr. Cannon said I hope that it would be.

Mr. Kimble said that is what is intended that we put it there because there was discussion at the committee level that we could tie in directly with the Youth Employment Program of the City.

Mayor Foxx said let me ask you a couple of questions just to make sure I'm framing the context of this correctly. As I recall back in 2006 the City Council participated with the county and the school system with a land swap. The idea was to create the pad for this stadium to occur. Is that not correct?

Mr. Kimble said it was to make sure that the two-block site was available for baseball because that site, when it was originally purchased and intended for park purposes, the park in the consultant's study was too far away from either Trade or Tryon so the land swap was an opportunity to get the park closer to either Trade or Tryon and that is why Romare Bearden Park ended up closer to Tryon. It then freed up this land for baseball.

Mayor Foxx said so the Council took that step and by the way I supported that step and then as I also understand it, the agreement at that time was that the county would take the financial lead on this project and the city would ultimately have discharged its responsibility by having helped facilitate the swap.

Mr. Kimble said that is a correct statement.

Mayor Foxx said so we are now here because obviously the delays based on the lawsuits, the economy has changed, the environment has changed and the county has now placed a deadline by the end of June by which if a model has not been developed by the Knights, the deal goes away.

Mr. Kimble said that is correct. There was a previous deadline and the county has extended that deadline until June of this year.

Councilmember Barnes said Mr. Kimble, you and I have had exchange of e-mails that everybody is aware of regarding the value of that land swap and I believe we've agreed that it is in the ballpark of \$29 million.

Mr. Kimble said the land swap was a dollar for dollar land swap in the end. Neither the city nor the county ended up in a plus position, but in order to make that land swap be equal, the cultural facilities was in the equation.

Councilmembers Howard and Kinsey arrived at 4:16 p.m.

Mr. Barnes said the value of that swap in terms of its benefit to the potential of baseball at that was \$29 million?

Mr. Kimble said I would not say that that is correct. The land swap was a value for value exchange allowing baseball to utilize this two-block square area and the value of that land is calculated in the public/private partnership at \$20 million, but the land swap itself was a dollar for dollar exchange between the city and the county.

Mr. Barnes said I will confess to you that this is the reason I was hoping someone other than you would be standing there tonight because at that time I was told that if I supported the land swap the value, which was \$29 million, would be the only ask of the city. I don't want to beat you up Mr. Kimble, but that was my appreciation and understanding at that time. Now it feels like we are trying to redefine the value of the swap for reattribute and reassess how the value should be credited. The point is that when we took that vote years ago there were at least \$29 million in value that benefited the potential for baseball at that site, and I think you are getting to this, is the initial ask of us \$11 million, went to \$9 million and then \$8.5 million and I don't know what you are going to ask for tonight. I think the sponsorships continue to come in and I'm still at a loss to figure out why it is that we are being asked for money. I do have another question about that next to the last bullet point that the Mayor Pro Tem directed you to, Mr. Kimble. What is the breakdown in salary for those jobs?

Mr. Kimble said I don't know if Mr. Connaughton, who did the study, broke it down in terms of salary, but he broke it down in terms of economic impact of the jobs and the development. I think we would have to look deeper at the study to look at the salary, if there is a salary composition to that.

Mr. Barnes said I'm curious as to whether we are talking about minimum wage jobs, which are important to people who don't have them or about jobs that will pay 120% of AMI.

Mr. Kimble said if I could go back to some of the previous comments and I can understand the confusion and there was a previous vote by Council in the 2006.

Mr. Barnes said I'm not confused.

Mr. Kimble said I understand and the reason I believe the Knights are back in front of the community is that there was a long duration of lawsuits that slowed down the process. There was an economic recession of the magnitude that we've not seen in 60 years. Some of the revenue sources that they had counted on and the sources of capital have dried up when that recession happened. That put a dent in the financing plan from 2006 on and in addition I just think that the way in which the lending institutions react now requires much more equity in the deal than it does in loans and lending and that upside down world has forced the Knights to come back with a different plan than what was put in place in 2006 when the Council got the vote. Everything you said is exactly correct in terms of what happened in 06. That \$29 million from the Arts and Cultural was a factor in the dollar for dollar land swap and now we've calculated the contribution value of the land in the Knights equation with city/county and private sources.

Mayor Foxx said I just wanted to make sure the context was established here because it wasn't as if we just decided three months ago that we wanted to start talking about this.

Mr. Kimble said you have all appropriately set the stage and I think Mr. Barnes was talking about this originally on March 15, the Knights came forward with a request for funding from the City of \$11 million.

Councilmember Fallon said can we go back to the last bullet point to Baseball oriented development? The Panther Stadium is right nearby, what development has come around that? In York where the Knights have their stadium now, everybody threatens to move because of taxes. What development has come around there?

Councilmember Cooksey arrived at 4:20 p.m.

Mr. Kimble said we identified in the analysis in committee the very tight geography around the baseball stadium that we believe would be induced development by virtue of the baseball stadium. I think the Panther Stadium has had a larger geography impact as it goes down Morehead Street for some of the development that has occurred around there, some of the development in the Cedar Avenue, Cedar Street area and some of the areas closer toward Tryon Street with the Arts and Cultural package and the Wachovia and Wells Fargo expansion.

Ms. Fallon said but nothing back there you think would begin to develop?

Mr. Kimble said we don't believe that we created any overlap between the two conceptual districts, that which might be around the Bank of America Stadium versus the Charlotte Knights Stadium. We have tried to separate that. We've also tried to respect in some of our analysis that which would be induced by the multi-modal center, Gateway Station area and tried to make sure that we kept the baseball area very tight and compact as to the development that it might create.

Ms. Fallon said I would imagine that if development was going to come around the stadium it would have come around the Panther Stadium, which it never has. What makes you think it is really going to come here because I don't think it will?

Mr. Kimble said the reason why is some of the companion and corollary types of AAA stadiums around the country. We brought that data to the Economic Development Committee and there is
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great baseball oriented development that has occurred around almost all of these stadiums when they are located in center city and urban environments. We have case studies and we have history along with these AAA baseball stadiums.

Ms. Fallon said, but not in Charlotte.

Mr. Kimble said no, but we also have testimony and information that comes around on the QT that circulates in the community and folks that they are indicating that they will break ground and will have the opportunity to bring this kind of development if baseball happens at this location. There is intelligence information that indicates it will spur that kind of economic development potential.

Councilmember Autry said that is an interesting question Ms. Fallon puts forth. How many days a year does the Panther play in the stadium?

Mr. Kimble said ten if you count the two exhibition games and the 8 regular season games and then any of the future playoff games we are going to have.

Mr. Autry said how many home games would the Knights play at their facility?

Mr. Kimble said 72 regular season games and then any preseason exhibition that they might play and then any other kinds of tournament from the college, high school or other ranked amateur sports that we could bring to this particular stadium.

Mr. Kimble continued his presentation with the second slide and said Mr. Barnes touched on this, the evolution of this over the last three months the Knights requested \$11 million. On April 4th the staff came back to the committee, the committee had a multi-hour discussion of the \$9 million response that the city staff had brought in response to the \$11 million request by the Knights. You will see that the \$9 million, originally we had looked at \$4.5 million from tourism funding over ten years and we had looked at \$4.5 million from the Economic Development grant of the potential development that would occur around the tight geography by the baseball stadium so the \$9 million was \$4.5 million tourism over 10 and \$4.5 million of property taxes generated by development over 10 years.

The identification of a county land contribution also came to the forefront on April 4th. We agreed that there ought to be some sort of land contribution dollar amount attached to the land that was being offered by the county and we provided some calculations on how we came to the \$20 million value that was associated with that. We tried to look at what the public and private participation percentages would be on an analysis of this type. There were still questions at the committee level. They asked us to go back and do some additional homework so two weeks later on April 19th we came back and we talked in terms of reducing the amount of property tax from the equation. We also reduced the proposed contribution to the Knights from \$9 million down to \$8.5 million and we looked at a \$6 million amount of tourism funding and a \$2.5 million in property taxes that would originate simply from the baseball stadium itself and from the hotel that is proposed to be built beyond the left field wall and the market value of the lease because it is a lease by the county to the Knights. We tried to confine just the property tax to the actual property taxes on the two square block site and no other property taxes from surrounding development that might occur because of the advent of the stadium. The committee looked at that and there was a vote taken by the committee, I believe the vote was 4 to 1. That became a committee recommendation and I would note that there were two reservation votes and I think we put this in your write-up, Mr. Cannon was a yes with reservations and Mr. Cooksey was a no with reservations, pending the receipt of additional information. We have noted that in your materials.

When we came back on April 23rd to report the committee vote to Council there was a great amount of discussion on April 23rd. City staff took the feedback that we heard from Council on April 23rd and we've come back with another iteration of a funding proposal to bring forward to the City Council tonight. That funding proposal is \$8 million instead of \$9 million or \$8.5 million. It shrank again to another half million to \$8 million. Since the monies look like they are becoming a little more certain to the Knights, then the uncertainty ought to have a reduced amount of contribution by the City for the certainty that is being pledged. Charlotte Center City

Partners has been approached to see if they would be willing to commit funding from their budget to the tune of \$750,000 over 20 years. They have conceptually committed and agreed to that, leaving a \$7.25 million amount from tourism funding that the capacity in the tourism fund is marginally acceptable to bring that \$7.25 million to the table. We've watched this grow from \$4.5 million to \$6 million to \$7.25 million, we tracked it and it is there and we believe that a good proposal would be to take the property tax out of the mix at this particular point in time and only come forward to City Council to describe a tourism funding along with a contribution from Charlotte Center City Partners towards the contribution for the baseball stadium. It turns out over 20 years to be \$7.25 million tourism funding and \$750,000 committee from Charlotte Center City Partner's budget over 20 years to help reach the \$8 million contribution proposal from the city.

Councilmember Dulin said is the hotel site on this parcel or is it an adjacent parcel?

Mr. Kimble said it is on these two parcels. It is part of one of the second parcels.

Mr. Dulin said who profits from the sale of that parcel to the independent hotel chain?

Mr. Kimble said as I understand it none of these parcels are sold. They are under lease by the county to the Knights. The Knights then have the opportunity to partner with a developer on the piece of land that the hotel would be located on, but it is a 99-year lease and the County of Mecklenburg has signoff authority on the type of development that would occur on that small sliver along 4th Street.

Mr. Dulin said would the City of Charlotte then not expect to participate in the profit from the lease of that land to a hotel?

Mr. Kimble said we covered this in committee and it got into what has happened over time with the county and city relationships and how we have buy-in and shared relationships in profit. Because this is a complicated transaction and the county has the underlying lease, if the Charlotte Knights ever fail to perform then all the improvements on the lease would revert to county ownership and they in turn would be a partner with the city in order to create the next wave of ownership or development or opportunity for baseball in Charlotte. There was that discussion in committee, it was a healthy discussion and in the end I think the committee decided that it was not worth going to that extent to muddy up the waters and that we are in a partnership with Mecklenburg County, and a strong partnership where we are respecting each other's responsibilities and obligations.

Mr. Barnes said with respect to the potential contribution from Center City Partners, it is true that their budget is comprised of revenues they receive from the tax on property within the MSD.

Mr. Kimble said that is right.

Mr. Barnes said if we raise taxes this year those property owners will pay higher tax bills which should drive up Center City Partner's budget even more.

Mr. Kimble said the proposal I think is to leave the tax rates for the Special Service Districts where they are.

Mr. Barnes said in a strange way I'm impressed that the team has come up with these various scenarios for funding this project. Any thought given to allowing Center City Partners to fund the entire \$8 million deficit? I'm sure Mr. Smith is in this room somewhere.

Mr. Kimble said we got what an appropriate amount might be based upon their particular needs, obligations and funding streams.

Mr. Barnes said I'm not a member of the committee, I visited and sat in on a meeting. I'm wondering if you stretch the time out to about 25 years, if that is possible and allow Center City Partners to pay all of it, it may not move me, but it is a thought because allegedly there will be all

this additional development around that stadium that would benefit the MSD. Would that be true?

Mr. Kimble said that will benefit the MSD. The \$750,000 was an amount that we all believed would show good faith, a good participation share. The \$750,000 is over 20 years and it is kind of letting Center City Partners, they've really not done this before, to start funding projects in the center city so it was thought we ought to try this to see how this works. It is a partnership share from Center City Partners and it is something they felt comfortable doing at least seeing yes, baseball could be funded in this manner. We've also done our analysis of the tourism tax to determine if there was capacity to come up with the other \$7.25 million. We've tried to partner with monies in where the sources are and we felt this was the best proposal to bring forward. It is true, you could move these monies around, but we feel this is the fairest, given where we've been.

Mr. Barnes said what else could we do with that tourism money, the \$7.25 million? Could that be used, for example, pay the mortgage on the Hall of Fame?

Mr. Kimble said the Hall of Fame has a dedicated tax. It is for the Hall of Fame complex. This tourism money is used for the Arena, it is used for paying part of the operations of Ovens and Bojangles, it is used for some of the marketing that goes to CRVA and then this would be fourth use of this particular money. There is another use, paying the Towns in Mecklenburg County a carve out because they've agreed that all these taxes get levied by Mecklenburg County and there is a carve out back to the Towns that they must use for their own tourism related assets and their tourism related activities.

Mr. Barnes said is it true that contracts have already been let in this proposal on this project?

Mr. Kimble said I believe you could ask the Knights, but I'm understanding that yes, they have contracted with folks in order to move this project forward because they have to meet the deadline that has been imposed by the county and they are at risk for all of those expenditures of monies that they have incurred to this point. It is not a risk to the city, but they've done it in good faith because they have to try and meet the deadline.

Mr. Barnes said it is an uncomfortable feeling because, once again we are being put in the position of saying, if you don't do it we are in trouble, it will be your fault.

Mr. Kimble said it is a county deadline that was put in place.

Mr. Autry said I see where we've gone from \$4.5 million in tourism funding in March to \$7.25 million today and Mr. Barnes touched on it a little bit. Are we putting ourselves at risk by committing that much of the tourism funding over the next 20 years?

Mr. Kimble said city staff does not believe that to be the case. We wouldn't be in front of you if we felt that was the case. We have strong debt models that even in the worst of times that we have experienced between 2008 and 2012, we have managed our debt models very conservatively over time, we weathered that storm and now taxes are back on the increase in this last year in the hospitality area. We do believe this is the maximum amount that we could contribute to baseball from the tourism funding.

Ms. Fallon said in our budget, aren't we giving \$3 million to Center City Partners, and if so why we are taking \$750,000 from them. Evidentially they don't need our money?

Mr. Kimble said they believe they need all the money to handle the programs, the activities and the funding that they are responsible for to those three overlay districts and the Center City plus the SouthEnd. When we went to them and ask them for a partnership these are the dollars we are asking them to give back to the City of Charlotte in order for us to make the payments to the Knights. This is a carve out of their annual budget that they will have to have over 20 years in order to fund this amount of money.

Ms. Fallon said I think it is awfully odd that somebody can come up with \$750,000 when they are asking us for \$3 million.

Mr. Kimble said they are not asking us for that, we are obligated to pay that based upon the tax that is charged to each of the three overlay districts in the Center City and the SouthEnd. By contractual and by state law we must pay that money over to the organization that is responsible for administering the district work plan.

Ms. Fallon said can we deduct the \$750,000?

Mr. Kimble said we could and we've talked about the two different ways to do this. We are obligated to pay it and we've thought that would be the best way to show the flow of funds and then have Center City pay it back to us. You could do it either way, you could deduct it in the transfer of funds to them or you could pay it to them and have them pay it back. Either way works.

Ms. Fallon said I think I would be happier to see the \$750,000 up front back to us, not over 20 years.

Mr. Kimble said they wouldn't be able to give it back to you up front. They would have to give you that amount each year for 20 years spread over time. That is the way their budget could handle the flow of funds.

Councilmember Kinsey said refresh my memory. CRVA gets money, actually tax money from what areas?

Mr. Kimble said they get about \$10.8 million is estimated in next year's budget from marketing the city and that comes from the first 3 cents tax for tourism that also funds the Arena, it funds Ovens and Bojangles to a limit extent and it also funds the payments to the Towns.

Ms. Kinsey said that tax is on what?

Mr. Kimble said on hotel occupancy. Then they get a carve out for marketing from the second 3% occupancy tax and the 1% food and beverage tax, they get a carve out of that for marketing purposes as well. Then they've got an amount out of that as well because of the NASCAR tax and the negotiations that happened when we got the NASCAR tax.

Ms. Kinsey said what I really want is what they get, where they get it from. They get it from hotel tax, they get it from food and beverage. Do they get anything from the city's general fund?

Mr. Kimble said they do not. The subsidy for the Convention Center and for Ovens and Bojangles over the years have come from the taxes themselves and all debt on those facilities are paid from the taxes themselves. The Arena model had some rental car tax in it because that was the way the Council had to structure the deal for the Arena.

Ms. Kinsey said I wanted to make sure that whichever way we slice this onion, it is tax. It is either Center City Partner tax on the MSD or it is the tax that we pay if we go out to eat or that somebody pays if they are going to stay in hotel. It is not property tax necessarily, but it is tax.

Mr. Kimble said that is correct and I see your question and your comment is that it is tax. None of it comes from the general fund, but it a tax on people who stay in hotels, people who eat in restaurants, part of the Arena people who drive rental cars.

Ms. Kinsey said and people who live in the MSD.

Mr. Kimble said and people who live in the MSD. The general property tax has been taken out of this, the Municipal Service District taxes could be part of this \$750,000, but they have to be dedicated to that Center City and they would not come from the SouthEnd. They would come from the three overlay districts in the Center City.

Ms. Kinsey said I understand all of that. Thank you.

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Mr. Mitchell said that is the point I wanted to raise to make sure we were clear which MSD we were not going to use. I didn't want Ms. Mayfield looking at me cross eyed so we are not touching the SouthEnd MSD.

Going to slide #3 Mr. Kimble said this is further detail on how the funds would flow in the analysis from April 4th to April 19th up to May 29th. This again reformats the pro forma on how much the team brings to the table over time, how much the city and county bring to the table over time. You've seen these slides before, they have simply been updated with the new proposal that is in front of you tonight.

Mr. Barnes said if you could, because I don't have the benefit of being a member of that committee, can you give me a two-minute version of how it was that they went from needing \$11 million to needing \$8 million and where the tradeoff occurred and how that \$3 million was replaced?

Mr. Kimble said I would say that it is a result of the full analysis that city staff insisted that we be able to look inside some of their numbers and that we squeezed them very hard on their numbers and we are the group that has squeezed hard enough to indicate that this pro forma can work with \$8 million as the maximum amount of city contributions to make the stadium deal work.

Mr. Barnes said how would you classify the \$3 million that you've squeezed out. Was that profit to them or was it?

Mr. Kimble said I think we probably squeezed them for more equity from the ownership group, we squeezed them for a little more on the revenue streams from naming rights and future suite sales and we tried to squeeze in all the places that we could to limit the amount of city contribution to the project.

Mr. Barnes said so if the committee and the chair said squeeze another half million of it could you do that?

Mr. Kimble said I believe the Knights are about up to here on the squeezing from \$11 million, to \$9 million to \$8.5 million to \$8 million. I believe we are at the end of the line in terms of what it would take to make this deal work. One of my last slides is going to be what are the next steps and they are going to reveal that if this is not approved I think the Knights remain in Fort Mill for now. I don't think the project can go forward, that is at least what the Knights are telling us. If you want them up here to tell you that, that would be your prerogative. It is important to note how much equity the team is putting up, where the capital coming from advanced naming rights, advanced suite sales, advanced sponsorship, where it comes over time this is a \$54 million stadium and I'll show you the conditions that are pretty important to us, but they are having to go and get financing for \$40.5 million in order to make this stadium construction work. The flow of funds that we give to them, they've got to build the stadium up front and so they use our revenue streams to get more capital lent to them in the beginning in order to build the stadium, and they have to pay that debt back. They hold the risk then on the naming rights, the sponsorship, the future suite sales. We've in effect guaranteed \$8 million of county and \$8 million of city in this scenario, but they are on the hook for \$40.5 million in paying back loans. That is a pretty substantial amount to be on the hook for a AAA baseball stadium in the deals that we've analyzed.

Mr. Barnes said would it be true then that the value of that land swap is not even reflected on this slide or is it?

Mr. Kimble said this is the \$54 million construction. If we go back a couple slides you will see that is the \$54 million in the total stadium costs and then we put the county land contribution in and have stadium and land costs added together for \$74 million in the lower right. That is where we bring the county land contribution in. There is some debate and Mr. Reece has challenged that number of \$20 million and I think we can defend it because it is not a gift of the land to the Knights, it is a lease to the Knights. It is a lease that says if the team fails to perform, then not only the land comes back for use by the county, but all the improvements on that land that have been built by the Knights come back to county ownership. It is not like it is a gift of land scot
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free with no attachments and no conditions. It has significant conditions on it and the site where the hotel will be located also has approval rights by the county on the use of that land. There are some restrictions on this that don't make it an outright gift of the land to the private sector.

Mr. Barnes said is there a bond in place. Let's say they start this construction and things go poorly, is there a bond in place to help finish?

Mr. Kimble said we covered that in some of our discussions. Any improvements done, even if they stop half-way through, those improvements become property of the county and then we can lure another baseball team if the Knights default to come and finish those improvements and work in a partnership with them to accomplish the baseball stadium. Whatever they build becomes the county's ownership if the Knights default.

Mayor Foxx said maybe we've done deals like this in the past, but you applied \$7.25 million net present value to the city's contribution and when you amortize out \$632,000 a year over 20 years you get \$12,640,000.

Mr. Kimble said that is correct.

Mayor Foxx said can you tell me whether that is the structure we've used for other deals before and walk me through the analysis of your discount factor, etc.

Mr. Kimble said each one of our public/private partnership deals have different attributes. We have used this before on the Metropolitan. It was a net present value calculation of revenue flows. I believe we've used it in one or two others, but the Knights would clearly be willing to take \$7.25 million cash up front and just let that money go straight to the construction of the baseball stadium, but we would rather have it paid over time because we've also put in place that they only continue to get those annual payments as long as they play baseball, so you are not coughing up all of your money up front, you are holding over their head the aspect that they have to play baseball in order to continue receiving payment. I checked with our Finance Department who has done deep work on what is an appropriate discount rate for these flow of funds and the number is 6% they have come back to me with repeatedly and it is has been verified and confirmed several different times so it is 6% discount factor on the flow of funds. That is pretty good rate in terms of private sector funding and lending and borrowing in these days and times. Again the Knights would love having the money up front of \$7.25 million and \$750,000 from Charlotte Center City Partners.

Mayor Foxx said going back to that tourism fund, how much does that tourism fund spin off on an annual basis?

Mr. Kimble said each percent occupancy tax generates about \$33 million or \$34 million a year and the 1% food and beverage tax generates about \$20 million a year. The 8% and 1% generate around \$53 million a year. I think that is pretty close. I'm looking at our Finance folks to give me the nod.

Mayor Foxx said and of that amount how much of that is committed on an annual basis to some dedicated project like the Convention Center or whatever?

Mr. Kimble said most all of the NASCAR and the tourism categories are devoted to debt model and the other projects that are in those categories. There is a small amount of capacity and that is what we are using for baseball out of the tourism fund. In the Convention Center fund there is over \$100 million worth of capacity because we were able to accomplish a major expansion of the Convention Center by using the NASCAR Hall of Fame and the Ball Room as our major expansion, thereby not having to use as much of the Convention Center capacity for that kind of project and expansion project, and we have significant amounts of capacity left in the Convention Center fund.

Mayor Foxx said I'm a simple guy so if we are taking the \$53 million that rolls in and out of that set of funds every single year, how much of it can you tell me today would be spent next year, based on commitments that are categorized on an annual basis.

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Mr. Kimble said we've got a flow chart that shows all of those monies pledged in certain categories and we would be more than happy to send that out to you and the full Council so you can see how those monies get allocated. Most all of them get allocated with the exception of the Convention Center fund. They get allocated in some way to debt models in order to make sure we've got healthy enough reserves to support our debt model, but all of it is pretty much committed for purposes that are identified in the legislation and for the projects that we are funding.

Mayor Foxx said I'm going to ask the question one more time and it doesn't have to be you to answer it, but I need somebody to give me the answer. How much is used, versus not used, what is the delta between what we spend out of those funds every year and what exist out there?

Mr. Kimble said when you say spent, it is allocated because some of it will get allocated to debt modeling and it is not spent, it is there as reserves in order to keep the debt model.

Mayor Foxx said let me refine the question. The \$7.25 million or the \$12,640,000, however you slice and dice it, that money came from somewhere out of this fund so there is capacity somewhere. I'm trying to figure out what that capacity is.

Finance Director, Greg Gaskins, said what Ron is telling you is, for example, the way you get capacity, there is not \$7 million available, but the amount that varies between that \$4.5 million and \$7 million was a relatively small amount. It was the difference between \$400,000 and \$600,000 so that is how much available cash there is and in order to get that \$600,000 we had to make other changes about where those flow go in order to create \$600,000 in cash.

Mayor Foxx said so you are saying there was \$625,000 of capacity there that you found?

Mr. Gaskins said I'm saying that if we do this plan ... inaudible

Mayor Foxx said my question is if you didn't do the plan, we are in the state of nature, nothing is happening.

Mr. Greg said about \$425,000 cash flow.

Mr. Kimble said per year.

Mayor Foxx said unencumbered.

Mr. Kimble said in the tourism category, then there is a NASCAR category and there is a Convention Center category so Greg is just speaking of tourism.

Mayor Foxx said I understand both commitments as allocated commitments to ... already made, I'm talking about unallocated.

Mr. Gaskins said tourism only about \$425,000.

Mayor Foxx said that is what I wanted to know, thank you.

Councilmember Howard said in order to get a full analysis you need to know when those current obligations drop off too don't you?

Mr. Kimble said yes you do, and that is all involved in the debt modeling. All those calculations are made routinely and often each year by the Finance Department to make sure the debt models are strong and that capacity would be there.

Mr. Barnes said does any of that tourism fund roll over from year to year, the \$53 million, does any part of that roll over?

Mr. Kimble said if any of it was remaining it would be available for the debt model or for future capacity.

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Mr. Barnes said would you get someone to get me an answer regarding how much money is rolled over in the last 7 years and what happened to it? Within their budget, how much has rolled over and what happened to it?

Mr. Gaskins said there are two things that happened relative to the fund balance. Actually part of it would be something that you could create related to capacity. Part of it is already committed for out paying debt like the Arena, but we can distinguish and see this part is committed and this part is not committed.

Mr. Barnes said that would be helpful. Finally and I guess it is coming up here, is it true that the Knights haven't made a profit since 1998?

Inaudible response.

Mr. Barnes said I noticed that what we have here is that the Knights will be responsible for construction costs overruns which as we all know from the Consent Items could be tens of thousands or hundreds of thousands of dollars. Also if litigation prevents completion of the stadium the Knights must pay our legal costs and we learn from that water rights dispute with South Carolina when Mac asked us to continue to aside cash that that number could keep going up. What I keep getting back to is if you've squeezed all the juice you can get out of that lemon to get it down to \$8 million, where could they possibly get the money to deal with construction costs overruns and legal fees if the litigation reignites?

Mr. Kimble said they are going to have to manage the construction of that budget at \$54 million. That is what they're going to have to do and they are responsible if it goes over, but they've had to value engineer this stadium down to get it within the \$54 million. They would have to make a choice to add back very small items in order to get the stadium built if it were small items. I don't think they can take on large items. I think \$54 million is a very skinny budget for a baseball stadium of the type that Dan Rajkowski is going to show you in a few minutes. They've had to some really strong value engineering on the stadium.

Mr. Cannon said I know he is coming up in a few minutes, but I need to ask him a question right now as a follow-up from I heard. How stable in today's economic times are the Knights financially?

Mr. Rajkowski said the stability has been supported by this ownership. When you deal with the challenges of minor league baseball and the operations that we have, it has been clearly evident there has been challenges in Fort Mill. I think that presents why we are here today to talk about what this operation can and will do under a different set of circumstances. I think it has been noted that Mr. Beaver and the ownership group has supported this operation in a manner in which bills have been paid and it has operated in a professional manner and will continue to do that.

Mr. Cannon said let me ask you a question relative to what we are talking about over 20 years in the way of a possibility should this body decide to move forward with the request that is before us. How might you forecast how long you will be around in the future, how long will the Knights exist in the future?

Mr. Rajkowski said we've got a 99-year lease and there are several factors that you have to look at. One you look at the market, you look at the stability of this franchise over the last 21 years in Fort Mill and you look at other examples in other cities. Baseball is very stringent on how they operate and control their franchises whether it goes for major league baseball or minor league baseball and through the international league that there is a tremendous sense of stability as it related to franchises staying in markets if they are successful. We have every reason to believe the confidence of this market and how we've laid out our pro forma and our projections and the support we've had from our consults to confirm this will be a tremendously successful franchise, we've got a lot of work to do, but I think long-term you see how baseball and minor league baseball has withstood these economic times and become somewhat stable and continued on.

Mr. Cannon said if there is no visitor participation monetarily and Center City Partner participation do the Knights stay in Fort Mill?

Mr. Rajkowski said the Knights stay in Fort Mill for the time being.

Mr. Cannon said define the time being.

Mr. Rajkowski said the time being is we go back and negotiate an extension with or potential negotiations with York County or we go back and we reevaluate. Candidly, we've put together what we think and worked very hard with staff over the last ... that has been more than just a few months to put together a model that we think puts together a partnership between Mecklenburg County and the City of Charlotte and the ownership group of the team to relocate this business and make this type of investment, which we've seen an investment that has gradually gone down and I think Mr. Kimble has alluded to it. Are you squeezing the lemon, you are squeezing the lemon. This is an opportunity for us and all of us to have a great entertainment facility, year round operation of sporting events, but other events and outside activity and I think it is time. It's the 9th ending certainly and I guess we will get to it. The good news is there are people on base, we are all in the same room and we are trying to get this done. We all know it is a great project.

Mr. Cannon said it might be the 11th ending.

Mr. Rajkowski said I think it is the 18th ending. I've been doing this for about 6 years, but I appreciate the patience and the baseball analogies. I think we've got to look at this very clearly. There are clear cut timelines and I think that is good. It does put pressure on certain decisions that have to be made, certainly in front of this Council, but I think in the end when you are breaking ground in October and playing baseball in April 2014 I think you will see the benefits of what this business investment will have.

Mr. Cannon said no thought about going back to the Charlotte Oreos in name?

Mr. Rajkowski said I think we would have to go to the Baltimore Oreos for trademark. We do want to bring this team back to Charlotte and bring those memories back.

Ms. Kinsey said how committed is the ownership team to continuing its ownership? How long could we get that commitment?

Mr. Rajkowski said I don't know if we can answer it specifically, what I can tell you is that this ownership group has committed since 1997 to operate in very difficult circumstances in Fort Mill. The investment that this team and operation will make privately when you look at the baseball and the amount of private investment that you are making with long-term partnerships with naming rights, founding partners, with the development in the outfield of a hotel, with the development of restaurant and other activities on the property, I think it would answer the question that we are committed in depth to making sure we are here for a very, very long time. I can't answer the question specifically how long Mr. Beaver would have that vision because I don't think he can answer that question.

Ms. Kinsey said you are speaking for the ownership group? Should the group decide to sell once the stadium is built, if it is built, what do they walk away with? The new owner assumes all of the responsibilities that the current owners walk away with dollars I would think, much more if they sold and they were still playing in Fort Mill.

Mr. Rajkowski said it is a complicated question to answer that because we don't have a crystal ball into it. What we do know is that the level of commitment that this team has to make and the investment, as we've made it very clear from the onset, this ownership group is taking on more in the debt model in financing a ballpark. I think the Committee has heard instance after instance and circumstance after circumstance that the public investment is significantly higher in almost every situation in AAA baseball across the country. Our ownership group has made that commitment to invest more dollars and making that model work. When you talk about it, it makes it tight. We have to be very conscious of how we put together this model to make sure that we still having the quality of minor league baseball and the affordability of it and at the same time maintaining the quality of product that we want and from an investment standpoint and

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from an ownership standpoint I think when you are signing off on this type of commitment you are in it for the long-haul. I don't have a crystal ball, but I would tell you that the ownership has to be committed long-term.

Councilmember Cooksey said at the risk of being repetitive, if Council adopts the proposal as stated and there is litigation and/or construction difficulties that prevent the stadium from being completed, how big a check does the city write?

Mr. Kimble said our first payment over 20 years is not made until 2015, we pay nothing if the stadium is never completed.

Mr. Cooksey said if the Knights abandon this because there is some concern with litigation or there is a construction problem and their costs spiral out of control, the check written by the City totals zero under this proposal. They've got to have an opening day and an opening pitch before any of this occurs.

Mr. Kimble said that is correct.

Mr. Cooksey said that is what I wanted to check on. The next one is a little tougher, I see the \$54 million as the stadium value, do we have any estimates about what the likely tax value of the Knights total development will be?

Mr. Kimble said we looked at how the county might assess construction value and we've looked at previous models to determine that, and I'm going to give you the combined number. I think the combined number was somewhere around \$45 million becomes the estimated assessed valuation of the stadium and the hotel, even though construction value is significantly more than that.

Mr. Cooksey said about \$45 million in tax base.

Mr. Kimble said calculate property taxes to the city and the county off of that \$45 million from those two developments, the baseball stadium and the hotel.

Mr. Cooksey said I'm not doing that math fast enough, but I'm getting somewhere in the vicinity of \$575,000 a year maybe?

Mr. Kimble said for both of us together?

Mr. Cooksey said for city and county together.

Mr. Kimble said that is correct, and now none of that is encumbered in the baseball deal, it is thrown off to general CIP.

Mr. Cooksey said you are leading the questioner. The hotel/motel tax, we have legal restrictions on despite how much we would like to consider all money to be fungible there are only certain things we can spend that on, right?

Mr. Kimble said that is correct.

Mr. Cooksey said property tax we are unlimited on?

Mr. Kimble said relative to general public purpose.

Mr. Cooksey said if there is no litigation that delays it and if the stadium is built, and if the Knights start, once the city starts writing checks at roughly \$632,000 per year when the Knights are playing, the Knights are also going to be paying to the city and county somewhere in the neighborhood of \$575,000 per year in property taxes.

Mr. Kimble said that is correct.

Mr. Cooksey said that is what I wanted to know, thank you.

Mr. Kimble said and if they ever no longer to play baseball the payments cease to the Knights. The property taxes don't cease but the payment to the Knights cease.

Mr. Cooksey said I would take issue with you there because the county takes over and yes the property taxes cease. But so long as the Knights are playing there is restricted hotel tax going to them and relatively unrestricted property taxes coming back to the city and county.

Mr. Kinsey said we had minority, women, small business enterprise goals. We put these forward last time and I'd like for you to see those and we'd be willing to talk to anyone else if you have further questions or comments about these. They are very ambitious and we are very pleased with the Knight's response to our MWSBE goals because it is combined with city and county.

The Next Steps, this is scheduled for June 11, 2012 Council agenda for vote. If approved I think you've heard these dates, June 30, 2012 is the county imposed deadline for the Knights responding to the county with an approved financing plan. There is a trigger in that same agreement with the county that they much be under construction by October of 2012 and that the stadium would open for first pitch April 2014. This is a very fast turnaround. It is about 22 months from this date until baseball opening. If not approved the Knights will remain in Fort Mill for now, continue to experience the same financial issues that they face and they will reevaluate.

Ms. Pickering said to Mr. Cooksey's point, is something happens and the Knights are no longer able to play ball, our payments cease. What about the payments we've made previously.

Mr. Kimble said they continue to have been paid because they were for baseball being played and the economic impact returned to the community for those years in which they played, so they created economic return for the value of the payment made.

Ms. Pickering said so there is no getting those back?

Mr. Kimble said no getting it back.

Ms. Pickering said it is no secret that I don't think a baseball stadium belongs there on that particular piece of land. My humble opinion is that it is more suited to a SouthEnd location. I know that is not what is on the table now. I know that is something that was considered in the past. Just wanted to put it out there. I appreciate all the hard work and I think everybody knows where I am on this. On a historical note, regarding the Virginia Paper Company Building, what will happen to that if this moves forward?

Mr. Kimble said it will be demolished. It has to be to create the footprint for the baseball stadium. I believe Mr. Rajkowski has three minutes and I think that was what Mr. Mitchell was talking about in terms of showing you where they stand with the baseball stadium.

Mr. Rajkowski said you could see an aerial view coming in. This is a virtual tour of the ballpark, recently developed and just released from our architects who have been on board for a while and these are as close to the renderings as we will have. You will see you entering here, the corner will be on the corner of Martin Luther King Blvd. and Mint Street and Romare Bearden Park is to the right. This is the primary entrance and as you proceed along Martin Luther King, you will go to the corner of Graham Street and again the capacity of this facility is about 10,000, about 8,600 fixed seats. You will see areas as you go the left field line, this is designed with the farthest row is 21 rows and you can see it is a very intimate ballpark with picnic areas on the left field side, general admission seating which is the price points, we go from box seating to general admission anywhere from \$6.00 to \$18.00. Here will be the entrance on the corner of 4th and Mint Street as you proceed along here you will see some of the features that are in this ballpark, an upper deck, homerun porch, it will be designed so that you will be looking directly into the ballpark and also with Romare Bearden Park behind you. You look upstairs and that will be suite level, club will the area that you see seats coming down. The feature right to the dugout side will be two field level suites that will be sold on a nightly basis and the club line is behind home plate. There are 22 suites in the ballpark, two club lounges and a number of picnic areas

which will be for nightly rentals for employees and you see on the left field side is proposed design of the hotel, and again here is another version as you walk into the ballpark from Martin Luther King and Mint Street. Very tight site from home plate to right field and that is one of the rather unique features you will see. It is only 315 down the right field line, but other dimensions are all standard for minor league baseball. We are in the phase right now. The architects have submitted the documents, the construction management team is bidding all these contracts in the first week in June we will have all of the bids back and according to our documentation we will have to have guaranteed maximum price by June 30, committed by the construction management team. You see the vision from home plate to center field, studies that were done back in 2004 and 2005 confirmed that this was the best available site, not by all, but by most and as you see the skyline is clearly in the distance. I could give you the three hour vision of it, but I think that is – you can see the outfield picnic area here to the left field side again facing the Panther Stadium directly over the top. I thought it would be nice to include one of the color renderings that was just completed at BB & T Ballpark which shows the entrance that was mentioned at the corner of Martin Luther King and Mint Street. There is a great connection between Romare Bearden Park as you see this ballpark lit up at dusk and then I think the next one is kind of a night view, but you will see it in an aerial view. We will have copies of these for you as well as provide some to the media. With that, that is the ballpark we can all have.

Mr. Dulin said is 10,000 seats enough for us to attract college baseball tournaments?

Mr. Rajkowski said yes, in fact they are being played right now in Greensboro. The ACC tournament I believe is in Greensboro and they have 6,000 seats.

Mr. Dulin said is it full?

Mr. Rajkowski said I don't know what they did on attendance. To answer your question, we talked about it a number of times. We have 72 Knights events as well as playoffs and other events. This is a multi-use facility that we want to get additional tournaments in here. We are closely with all the organizations to get additional events in the ballpark.

Mayor Foxx said going back to the tourism tax and the way the model is set up, am I right that we the city are paying out in a different model than Center City Partners is? As I understand they are paying \$750,000 over 20 years so I guess you divide that number by 20 and you get what their annual payments are. We are actually paying interest on top of the base amount that we are paying, that discount rate I guess you would call it. Is that right?

Mr. Kimble said they are paying a discount factor too, but on one of the slides they are wanting to pay \$168,000 up front and then 19 consecutive years and then add \$50,000 to that so they will pay \$208,000 the first year, but then they pay \$50,000 a year for 19 consecutive years and their payments would be the same way. If the Knights don't pay they don't get the funding.

Mayor Foxx said is a discount rate applied to their annual payment?

Mr. Kimble said there is a 6% discount factor applied to their flow of revenue stream as well.

Mayor Foxx said with respect to the Knights I guess the question I have for Dan is we are trying to feel our way around this and one part of it is understanding the financing, the other part of it is trying to decide whether right now with a public that has watched us go through some other very difficult decisions in the last several years, and with projects quite frankly in the recent past that haven't gone as well as they were advertised, what do you say to those skeptics around this project and why it is important?

Mr. Rajkowski said what I would to them is that 21 years ago this franchise moved to South Carolina. Today there is an opportunity to relocate this business back to North Carolina. We've seen what jobs are created, we've seen the economic impact, whether you can question that down to the dollar, there is significant economic impact for this. While we can't answer all the questions on what is going to happen with development, what we can say is that we are going to be developing a ballpark that is going to have activity more significant than any other activity that is created in the center city. There is never a perfect time for this. I think what has

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happened over the last the several months is a real strong effort to put this business development model together to work with the private sector and the public sector and you look at the ratios, we've looked at a number of these projects. Is the timing ever perfect, I don't know, but I think the timing of it is now and I think it is important for the future for the citizens to be able to enjoy baseball, but also enjoy all the other thing that are happening and we've seen so many tremendous examples across the country as to how Indianapolis and Toledo and Memphis, and Louisville and Durham have had tremendous success doing these types of projects. All we've got to do is try to follow along and see how we can do it in Charlotte and I think you've got a committed ownership to do this and we certainly appreciate staff, Council and Mayor for looking at this. We are optimistic and I think it is a great project and no-one will feel slighted that this wasn't the right thing to do.

Mayor Foxx said I've been ambivalent about this project, not because I don't think baseball would be an added attraction to our city or that I ignore the opportunity to create more catalytic energy in the center city. I do think this community is facing some very difficult choices and a paradigm shift that if we don't make it soon our city is going to find itself on a path of unsustainable growth. That is one of the reason why we are now debating this capital improvement program which quite frankly I think has a stronger chance of addressing the longer term challenges facing this city, the infrastructure growth, the need for us to do exactly in our middle ring what we've done in our suburbs and what we've done in our center city, which is you make the investment, you create the climate for economic growth, the climate comes and pays back that investment over time. We are having this conversation about this project, using the same formula at a time when we are also trying to talk to our citizens about the future of our community and creating the climate for another 20-year run. I have resisted saying no to this project to this point. I've also resisted saying yes to this project to this point. As I understand the deal more and that it evolves more I can say it is getting better, but I can't say right now that I am an enthusiastic supporter of it. That may change over the next several weeks, but I tell you when I think about the future of our city to be very honest I don't think the lack of baseball is a threat to our future. I do think the lack of some other things are and I think there is possibly a way to do both, but this community is going to have to get galvanized around doing both and we have a lot of work to do there. I look forward to more discussion of this and I know it is coming back on June 11th and we will try to take it up there.

The meeting was recessed at 5:22 p.m. for dinner and reconvened at 5:45 p.m.

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Councilmember Mitchell said today we celebrate the one year birthday of charlottebusiness resource.com which was launched last May during Small Business Week. This year the City celebrated Small Business for the entire month of May. Since its conception on May 16, 2011, smallbusinessresource.com has received 36,834 total visitors. In addition to finding great information the website, businesses can sign up for electronic news letter for the latest small business news across the city. Please enjoy the birthday cake provided by Cake and Flake, one of local small businesses that were recently recognized at the Small Business Month Kick-off event. At this time let's give Pat Mumford and his staff a hand for making Small Business Month a success.

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ITEM NO. 3: PROPOSED CHANGES TO THE RESIDENTIAL RENTAL PROPERTY ORDINANCE

Mayor Pro Tem Cannon said this item has come before the Community Safety Committee and Council will recall that the rental registration and the remedial action program that has been in effect since June 1, 2010 was something that was referred back to the committee because the Charlotte Mecklenburg Police Department wanted to move forward on what they thought would be some much needed effective changes with regards to this particular ordinance. You will see through a synopsis that rental property that has fallen into the top 4% of the disorder threshold, are subject to mandatory registration. We'll find out more about that piece of it and the property owner also much attend mandatory meetings with CMPD to enter into a remediation action plan

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to address the disorderly issues at their property. Today the CMPD presented a review of their first year of experience, something that I thought was still too short to gage in terms of where we are, where we should be or determining how effective this program has been with this ordinance. We continue to try to look at and see what can be done where. Again this was referred to the Community Safety Committee and the Committee did vote to recommend the proposed changes to the ordinance to the full Council. This will be coming at our regularly scheduled meeting this evening for a vote. This presentation that you will have coming before you included an explanation as to the proposed changes, some which would include the one I made mention of, the mandatory free registration of all rental properties, payment of administrative fees by owners whose properties fall within the 4% disorder threshold, a calculation of the disorder risk threshold on a quarterly basis as opposed to an annual basis, which is what the current program is offering and the removal of the process to revoke registration including the appeals process and the residential property review board. I think we have several resources here in that of Mark Newbold, City Attorney's Office, Steve Willis, CMPD along with Assistant City Manager, Eric Campbell.

Assistant City Manager, Eric Campbell said I will give you a quick overview of the process that we've gone through thus far to talk about this City's current rental property ordinance. Mark Newbold will talk about the ordinance itself and Captain Willis will walk you through the implementation and the ordinance is actually run. As Mr. Cannon mentioned, this ordinance was passed originally in June 2010. It was passed after a long deliberative process among the Community Safety Committee at that time. There was an extended stakeholder's process during that time and one of the big important issues that came out of that process was whether or not to institute a mandatory registration process. At that time CMPD requested it, a compromise was met at that particular time and the ordinance was passed without a mandatory registration process in place. However, Council asked CMPD to return in a year with an update on the ordinance and how the ordinance was working at that time. Back in July 2011, CMPD returned to Council with their one-year report on how the ordinance was working. Overall they felt the ordinance was a very effective tool for them as far as dealing with nuisance properties and abating crime in troubled neighborhoods throughout the community, however they felt there was some tweaking and some amendments that needed to be made to the ordinance to make it more effective. At that time staff asked for the ordinance to then go back into the Community Safety Committee for additional review based on the new amendments after the one-year review. Over the last several months the Community Safety Committee has been working on the amendments to the ordinance. Instead of a full blown stakeholder's process and the review of it, we did re-engage members of the stakeholder group through the committee process as we went back through the review of it. One of the things that is really important, the key issue came up again, the issue of registration, should there be a registration process or should there not be a registration process. I think some of the discussion in committee was based on whether or not a registration process was viewed as a punitive measure for those properties that were not causing any problems within the community, however CMPD and staff felt that a registration process would allow them to be more proactive in their approach to dealing with neighborhoods and nuisance properties throughout the community. Tonight we will walk through the amendment, the changes that are being proposed versus the current ordinance and Captain Willis will walk you through how the ordinance will be implemented.

Mark Newbold, Police Attorney's Office, said I think we've gone through the first two slides pretty well. If there are any questions about the old ordinance or our current ordinance and if there are any questions about what we are proposing as far as the process goes, I think they can come up in questions, but I think those have been covered pretty much through the introductory comments. For time sake I want to skip to the current ordinance and the proposed changes. As Mr. Campbell talked about, one of the first changes we are going to have is that we are proposing that there be mandatory registration for every residential rental property owner. The current ordinance only requires registration when a property falls in at a certain threshold and it is at the 96% threshold that registration was required. If a property fell in at the 96% threshold then they were required to go in and have some remedial action plan and there was a pretty significant review process that could go for possibly 18 months. Although this is a significant change, from CMPD's philosophy it is not and I would like to echo what Mr. Campbell talked about, which is that we've heard that mandatory registration somehow viewed by some as a punitive measure and it is not. I've heard several times that we should only go after those property owners, and

the word “go after” comes up, we should only go after those property owners who are at that 96 percentile. The purpose of registration for every program that has mandatory registration throughout the country is the ability of the police to immediately, that day or that night contact that property owner before they even get close to the 96 percentile. It is not designed to be punitive. It is designed to allow us to contact people immediately. It could be a problem that the ordinance addresses, but it could be another problem. It could be something as simple as a fire has occurred or there has been damage to the property. The reason why other cities have mandatory registration is not punitive. I do understand the other side of the argument and I will let the industry and their representatives handle those because I don’t want to misstate that, but I do understand the concern is that there is a certain point where government shouldn’t interfere with legitimate business practices and we all agreed with that from CMPD, but what we are saying is mandatory free registration allows us to contact you sooner, not later so that is the reason for that change and that is a significant change.

Under our current ordinance there is a fee that attaches when the property falls within the threshold. Under the proposed ordinance the registration would be free. The owner of the property would have to pay an administrative fee only at that point where it falls at that 96 percentile or above. Under our current ordinance the registration requires that the owner’s business or personal address be attached to that registration form. Again, under our current one, that registration process doesn’t kick in until there is a problem in play. What we are proposing is that the registration requires the owner’s business and personal address and the purpose for that is so we can immediately contact someone. We’ve had instances where we have tried to contact people and all we have is a post office box or whatever has been registered with the state is required there or what is on the deed from the county, and it is very difficult that night or in a couple of days to go ahead and get that information.

Councilmember Kinsey said every residential rental property owner must register. How many staff people are we going to have to hire to take care of all of that?

Captain Steve Willis, CMPD said the plan that we are looking at right now, there are two options. We can either do it internally where we are looking at developing the data base now to where we can share this information as far as the crime and disorder on the property. The other option is that we can look at a system similar to what we do with animal licensing. It is a third party vendor, they are able to register with that vendor via the internet and then that information is shared with us. We are looking at doing it in alternative methods.

Ms. Kinsey said if we go to a private vendor then who is going to pay that private vendor?

Captain Willis said if we go to a private vendor then we as in the City or the Police Department would be responsible for paying those fees. The vendor that we have looked at, the fees are less than \$5 for a property.

Ms. Kinsey said so it would add to the Police Department’s budget?

Captain Willis said yes ma’am, it would add to the budget that is set aside to fund the rental property ordinance.

Ms. Kinsey said so you would be coming back to us to ask for more money?

Captain Willis said yes ma’am.

Ms. Kinsey said I was Vice Chair of the Committee that took this up two years ago and we went through an extensive process and I’m a little concerned now that we are rushing this through. I got this last Wednesday and obviously, I’ve got some background, but I really don’t think we ought to be voting on it tonight after just getting it last Wednesday, although I really appreciate the work the committee has done because I sat there two years ago. One of the issues we had two years ago was staff said we can’t find the owner’s addresses. What makes us think that we are going to be able to find everybody’s personal and business address this time if the complaint was made two years ago that we can’t find it? I’m not real sure that registering every rental property owner is really going to get us where we need to be, however I support a more strict
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ordinance. I'm just not sure that we should require registration of all the rental property owners and I really wish we could stretch this process out a little bit more and have some public input.

Mayor Pro Tem Cannon said Mr. Campbell, why don't you, and there has been public input actually. Just as a means of making sure that we speak to the level of engagement relative to the different stakeholders on both sides of this issue and their level of involvement in the process.

Mr. Campbell said because we were not rewriting the ordinance there wasn't a full blown stakeholder's process for the amendment. What staff did was to reach out to those people who had participated in the original stakeholder process and we walked them through the proposed amendment so they could have input or comment on the amendment and what CMPD was planning to bring forward to the committee. We did reengage the original stakeholder's group and tell them what amendments were going to be placed on the table and give them an opportunity to look at those amendments and comment on them.

Mayor Pro Tem Cannon said and beyond that what we tried to do was meet with those in the industry that would have some level of concern to see if there might be any room to continue to get at a means of where all could be satisfied with where we were trying to go with this issue, which basically happens a lot in the presentation we saw in some of our most challenging districts. The process you have made mention of involves a few things in the way of how do you get to one point, your question about trying to get the information. Right now there is land records, which is through the Register of Deeds, then through the Register of Deeds it is to the Tax Collector where CMPD goes to try to retrieve the record of those where we are having the problem in that top 4%. Unfortunately, that first area in land records, they are not competing the information which is on the county side. They are not able to get the kind of information that the tax collectors need which in turn puts a hardship on the Police Department to be able to find the owners of these properties to let them know that either they are headed in the wrong direction or they are in a bad place currently. I think the measure to try to move forward in the direction to be able to get that information in a way that is being proposed, I think the way the CMPD has suggested is probably the better way to try to move forward, but we can talk about that further.

Mr. Newbold said the next change we put in place, under the current ordinance the disorder activity count is calculated on a yearly basis and what we are proposing is that the count will be calculated on a quarterly basis. One of the main reasons for that is that a lot of times we will see some properties that will spike up quickly and our goal is to get them quickly notified that there is a problem and hopefully within another quarter or another six months off the list. Under our current ordinance after a year's activity is evaluated, somebody would remain on that list for a year even if their problems had been taken care of by good active management. One of the things we wanted to do was put it on a quarterly basis to help capture those spikes, to get to them quickly and also to get people off a regulatory process as quickly as we could. Another reason why we wanted to use a quarterly process is that CMPD reviews material on a much more quicker and regular basis than it did several years ago and the quarterly process is found to be very effective under Chief Monroe to be able to allow us to shift resources quickly. We thought it would be best to have it evaluated in our quarterly basis instead of a year.

Councilmember Mayfield said when looking at the quarterly, let's say that there is a homeowner who has been contacted because there has been repeated activity involving the police. It takes about anywhere from 45 days to almost six months before the homeowner is able to get that individual out of the home that may be causing the problem. If we move this to quarterly, how is that going to affect the homeowner, the ones that are trying to do the right thing?

Mr. Newbold said if someone is trying to do the right thing and the most the owner could do on that would be to seek eviction. We can't say that you have to evict somebody, but somebody could seek eviction. Most of our remedial action plans dealing with this only requires that the owner take that active step that if eviction is appropriate that they seek it. The folks we were having difficulty with were ignoring, saying drug sales occurring on the property and taking advantage of that expedited eviction process. What this does brings the person in very quickly and says here are some remedies you have available under law that you could take a look at to see whether or not you can get an eviction. We don't require it so long as they take that step to

do that. I think the quicker they get notified the quicker they can take a step, the quicker the neighborhood can get back to having somebody out of that area that is bringing the neighborhood down either through drug sales or other disorder activity.

Ms. Mayfield said looking at bullet 2 with the proposal, a police official must also consider whether the owner knew or should have known that this sort of activity was occurring on the property. Then putting the authority into that officer at the time for them to speculate whether or not this is an owner that did know. Let's say this is the first time they received a call and it is senior that is on the record and a family member in the house that is causing illegal activity. I'm concerned about putting that responsibility on the officer to make a decision of whether or not they believe that the owner should have known that this activity was going on.

Mr. Newbold said the intent of the proposal is actually to give the owner an objective ability to show that they did not have knowledge. Under our current ordinance the police official actually had more discretion. You could bring it up but there was no requirement that the police official agreed with what you were saying or agreed with your evidence. What this does require and what this changes is it does put an at fault requirement before we could move forward. If I was the owner of a single family rental unit and I got a letter that said there was one drug sale at that unit and I took steps to take care of that, then I think the police official at that point would look at and determine whether or not they knew about it. The letter would be our evidence. Somebody will not be able to simply come in and say I didn't know because our bad actors will say that. What this allows is the police official to consider evidence and if there is clear and convincing evidence brought to the police official, they must remove that police order activity from the count.

Captain Willis said if I may add to that, it is cumulative, it is not the officer answering the call for service that is making that choice in the field. It is once that disorder activity count for that individual property rises to the threshold, they then have to come in and meet with the police official which within the organization it will be someone at my rank or higher. Fortunately I'm blessed with it right now, but they will come in and sit down at the meeting and that is when they are able to provide that evidence to the committee or group or me to say I didn't know this happened, there was no way I could have known that happened and then we are able to evaluate that and recalculate it.

Councilmember Barnes said I wanted to provide some comments to my colleagues who aren't on the committee and some of the questions that Councilmember Kinsey and Councilmember Mayfield has raised. As you all know the committee has been working on this since last summer and we felt like we had turned the thing inside out. What we are ultimately trying to do is create a greater level of accountability among property owners, absentee landlords in many instances and for example if a person wants to open a bubble gum shop or a baseball card shop, a law practice of whatever it may be, he's got to get a privilege license of some sort and while there is no privilege license component to this we had talked about this being a paid registration process, we took that out and it is a mandatory free registration process simply for the purpose of allowing the city to know who is doing rental property business in the city. We made the adjustments for example with respect to that quarterly calculation as opposed to annual because we know there are certain neighborhoods where you have spikes of crime at a property and it will take us a year and a half to catch up with it and we are trying to shorten that window. I understand one of my colleagues had some concerns and he sent out earlier today and I'm trying to help address that because I believe we should support the amendment later tonight and I hope the Council understands that the authority we have given CMPD is the work of these property owners, not to try to put people out of business unless they are really a bad actor, but to try to work with people to try to get into compliance, but not necessarily to create a completely punitive process. You will see later on where we removed the reallocation of the registration as a penalty and we also adjusted the appeals process. We are trying to make adjustments that will make it fair to renters and also take care of our neighborhoods. There were members of the Real Estate REBIC were there, other real estate interest were there and we tried to hear from that constituency and we also have heard from some of our neighborhood leaders on their concerns regarding what is happening in their neighborhoods. I would urge everybody to support it later tonight. We were trying to balance all of these issues.

Ms. Kinsey said you mentioned that you heard from stakeholders. Did you allow for a public hearing during the committee meetings so they were able to speak to the entire committee?

Mr. Barnes said yes, as I recall the meetings were fairly flexible and if we had a question to ask for REBIC for example, we'd ask the question, get the answer. I don't recall there being a lot of neighborhood representation, but we got e-mails as time went along, but there was time for that, but we didn't have a formal public hearing as we would with a change to the entire ordinance. I honestly didn't feel like we needed to do it because while the changes are fairly significant, they are I believe in the best interest of our neighborhoods and we heard from people who might be against them, if that makes any sense.

Mayor Pro Tem said it pretty much says that you don't need to have a process that allows the duplication or allows for anything that is mandatory versus voluntary. Those are the two outstanding issues on the against side.

Ms. Kinsey said I understand that. I feel a little rushed and I have spoken about this on other issues in the past when we've gotten something on Wednesday and we were expected to vote on it on Monday. While I'm familiar with this, having gone through the earlier process, this is the first I've really seen. I've seen a little bit here and a little bit there, but I just feel a little bit rushed and I don't like to have to do that. I don't agree with having to have everybody register. The rest of it, I'm fine with.

Mr. Newbold said the last two amendments that we are proposing is under the current ordinance the registration that get at the 96 percentile also operate as a permit to rent. While you were in need of remedial action, we treated that somewhat like a permit to rent and if somebody through the 18-month process was not able to lower the significant activity on the property we could move forward with revoking the registration or the ability to be able to rent to folks. Under the current ordinance we have removed the revocation process entirely. We are not proposing that we be involved with taking away the ability for somebody to rent under the proposed ordinance. It doesn't mean that we still don't have the same remedies available for the small, but very difficult properties where drugs, homicides and repeated breeches of peace are occurring through our traditional Chapter 19, so we still have the ability to go after those properties under state law, but we have removed and asked that the process to revoke the registration be removed. Under the old ordinance if the registration was revoked or the permit to rent was revoked the owner could appeal the revocation to the Residential Rental Property Review Board. Since we have removed the revocation process entirely there is no need for that Board. Several comments that I have received and also looking at some of the blogs is, what appeal do we have left if this happens. If a person, a first time offender violated some of the conditions that are in there, such as they refused to come to the mandatory meeting, they could be issue a ticket and it would go with the criminal process and from there it would go into District Court. I've heard comments that courts aren't responsive, these cases would just be dumped, well under the current process and the dealings we've had with the current DA and particularly with Bruce Lily and his folks, they have been quite attentive to problem properties. They have recognized the need to enter in and interact early as opposed to just dismissing citations. I think there is a significant appeals process in place if you are given a citation, but it is through the Criminal Justice System. Violations such as not appearing in front of the committee, failing to register and those type of things, would start with a citation. They could have up to probably a \$500 fine, but it does depend upon what a person's past record is. Those are the summary of the basic changes that we are proposing in front of you.

Councilmember Howard said I sent you guys an e-mail earlier today. I just want to say something before I make my comments. Sometimes I get accused of being too much of an advocate for the industry I work in and I just want to put on the table and make Council aware that when it came to the Post Construction, Tree Ordinance, Urban Street and probably two weeks from now when we vote on the budget, it will be the trash collection issues that I have not agreed with folks in the industry that I work in, and they will tell you that. I just want to make sure that when I make these comments, it is not taken as being some advocate here at the dais because that is not it at all. All I ever want to do is be fair, so if we could take these points one at a time. I'm not sure if there are any neighborhood leaders in the room, and I'll say this downstairs, I get it that we want to do something to make sure that we make property owners

more accountable. That is why I supported the original ordinance. I get it and I want to be fair to both sides, to the neighborhood folks who want to do stuff about problem properties, but also to the folks who actually own the properties as well. Point number one, every residential rental property must be registered. I feel like Ms. Kinsey and we haven't spoken about this at all. It seems to be a \$500 solution to a \$3 problem and I say that not because I know there are not real problems in the neighborhood, but if we actually have 4% or 10% of all our properties that are causing us problems and now we are going to make the other 90% register in some data base, one I'm never a fan of more bureaucracy. To me that is another system. If we could figure out how to make it work with the current property tax, something already, but creating a new data base, it now has to be maintained, every time there is a change in ownership, change in anything it seems to be a high mark for us to solve this issue. Do I support us making problem properties register, of course I do. We can even lower the threshold if that is what we want to do, but to actually to say now to deal with one issue we are going to make everybody do it, seems to be a reach. I don't see Ms. Campbell anymore, but I know her Department has for years tried to keep up with the change of leadership in every neighborhood. That continues to be a problem and it is one of those things that gets bigger and bigger and bigger that has to be maintained. I share Ms. Kinsey's concern about that. I also support it the way it is now, even if you want to lower the threshold. The second item I had is this disorderly activity count on a quarterly basis. I don't feel as strong about this one. This is really more just for consideration. I get that doing it on a yearly basis, it takes a long time to get all that data in before you know you've got a problem. I'm concerned about the quarterly basis of the fluctuation of more people coming on and off and it was really more around the summer months. We know we have a higher number of calls during the summer months because there are more people out doing things. I just want some consideration to maybe bi-annual, but if it is quarterly I could probably live with that one.

The next one has to do with the whole idea of the old ordinance and it is a question. The old ordinance said that we could revoke your right to rent. Is that even legal and can you do that under fair housing to actually prevent somebody from being able to rent their unit?

Mr. Newbold said I think you can so long as you provide significant due process. That is the person can challenge it. The way we had it set up is the highest protection which is that no action could be take until the review process went in and until there was a hearing. If you were to cut off the ability to rent and then allow somebody to process I think that could be challenged successfully, but what we did was, nobody would be denied the ability to rent until the entire process was through, which would involve eventually an appeal to Superior Court.

Mr. Howard said so if you go all the way through Superior Court, what happens if they continue to rent? Do you put a lien against the property, what happens to make sure they don't rent?

Mr. Newbold said what eventually would happen, under the current ordinance if we actually had somebody go through the whole process would be that if they continue to do that we would go to a judge and ask for an injunctive relief and show the judge that they have repeatedly ignored the ordinance and therefore based under our current law we have the ability to get a judge to order them to stop renting until that final review process is done. We would be seeking an injunctive relief to do that. Under the proposed ordinance we wouldn't be involved with that process.

Mr. Howard said the only concern I have there is when you get into some of the more fragile neighborhoods where a lot of the slumlords don't have a lot of money in the units anyway, there is not a lot to just kind of stop them if you took away their right to rent to just walk away from the property and then we would be seeing it under code enforcement. I just want to make sure we don't cause another problem. The next issue has to do with the appeal process being removed and essentially gets rid of the residential rental property board. I have a concern about that and this whole process of due process actually has a layer between you and potentially what we are talking about is a misdemeanor. Having a third set of eyes is a good thing to me, so taking that layer out was something that disturbed me. I think having a third party citizen independent review is a good thing. So just respond to why we would do away with that committee after being in place for less than a year.

Mr. Newbold said the reason why we removed that process is one, we didn't have anybody go all the way through it, two, we did listen to a lot of folks who did not want us to increase the level of
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bureaucracy with another level. We feel and several of us believe that the current process in District Court provides that review. It is already in place so why have another review process in there. The standard in District Court of course is proof beyond reasonable doubt.

Mr. Howard said that leads me to my next point and we hear a lot about how a court system is already backed up and the only example I will give you is that almost on a monthly basis we have the code enforcement people come to us and they present us a really badly maintained properties. We go through this thing every month trying to figure out if we actually go through the process of approving staff to tear them down and at the very least that happens to those folks is that they get a lien against their property for the cost of tearing the unit down. Yet in this situation we are going all the way to if you don't do it you get charged with a misdemeanor. If there was some civil way of doing this or a lien or some kind of way that you make it against the property itself I'd support that. When we have courts that are already backed up, but does this rise to the level of them doing anything or do they just wind up missing these because they become so many? That is a question I would love to know from the DA, are they going to really do something with these or are we essentially passing a rule that doesn't do anything? This is the last one and it is the whole idea that you have to post the registration to say this is a rental unit. Tell me what it says because right now the part that I read about the fact that if somebody registered and a police officer comes to the unit the tenant has to be able to put their hand on the registration which I assume has the information about the owner. It talks about either posting it or having it somewhere where it can be found so which one is it? Mayor Pro Tem is telling me it is not posted.

Mayor Pro Tem Cannon said there was some suggestion about some folks today and a series of Councilmembers got either an e-mail or a phone call from somebody in the industry that said there would have to be a posting of signage actually on the property. The question that came to me was, am I putting this on my front door? Am I putting something on the back door? Am I having to put it on the side of the house? It is my understanding that is not what we would be talking about.

Mr. Howard said it is actually Section 6-582.

Mr. Newbold said my understanding it has to be some place conspicuous.

Mayor Pro Tem Cannon said you might want to define conspicuous. What does that mean? Where should it be placed?

Mr. Newbold said I think the first way an officer would find it to be conspicuous is they ask and somebody can bring it out and show it to them. That would be the way to do it, but somewhere conspicuous would have to be somewhere if the officer is invited in, somewhere in the front or the side. I don't think it would be posted outside of the house, but it would have to be somewhere where it was conspicuous.

Mr. Howard said is it posted on a wall or they just have to be able to put their hands on it?

Mr. Newbold said I think if they could put their hands on it there wouldn't be a problem, but the ordinance says posted.

Mr. Howard said the only thing I'm adding to that, even if they could put their hands on it, making the property owner responsible for whether or not their tenant can put their hands on something is also a concern. I'm not against the idea of doing it. I voted for it and I voted for each one of the members that were added to the committee. What I want to do is make sure we are fair and that is why I brought these points up.

Mayor Pro Tem Cannon said I know we are running short on time and we have two other items on the agenda. Are we looking to defer those two items?

Mr. Walton said we will need to reschedule those to probably June 11th.

Councilmember Cooksey said does the ordinance require the police to notify the owner when the threshold is reach or at the first incident of a disorder activity? Under the proposal what are we changing about notification?

Mr. Newbold said the question is does the police have an obligation to contact the owner?

Mr. Cooksey said when does the owner get contacted?

Captain Willis said under the amendment in the ordinance, the owner is notified of the threshold by certified mail. That is how it is in the current ordinance and that is how we are proposing in the amended ordinance. To dovetail into that as a part of the registration what we have told all of owner all along because one of the biggest complaints is, I didn't know. How do I find out? We have told them that they can go to any district office now and obtain copies of reports for their property. We don't have that available electronic, but we will be building that as a part of the registration component. I actually met with them today and we are going to able to do it much simpler than we thought to where it simply is a report that is sent out as the incident occurs based on the address they register for as well as a weekly summary of what has occurred at the address for which they register for. They will get a timely notice at the time or day or week that the incidents are occurring, but the way that the ordinance is written is that we are looking solely at the that disorder activity count where my team is making contact with them once they have reached that threshold.

Mr. Cooksey said just to be clear, under the ordinance as proposed there is no requirement for the owner to be notified that there is trouble on the property until the threshold is reached?

Captain Willis said that is correct.

Mayor Pro Tem Cannon said because they are not a problem property.

Mr. Cooksey said understood, but the process then becomes if I am this absentee landlord that everyone is concerned about, and I didn't know this was going on on my property, I don't find out until I've got to hauled in for a meeting, whereas if I'd found out on the first occasion I might could have done something about it. I appreciate that is being suggested as a proposal that will be done but it is not in the ordinance and it is not our side of the bargain.

Mayor Pro Tem Cannon said I think that is part of why you are trying to get people to register across the board at 100%.

Ms. Mayfield said how many volunteer registrations have we had in this last year in comparison to how many homes we've had excessive problems that we haven't been able to identify who the owner of the home is?

Captain Willis said let me make sure I understand your questions. We've not had any voluntary registrations.

Ms. Mayfield said even though we've had this process in place for a year, no-one has voluntarily submitted their information?

Captain Willis said we don't have a voluntary process now. The process now is when a property reaches the threshold we send them a certified letter and they are required by the ordinance to meet with us. They come to the table and set down and meet. We share the information about what has occurred at their property. They have the opportunity to provide information to us to say that a crime or a call for service did not occur on their property and if we are able to say that it did not, then we recalculate that number and compare it against the threshold of their category. As it stands now the only ones that register are the ones that we are able to find and contact and bring to the table, because they are at that 96 percentile. As Mark alluded to our whole premise behind the registration is to prevent those properties from getting to the 96 percentile because we want to use the force multiplier of our patrol officers that when an event occurs we want them to have the ability to communicate with that property owner to say this has occurred, it is occurring

now, it would be of your benefit to know that this is occurring right now at this time of day or this time of night so they can take action on it and hold the tenant accountable.

Ms. Mayfield said where I have a concern is definitely when I look at my community there is a need to make sure we have easier access to identify these home owners because unfortunately a lot of them live out of state. I have people who have multiple properties that are not being maintained, but I do have a concern where it feels we are going from zero to 60 where if there hasn't been a voluntary process in place and that piece has failed then we go to this next step of making it all mandatory. I have a resident now for two years we've been trying to get some work done on her property, but because we are having to track down who all of these other property owners are that is causing her a major delay for going on two years, but at the same time I want to make sure that we at least have a real conversation about having a voluntary process in place to give the community an opportunity to step up before we go to the mandatory.

Captain Willis said I would put to you that we have that in essence through our tax data base, which the current ordinance requires us to use. We have notified several properties and I can tell you the very first apartment complex property that we sent a letter to. The letter went to the corporation that owns the apartment complex in Atlanta, GA. We scheduled the meeting, we went to the office to meet with them, we sat and waited and nobody showed up. We made phone calls to the corporation and found out it was sitting on an attorney's desk. We made phone calls to the apartment complex and spoke with the manager and she knew nothing about it. We told her she had to be at our office within 15 minutes or we were going to seek the opportunity to revoke the right to rent at that property. She subsequently showed up, everything worked out to the benefit, we were able to actually take that property off the list in the long run, but that is just one example of that voluntary registration because we are required to use that tax data base that isn't always accurate to the level that we need it. It might be to the level to recoup the funds for the city through the taxes, but it doesn't get us to the owner who can deal with the issue at 1:00, 2:00 or 3:00 a.m.

Mr. Howard said an example you gave of a corporation in Atlanta owning that property, who do they put down and who particularly gets the misdemeanor?

Captain Willis said it would be the owner of the property as to who they list as the legal representative of that property.

Mr. Howard said and nobody feels like there is going to be a challenge to this?

Mr. Newbold said I'm sure there will be a challenge because there is a challenge for just about everything we do, but I don't think it will be successful.

Mr. Howard said I'm talking about legal. Legally to say that the CEO of a corporation can be arrested. I heard Ms. Mayfield allude to the fact that a lot of properties have multiple owners. They are passed down to the children, so if there are four or five children on it, who in that situation do you go to? Whoever puts in the registration?

Captain Willis said your question is there are four or five owners, we would need to have one person who is legally responsible for that property. Depending on how that ownership is set up, it could be all four or it could be one. You would have to look and see how it is set up, but whoever comes to the table has to have the authority to sign for that property.

Mr. Howard said in a lot of the troubled areas we are talking about I'm kind of concerned that telling them not to call, potentially what could happen is the property owner could say if you keep calling the police because there are problems, I'm going to kick you out. Essentially what we could do is have problems going on in neighborhood that we know nothing about because they are stuck between a rock and a hard place. If they don't call and there are crimes going on, I'm worried about that whole thing of sending the wrong message to people in problem areas that it is better not to call so the landlord doesn't go to jail, then they lock up somebody because you see something or heard something, something is wrong.

The meeting was recessed at 6:35 p.m. for the Council to move to the Council Chamber for their regularly scheduled Business Meeting.

The Council reconvened at 6:45 p.m. in the Meeting Chamber of the Charlotte Mecklenburg Government Center for their regularly scheduled Citizens' Form and Business Meeting with Mayor Anthony Foxx presiding and all Councilmembers present.

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INVOCATION AND PLEDGE

Mayor Foxx gave the Invocation and led the Council in the Pledge of Allegiance to the Flag.

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CITIZENS' FORUM

Tree Ordinance & Adams Advertising

Ed Toney, 13712 Kensal Green Drive said about a month ago our State Legislature passed an ordinance allowing the our door advertising forum to have cart blanch at the trees that might or might not be blocking their advertising signs around the City of Charlotte. There was a lot of controversy initially in the newspaper and on television. They also outlined some of the areas, interchanges around the interstates and around I-277 where these signs are located. What I'm asking you, because I'm not real crazy about the ordinance and the way it is written that they have cart blanch, there is a new guy in the room, except this guy has got a chainsaw. It takes away a lot of the control that the City Arborist has, Charlotte being a City of Trees, now are trees are threatened. If they start with the small trees, when do they get into the bigger trees and the trees that we really like to see, the large oaks, large maples and what have you. What I ask of you is that you insure that they are good stewards to our City and that you all be good stewards for the citizens of Charlotte and look out for our good and our needs and take care of our land and make sure that our landscape is not raped by somebody with a chainsaw and an agenda to get their signs out because I grew up in the 60's and I can remember going down the interstates and every two miles you would see signs, just large billboards and after a while it is like eye pollution and I really don't care for it that much. There is a lot of folks that enjoy the trees, we enjoy Charlotte and that is why we are a Tree City and it seems as though we are being a test platform for this new bill. I am not too crazy about it and I ask you Mr. Mayor to stand up for the citizens of Charlotte, our rights, our City and let them know that we are aware of what is going on and put some more backbone into whatever you can do for us.

Optimist Park Community Association

Pauline Simuel, 4012 East 18th Street, said I am President of Optimist Park Community Association and I'm here tonight on behalf of our community. At the corner of Parkwood Avenue and North Davidson Street there is a sign that has Belmont on it which is right in the middle of Optimist Park. We are concerned with this sign and we come to you tonight requesting that we also may have signs put up. We are requesting three signs, one at Madison Bridge which is at the beginning of Optimist Park, one at the Parkwood and Davidson Street, which is right in the middle of Optimist Park and one at 12th and Davidson Street, which is also another entrance to Optimist Park to let the people know that they are entering the Optimist Park Community. I do have maps for you here to show you that our community is not recognized or supported as we had hoped it would be. We do hope that you will help us complete our vision that was designed in 2002, 8 to 10 years ago. We also would like for someone to work with us so that our community would be just as welcome as others. We are very happy to have had Councilmember Patsy Kinsey come and give us some very encouraging information to help us get started with what we need to do. She attended our meeting that was held May 5, 2012 and our next meeting will be this coming Saturday. All our meetings are held on the first Saturday of each month at 420 East 15th Street. We look forward to working with you in Optimist Park. There are a lot of things in Optimist Park that needs to be done. We would like to have the beautification that has been done at Seigle Avenue and coming down through Villa Heights. We would also like to give our community a face lift so that it would be beautiful as well and someone from the design department that would come with us, we could walk them around and

show them the things that is making our community not look so good, but can be fixed with some help. We also would like for someone to work with us about the grants that we can get for the money that we need to help build our community up because so many people coming in and trying to call it NoDa, some are calling it everything but Optimist Park. It is Optimist Park and that is what we would like for people to know. This is Optimist Park where we live.

Councilmember Cannon said Ms. Simuel I'm not sure who you are working with right now, but Mr. Manager if we could have someone from Neighborhood Services to touch base with her with regards to Neighborhood Matching Grants for the signage for the community. I think that would be a very good start in terms of trying to help you all with that.

Senior Games – Silver Fox Cheerleaders

Blanche Penn, 2207 Century Oaks Lane said we have been together for about five years and it started back in 2006 with the senior Games. You have to be at least 55 and older. Our oldest cheerleader is 76 years old. We have won several gold metals and here is one right here. We have gone to the State and the local and we are on our way to the State in Raleigh. We've been going for the last five years so we are very excited about that and we also have a fund raiser going on and we need funds and all that.

Doris Pierce said I would like to share with you our vision as well as our Community Statement which is to provide an avenue for senior citizens to become more active through community involvement via visitation to nursing facilities, participation in community affairs, parades, 5-K runs, church involvement/activities and senior games competition locally and statewide. That is our vision and our mission statement.

Loretta Wilson said Doris and I are the new Silver Fox because we are the newest members of the Silver Fox and I'm glad to be a Silver Fox.

Don Joshua said I am the old Silver Fox.

Ms. Penn said we started out with six cheerleaders and now we have 12 and it is growing.

Proposed Sign at Garinger High School

Katrina White, 2421 Catalina Avenue said it is with mixed emotions that I stand here before you this evening. I am honored to be a speaker during this forum and sad for the occasion for which I speak. On Tuesday, March 13, 2012 at approximately 4:25 p.m. my daughter, Brittany Taylor Palmer's life was cut short as she crossed the street in front of Garinger High School where she was a senior. Brittany was 18 years old and she was to graduate June 11, 2012. She was struck by an SUV as she crossed and died from her injuries in the early morning of Wednesday, March 14, 2012. During the day following her death the issue of a cross walk rose to the forefront in the continuous news stories. I am grateful to the collective media of our City for the coverage of my daughter Brittany and her life. I am also very grateful to Charlotte Mecklenburg City Council for quickly approving the construction of a crosswalk in front of Garinger High School at the busy intersection of Eastway Drive and Sugar Creek Road. My purpose here this evening is to ask if City Council would approve the crosswalk to be named Brittany's Crossing in honor of my daughter who so tragically lost her life to mark both the remembrance of the tragedy and the care with which Charlotte Mecklenburg City Council moved in constructing this safety crossing. Thank you for allowing me to speak.

Mayor Foxx said on behalf of our City that none of us can know the pain that you and your family are experiencing right now but the City Council has in fact taken the action that you just mentioned relative to getting the crosswalk done and I will commend to the City Manager to take a look at your request and we will be in touch with you very shortly, but our prayers are with you and your family.

Coalition to March on Wall Street

Ben Carroll, 601 Swan Street, Durham, NC said I'm an organizer with the Coalition to March on Wall Street South. For more than 8 months we've attempted to get permits for parks and a march route through uptown Charlotte for Sunday, September 2, for the March on Wall Street South right before the Democratic National Convention begins in Charlotte. We expect that this

demonstration will bring thousands of people to Charlotte to raise a people's agenda for jobs and justice and to raise grievances directly with the big banks in uptown Charlotte and the Democratic Party. It was only today at 4:00 p.m. that the City contacted us to inform us that they will grant us permits for the March on Wall Street South on Sunday, September 2nd. This is huge victory for our coalition and the first amendment and a step in the right direction by City and County officials. This is only after 8 months of being run through the bureaucratic gonlet of unanswered phone calls, unopened returned applications from City officials and excessive delayed tactics on the part of the City and County. The eyes of the world are on Charlotte. You all know this because you have been receiving thousands of e-mails from people all over the world who have been signing a national petition that we released just 2 ½ weeks ago calling on the City to grant our permits to march and to respect the rights of people to freely assemble and speak out for jobs against the rage and deportations of our immigrant sisters and brothers and for money to be spent on people's needs here at home, not on wars abroad or bank bail outs or prisons. While this is an encouraging sign we still call for the repeal of the oppressive ordinances that this Council approved earlier this year that will severely restrict people's right to freely speak and assemble and grant exorbitant power and latitude to the police to indiscriminately profile target demonstrators. We also continue to call for a clear permitting process during the DNC for parks and streets in the City. National nominating conventions have a disgraceful history of repression and city governments that stand in the way of the first amendment. The City of Charlotte should repudiate this reputation by upholding the people's legitimate right to gather and speak out to protest in September and these are some of the thousands of petitions we have collected over the past 2 ½ weeks that we want to present to the Council. We look forward to discussing this more with you all soon.

Permitting Process

Scottie Wingfield, 2004 Atherton Heights Lane said I prepared the following statement for last month's Citizens' Forum, but I didn't make the cut. Your decision to limit the amount of speakers at Citizens' Forum has resulted in a shrinking of our public discourse. At every Citizens' Forum since you voted to eliminate the unlimited forum there have been people like myself who have not been permitted to publicly address their local elected representatives. By winning elections you have won the privilege of speaking at Councilmembers as long as you choose and regular community members like myself are guaranteed 3 minutes every 12 months. Since I may not be permitted to speak again at a Citizens' Forum until May 2013, it is unfortunate that I wasted 43 seconds of my three minutes speaking about rules regulating my speech, so very many rules regulating my speech. A familiar story, right. Yes, I would like to talk about free speech and those glorious DNC ordinances. Even though by your rules I'm actually not allowed to address Council about the ordinances because "the matter has been a subject of a public hearing". I guess we will see if you are willing to enforce that rule. Last month the DNC Host Committee gave a detailed report about the DNC planning. One of the sections of the report addressed what the Committee is calling legacy, developments which the Committee hopes will benefit the City after the DNC has passed. One of the projects mentioned was a reusable water bottle initiative, another a bike share project. The ironic thing about these projects is that both of them are prohibited during the DNC. During the DNC if a policy officer sees someone carrying a water bottle and determines that the person plans to throw the water bottle the officer can arrest that person, no questions necessary. Carrying or wearing a bike helmet during the DNC is an arrestable action, but don't worry, you can appeal your arrest later. This is a great legacy our City Council has left us. Permanent changes to the City Code that Council made because of the DNC. Under the amended code, the City Manager at his sole discretion can declare an extraordinary event that gives law enforcement extraordinary powers. Not long a pair of CMPD Officers told members of Occupy Charlotte that they were worried about the protestor's backpacks and that they considered protesting itself to be an extraordinary event. According to them they could call the City Manager on the spot and get him to declare an extraordinary event. This incident demonstrates that at least some CMPD officers fully intend to use the amended City Code to target and profile protestors. Indeed they already do. At one of our rallies in the fall two men were arrested for jaywalking while other people jaywalked right beside them. In January occupiers were arrested for standing on Bank of America's privately owned sidewalk while looking at the public art through windows of the lobby. In the winter CMPD Officers consistently harassed occupiers for wearing scarves over their faces while other people did exactly the same. So law enforcement has already been utilizing the tactic of

selective enforcement to profile protestors and Councilmembers you have given Charlotte the legacy of whole new set of restrictions which CMPD asked for as “tools” to handle protestors.

Charlotte Black Film Festival

Tommy Nichols, 330 South Tryon Street said I am the founder and President of the Charlotte Black Film Festival. Both my parents were born in North Carolina, moved away in the 60's but I decided to move back. When I moved back here I was so excited because I saw something happening in the film industry where there was great growth in film in the North Carolina area, especially Charlotte and is one of the five growth indicators in this particular region. One of the things I was disappointed about was I didn't see a lot of inclusion of diversity, therefore the Charlotte Black Film Festival was born. Also I was tired of seeing Atlanta produce so much content for people of color. I said it is time Charlotte started doing that. Mayor Pro Tem Patrick Cannon was a greater supporter of the festival. It has been around for just two years and going on our third year, doing a lot of things, promoting Charlotte and diversity in terms of film production in this particular region from Miami to New York and all the particular events that we attend. If you look at your booklet we provided, this shows you everything that took place this year. It happens during CIAA and you also see a little flier which is our program guide and shows you our website and things that happened here as well. It took place at the Mint Museum as well as UNC-C Center City Building. We found that people were getting jobs, people were partnering to do production and if you look at our goals, there are three things I would like to point out. We promote diversity, we attract economic growth and development for the State of North Carolina and City of Charlotte and we also provide opportunity to view the vast film industry resources developed in Charlotte. We ask you to look at this book to see what kind of leadership and guidance that we can get to make this a stronger event next year and to draw more people into Charlotte to produce film.

Councilmember Cannon said Mayor, before you call your next speaker, just a point of personal privilege, we had speakers for the Coalition to March on Wall Street to make their presentation and we also had Mr. Tommy Nichols to make his presentation at this podium here. I would just simply like to ask those that have signs, you probably haven't been here or done this before, but it is very disrespectful while other people are trying to make their presentations to be in the way of them trying to make their presentation so that we can concentrate and understand what it is they are trying to convey to us. If you would refrain from putting your sign right in front of those people's sign when they are trying to make their presentation and causing a little bit of distraction for us here on this dais, it will be greatly appreciated.

Joseph Harrison said I am also speaking for the Charlotte Black Film Festival and I have been in the Charlotte region for about 25 years in the broadcast industry, both as a business owner as well as a employee at a couple television stations here in town, WSOC and WCNC. It is a very honor and privilege to be able to speak to something that is very dear to my heart, Charlotte Black Film Festival. We just celebrated our second year for the festival and in fact at our inaugural event Mayor Pro Tem Cannon was present and said some very fine words and we appreciate it, to kind of get the whole thing kicked off. As Mr. Nichols mention, the mission of the Charlotte Black Film Festival is economic empowerment as well as to get the word out in the region about Charlotte as a mica for film making. One of the things we did at this past Film Festival was to create opportunities to sharpen film production and marketing skills through workshops and panel discussions. In that vein we had three workshops, one was called the Color of Media where we had a very fine panel led by Dr. Patrick C. Graham who is the President of the Charlotte Urban League and had a very good discussion on black participation and we also had another one called The Film Makers Roundtable and that was a discussion with regional film makers about various film production activities in and around Charlotte. Another one that we are very proud of was the Stop the Bulling Workshop where we had kids come in and they actually created films, various schools in Charlotte Mecklenburg, about the importance of anti-bullying activities and how that is not a good thing to participate in. We had some really good films that came out of that. This is an annual event, the first to have been right around CIAA and we would encourage everybody here to participate and come out.

DNC Permitting Process

Matthews Hickson, 1314 Wyndmere Hills Lane said the folks that are here with me tonight, I'm with them to represent a coalition of people from around the country who will be traveling to
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Charlotte in the fall during the DNC. Our members hale from all over the nation and the south, but tonight we are here as citizens of Charlotte as your constituents and folks with deep concern about our state and out country. As the DNC come to North Carolina's Queen City our state's experience in hiring employment, drastic rising in costs for the working class, discrimination against our LGBT brothers and sisters and cuts to vital public services like education. While North Carolina will be an election battleground in November, we will hear little from either party about real solutions for the problems that we face. Executives of Charlotte's banking elite will flood this election with money and will be awarded unprecedented access to our politicians. But citizens like those in our coalition will be left largely without a voice. Under these circumstances we feel compelled to be at the DNC and exercise our rights to free speech and assembly, to bring the voice of a hurting state and nation directly to our representatives. In order to do this we are coordinating concerned citizens to organize a peaceful, friendly march scheduled for Sunday prior to the DNC, the one we've heard addressed already tonight. Our goal is to insure our faith and welcoming display of our constitutionally protected speech within sight and sound of important downtown locations. We're reached out to the City of Charlotte about a permit approximately 8 months ago. We've gone through a number of hoops, submitted many different permit requests and been told no on 24 different occasions and ignored otherwise, but again tonight we are proud to announce that the City granted us a permit for the march after a thousand petition signatures and much pressure from the local media, so thank you to the City for that. Also while this is an important first step that our voices be protected we must continue to make sure that people coming to the DNC can demonstrate as safely as possible without the threats of unreasonable search, infiltration, instigation or police brutality and that includes searches that are covered and supposedly legal under the new ordinances. I know that members of this City Council are under tremendous pressure from national democrats and party leadership to diminish ... activity and insure that the political pageantry of the National Convention go along without distraction. We are here tonight to ask you to take a stand for justice for your constituents and a stand for all the people that are begging for their voices to be heard. We hope this Council will choose a different route than others in the past and that they will condemn any repression of our freedoms, whether it is through process or state violence and continue to monitor the actions of police under these new ordinances which were passed here. We hope that you will condemn any infringement on free speech and support citizen's voices which are so badly needed at the Democratic Convention.

NDAА (NATIONAL DEFENSE AUTHORIZATION ACT

Steven Navarro, 412 North Laurel Avenue #1. Said I'm here to discuss the National Defense Authorization Act and the protestors that are going to descend upon Charlotte like locus for the DNC in September. I'm going to suggest legislation that creates mixture ... a minority of the out of town activist can be dissuaded from inciting the Federal Government to violence. If only every city wasn't facilitating to the occupy protest as Charlotte you would be having a whole different national conversation today Charlotte might be just that shining city on the hill, but instead prompted by the federal government, other cities stomped on the proverbial cockroaches instead of discussing ending our empire ... like closing down seaports and the coming destruction of both parties national conventions. The war on terror is supposed to be winding down. We are pulling out of Iraq. The NDAA has nothing to do with terrorist threat. It is because they are preparing for civil unrest as the currency gets out of hand. You have an obligation towards the constitution to consider the following: You need to pass legislation against the NDAA. You need to say you will not cooperate with any military federal agents violating citizen's of Charlotte constitutional rights. The sheriff can do that. By now several cities have already introduced and passed legislation. Glen Bradley of the North Carolina General Assembly introduced such a measure on the 16th of this month. Mecklenburg County has a history of speak and shoot the power by declaring our independence in Great Britain a full year before the event in Philadelphia. I have seen the table it is written on in a private collection. Let us again be that hornet's nest of resistance. This would give you all the good will in the world and would keep the protest from getting out of hand. It is the right thing constitutionally and morally. If you want to move up the ladder politically, don't do it by kissing up to the people in charge. They won't be in charge in a few years. Enforce the law. This is not why you became public servants. This is descending on Charlotte, but this is happening under your watch. Our hopes don't lie within the two party system anymore. It lies with the young activist. They are poor because people only 10 years older than them, my generation were bribed with the wealth of the housing bubble and the Bush tax cuts. Look the other way and not protest the

killing of people in other countries. The antiwar movement during Bush was only an anti Republican movement. Democratic rulers will let the wars go on as they get their promised loot, but the fatal conceit is there is no loot left to be handed out. Charlotte can be the center of the American Renaissance that is coming after the currency collapses and after American has endured unrest that is happening in Greece and the rest of the world. During the housing bubble we attracted some of the best and brightest and most ambitious people in American to this city. You passing this legislation would bring a lot of positive prestige to this city. While opposing the NDAA I represent a large constituency here today. No-one here in this room supports it. Thank you for your time. Please consider this.

Bank of America Protest

Antoine James, 1033 Blackstone Drive, Huntersville, NC said I would like to address the Council on the recent Bank of America protest. We had a chance to debrief what our respective organizations and collectively discussed the day's events. First we would like for Council to know that we feel the Police were able to maintain professionalism and conduct themselves responsibly. They insured that we were able to express our rights for the most part and we would like to jointly say thank you. We acknowledge and know that dedicated officers of CMPD are human and have families and all they are doing is their jobs. Our goal is not to be at odds with the police especially during demonstrations, however there were some instances where our rights were violated. We found that intimidation is being used to stifle the expression of freedom of speech that resulted in unwarranted arrest. With this intimidation and abuse of power also comes ... of consequence as it relates to actions taken by the police versus the actions taken by protestors, therefore we would like to start conversations to curb these imbalances because of the upcoming DNC. We are not asking for special treatment and we feel that protesting should not be criminalized. We are asking for the city to continue to work with protestors, allow us to receive the necessary permits to be able to express our rights to demonstrate. To stand for what you believe in is something this great nation was built upon and it is something that even our current President can stand behind and we hope that Council will too. As I close I would like to leave you with a quote from the late John F. Kennedy. "A nation that is afraid to let its people judge the truth and falsehood in an open market is a nation that is afraid of its people".

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CONSENT AGENDA

[Motion was made by Councilmember Cannon, seconded by Councilmember Howard, and]
[carried unanimously, to approve the Consent Agenda as presented with the exception of Item]
[No. 13.]

The following items were approved:

- 14. Contract to the lowest bidder, R. H. Price in the amount of \$281,261.54 for the construction of the Walkers Ferry Road Water Main Phase 2, funded by a Community Development Block Grant received by Mecklenburg County.

Summary of Bids

R. H. Price	\$218,261.54
Davis Grading	\$232,269.40
R. F. Shinn`	\$243,800.00
State Utility	\$276,189.10
Propst Construction	\$317,460.60

- 15. (A) Approve the purchase of four sewer line cleaning machines, as authorized by the previously bid or "piggybacking" exception of G.S. 143-129(g) from Coe Equipment Company; (B) Unit price contract with Coe Equipment Company for the purchase of four sewer line cleaning machines in the total amount of \$254,612.
- 16. Two-year contract with Single Oak Farm Grading and Landscaping for sanitary sewer easement cleaning and mowing, in the amount of \$500,000.

17. (A) Contract to the lowest bidder, B. R. S., Inc. in the amount of \$22,497,720.30 for construction of the McAlpine Creek Relief Sewer Phase 3 and Irvin Creek Sewer; (B) Contract amendment #1 for \$766,000 with McKim and Creed, Inc. for additional engineering services.

Summary of Bids

BRS	\$22,497,720.30
John D. Stephens	\$22,726,768.29
Oscar Penda	\$24,544,667.00
S. J. Louis	\$24,695,131.00
Rockdale Pipeline	\$28,109,749.76
Sanders utility	\$28,408,064.45
Reynolds, Inc.	\$29,560,296.95
State utility	\$32,717,407.40
Park Construction	\$33,446,629.00
Garney Construction	\$33,913,416.50

18. (A) Contracts to the following companies to provide access control and video monitoring support services at all of Utilities' treatment facilities:
Trinity Access 7 Video Solutions, Inc. \$250,000
Advanced Digital Solutions, LLC \$100,000
SFI Electronics, LLC \$100,000
(B) Authorize the City Manager to renew the contracts for two additional one-year terms with possible price adjustments as stipulated in the contract.

19. Contract to the lowest bidder, Blythe Development in the amount of \$849,200 for the Lincoln-Wilson Heights Neighborhood Improvement Project, Phase 2.

Summary of Bids

Blythe Development	\$ 849,200.00
Sealand Contractors	\$ 878,541.95
United Construction Company	\$ 896,401.00
Triangle Grading & Paving	\$ 981,002.00
Carolina Cajun Concrete	\$1,012,159.50
Showalter Construction Company	\$1,086,778.00

20. (A) Two-year agreement for marketing services with Luquire George Andrews in an amount up to \$700,000 to support future growth in ridership and (B) Authorize the City Manager to execute three, one-year contract renewals each up to \$350,000 for a total amount of \$1,750,000.
21. Resolution authorizing the refund of business privilege license payment made in the amount of \$2,238.04.

The resolution is recorded in full in Resolution Book 43, at Page 685-686.

- 22-A. Acquisition of 6.140 acres in Sanitary Sewer Easement at 13328 Rock Hill – Pineville Road from The James Ross Miller, Jr., Family Limited Partnership for \$64,787 for Steele Creek Pump station Replacement, Parcel #14.
- 22-B. Acquisition of 2.470 acres in Sanitary Sewer Easement at Downs Road from The James Ross Miller, Jr. Family Limited Partnership for \$68,635 for Steele Creek Pump Station Replacement, Parcel #15.
- 22-C. Resolution of condemnation of 3,123 square feet in Fee Simple, plus 3,852 square feet in Temporary construction Easement at 5308 Beatties Ford Road from Ronald Lee Cummings and any other parties of interest for \$7,100 for Beatties Ford Road Widening Phase 1, Parcel #65.

The resolution is recorded in full in Resolution Book 43, at Page 687.

- 22-D. Resolution of condemnation of 945 square feet in Sidewalk and Utility easement, plus 44 square feet in Utility Easement, plus 1,410 square feet in Temporary Construction Easement on Harrisburg Road from Heirs of Doris M. Fairley, S. Dean Hamrick, Paula B. Hamilton, Jack T. Hamilton, and wife, Tamara B. Hamilton and Martha Susan Hamilton and spouse, Robert T. Hamilton and any other parties of interest for \$475 for FY2012 Sidewalks – Harrisburg Road, Parcel #2.

The resolution is recorded in full in Resolution Book 43, at Page 688.

- 22-E. Resolution of condemnation of 936 square feet in Existing Right-of-Way, plus 508 square feet in Storm Drainage Easement, plus 160 square feet in Sidewalk and Utility Easement, plus 2,864 square feet in Temporary Construction Easement at 3111 Markland Drive from Earnest Lee Adams and wife, Carol Adams and any other parties of interest for \$1,025 for Ponderosa Neighborhood Improvement Project Phase 1 and Markland/Wedgefield Sidewalk Project, Parcel #8.

The resolution is recorded in full in Resolution Book 689.

23. Titles, motions and votes reflected in the Clerk's record as the minutes of March 21, 2012 Budget Retreat and March 26, 2012 Business Meeting.

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ITEM NO. 13: (A) CONTRACT AMENDMENT WITH ADVANCED DIGITAL SOLUTIONS, IN AN AMOUNT UP TO \$150,000 FOR THE PURCHASE AND INSTALLATION OF NEW VIDEO CAMERAS, PARTS AND ACCESSORIES AND THE INTEGRATION OF WIRELESS VIDEO INTO CHARLOTTE MECKLENBURG POLICE DEPARTMENT'S DIGITAL CONTENT MANAGEMENT SYSTEM AND (B) CONTRACT AMENDMENT WITH AVRIO RMS IN AN AMOUNT UP TO \$525,000 FOR THE DESIGN, PROCUREMENT AND INSTALLATION OF WIRELESS CAMERAS LOCATED WITHIN CMPD PATROL DIVISIONS.

Scottie Wingfield, 2004 Atherton Heights Lane, said this agenda item is about Police wireless video cameras and I see that the cameras in question are going to be installed in and around high crime area to provide video coverage of critical areas where crime has historically occurred. I am concerned that these cameras will also be used to profile protestors during the DNC. We've heard about problems that other cities have experience with protesting at National Conventions and past convention cities law enforcement has used the restrictive ordinances like the ones you've passed to arrest hundreds and in the case of the RNC in 2004 in New York City, they swept up over 2,000 people in one night. Those protestors and bystanders will get swept up because they are in the wrong place at the wrong time. You will cart thousands of us to Jail North, thank you for moving the jail up to 10 miles north of Charlotte, to get us out of the City during the Convention. Will bogus charges be dropped? Maybe. Charlotte will have to pay thousands of dollars to settle lawsuits like other cities have, but as long as the protestors are out of sight who cares if we are wrongfully arrested. As long as occupiers right now are off the Old City Hall Lawn who cares if we were wrongfully removed. When Occupy Charlotte's tents were removed and destroyed by CMPD on January 30th they were in compliance with the law. They were not being used for sleeping or storing personal belongings. We were in compliance with the law, but does that matter, no. Many of our tents were ceased, many more of them were destroyed. We still haven't seen compensation for those tents and you've gotten what you wanted, even though we were in compliance with the law, we are no longer there, we no longer have any tents to put up. When we had people trying to man the information tent 24/7 CMPD continued to harass people who were trying to man the information tent there. One person was arrested for falling asleep in a chair. You talk about free speech and how you support free speech. You are not showing this by your action or by CMPD certain offices by their actions. The vast majority of CMPD officers we've had wonderful and cordial relationships, but for instance the BOA protest, Captain Estes, Police liaison negotiated a lane for us to travel from College Street down Trade Street. We were promised that by Captain Estes and a road police officer on the site moved us back onto the sidewalk and would not accept the orders from Estes. Because of the confusion that resulted in that instance, I was arrested. This is the type of stuff

that should not be going on in a model city. Charlotte can be a model city. Other cities haven't done this well. Occupy Charlotte tried to work with you all before we passed your DNC ordinances.

Mayor Foxx said Mr. Manager it wouldn't be a bad idea to get us a report on that incident that she just mentioned if possible.

City Manager, Curt Walton said I'll be glad to.

[Motion was made by Councilmember Kinsey, seconded by Councilmember Dulin, and]
[carried unanimously, to approve the subject matter.]

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ITEM NO. 8: PUBLIC HEARING ON PRELIMINARY FY2013 OPERATING BUDGET AND FY2013-2017 CAPITAL INVESTMENT PLAN

Councilmember Barnes said I would express appreciation to members of the Budget Committee and to Mr. Harrington and his folks in the Budget Office as well as our former Budget Director Curt Walton for their assistance as the Committee has worked to review and analyze our budget. There are some things that we probably would like to have had a chance to look at a bit more extensively and I think we have done that as a Committee as a whole, which is great. I appreciate the folks who have shown up to speak on the budget tonight and without further delay I will turn it over to Mayor Foxx.

Mayor Foxx said this is another step along our process. We do look forward to hearing from the speakers tonight. Tomorrow I think we have the Straw Votes tomorrow and our target date to have a budget approved is June 11, 2012. Those are the steps that we see in the future here and there may be more as we go along.

Wayne Powers, 4321 Stuart Andrew Boulevard, said the people don't get to vote for the City Manager. We vote for you, our part-time elected officials, elected representatives and you hire the full-time City Manager to run the affairs of our City and it is up to you to give him proper direction, approval and to hold him accountable. When Mr. Walton first proposed out loud a property tax increase to fund his vision for Charlotte, you should have been stopped at the syllable "in" before Mr. Walton could have gotten crease out of his mouth there should have been a line of hands up and down that dais demanding his immediate resignation for the audacity of even suggesting a tax hike when we are in the midst of the worst recession since the great depression. With long-term unemployment still at record levels, that is not vision, that is blindness. A tax hike when Charlotteans already pay more in taxes and fees to local government than anyone else in the entire State of North Carolina, that is not vision, that is blindness. When our beleaguered citizens are still reeling from the massive property tax increase called revaluation, hitting even our seniors on fixed incomes with hikes of 100%, 200% and 300% forcing many to take out loans to pay up or risk being literally taxed out of their homes, that is not vision, that is blindness. When our tax base is fleeing, both residents and businesses over the county borders or over the state line to the point that we have to pay ransom money to a banana company to move here. When our community is literally fracturing with a large segment of Charlotte, now wanting to actually secede from the City because they just can't take the tax and spend madness any longer. When your vision is focused on throwing money at minor league baseball and giving them 20-year tax free while you raise the taxes on our citizens to pay for it, when your vision is focused on a streetcar to nowhere, or confiscating private property to build a sidewalk on Park Road where the residents didn't want it and fought against it, yet more of children have to die over on the west side before we can find the money somewhere for sidewalks where they wanted it and have desperately needed it for so very long. Our City Manager's solution is to raise taxes. That is not vision Mr. City Manager, that is blindness. Please look to the people of our community, they will open your eyes and clear up your vision. They will tell you that the people of Charlotte say no, not 9%, not 8.2%, not 2.8%, no increase is acceptable. The game is over, you can't annex anymore, the Emperor has no cloths, you should be reducing taxes. Your leadership is heading us in the wrong direction and unless you change course I'm afraid the remaining tax base is heading out of here.

Alex Vuchnich, 6801 Red Maple Drive said I would like to speak in opposition to the tax increase. Just back in 2007 we already had a 2.7 cent increase in our property taxes to fund a capital improvement plan at that time very similar to what we are doing now. That proposal was \$550 million so my question comes to where did that tax increase go? Why isn't that available now that we need the money to fund capital improvement? I'm concerned that it is going to be cyclical effect here where every 5 to 8 years we have to raise property taxes again to fund new capital improvements instead of reusing the money that we've already raised taxes for in the past. I would ask you to consider at least deferring some of these tax increases and let the members of our community catch up with the tax increases they have already experienced as a result of the reevaluation and then maybe look at some other alternatives. I think looking at maybe a service district model for raising the revenue or trying to find more public/private partnerships and using the synthetic TIF financing as a way of generating new revenues as a way to go as opposed to just continuously getting a cycle of raising property taxes to fund these improvements and infrastructure.

Larry Huelsman, 7401 Broken Oak Lane, said I work with small to medium size businesses and their employees. Tonight I would like to share some information on why there should not be a tax increase. We are still in unpredictable environment where sustainability is lacking in our pay checks and in the opportunities of business owners. The willed money then spins through our market place in a slower unpredictable pace. The forecast for growth is expected to be 2% to 2.5%. The market place would like to see 3% or better. Just today Wells Fargo released the report saying that consumer confidence stumbled in May by 3.8 points making it the third drop in a row. We saw a spike in February, now it's time to pay back says one of their analyst. Even with a stronger rate in jobs we are still more than 4% below our pre-recession peak. In my world that translates to people continuing to look for ways to pay their bills, capping into their 401-Ks, family loans, cash value life insurance, use of inheritances all of which have unattended consequences. I am aware that many businesses where the employees have not continued to work 40 hours per week and this has happened more times than not. The work place is changing. We are seeing more and more part-time independent contractors versus full-timers with benefits. Business owners and their employees are finding ways to survive in the new normal. City government should do the same. My ask of you is for you and your staff to put on your entrepreneur hats like our entrepreneurs are doing and their employees and look for ways to do the stuff that needs to be done within the current revenues. Look for potential partners who may have similar CIP's where monies can be combined for efficiencies and finally give us citizens more time to rebuild our infrastructure so we in turn can support the City of Charlotte infrastructure in 2014 and beyond.

David Lavoie, 17635 Meadow Bottom Road said thank you for allowing me to speak. I haven't been here before and I can see all have very difficult jobs. I'm the chairman of the Greater Enrichment Program and I'm joined here today by several members of the staff and the Board of Greater Enrichment who I will ask to briefly stand. Greater Enrichment provides after school care to disadvantaged children in the City of Charlotte. We've been doing so since 1975 and we've served more than 10,000 children in our 37-year history and we've had a long and fruitful relationship with the City during that period of time. We have been informed that the City's funding for Greater Enrichment is to be cut by 65% from \$605,000 to \$211,000 for the upcoming fiscal year. I'm here today to ask the City Council to reconsider this recommendation. We are currently serving 375 children with City funding at three CMS elementary schools. We serve the most disadvantaged children in some of the most disadvantaged school districts. We serve families who cannot afford to pay for after school care and often cannot provide transportation home for their children so Greater Enrichment provides a free after school program and safe transportation to the child's home. I ask that you consider the following points: First, we are the oldest, most experienced after school program in Charlotte Schools. Second, we are a state licensed program and so we undergo additional scrutiny than most programs and additional teacher training requirements so each of our teachers receive more than 28 hours of training each year. Third, we predominately serve the northwest corridor and Project L.I.F.T. schools. Fourth, our total costs per student hour is only \$3.83 which based on available surveys makes Greater Enrichment one of the most financially efficient programs available. Fifth, since 2005 we have been tracking our student's end of grade test scores versus those of students at the same schools who do not benefit from our program. We have found that our students consistently outperform their peers. In summary, we are experienced, we are licensed,

we are financially effective and we get results in areas that Charlotte needs the most. We have a great track record and involve an experienced Board and we've received consistently favorably feedback from parents, from teachers, from principals and from the City staff who conduct regular compliance reviews. We've enjoyed our long relationship with the City and have an open and cooperative relationship with them and have always followed their recommendations to improve our program. The grant provided to us by the City is a reimbursement grant. We provide a specific schedule of classroom services, approved by the City for a specific number of students. We provide those services and then we apply to the City for reimbursement. The City scrutinizes each expenditure made by the program prior to providing funds under the grant. Not only does the City approve and audit our expenditures, our Board reviews the program's budget.

Dr. Jim Woodward, 11945 Pinnacle Point Lane, said I'm also a member of the Board of the Greater Enrichment Program and I would like to expand on two of the topics that Mr. Lavoie raised in his comments. One is the compliance reviews that we have received from the City for a number of years. The other has to comment a bit further on the impact of these budget cuts on Project L.I.F.T. and also the effort to expand and improve the northwest corridor of the City. Currently, we are subjected to two reviews by external agencies every year. Because we do have a 21st century grant, we are reviewed by the State Department of Education. The most recent review took place in the fall. The purpose of that review is to monitor the quality and effectiveness of the programs. The report to us was in December and it concluded that the Greater Enrichment Program met every program criteria. There were no recommendations for improvement. Because again we are funded by the City we are subjected to appropriately so a compliance review each year by the City's Risk Management and Compliance Unit. Over the years those reviews have helped us improve what we do in serving the children. We now receive what I consider to be a consistently positive review from the City. Let me reference the most recent. The review took place in the late fall, early winter. We received the report on April 2nd, shortly before you received recommendations that our funding be cut by two-thirds. Our overall score was 1.79 on a 2.0 scale. Four recommendations, good recommendations. One was that we improved our record keeping on family income which is used to determine eligibility of the students to participate in our program. The three other recommendations were technically recommendations, one was that we develop a whistle blower policy, the other is that we develop and implement a conflict of interest policy and the other is to make sure that our practice regarding the duration of service on the Board is consistent with what is in our bylaws. Russell Robinson drafted the changes that we needed, we adopted those at our last Board meeting. If we had adopted those three technical recommendations prior to the review our overall review by the City staff would have been 1.9 at a 2.0. Let me read one specific comment in the report the City staff gave to us. "Staff appears to be well trained and extremely capable of carrying out the duties assigned". Those kind of reviews are totally inconsistent with the recommendation that we lose two-thirds of our funding.

Jay Privett, 11106 Knight Castle Drive, said I'm an advocate for the South Mecklenburg Alliance for responsible taxpayers. We recently celebrated the writing of the first Declaration of Independence by British citizens in the new world against their government. Over two centuries later, many of us feel a strong kinship with those brave Charlotteans. The residents of Charlotte are now the highest taxed citizens in North Carolina for the eleventh year in a row. Charlotte's debt is also the highest per capita in North Carolina totaling approximately \$4.25 billion. Despite this massive spending our roads are among the most congested in the state, our water and sewer systems are in dire need of repair and we haven't been able to pay for safe sidewalks in many of most established neighborhoods. Where has the money gone? I see in many of the proposals by the City a continuation of the things that have been tried before which if they had worked as promised, we would be knee deep in cash now, rather than going further into debt. I fail to understand how taking even more money from the pockets of the consumers and job creators for more of the same is going to result any anything other than greater economic despair for Charlotte and its citizens.

Eric Rowell, 4821 Fonthill Lane said I came here tonight prepared to read a short passage from one of my heroes, a French Political Economist who wrote in the mid 19th century. Instead I just want to speak to his ideas which is what will really matter. The main thrust of his ideas are that legal plunder, a/k/a Fourth Street Distribution of wealth through taxation for illegitimate purposes is just as wrong today as it was in 1850. I am a Charlotte taxpayer and a voter, I live in

Councilmember Dulin's district and I am opposed to the increase of our property taxes. The difference between a good economist and a bad economist is a bad economist confines himself to the visible affects or a policy or an action while a good economist takes into account both the visible affects seen and the unseen, the unintended consequence or the future outcomes of a policy. I would submit to you all that the difference between a good Council and a bad Council is that a bad Council only votes on issues based on immediate consequences while a good Council takes into account the effects of policies long past the next election cycle. I leave you with two minor examples of something I found while going through the current CIP which is obviously posted for all of the public to view on line. These are two minor examples in a \$1.97 billion proposed budget. I found \$282,000 allocated in fiscal year 2013 to the police activities league. Zero dollars were allocated in fiscal year 2012. Another example, \$50,000 to be allocated for the Charlotte Regional Partnerships Film Commission and this according to the City Manager's own report will result in jobs and economic benefits, although no evidence for this assertion was given. I would ask all of you this, if these two programs are so valuable how many on the dais currently have given any of your own personal money out of your own pocket towards either one of these programs. I don't mean to pick on either one of these in particular, these are just like I said two minor examples in a massive \$1.97 billion budget. Further \$282,000 or \$50,000 will provide jobs and create an economic benefit. Why stop there, why not give \$500,000 for each of these programs? Why not raise our property taxes instead of 47 cents for every \$100, why not raise it to 50 cents or even a dollar for every \$100? This is the premise that I would argue is flawed when you look at this budget that simply raising our taxes will increase economic benefits.

Edmund Driggs, 4901 Old Course Drive said I am a resident of South Charlotte and I'm here to speak in opposition to the tax increase. I am going to echo a lot of what you have been told by other people tonight, but I want to point out, I ran for political office this spring. I spend a lot of time walking from door to door, talking to homeowners and getting a direct sense of what is on the minds of people out there. So many conversations I had with people who are stuck in their homes, they can't sell them, they got hit with property tax increases they can't afford and you guys come along and say this is a great time for the City to increase its tax rate by 8%. It is politically absolutely tone deaf, I can't understand why you reached the conclusion that this is needed at this time and if you don't think you need to worry about the attitude of those people who pay the taxes because they are numerically in the minority and therefore politically powerless, you are wrong. They will leave and Charlotte will suffer as a result. The timing of this thing is terrible, furthermore we have an 8.1% unemployment rate in Charlotte still, which is an improvement over what it was but nonetheless this is not a cause for celebration. Raising taxes is not the typical remedy for high unemployment rate. The time of this thing is awful and I'm not clear why this needs to happen now. You've got a pipeline of authorizations for bond issuances, you could take more time to think about this thing, work it out in greater detail and bring it back one item at a time in more deliberate fashion in future sessions. The other thing that troubles me about this proposal as an economist is there is no detailed analysis to support the suggestion of the benefits that are going to be derived from this. I don't see the ridership, the revenue estimates for the streetcar. I don't understand why the streetcar is not being paid for by the transit tax as was committed at the time that tax was approved. I look at suggestions like the fact that the City's property tax base will be broaden by the CIP and by these investments and I have to laugh at that. Think about it this way. You've got 50/50 distribution in the so called wedge going down from central Charlotte and the rest of it and you have sent the 10% change, a 10% increase in the crescent as a result of these initiatives. That is going to be a \$4 billion increase in the value of properties in the crescent funded 50% by taxes paid by people in the wedge and you are trying to tell people in the wedge this is the reason they should like this proposal. I submit to you respectfully this CIP should be withdrawn, it should be resubmitted one item at time with all of the disciplines that normally attached to any public spending proposal, projections of cash flow, evidence of that you were thoughtful about how to fund this thing and exhausted all the possibilities for private sector financing and TIF and other sophisticated methods to get the costs allocated to where the benefits are being realized and please demonstrate the accountability that you owe to the taxpayers of Charlotte.

Glenn McNairy, 3825 Flower Field Road said I live in SouthPark and when you ask folks around town about the various projects they say sure, they would be nice to have. Who wouldn't enjoy riding on a streetcar, seeing a baseball game uptown, attending a youth sporting event at

Bojangles Coliseum, but my concern is how you plan to pay for these projects and raising taxes is not the answer. Especially on the back of last year's reevaluation by the county. While the City and County operate from separate budgets, households don't. We don't differentiate what part of our taxes goes to the county and what part goes to the city. A substantial increase two years in a row will cause some folks to throw up their hands in defeat and move to Fort Mill. This building is 11 miles from the South Carolina border. Many people are willing to drive that distance to save thousands of dollars in taxes. In a perfect world I would stand here and urge you to cut taxes, to jump start the economy and attract more companies and families to Charlotte, but I know that is unrealistic. So today I urge you to keep taxes flat. As much as you want these projects, I urge you to show restraint. This tax burden will hit all spectrums of Charlotte. It is not just South Charlotte that will be hit by these taxes. What do you think will happen to rents in the City? Every year folks stand at this very podium demand that you do something about affordable housing in Charlotte. What do you think this tax increase will do to that problem? Landlords will have no choice but to pass this cost increase on to their tenants. An increase in taxes will add one more roadblock to finally getting the affordable housing that Charlotte's working class needs, so I urge you to resist the temptation, resist the charm of a streetcar whistling through town, resist the allure of a pettier Bojangles Coliseum and focus on what Charlotte really needs. It is to be an affordable place to live and to do business. I urge you to please vote against the tax increase.

Ken Szymanski, 4139 Sulkirk Road said I'm talking tonight on behalf of the Greater Charlotte Apartment Association and I want to speak in response to the fiscal year 2013 multifamily solid waste service disposal fee and City ordinance options and recommendations. The Apartment Association examined these and offers commentary and policy suggestions aimed at serving this important subset of Charlotteans. Many City officials do not have a good understanding of multifamily trash dynamics and their variability by property age. City staff has made it clear that 40% of multifamily units on the City contract receive supplemental service, but there has been no discussion of why they need supplemental service or why the 60% balance of multifamily units do not receive supplemental service. The 40% are older market rate housing stock served mainly by dumpsters rather than trash compactors and are located primarily in City Council Districts 1, 2, 3 and 5. Because of the size and number of dumpsters allowed at multifamily residential properties by the City's contract at these properties, the collection frequency of one time a week provide inadequate capacity to accommodate known trash volumes, thus necessitating the multifamily sector to incur the costs of having to pay for additional collection service. Exacerbating this problem is that these older market rate properties also have larger than average persons per household ratios attributable to income levels, family size and rent affordability which translate into higher than average trash generation rates per dwelling. The properties and consumers least equipped to shoulder the cost of the supplemental collection are the ones who have no choice but to do so. Conversely the 60% of multifamily units that use compactors commonly at newer properties don't need supplemental service. Staff has recommended option 4 has the effect of distributing the supplemental disposal reimbursement payments currently made on behalf of the 40% of properties through all 100% including the 60% that don't need the supplemental. The math in this distribution would drive down the current City of Charlotte multifamily solid waste fee by \$3.00 from the current \$27 to a purposed \$23.18. This means that 60% of the apartment properties that don't need supplemental collection in the City's option 4 would actually receive a windfall fee reduction at the expense of the 40% of apartment properties that do need and do pay for supplemental collection and disposal. We support Option 3 which clearly satisfies the Superior Court order, reimburse all the haulers. We've also calculated a hypothetical Option 4B which recalculates the 40% and 60% respectively and comes in at \$14 and keeps \$27 for the contract to serve properties. We encourage that you adopt these, stand up for the needs of the older poorer neighborhoods and these 80,000 Charlotteans.

Becky Brown 5841 Murrayhill Road said I am a native Charlottean, I am a taxpaying citizen, I graduated from CMS, CPCC, UNC-C and also a City employee for 31 years. I have felt that I have been blessed by my employment with the City of Charlotte, however recently I experienced personally the limitations my employer currently offers me. About a year ago my partner of 16 years unexpectedly lost her job and with this she also lost health benefits for herself and our two young children. I cannot express to you the overwhelming feeling of helplessness and lack of support that I felt of not having the ability to provide for my family the basic health benefits that

the other City employees are able to provide to their families. This only made a bad situation a lot worse. I come tonight to ask that you do not let this opportunity to provide the same benefits for all of your employees in the City of Charlotte.

Paula McDaniel, 138834 Walker Creek Drive, said for 20 years I have served the City and in my servitude the one thing that I always wanted to do was go out and not judge. Having said that, tonight I stand before you to tell my story. I have a partner that I've had for 12 years and we are also raising a 2 ½ year old little girl so basically that is my family. Even though it is not the family that most people recognize, it is a family to me. In August of last year my partner was diagnosed with breast cancer and while she had insurance, her insurance was not near as good as ours but I didn't have the opportunity to say I can cover you, let me take care of it. For somebody that serves that was a very, very difficult thing for me, so what I would like to ask of you is to look at my face and if the rest of them would stand up, that is who you are affecting so please take the time and really think about the impact. It is not just a check box, it is a life.

Barbara Beam, 5423 WB Wilkerson Road, Indian Trail, NC said many of you may or may not recognize me. Every June I stood before you for several years presenting a young man or young lady who had displayed courage and fortitude in the face of adversity. We honor them because they choose to do the right thing. In a couple of weeks I will be doing that again. As I began to prepare for this upcoming presentation I realized that it was time that I stood up and did the right thing too. I stand before you today to request your support for the domestic benefits partner package. Although I don't have any children and my partner has her own benefits package, I look at these families that I am here with today and realize it is the right thing to do. Most of us that I am here with us today came to our jobs over 20 years ago, hiding who we are. We wanted to help people, to protect people, to save lives, we wanted to serve. We are willing to put our lives on the line every day to make sacrifices. At that time we knew we could lose our jobs just because of who we loved, but we wanted to serve. We wanted to serve you, your loved ones and your families. I thank you today for helping us to overcome that obstacle and thank you for taking the stand that you all took a couple of years ago with the anti-discriminatory policy. Today I stand before you to ask that you recognize our service, our dedication and our sacrifices. I humbly ask that you just give us the opportunity to care for and provide for our own families and our own loved ones.

Brian Horton, 1204 Clement Avenue said much of the case for the capital investment plan before you tonight has been made through compelling maps and revitalization strategies. Tonight I would like to draw your attention to one more map and one more revitalization story how it relates to the human capital side of the proposed budget as specifically domestic partner benefits. For the add a map I would like you to sometime look at the map of how Charlotte voted against Amendment #1. Many know Amendment #1 failed earlier this month within Charlotte, but I think it is important to note that the amendment overwhelming failed in Republican leaning South Charlotte. Numerous sections of Charlotte from NorthLake and the University area down to SouthPark and Ballentyne, all voted against Amendment #1. When I look at this map of the precinct returns I also see areas of Charlotte with higher education, more affluence, younger populations, all coming together voting against discrimination. But really it should not come as a surprise, the key economic strategy to keeping Charlotte nationally competitive is fully embracing diversity inclusion. A growing City like Charlotte understands the importance of remaining attractive to those very households and businesses which are the most ... of all. Affluent households have the means to live wherever. That is what you hear tonight with folks threatened to take their taxes with them. Younger generations have the dreams to move wherever and the most creative worker seek out cool jobs in a more accepting place to live. I also like to point out a compelling revitalization strategy or story. As the neighborhood outside that south wedge and that is my neighborhood, Plaza/Midwood, today Midwood has a comparable educational attainment and income to Ballentyne, but many locals know that that was not always the case. Now long ago Midwood was declining in terms of tax base, but then pioneers and a disproportion number of whom were gay started revitalizing the neighborhood's homes and opening businesses on what natives actually know as the Miracle Mile. Historically, it has the first Harris Teeter, the first Family Dollar and since coming back it has the first common market. If you visit this area you will see the very Charlotte that is continuing to expand economically in spite of the recession. Some may jokingly call it a gayborhood but I failed to see how that is not a revitalization story you would not want to see repeated elsewhere

in Charlotte. Indeed Charlotte's second common market is now been opened by a gay Charlottean in SouthEnd and if you go there, there is the very heart and soul of SouthEnd, Charlotte's hottest new place to live. Many more neighborhoods also outside the south wedge, in the crescent are coming back, thanks to active gay homeowners and their neighbors, many of the neighbors who actually loved their gay neighbor and think we are kind of cool. These neighborhoods, Wesley Height, Wilmore, Sheffield Park, they are in every district in the crescent and what great strategy. Please keep Charlotte attractive to all.

Christian Hine, 735 Shellstone Place said it is no secret that Charlotte continues to rank as the highest taxed municipality in North Carolina as a result of our high property and sales taxes. That statistic by itself send shivers into hearts of would be business investors and residents. In deed why come to Charlotte when just across the border in Fort Mill you can enjoy lower gas prices, lower sales taxes and nearly half the property tax rate. In deed earlier this year this Council had to literally bribe a major corporation to move its headquarters to Charlotte with taxpayer money. If that isn't a ... mission of Charlotte's unfavorable business climate I don't know what is. Even the Charlotte Knights who want to move up town for whatever reason don't seem to want to make the private investment necessary to make that a reality. They feel forced to come with outstretched hands to the City and the County. There is a pattern developing here. Those who want the services and the handouts move here. Those paying for the services are simply moving out. Eventually we will have more people on the cart than pushing it and there is simply no recovery from that. The ... on the Catawba will become a reality. Even statistics being touted that Charlotte's unemployment rate is falling are highly suspect. According to a large article in the Charlotte Business Journal there is a shrinking labor force that has been the major contributor to the declining unemployment rate, not some genuine turnaround in our economic viability. This proposed property tax increase on top of the already failed revaluation process is not the way to get this city turned around. Suppose that economic development projects have consistently failed to meet projections in Charlotte and this is expected. Government does not invest. Government is simply the least efficient consumer of wealth and only serves as a vehicle to redirect capital. If you really want to help this City boom, the climate of over regulation and heavy taxation needs to be changed. Stop with the foolishness that if but a streetcar to nowhere or an amateur sports arena, Charlotte would be the cream of the crop. This is nonsensical. The climate created by the taxes to pay for these toys is not conducive to real private growth. And also keep in mind that this tax increase will not only affect property owners, but also lower income people who rent. Their landlords, when they see their property taxes go up, don't think for a moment that that increase won't be funneled through to the renter and that is true across the board with any business. When business expenses go up they must increase their prices. I'll end with a brief aside question that I honestly don't understand when it comes to this proposal. The tax increase being requested is to serve as a revenue stream for future bond referendums. These bond referendums have no guarantee of passing and I see no guarantees that what will be up for a vote is what is being proposed in this particular plan. Over the long terms can this Council really buy into future Councils with these projects and what happens if those bond referendums fail? Does the City simply enjoy the use of a new higher revenue for other projects at their discretion? I ask you to vote no. This is not the economic climate we need for higher taxes.

Susan Sarvis, 601 East Trade Street said I have worked for the Charlotte Police Department for 27 years. I have been a homicide detective for the last 8 years. I joined the Charlotte Mecklenburg Police Department many years ago to make a difference. My reason for being a Police Officer was simply to help people in the community in which I live and love. I along with my fellow officers was trained to hold the highest respect for everyone no matter the race, creed, religion or sexual orientation and to treat them freely. Working in homicide, I and my team members see the dark side of life every day. We work many long hours to find the killer and bring justice to the victim's families. We serve the people of the community with honor and in some cases our lives can insure the safety and protection of all families in Charlotte. This benefit issue is not a gay or straight issue. It is a respect issue. It is a fairness issue. By not passing the domestic partner benefits you will be denying City employees basic human rights of being able to take care of their own families. By passing the domestic partner benefits you will be sending a clear message of respect for all City employees by giving them the ability to rake care of their own families. Please search in your hearts for what is fair and respectful for people who serve

your community and when you do you will see that a vote in favor of domestic partner benefits will honor us and our service in every way.

Lee Ann Oehler, 16046 Stonemont Road, Huntersville, said I was born and raised in Charlotte and I have worked for the Charlotte Mecklenburg Police Department for 22 years. I have been with my partner Lynn Davidson for 17 years. I am currently a Sergeant in the Homicide Unit and have been in that position for 13 years. I am here today to ask the City Council to keep the domestic partner benefits in the budget. I spoke before the City Council about this same issue in 2004, 8 years ago. The City of Charlotte needs to stop delaying and be a leader in regards to this issue. I know that many of you are married and if you will indulge me for a moment I would like each of you to imagine that your spouse is involved in a tragic accident. You receive a phone call saying that your spouse is at the emergency room suffering from life threatening injuries. You rush to the hospital and you are by your spouse's side. The Dr. tells you that if your spouse does survive it will be a long battle. At some point your call your employer and tell them you don't know when you will be back at work because you are going to remain by your spouse's side. You have plenty of sick leave so your employer says don't worry about work, be with your spouse. Now imagine you don't have this option. You can't use your sick leave to be the person you share your life with. Imagine that the worst happens and your spouse dies. Imagine that you are now allowed bereavement leave to bury the most important person in your life. Imagine what this would feel like. Gay and lesbian City employees don't have to imagine what this would feel like. This is our reality. We want and deserve the same benefits that our co-workers have, therefore I respectfully ask you to keep domestic partner benefits in the budget. Don't delay this issue once again. Charlotte needs to be a leader and stop taking a wait and see attitude.

Jane Cacchione, 805 Lake Park Drive, #201, Davidson said I appreciate the opportunity to speak to you tonight. I have the opportunity to serve as the Chair of the Bicycle Advisory Committee. The Bicycle Advisory Committee would like to express its support of the recommended capital improvement program under consideration. We applaud City Council for their past efforts and proposed efforts to make Charlotte a more bicycle friendly city. The City has made great strides in becoming a more friendly bicycle city over the past 10 years and we believe the proposed CIP will build upon that momentum. We are particularly excited about the following CIP projects: The Cross Charlotte Multi-use Trail, numerous road and streetscape projects that will improve bicycle accommodations citywide, new bridges over I-85 which will help make the UNCC and University Research Park area much more bicycle friendly. It is our hope that with this CIP that the City will continue to implement the small investments that are also important to creating a bicycle friendly city. We encourage the City to continue to fund bike lanes through resurfacing, signed bicycle routes, implement small capital projects like bike detection systems and intersections, enhancing key bicycle connections and crossing areas and continuing to install bicycle racks across the city. We believe these small investments, combined with the investments proposed in the CIP will make Charlotte one of the leading bicycle friendly communities in the nation. Thank you for all that you do to make Charlotte a great place to live, work, play and most importantly ride a bike.

Geoffrey Curme, 2125 SouthEnd Drive, I am here under my own free will to express my appreciation for and favor of the budget that has been proposed for fiscal year 2013. I am in favor of it for three primary reasons. One, it seems balanced and reasonable to me which has been the course of dealing for and by the City Council and City Manager relative to managing the budget. As has not been mentioned here tonight the City has a AAA bond rating, which the top and there are very few of them in the country. I think you all do a good job managing the underlying economics supporting that rating. The second reason I am in favor of the fiscal 2013 budget is the capital improvement program. I think it makes a whole lot of sense to look out into the future and to invest into the future in general, but in this case with the idea of building and broadening the tax base, the proposition to identify corridors that are now suffering economic stress and/or underdeveloped makes a whole of sense. I want to speak particularly about the Northeast Corridor and in general the Statesville, North Graham and North Tryon Street portion of that corridor. Manager Walton, as you know you've identified up to maybe \$100 million of the \$900 million of the overall CIP for this particular corridor. As I have shared in my e-mail to each of you earlier today, the firm for which I am involved has made substantial investments in that corridor and we welcome your initiatives in that area. It is so close to downtown and for
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those sitting in the audience, let me give you a factoid. Sullivan Steak House is 2 miles from Trade and Tryon. Everybody likes to go to Sullivan Steak House. The heart of our acquisitions in the north end is two miles from Trade and Tryon and I'll be glad to have anybody ride shotgun in my car tomorrow to out to the intersection of West 24th Street and North Graham Street.

Jonah Smith 2601 East 7th Street said I'm here on behalf of the Charlotte Firefighter's Association. As firefighters it is our privilege to work and serve the citizens of the City of Charlotte. The Charlotte Fire Department is a Department of Excellence and that is what you on Council as well as the citizens out here deserve and what you expect. With the adoption of the proposed budget we will be able to continue as a Department of Excellence into the future. Over the past few years the city, its citizens and employees of the city have had to tighten our belts to insure that we could weather the economic downturn. As firefighters we have seen the public safety pay plan go unfunded and we have dealt with increased costs and cuts to benefits. We want to emphasize that employees as well as our families have understood these are necessary evils in a time of economic downturn. We have been able to weather the storm and I stand before you tonight to thank Mayor Foxx, Curt Walton, Ruffin Hall as well as Delane Honeycutt for their backing of the revised public safety pay plan. We thank you for backing this plan this year and look forward to many years of watching this plan work for the city, its citizens and the departments which represents. This revised plan helps those who are in need of it the most, the lowest ranking members of both the Police and the Fire Departments. I want to say a special thank you to Mayor Foxx and to City Manager Walton for allowing an empowering your employees and establishing the public safety pay plan. When labor and management work together it benefits all of us. I would also offer our support to offer an extension of healthcare benefits to domestic partners. Offering benefits to additional dependents of City employees is never a bad thing for recruitment, retention and in general the morale of the workforce. The Charlotte Firefighter's Association is glad to see that the city is back looking at benefits and ways to expand them. Now we must work together to explore the restoration of healthcare benefits to retirees. This benefit was cut away a few years and it must be reinstated to insure that the City will stand behind those workers who dedicate their careers to the City of Charlotte. We must insure that everyone who is hired by the City is backed with health insurance once they retire in order to recruit and retain a qualified and diverse workforce. Please remember that each employee may enjoy their job, but the pay and benefits makes the final decision. We all must support our families. Inevitably this plays into their decision to work in this great City, the City of Charlotte. Please support the extension of healthcare benefits to domestic partners and the funding of the public safety pay plan as proposed. Again thank you for continued support of the Charlotte Fire Department.

Thomas Sorrentino, 767 East Main Street, Elkin, NC said thank you for the honor to speak to you this evening. I am a City Employee and have been with the City about ten years now, although I've been in Municipal Government for almost 30 years. I'm also speaking tonight in support of the City Manager's recommendation to provide domestic partner benefits to City Employees. I support this recommendation not only because I believe it is the right thing to do but because it is also consistent with the City's values and policies of promoting diversity and treating all people with respect and dignity. City Manager Walton and his staff have made great efforts for the past several years, creating and promoting an environment and culture of inclusion and acceptance throughout the City organization. This furthers that effort to value diversity, treat everyone with respect and dignity and celebrate each other's differences. This is what makes our organization strong. This is not about granting special benefits or privileges to any one group of people. This is about providing equal access to benefits for all City Employees. My life partner and I have been in a long-term committed relationship for over 12 ½ years. We have been and continue to be each other's primary source of support, both financially and emotionally. This provision would allow me to provide for me and protect my family in the same way that my friends and co-workers are able to provide and protect their families. My partner has been self-employed or worked for small local businesses for most of the past 10 years. As you are well aware, trying to obtain affordable insurance when you are self-employed or own your own small business is virtually impossible. We have had to endure long periods when he did not have any coverage which can create a great deal of stress as you hope nothing major will happen during that time. If I had access to domestic partner benefits I would have had the option to protect my family. Approval of this proposal would not only put Charlotte on par with many other cities and counties throughout the state and the nation as well as several of the city's largest employers,

but would send a much needed positive message that Charlotte truly values all people regardless of who you are. All eyes are on Charlotte, North Carolina these days for many different reasons. Unfortunately some of those are not good reasons. This is an opportunity for Charlotte to take a small but powerful step that shows the rest of the state and the nation that the City truly values all of its employees and citizens equally.

Dennis Peterson, 8721 Bodkin Court said I want to take a moment, the day after Memorial Day to recognize and thank those that fought and gave their last devotion that we speak out against ... this evening. I agree with the City Manager, what we have in the City is unforeseeable. The wedge can no longer carry the rest or half of the City's budget. The problem is the solution on how to fix that problem. I have to admit I love this city, I love all of the city. I live in east Charlotte and something that most of you don't know, my wife and I own property in the Belmont neighborhood. We are trying to buy property in the Villa Heights neighborhood and we are not doing this because a streetcar is going to be running nearby. We are not doing this because Bojangles is going to be converted to amateur athletic sports complex. We are doing this because we feel we can get the return on our investment so that we can have money to pay for our children's college education. I want to see everybody in this city have that opportunity, but if we continue to tax and continue to regulate in all parts of the City we are no longer going to be competitive. We are not competitive now with Fort Mill and Rock Hill. Our taxes are lower than Raleigh. Why would I want to be here if I could go to Knoxville and Nashville and pay no state income tax? You have already given Chiquita a break, when do we get our break?

Patrick Miller, 2210 Winthrop Ridge Road said I appreciate the opportunity to speak to you. A lot of the folks to my right and behind me had really articulated well the concerns about the tax increase, particularly the discipline, the due diligence that one of the gentlemen recommended it be done to make sure we understand what is passing, so I've decided to change my comments. I've been a resident of Charlotte since the fall of 2008. We love the city and have said this is one of the best times we ever had as a family. I spent the first 33 years of my life growing and working in Los Angeles, California which has an extremely progressive tax policy with regard to both property taxes, income taxes, sales taxes and an environment that is extremely unfriendly to businesses. I'm not an entrepreneur, though I did try it once and failed, but I am an entrepreneur worker in the sense that I work for a gentleman who owns a company and through the course of three employments in 25 years I have worked directly for owners. I have watched thousands of businesses and folks leave southern California and the State of California because of the failed policies that were tax policies that were not business friendly. Here is my concern with the tax increase. We are saying that we are doing this to invest to grow the tax base, but I see no information coming forward that explains what types of businesses and specific entrepreneurial adventures would actually jump on board and build businesses there. We can create an atmosphere that is pro-citizen and pro-job. We want to grow the tax base. I don't see that this plan explains that it will grow the tax base. That is my concern and I'm asking respectfully to pull back on the vote and give it more time to examine it and maybe break it off into smaller pieces that need to be done immediately whether it is support for basic city services such as firemen and teachers and police and not greenways and light rail. I'm very concerned about that and at the very least get you to consider slowing down, not pushing forward for a vote on June 11 and re-examine this thing. It is really a bad time to be raising taxes. Since arriving here in October 2008, nearly every week I've spent time volunteering with a group called the Cross Roads Career Network and I've seen hundreds of people get help to find jobs, many of those have accepted jobs making \$20,000, \$30,000 and \$40,000 per year less than they are used to making and they are bleeding cash to try to maintain their homes now. I'm a person that is reinventing himself in that same sense and I've bled over \$15,000 in personal savings reinventing myself in this economy and had to support my mother-in-law and a son and daughter-in-law who both were laid off from their jobs and I moved them home with me. They are back on their own, but we have to get back on our feet so I can save for my own retirement and my teenager's coming college tuition. I don't have the extra cash on hand to pay the taxes.

Mel Morganstein, 209 Glen Oaks Road said we moved here from Washington, DC, actually my grandparents were in Gastonia in the 19th century, they lost their dry goods business to a severe economic downturn and we moved back to Charlotte to be with our daughter and we are running into another economic downturn. This is an absolutely wonderful city, the arts, the great restaurants, I've met some of the nicest people you can imagine of all different flavors, political

and otherwise. They are my friends. There is one little downside. Sometimes I feel like I'm trapped in the pages of a ... novel, like we've turned the family credit card over to our teenager who is going on a spending spree and doesn't know when to quit. I could name all sorts of projects, the streetcar that costs hundreds of millions of dollars. It is cheaper when you look at the ridership to buy everybody a car and give it to them. Streetcar tracks that represent a serious safety hazard, the people with motorcycles, bicycles, pedestrians and cars when wet, which is one reason DC dumped its streetcar. Look at the baseball stadium, all I can say is I'm a retired federal employee, I've gotten one ... in four years and we're been squeezed. The re-evaluation last year really increased our taxes. We came here paying far more taxes than we paid in Montgomery County, Maryland. Just keep in mind, if you want to think of us as human beings trying to make ends meet, think that a lot of us as turnips out here and please think about this when you start considering tax increases, it's getting harder and harder.

Yi Deng, 9201 University City Boulevard said I am the Dean of Computing and Informatics at UNCC. I'm here to speak about the capital investment plan specifically I'm here to speak for the proposed \$10 million infrastructure investment for the Charlotte Informatics Partnership. UNCC the only major research university in the region continues to place Charlotte economic development as its key priority. To this end we have taken the lead for the development of Charlotte Informatics Partnership, a public private partnership with a goal of building a strong informatics industry in Charlotte. This partnership has received a strong endorsement and support from the Charlotte Chamber. Informatics also called big data and... are the signs and technology for harvesting business values from that amount of data is a driving force for the ... base economy. Every major industry in the Charlotte region from banking, retail, healthcare, energy, you name it, depends on informatics for their competitiveness and even survival. This is also area that attracts major investment from every industry as we speak. This is one of the most promising areas for entrepreneurship and the start of businesses. Charlotte Informatics Partnership will help position Charlotte as a leading hub for informatics talent, research, business generation and investment, which in turn will lead to high end job creation and economic growth. The proposed informatics ... facility will provide a cutting edge laboratory for start up business partner companies and workforce preparation leveraging the many state of art laboratories and computing facilities as a university. This facility will serve as gateway for informatics innovation, for connecting research and ... development with business development. Entrepreneurs and companies will work alongside researchers and graduate students with the help of this investment will be able to attract \$10 million on new federal and research funding to Charlotte a five-year period. Helping to generate new technology and business generation in this facility will directly support the training of astute informatics profession which is in vast sharp supply today in Charlotte.

Mathews Ridenhour, 5935-F Quail Hollow Road said I am a native Charlottean and for those of us who have been in Charlotte for a while, we are also familiar with the phenomena of Meck Flight as we have seen our friends and family members moving out of Charlotte, out of Mecklenburg County to York, Union, Iredell and Gaston Counties. More often than not, we find that the reason they are leaving our city is because of the high tax rate. Our families right now are hurting. There is unemployment and we are starting to turn the corner, but people are still feeling that pressure and they are not feeling in some district across town and somewhere else in another country, they are citizens in everyone of your districts. In every one of your communities families are hurting and right now our families are reeling because of the property re-evaluation last year for the county. I know that it can be said that the property re-evaluation was a county issue and this is a city issue and to that I would replay, to these folks when they are being robbed they care not whether it is the left hand or the right hand which is picking their pocket. I would urge you to please do what is best for all citizens in Charlotte, for all citizens in Mecklenburg County and for all members of our communities, vote against this tax increase.

Ann Browning, 5819 Riley's Ridge Road said I am the Project Director of a non-profit organization, the Carolina Thread Trail and I'm speaking to you on behalf of our governing board. The Board sent each of you a letter recently and thank you to those that responded to it. I want to reinforce a couple of those messages for you tonight. The letter reads, "Dear Mayor Foxx, Mayor Pro Tem Cannon and Members of the Charlotte City Council. We are asking that as you consider high impact capital projects for Charlotte in conjunction with the proposed capital investment plan you place a high priority on the Cross County Greenway, a completed

Little Sugar Creek, Toby Creek, Mallard Creek Greenway connecting to Cabarrus to the north and York County to the south will be a transformational project benefiting Charlotte and our region in many ways. Economic development, the businesses along our current greenways can attest to the economic development they drive. Businesses locate near greenways because of the foot and bicycle traffic they draw and the attractiveness to employees for having access to trails. Additional jobs will be created by the trail construction and the businesses spurred by the trails. Alternative transportation – connectivity of the spine will provide our citizens a safe alternative to cars for getting to work and other destinations. Health – greenways provide an invaluable recreational aspect to promote healthier lifestyles and get out citizens outdoors and moving. Water quality - by buffering our creeks and greenways, greenways provide natural infrastructure for dealing with storm water runoff and filtering pollutants. Connecting our neighborhoods – this cross county greenway will serve neighborhoods representing a diverse range of economic profiles and will literally connect our citizens as they meet on the trail. The heavy use of current greenways is a testament to the usefulness and attractiveness of trails and greenways to our citizens and visitors. Connectivity across the county will make our current investment even more valuable and will truly distinguish our city and region. We realize that your choices are difficult. We hope that as you weigh your options you will find the multiple benefits of a cross county greenway make a compelling case. Thank you for your consideration. Sincerely The Carolina Thread Trail Governing Board”.

Jack Groasch, 3502 Marionwood Place, said as I traveled throughout my district in my run for the 12th Congressional race, I talked to a lot of citizens in the district that talk about cutting spending and saving money and saving the interest that we are paying on our debt and they generally talk about it from a perspective of using that money to fund other priorities, basically insert their priority here. Recently we read on the front page of the *Charlotte Observer* that the property re-evaluation accounted for about \$145 million in additional revenue. I didn't hear any members from the dais talk about refunding that money to the taxpayers, I didn't hear them talking about reducing tax rates, they were talking about other ways of spending it and we are here tonight to talk about yet another tax rate increase. I propose to you that you show some respect to the citizens that elected you to the positions that you currently hold and consider not having a tax increase during these hard economic times. My second point that I would like to make is that I think you are exhibiting a modified Peter principle where the members of the City Council, the members of the County Commission are going to vote for one too many tax increases or they are going to have one too many fees put on the people of this great city and you are going to wake up the next morning and you are going to look downtown and you are going to see for rent signs. You are going to see the area that you have all worked and past City Councils have all worked so hard to improve, is going to have a higher vacancy rate and this city is really going to start crumbling and whether you want to call it Detroit on the Catawba or you want to call a ghost town, the city that you all have fought so hard to have a good name for is going to be vacant. I strongly urge you to consider this tomorrow morning when you wake up and you consider voting for this tax increase.

Rev. Willie Simpson, 1620 Ervin Lane, said I'm somewhat heavy tonight because of some of the things I've heard. Now I know why I'm a visionary. Mayor Foxx before you became Mayor you entered a festival as City Council. I prophesied on you that you could become Mayor. There you sit and I honor that, I thank God for that. I had a vision of the city and I know some of you think it is farfetched, but the things I've heard tonight have got me real heavy because I hadn't been down here in three years and those that made the comments earlier I want them to read Romans I and Revelations 14-18. I come to ask you about Parkwood Avenue. That traffic light was brought to my attention on the Plaza and Parkwood Avenue, there was over 286 traffic accidents in that community. Those of you know 3 or 4 years back I worked in that community trying to get some money just revitalize that community, Optimist Park, Villa Heights, Belmont and they put an article in the paper about that. They got so much money for that particular venue and they did some improvement, but they still lack some outreach in that community. I'm concerned with souls. I know people are concerned with taxes and buildings and all of that but it won't be long because I've seen the end. God has showed it to me. It scares me what I hear tonight to be even 100 miles close to the city. It's scary, but I have a picture of you when you came out to the Park and want to give it to you and I'm glad you became Mayor. This young lady standing beside me, at the time you came out to the Park, my wife had deceased in 2008 and now from New York City God has sent me another helpmate.

Valerie Miller, Shamrock Drive, said I'm here to represent an organization that I'm backing called Wee Kare and what I've heard about the tract record of Wee Kare that it has helped a lot of people and brought together communities. I'm here to back that up. I'm from New York City and I've been in case management for years and helping the homeless people and my heart is helping people. I wrote a book called *The Resume of a Desperate Woman* because I'm a survivor from domestic violence. It has poetry and different things to help and address women that are going through things. That is why it was easy for me to hook up to this vision that he had to help people called Wee Kare. I'm new here from New York, but the mission is still the same to help people. I fell in love with Charlotte. It has issues and everything, but a lot of cities have issues, but I'm here to help in any way I can and also enjoy the benefits that Charlotte has to give and also that I can give.

James Peterson, 3719 Barclay Downs Drive, said I here to speak about the budget and just one simple message that this is not the time for this budget in this current economic times. When we look at the projected growth, and we've had a lot of people talk about that, projected growth of 2% to 3% over the next couple years. I find it really hard to believe and it kind of hurts me to think that we are talking now about an increase of 18%. That is extra spending of \$300 million that we did not spend last year in 2012. It really makes me start wondering why did we not have to spend it then and why do we have to spend it now. There are a lot of issues out there and a lot of people this is impacting. One of the things that I think when we start spending these big budgets, the \$109 million is basically an OPM philosophy. In big organizations whether it be public organizations or private organizations, we have people, leaders that are charged to start looking at OPM as a mentality. That basically stands for Other People's Money. It is really to start spending other people's money. The problem is in a government situation like this, it is not other people's money. It is my money, your money and all these other people here, concerned citizens' money and this money comes out of our pockets every day. It is impacting not only the people who can afford it, it is impacting everybody. We look at the proposed increases and where they are actually coming from, the property re-evaluation, the tax increase on top of that is also an issue that if anybody is interested in how much feel and are passionate about that they can simply attend one of the County Commission meetings and a property tax increase on top of that is just another stake to the heart. These people that are struggling with their daily budgets. Beyond that we have utility increases which again impacts everybody. It is simply not the time and the theme again is not the time for increases. We are talking about fare increases on the CATS buses, we are talking about fees for storm water and again it is simply not the time for increasing our tax budgets in this Council. We've seen and we've heard from a lot of people tonight and this is just a small representation of the people that are out there. I too have actually gone out and walked the streets, talked to many of my neighbors, talked to a lot of people from around the city. It is a concern that is impacting everybody. We have families that are being pushed out of their houses, businesses that are being pushed over the county and state line simply because of the increase.

Sarah Cherne said I'd like to begin by thanking each of you for your service to our community and for an opportunity to speak to you. I'm here tonight not as Sarah Cherne, a candidate for the County Commission, but rather as a concerned citizen and as a taxpayer. Over the past several months I've had the unique opportunity to visit with hundreds of citizens who like myself are growing more and more concerned with property taxes, the budget and the initiatives those taxes support. As you all know families across Mecklenburg County are still struggling financially. Unemployment is still high and many families are still reeling from the financial burdens placed on them from the recent property re-evaluation. I've had the opportunity to review your proposed Capital Investment Plan and due to some very significant reasons, that I will present, I am in opposition to the proposed tax increase to support the capital spending package in your proposed budget. First, I must reiterate that those you are proposing to help in this plan may be the wedge which is comprised as South Charlotte, plain and simple can't afford another tax increase. Many of the families that reside within the border of this wedge which happens to be my district, District 5 for the County Commission, are wondering how they plan to pay for their upcoming tax bills. As some have taken out loans to pay for their back taxes or their taxes from last year. Others have had to leverage their 401-K account and many others have placed their home on the market and hopes to move south as they claim they are being taxed out of their home and their community. Many, including my family, are still waiting to present our ... to have a more normalized fair market value on our homes. As we experience this stressful
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turbulence to think that we may have another tax levied against us is discouraging and it breeds the feeling that our elected representatives are not acting in our best interest. Second, I've heard the plan presented at two community forums and in both of these public meetings it was stated that one of the main purposes of the spending plan is to alleviate the tax burden on what you call the wedge by investing in the crescent, yet there is no data or evidence to suggest that this will alleviate the tax burden in the areas that need the relief. It was stated specifically, and this is specific, that there will never, and I heard the word never, see a lowering of taxes in that particular wedge which happens to be District 5 and 6 on the County Commission and Districts 6 and 7 for the City Council. This appears to me to be a contradictory statement as to the purpose of the spending plan in the first place. Lastly, the plan does not have a projection of the possible revenues that the capital projects will bring to the city. It appears to be based on an assumption that this bill will create a more diversified revenue base, but this is not evidenced based on the plan and it does not have the data or research to back up this assumption.

Councilmember Barnes said it strikes me that one thing we should consider is conducting the Manager's presentation on the same night as this public hearing because there is a lot of information that we've gotten over the last three months that the public hasn't had a chance to hear. For example, there are municipalities around Charlotte, Statesville, Mooresville, municipalities in Union County that are also contemplating tax increases and there are some reasons behind it that we don't have a chance to really dig into tonight, but I think it would be very useful to have in the future the Manager made a presentation regarding the budget on the same night as this public hearing. We saw the presentation and we saw the slides, we heard the explanations but most of these folks have not heard any of that. Whether it would change their minds or not, I don't know, but I think it would at least be valuable to educate people as much as we can regarding the contents of the budget, both the CIP and the operating budget so that they understand what it is we are dealing with and the challenges we are trying to address. If I might make that referral to the Council/Manager former Restructuring Government Committee. I'd be happy to take that on. As you all know we are going to be revisiting the issue of funding for the after school partners so I would be happy to take that on as well because I think it would be useful and beneficial to the public.

Mayor Foxx said that concludes our public hearing tonight. Let me say at the conclusion before we have a motion to close, first of all I'm appreciative that so many citizens came out to express their opinion tonight. The fact that people did come out tonight and in some cases have positions on different sides of the same issues is a reflection that you care about our community. Frankly, you can't have a community if people don't care. We are in a situation where we are facing, in my estimation, not a choice between good options and bad options, but bad options and bad options in a sense that there is a cost to doing nothing and there is a cost to doing something this year. Let me talk about some of the other sides of the issues. First is that we are AAA bond rated city. We've been a AAA bond rated city for a long time and to be a AAA bond rated city over the last four years with all the turmoil that has gone on in the economy, is a pretty dramatic thing for any city to be able to claim. Part of the reason for that is that we don't get into the habit of spending money we don't have and we also don't get in the habit of making decisions in a knee jerk fashion. So one of the things that has to do with the AAA bond rating is the fact that our bond rating agencies are now starting to ask the question, how are you going to keep up your infrastructure in the future, how are you going to pay for it, what is your plan to deal with it. If the answer is we don't know that will eventually become a problem for us from a bond rating standpoint. The second issue is that we are in what I will call a pivot in terms of our growth patterns as a city. For probably forty or fifty years the city was manifest destiny, moving outward, stretching the limits of our borders through annexation, etc. and every time that happened, the same pattern occurred. People who did not live in the annexed area paid for infrastructure. They paid to put in the pipes, they paid to put in the sewer, they paid to put in the roads, they paid to be in the street lights, they paid to put in all the things that people take for granted without the promise that there would be a return on investment. But what happens in a great community, is that people want to come and live there and those investments ended up paying off in many cases. To argue that this is the first time that any group of people on this body have considered making an investment with a view that that investment will pay off over time would be a mistake. That is the same formula that was used to build the center city of our city. The same formula, 30 years ago there was a joke in this city that you could have driven through downtown and opened both sides of the car door and you wouldn't hit anything, that was

actually true, but it was because the investments were made that people in droves have wanted to live here. The argument that I'm making is that there is another side to this issue that we've having to consider.

Let me add a third dynamic. I bet you that many of you who are arguing against the proposed capital investment plan tonight would also argue for sharp reductions of taxes at the federal level and the state level. Let me tell you something – they are coming. You are going to see reductions in spending at the federal and the state level. That is part of the deficit plan that was approved back last summer and it is part of what is happening at the state level. Let me tell you what that means as a city. It means that the money that gets spent on after school programs starts to reduce. The money that goes into infrastructure like road construction starts to reduce and the money that goes into our transit infrastructure also starts to reduce. So these elaborate plans that we've built out over the last several years to grow our city start to get drawn into question and that is a very serious issue that we've been talking about around this dais for the last several years because we know that the public is stretched, we know that our city has taken some body blows as has been said, but also know that this city has staying power and we know that the people of this city are resilient. I say all of this to say that I actually disagree with those who think and are saying that this city doesn't have the ability to move forward in the future, regardless of what we do on this issue. I'm much more optimistic about the future of the city, but we've got some tough choices ahead of us and over the next several days we'll have to vet those choices.

Two final points. I am growing more concerned about this dichotomy or the discussion of a dichotomy in our city between the wedge and this so called crescent. It is not the city that I believe in. This is one city, it has always been one city and it always will be one city. Lastly, there have been some personal statements about the City Manager that I think are unfair. The proposal that is under consideration has actually been the product of a lot of discussion with our business community and with a whole panoply of staff people and what this Council has asked this City Manager to do, we've asked him to take the time we are in, to take the situation we are in, to take all the information we have available and to help us figure out how to insure this community can have another 20-year run of economic growth. You may disagree with the product of that discussion and I can understand that disagreement, but I would not levy a personal attack at this man because he is standing on top of an organization that has worked very hard to come up with their best thinking on that issue. We have a lot to think about, a lot to talk about, the conversation tonight has been helpful in giving us a frame for how the community is viewing this, I do hope that everyone regardless of where you think you may be on this vote, will at least take a minute to consider the other side. If all of our leaders and all of our communities across the country would take just one second to think about how someone else sees an issue, maybe we wouldn't have all the divisiveness that we have in politics today.

[Motion was made by Councilmember Howard, seconded by Councilmember Mitchell, and]
[carried unanimously, to close the public hearing.]

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ITEM NO. 9: CITY MANAGER'S REPORT

City Manager, Curt Walton said no report Mayor.

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ITEM NO. 10: ORDINANCE NO. 4890 AMENDING CHAPTER 6 OF THE CHARLOTTE CITY CODE ENTITLED "BUSINESSES AND TRADES" TO MAKE CHANGES IN THE RESIDENTIAL RENTAL REGISTRATION AND REMEDIAL ACTION PROGRAM.

Councilmember Cannon said the action here is to approve the recommendation of the Community Safety Committee to adopt an ordinance amending Chapter 6 of the Charlotte City Code entitled "Businesses and Trades to make changes in the residential rental registration and

remedial action program. We do have several speakers signed up and I don't know if it is the pleasure of you Mayor and the Council to hear from the speakers first before we go into the item.

Mayor Foxx said why don't we hear from the speakers first.

Jeanie Welch, 5736 Ebley Lane, said I want to thank you for this opportunity to speak in favor of the proposed changes to the Rental Registration Ordinance. I serve on the boards of two homeowners associations in east Charlotte. I am here today as in an individual, not as a representative of these boards. I urge Councilmembers to approve these changes in the Rental Registration Ordinance. As the housing market has suffered, more homeowners are renting out their properties when they move away and cannot sell, thus their homes become rental. As Boards of Directors we try to maintain the quality of life in our community and need to work with these owners of rental properties when concerns arise. We monitor police reports and try to resolve issues before they become detrimental to our residents. Using tax records we may get the names of corporate entities but sometimes may need to contact the individual owner if a matter is urgent. This registration process will make contacting owners more efficient for board members who volunteer their time and energy to serve their communities. Some may portray this ordinance as a big brother intrusion by the police and the private property. I do not agree. Consider this ordinance as an enhancement to communication of property owners that will be an effective tool in maintaining the quality of life in our neighborhoods.

Anne Marie Howard, 1201 Greenwood Cliff said I am the CEO of the Charlotte Regional Realtors Association. We represent well over 6,000 realtors and hundreds of property managers who handle for sale and rental properties in this market. I was at a National Association Realtors meeting recently talking to my colleagues about public policy issues and one of my colleagues said something about home ownership at all costs. I had to say to her, we wouldn't say that in Charlotte. Realtors in Charlotte understand and respect there is an entire continuum of housing needs, from homelessness to home ownership. The recent decline in our economy and the impact that it has had on our citizens has made it abundantly clear how much more important rental units are to meet unmet housing needs in this community. This effort to require rental registration at a cost of a potential criminal misdemeanor penalty is really contrary to the public policy efforts of realtors to support fair and affordable housing in our community as well as this City Council's effort to support fair and affordable housing in this community. I urge you to reconsider this policy.

Jennifer Frontera, 15080 Idlewild Road, Ste A, said I am President of the Charlotte Regional Realtors Association and Carolina Multiple Listing Service, and I've been a realtor in Charlotte for 15 years. For much of my career I have worked with homeowners, families and banks and the sale of distressed properties. In my experience increasing the regulation on one type of property has a negative effect of the entire market. The tightening of credit standards is also a reality which means less owner occupied credit worthy buyer. Families have gone through the trauma of a short sale or foreclosure, just want a chance to start over and renting is sometimes the only option they have. This would traumatize and stigmatize them further. Properties coming back on the market may not be in the best condition. Investors have the resources to renovate these homes and provide safe, affordable housing for our community. Stigmatizing the rentals in the Charlotte market will scare away investors from purchasing these distressed properties. The original ordinance was designed to target those properties that gave a higher occurrence of crime and help lower crime throughout the community. The good guys, both renter and owner were left alone. The current revision being proposed tonight do nothing to reduce crime. It creates more criminals without reducing crime. Please rethink the mandatory registration and consider a voluntary registration program that encourages a cooperative relationship between the property owners, managers and the community.

Terrance Llewellyn, P. O. Box 473023 said I'm a principle in Llewellyn Development LLC. We are multifamily developers and I've been involved in commercial real estate and owning investment real estate here in Charlotte, North Carolina for the past 22 years. I'm here tonight to speak against the mandatory rental registration for the following reasons: First, I think the necessity of displaying a certificate prominently within the rental home will create sort of a second class of citizens out of our many renters in Charlotte and I don't think it is fair to stigmatize them in that manner. I think we should have a more egalitarian approach in which we

prioritize all households whether they are rental households or ownership households. Second, I think it is somewhat unfair to many landlords to create an additional burden and additional regulatory burden. For example in my case, I happen to still own a home that my wife and I could not sell four years ago when our child was born so it is now a rental and you are creating an additional layer of regulation that we will have to adhere to that is really not fair to many individuals who happen to own rental homes. Finally, and I guess most importantly, in the event that we create an additional significant risk to people owning investment real estate here in Charlotte, North Carolina that doesn't exist in other cities, especially the aspect of it where in if someone fails to comply possibly because they didn't know they were supposed to comply, they could actually be subject to a misdemeanor criminal offense. In the event that we create additional risk and additional bureaucracy and additional burden relative to owning rental property, what will occur is that people will choose to own rental property elsewhere. They may rental property in the outlying areas or they may go to different parts of North Carolina or different states, and eventually that will lower the value of those homes which will in turn lower the tax rate in the City of Charlotte and the county of Mecklenburg, but it will actually reduce the tax benefits that our police and firefighters and other valuable first responders have in order to be able to fulfill the needs of the city. Additionally by lowering the value of many of these homes when the investors need to decide if they can afford to put a new room or a new air conditioner or new plumbing, or new carpet or some new needed capital upgrade to the housing unit, in the event that the housing unit is worth less, they may decide not to do that, thus taking housing that may have been very acceptable housing and turning it into subpar housing which will in turn attract the very same criminals that we are attempting to fight and attempting to make our city safer by not having those criminals around. For those reasons, I would suggest that we vote against the mandatory rental registration, perhaps choosing instead taking a very good GIS system and simply modify it so it could provide the police the information that they are interested in having in order to protect us.

Aric Beals, 1331 The Plaza said I'm a property manager and have been a property manager for the last 20 years with Berryhill Realty Company. Berryhill Realty is involved in the professional property management of residential property throughout the Charlotte region for more than 50 years. Just as the police do not want crime to occur at residential rental properties, Berryhill Realty is proactive and we don't want it to occur at our properties. We are very proactive in the elimination and discouragement of crime, much of our effort is spent getting the best qualified tenants into a property through the use of credit checks, past rental verification, criminal investigated background checks. I'm speaking against the proposed changes to the rental registration program. I was an active member of this past stakeholder committee that dealt with the current ordinance and it is troubling that these significant changes are being voted on the day after a holiday without a formal public hearing meeting. Requiring everyone to register will not make the few bad apples register. More importantly, the proposed change stigmatize tenants as a lesser class citizen by requiring a registration posted on the rear of the door, whether that rental is a \$350 efficiency apartment or a \$3,000 per month 4 bedroom home in south Charlotte. This month in May of 2012 one of owners received a letter from the Police Department stating that their property fell in the threshold for a period from May 1, 2010 to April 30, 2011. The only incident listed by the police occurred in excess of a year ago, April 17, 2011. These tenants were evicted 10 months ago in July 2011. The police never advised us or the owner of this April 2011 incident until this month. In preparation for the hearing the Police sent a short 79-word narrative explaining a single incident which described domestic violence which I understood was not to be counted under the current ordinance. The narrative stated that a wife pointed a gun at her husband after an altercation occurred. Hear me out, anything with a gun is a serious matter, but in this case the wife was charged with a misdemeanor. More importantly the charges against the wife were dropped and she was found innocent of any crime. The police were unable to confirm that they saw a gun at the initial investigation. Given that the tenant was found innocent of the charges I asked the Police Department to remove the charge from the record which I felt would cause the property to fall out of the threshold. According to the police, since the incident was reported it must have occurred and my request was not appealable. It appears under the current rental registration program you are assumed to be guilty instead of innocent. The current ordinance has no appeal process unless your property registration is revoked and under these proposed changes the appeal board who heard those no longer hears them.

Karla Knotts, 16124 Tinnahinch Road said the house I bought and lived in before I married has been rented for 21 years. There has never been a crime on my property and I am not a criminal because I'm a landlord. My tenant is not a criminal. My current tenant is an army veteran, divorced female with a 12-year old. They deserve to live in a home without a posted registration certificate informing all of her guest that she is but a renter. In the March presentation to the Community Safety Sub-committee, CMPD asserted that they need a mandatory ordinance because they cannot find property owners who have problems on their property either because they are corporate names, out of state addresses or locals not in the phone book. Using public data 24 hours per day, 365 days a year, you can find anyone. A registration program will only costs taxpayer's money, but will give CMPD correct data only for the day of registration. Learning to use free on-line tools will give CMPD the correct contact info right when they need it at no costs to taxpayers. Don't burden the system by collecting the data for the 96% of us landlords you'll never talk to. I can show CMPD how to use the free on-line tools by example, I took the rental addresses given at the March Community Safety Sub-committee and usual under three clicks I was able to find the real owner, not just the registered agent. Ms. Knotts gave examples of how she use the online tool to find every single owner listed in the March agenda, with phone numbers, not just their attorneys. The on-line tools are available today and I will gladly show someone at CMPD how to do it or any neighborhood association that needs to use these tools. Please do not add a layer of burdensome registration and additional administrative costs when the data is available and I am willing to show you how to how to find it.

Joe Rempson, 1445 East 7th Street, said I'm a property manager with T. R. Lawing Realty and also a former member of the stakeholders committee as mentioned earlier. My company manages over 2,000 rental properties and we too work hard to make sure that there is no crime at our properties. We are not perfect, but we certainly work hard and when we are made known of crime at our properties by the police officers in our area who do work well with us and let know when problems occur we do work hard to address them quickly and efficiently. I have here main concerns with the mandatory registration and all of them have been mentioned earlier. Most importantly, we are dealing with a small portion of properties here at hand and I don't quite understand how 96% of these properties are doing good while we need a broad ordinance that affects everybody. There are easier ways to specific target to crime and address those issues when they happen. We do have county tax records and I do understand that there are politics if you will that allow the exchange of information between county and city government and that would be great if we could fix that. Unfortunately our same owners of properties that are owners of prior residences themselves, do not always change addresses in the tax data base when they move and I'm not sure what magic wane we have now that will cause them to do that if we have another data base if they register their properties. The same way with the state data base, for the DMV. Unfortunately not everybody changes their driver's license with the DMV when they change and again I'm not sure how that is going to happen with this new data base. Currently homeowners associations themselves who are at their own properties, who have owners that have to get pool passes and HOA dues, they too have a problem with keeping up with owners of properties and their billings. I'm not sure how a third data base is going to help with that. Thirdly, which has been addressed a lot is the registration posted on the houses. I feel this creates another class of citizens in our county. I strongly disagree with that. We don't signal out people who ride mass transit for some reason, like they are a different citizen. We don't signify who are maybe on a free introduced lunch, I think this creates a different class. It creates a further stigmatism that people that rent property are different from the rest of us. I think we've all probably rented property in the past and some of us may be rental owners now. As I look in this building, not all of us look too funny, we don't look like criminals, we don't look like weird people, we are citizens just like everybody else. I know the Mayor mentioned about a knee jerk reaction earlier and I think without properly vetting this process this could be a knee jerk reaction to go to mandatory registration at this point so I strongly encourage you to delay this decision and let us work this thing through.

Eric Locker, 122 Cherokee Road said like before I'm speaking against the rental registration program. My wife and I are both realtors in the residential world in Charlotte and we do own rental property. Like many others we manage our own property and our tenants have always been young families with children in public schools and if they felt the need to call 911 we would absolutely encourage them to do so. Fortunately that has not happened. We also would

encourage the neighbors that are around that rental home to call 911 regarding any problems with the home. Like homeowners, renters are a fabric of our community. Driving by this house you would have no idea that it was a rental home. They keep it up nicely and they are a member of the community and their children are in public schools and they are just as much a citizen as homeowners are. Yet, this ordinance basically criminalizes them as renters and puts them as a different class. If we did not register our property, my wife and I would also be considered criminals. We will happily voluntarily register that property if and only if we see that would help manage crime and help reduce problems around the neighborhood. What a mandatory registration does is it creates a criminal class from people who are doing nothing wrong. It also doesn't work on what we need to be working on and that is the worst offenders, that 4% that are causing problems. Let's focus on that 4%. Please continue working with the rental property representatives who will work toward developing effective and targeted ordinances that accomplish what we all want, the prevention of crime and the arrest and conviction of criminals.

Tommy Lawing, 1445 East Seventh Street said I am President of T. R. Lawing Realty and I have been a property manager in Charlotte for 41 years. When my home is broken into or my laptop is stolen, when a pedestrian is struck by a hit and run driver, I call the police. The police are the experts at finding people who don't want to be found and I call them because I have great respect for them. Is it really true that the Police Department can't really find the owner or the manager of an apartment building when they just need to speak to them about the property? With my cell phone right now and others have mentioned, I can click over to the tax assessor's office and look up the owner and the mailing address. With the owner's cooperation I can click over to the Secretary of State's website and find out who the manager or the officers of that LLC are. Why should every law abiding, rule abiding owner of rental property be made to submit the same contact information to another government agency, especially the one which we all consider to be true professionals at finding people. This proposed ordinance is like using a sledge hammer to kill a fly. We can huff and puff, we can adopt new rules and procedures, we can hire more personnel but at the end of the day the fly will still be in the room. I'm in favor of any plan or program that enhances the partnership between police and property managers. Our clients risk their hard earned money when they decided to buy rental property and I want rental housing to be safe and successful in Charlotte. Without safe and stable neighborhoods rental units sit empty and eventually their investors walk away from that property or from rental housing completely. The same is true when the market becomes so cumbersome by requiring every individual owner of every single house to register annually and place a plaque in the window. Investors will complain that it is another time consuming burdensome bureaucratic procedure and tenants will find the plaque or sticker demeaning. Again if tonight's changes are approved the amended ordinance will be a sledge hammer wielded by very well intentioned officers, but the fly will still be there. Another serious issue, tonight's proposed changes remove the entire appeal process. The Citizens' Residential Rental Review Board is a reasonable and necessary safeguard when fines, misdemeanor charges and the outright revocation of an owner's right to rent his or her property are on the line. Do you really want to prevent the old widow from renting her garage apartment to her grandson without the right to appeal a very serious decision made solely by the Police Department? Such exercise of singular authority is definitely gross and inappropriate in a situation. I urge you to vote against the proposed changes which are before you tonight and I thank you for your time and your attention.

Ken Szymanski, 6060 Piedmont Row Drive, said three of the members of our association served on the stakeholders 18-month process in 2008-2009 and we delved into it with a great deal of depth on this as we are very much interested parties. Two things I want to talk about is the mandatory meeting that is required between the top 4% and the police and the uniform registration. The properties that are categorized as being in need of remedial action have a duty according to the most recent draft to have this mandatory meeting which does some good things because it addresses the point of whether the owner knew or should have known that the disorder activity was occurring on the property. It is an important point that speaks to the so called owner negligence factor. Staff did in fact consider this fault factor in the revised version of Section 6-585 which we believe makes it fair, but it is not clear to us what consequence flows if the Police official determines that the owner did not know or had reason to know of the disorder activity if the police official determines that the owner was not actually at fault, is the office supposed to adjust the disorder activity count according to the items to which the owner was not at fault. It also raises the question about whether good fresh crime data is being provided to

owners by the police so that owners can better tailor their management practices to occurrence that happen at the properties. Regarding uniform registration, the issue is not merely the 96% of properties don't have a duty to pay for registration but there would be a public cost to establishing and maintaining this new system, expensively paid for out of property taxes. There are already two systems in place that every local parcel is part of our community data base at the tax assessors collector's office and Register of Deeds its respective systems perhaps need augmenting to capture the data the Police Department is looking for, but we do not need the establishment of a new government data base. We suggest two principle local units of government huddle to better coordinate their property data bases.

Joe Padilla, 1201 Greenwood Cliff, said I am the Executive Director of the Real Estate and Building Industry Coalition here in Charlotte and I am also here to speak against the proposed amendment to the Rental Registration Ordinance and ask you to consider a voluntary registration program instead of forcing every rental property owner in Charlotte to register with CMPD. REBIC and our member association has been working with CMPD for months on this issue. We want to be sure the police have all the tools they need to keep our community safe, but requiring the registration of more than 130,000 properties in the city and forcing every one of those properties to obtain and display a certificate of compliance, much like a restaurant or hotel does, is simply a case of too much government. The existing ordinance gives the police an effective tool to deal with the relatively small number of owners whose negligence threatens the property value in the surrounding community without imposing a new level of bureaucracy on the vast majority who care about the condition of their properties and try to insure that their tenants are obeying the law. In addition this proposal is illegal under state law. Session Law 2011 281 under Section 1-C says in no event may a city do any of the following. Adopt or enforce any ordinance that would require an owner or manager of rental property to obtain any permit or permission from the city to lease or rent residential real property except for those rental units that have more than three verified violations of housing ordinances or codes in a 12-month period or upon the property being identified in the top 10% of properties of crime or disorder problems. Tens of thousands of our fellow Charlotteans choose for one reason or another to rent. Up until recently I was one of them. When my family and I move here from Atlanta last summer, we leased a single family home until we could better familiarize ourselves with the schools, the community and the neighborhoods where we might want to buy. Many other new comers, including those relocating here from with Chiquita may be making the same decision. Having to post a registration certificate in the foyer of our homes, advertising to our friends and neighbors that we are in a class of suspicion would carry an unfair stigma that flies in the face of the warm hospitality for which our city is known. CMPD has said the goal of this program is to fight crime. We believe that a voluntary program would let them do just that by concentrating on the worst defenders. Through cooperative approach promoted by our organization and others rental property owners outside the disorder threshold would voluntarily provide their contact information to CMPD so that they could be kept apprised of any criminal activity that is happening on or around their property. Mayor Foxx, earlier tonight you said that we were one city and we agree with that. Let's not create a division between those of us who own homes and those who do not. You've already heard from other speakers about the problems with the current ordinance. We ask you to take more time to consider alternatives to this proposal, to work with our industry to craft a voluntary program that helps CMPD protect our communities without subjecting tens of thousands of law abiding property owners to a new level of regulatory overreach.

Elizabeth Barnhardt, 1201 Greenwood Cliff, said I am also with the Charlotte Regional Realtor Association. I have been a part of this like Mr. Szymanski for the better part of four years and I think what you've heard tonight from the industry representatives from both the apartment association and the realtors association is that we just have a philosophical difference with the mandatory approach versus the voluntary approach. A voluntary approach creates more of a cooperative exchange of information between that property owner, the police and the tenants so that we can create that communication of abating crime before it happens. In many situations that you've heard tonight, the property owners are finding out that crime is happening at their property long after they can actually take action against it. I do want to thank Mr. Cannon and Mr. Barnes for helping facilitate a meeting between the rental property community and the Police Department. I think we came out of that meeting understanding each other's side better, but also understanding that we want to give voluntary a try before we go a mandatory route and

really target those criminals that are causing the crime. What we found and what our argument was early on in this process four years ago was it is not the property that is causing the crime. It is criminals. If we really target the criminals in this activity I think it will begin to abate crime. We know there are those, the worst of the worst who are ignoring the issue and we do want to target them. Let's leave the other 96% of those property owners who are doing the right thing out of the system and out of bureaucracy.

Henry Gunn, 3518 Donovan Place said I'm going to start off with a phrase, Can we find common ground? I was on the committee, worked with the Police Department and worked with the rental property people for the last three or four years, and could we find common ground. During the first three meetings, the common ground we found was that they would agree if we wouldn't have a rental property ordinance and now three years later, the same ground, no rental property ordinance. We did every variation of every possible way to have this ordinance and the rental property people agreed to it and there was nothing that we do or nothing that we could say, no provision that they would accept if we had them to register. They talked about the fees, they talked about the tenants, but it came back to registration. We can defer it tonight and look at it and study it, take out the part where they talk about the penalty for criminal misdemeanor, we can take out the part where it says the sticker in the house, but when we come back again we still won't have common ground if we have registration. They are saying let's have voluntary registration and every member of this Council is wise enough to know that if you have voluntary registration, you have no registration. That is what they want. The Police Department and all of our neighborhood associations and the 800,000 citizens of Charlotte want this ordinance, they don't. Why they don't, it doesn't matter to me, but they don't. We need it for our protection, for the value of our community, for our public safety. All this information they say they can find, we've been looking for it for 8 years and we can't find it. What are we going to do? Are we going to let 6,000 people determine the course of this city and the viability of our neighborhoods or are we going to listen to 800,000 people that need a study, viable, safe neighborhood? The Police Department wants this, they've worked diligently, bent over backwards, did everything possible and if the Council wants to listen all to all they are saying about the residents and about the citizens they so much care about, I think you can see through that, but if you do and you want to take out these two provisions we are going to come back six weeks from now with the same problem, we don't registration.

Theresa Bohn, 5032 Glenbriar Drive said I am the Vice President of the Coventry Woods Neighborhood Association. The Board of Directors of the Coventry Woods Neighborhood Association representing more than 450 households in east Charlotte stands with our other neighborhood groups and with CMPD in supporting the revised Rental Property Ordinance. Rental properties that are not well kept or occupied by disruptive or negligent tenants are the bane of many neighborhoods in Charlotte. Resolving problems at those houses is difficult because too often the owners of those rental properties operate without accountability. The problem is ours only in the respect that we are forced to live near it, but the problem and the responsibility for solving it is clearly for the property owners. Owners of rental property, like owners of their own homes, like owners of pets, like owners of vehicles need to be held accountable. Over half of the 50,000 nuisance violations reported in fiscal year 2011 were at rental properties. Providing a more clear and immediate means to contact landlords is the best path, making them aware of the problems at their properties and working to resolve those problems as a neighborhood and a community. We cannot hide from eyesores and hot spots in our neighborhood. The absentee owners should not be allowed to hide either. Come out who ever you are, wherever you are. Mandatory registration of property owners who ultimately are the only people who can solve rental property issues is both needed and well over due.

Dorothy Waddy, 4032 Broadview Drive, said you will be voting on the amendment on the amended Rental Property Ordinance tonight. Even though others may be lobbying you to vote against it, I'm asking you to vote yes and pass this ordinance. I'm also told that the word is that there will be a fee associated with the registration and that this cost will be passed on to the renter or the leaser. As I have read all of this I do not see that there is a fee being charged.

Virginia Keogh, 12301 Port Rush Lane, said I am President of the Southwest Area Neighborhood Coalition and most of the 12 communities that are involved with the Coalition are located along Nations Ford Road Corridor where there is an abundance of apartments adjacent to

the communities and rentals in the communities. I am here to speak very briefly with the Coalition's permission on their behalf. We are asking the Council to support the Rental Property Ordinance amendment for the following reasons: To improve safety, to reduce criminal behavior and to provide a consistent quality of life for homeowners and renters alike. Just as I am technically required to register with the City/County through my property tax records so should the landlords be, whether they reside in the City/County or elsewhere. Only the CMPD will have access to the list and they are providing anonymity and should have the owners contact information if any disorders occur in or on the property or for other reasons. We strongly urge the Council to support this amendment. This amendment does not define landlords or rentals as criminals.

Councilmember Barnes said I wanted to make a few points and I know at the Dinner meeting we had some discussion about perhaps deferring consideration of this amended ordinance and I wanted to speak to a couple of issues and ask a question of Captain Willis or Mr. Newbold. It strikes me that over the last several months, almost a year that the Committee has worked on this ordinance that we were trying to figure out how best to protect neighborhoods that didn't have the financial wherewithal, didn't have the political influence to protect themselves and what you've seen tonight is a group of people who own property and who run businesses that rent property, speaking against the amendment and you've seen people who represent communities and work hard to try to preserve their neighborhoods speaking for it. In my opinion if we are able to pass an ordinance that will create a level of security and protection in communities, provide some awareness regarding who owns property that is a good thing. Ms. Barnhardt mentioned earlier a meeting that the Mayor Pro Tem and I had with her and other interested parties on this issue and we were trying to help them create some common ground. I believe there were some issues that they were able to agree upon. For example, earlier one of the speakers mentioned this idea of us revoking the privilege of renting property. That has been taken out of the amended ordinance. The folks at REBIC agreed to work with the City to publicize and help register rental property owners in the City over the course of the next several months. There have been a number of concessions made by those of us who support the amended ordinance and those who had greater concerns about it. Ultimately I'm going to stick with Mr. Gunn and Ms. Bohn and Ms. Waddy and Ms. Keogh, and I saw John Wall here earlier and I'm going to support the neighborhoods because when I first ran for City Council, one of the things I wanted to do was improve the quality of life for the people in my neighborhoods and these completely irresponsible in many cases, absentee landlords are having a devastating impact on people who work hard to buy a home and are now watching a property value drop because of the behavior that they can't control at some house down the street. I'm trying to figure out how to help them. The one issue had was regarding the sticker, the posted sign issue. Explain to me why you think that is important and if I have an opportunity to make a motion that would include leaving that out, I might do so, but I would like to hear your discussion regarding why you think the sticker is important.

Mark Newbold, Police Attorney's office said it is late, but my recollection is that was in the previous ordinance and when we were doing our revisions, I don't believe the conversation with the sticker came up.

Councilmember Cannon said can we get him to explain what it is for the general public who may be viewing and those in the audience, what is the sticker per se?

Mr. Newbold said it is not necessarily a sticker but there has to be something posted in a conspicuous place or in the common area for a large apartment complex such as the Manager's office. When I go back and review just what I can pull up in my head from the last discussion, most of the discussion we had previously focused on having something posted in the Manager's office so in part one the tenant knew who they could contact if they had a problem, but it also would allow an officer to contact. It also does apply to single family rental residential units and the purpose there was if an officer was there and there was activity on the property they could get the name of the owner very quickly just from that sticker.

Mr. Barnes said Mr. Padilla mentioned earlier that under state law this ordinance would be illegal. I wanted to get your understanding of that.

Mr. Newbold said very rarely do I say categorically no, but categorically no, I disagree. That section that he is referring to is not what we are doing. There is nothing in our current proposal that has anything to do with taking away with the ability for somebody to rent. The current ordinance does have that process and because it hit the 96 percentile there was language that excluded it, but the new session law does not have anything to do with what we proposed here. We are not trying to say you can't rent. We are saying if you don't comply with the terms of the ordinance you get hit with a misdemeanor, which could be a citation or at some point an arrest, but there is nothing in this ordinance that says you can't rent. Continue to rent in be in violation, but you would get hit with a citation.

Mr. Barnes said on that issue of the misdemeanor, the applet process for that would be in the criminal justice system, correct?

Mr. Newbold said which is expensive.

Mr. Barnes said precisely. Mr. Mayor and colleagues it is for those reasons that I urge the Council to vote in favor of this amendment to the Rental Property Ordinance tonight and not delay this any further.

[Motion was made by Councilmember Barnes, seconded by Councilmember Fallon, to]
[approve the amended Residential Rental Property Ordinance.]

Councilmember Mayfield said earlier this evening we had a conversation and I asked how many voluntary registrations have we had and it was noted that it was currently done through the tax base and all the information as register. One of the biggest concerns specifically in District 3 is last year on the campaign trail, seeing the reality of homeowners that had multiple properties that were owned by property management company as well as individuals that own multiple properties that were not maintaining those properties, the impact of the local community when there were police calls or concerns with those properties and not being able to track down, even though it was mentioned tonight that for some people there is great ease with finding who these individuals or property management companies are, that is not the case for a large number and keeping in consideration that a large number in my community does not have internet access at home to just go on line, and thinking about the fact that I have a homeowner in my neighborhood now who for more than two years has been dealing with a major problem with potential sink holes in her back yard because work needs to be done that the City has acknowledged and identified we will do, but we have had more than a year of tracking down the owner of a multifamily complex and now the owner of a next door neighbor that lives out of state. This process has extended for a long time. I spoke with a fellow council person earlier about deferring this since this was the first time, especially as a new councilmember that I'm having a chance to really look through what the proposal is with receiving this on Wednesday night and having to vote on it tonight. I still support a deferral with the idea of having a little more background, but I recognize the importance of why I will be supporting this amendment to move forward because I have to think about my district, my community and the entire city. Even though there is a small percentage that is doing the right thing opposed to a larger percentage that is not and what I've heard tonight is the reverse of that, don't penalize that 96% because of the 4%, but unfortunately the reality is it is more of a 82% to 90 plus percent throughout District 3 where we are having some major concerns in large areas and in some of the other areas. If there is a motion to defer then I would support that knowing that is just to us a little more time for background, but if we stand with the current second than I will be supporting the current motion of moving forward in support of the ordinance, but I just wanted the opportunity to address some of the concerns that I hear, not only from my community, but what I've witnessed myself by going out into the community.

[A substitute motion was made by Councilmember Kinsey, seconded by Councilmember]
[Howard to defer this matter.]

Councilmember Kinsey said as I mentioned at the Dinner meeting and as Ms. Mayfield just mentioned, we did just get this last Wednesday and we are voting on it tonight. I have the advantage of having gone through this last time so I am very familiar with the old ordinance. Personally, I think it is working very well. We are going after the bad guys, but I'm willing to

defer it for a period of time to see if we can come a little bit closer together. Mr. Barnes mentioned that there had been some movement in that direction earlier when you all met, and a couple of other things like the appeal or the sticker that I would like to have a little more time to think about, to study and perhaps get these two groups a little closer together.

Mayor Foxx said is there a length of deferral?

Ms. Kinsey said coming into the summer months it is a little difficult. I thought about that and I'm not sure whether we should say for a month. July and August are sort of gone.

Mr. Cannon said I would like to ask CMPD that is represented here today, is there a time line and/or table that you might be working off where this needs to be implemented sooner rather than later. I believe there was some level of conversation about that and I want to be clear based upon the substitute motion.

Captain Willis, CMPD said in the amendment we propose to move into the quarterly basis as to how we look at rental properties and what we had asked was to look at implementing this ordinance beginning January 1, 2013 so that we can align ourselves with how we are working in that quarter of the year. We do have a little bit of lead time. The challenge is of course what we have coming in September and what is going to be on everybody's plate, including all of you at the dais. We can certainly work with that and we do have a little bit of lead time to do that with the expectation of something in January.

Ms. Kinsey said Mr. Manager, may I ask your advice on this please?

City Manager Curt Walton said I think what Captain Willis is suggesting would maybe lead it to the second meeting in June, June 25th so if there is not an extensive period of time that you have in mind, I would say that would still work for Police if the deferral motion passes.

Ms. Kinsey said the second business meeting in June.

Councilmember Howard said I shared this upstairs with my colleagues and I e-mailed it to you as well, so I will run through these really quick. One of the things I want to make clear, at least as of right now, I still have friends on both sides of this conversation and I'm not by the time I finish. The one thing I think the people on both sides know is that I always try to be fair, so much so that I do in fact work in the rental industry, but when the rental industry came for things against the Post Construction Ordinance, the Tree Ordinance, Urban Street Design and even maybe the trash collection I've not necessarily been on their side, but I've explained why I felt the way I did and I've always tried to be fair. I'm not doing anything different on this one tonight. This is not self motivated I promise you. When we first talked about this rental registration ordinance some time ago I had a concern then because one of the things, and I heard it said earlier, that you never want the people who live in some of the trouble areas we have in the community to think twice about picking up the phone and calling the Police. In a situation where you have a renter saying look to the tenant, you are not going to cause me problems, you need to think twice before you pick up the phone and call the Police, and that is what will happen because they are the bottom line in all of this. I'm not sure we are sending the right message to the residents in troubled areas, however, I do understand that the Police are concerned about the fact that we have property owners not doing their part in this equation as well. For that reason, even with that contrast inside of me I supported this before. I do have some concerns about what we are talking about now and you heard some of them earlier. The fact that everybody has to register, let's put that in perspective. Right now we are saying that 4% of our properties are problems, that is 4 out of a 100, 40 out of 1,000 so now we are going to tell those other 960 people you need to register as well. I'm all for what we have right now and that is if you are not going good, you need to be fined, put in a plan and I'm almost thinking it may be cheaper to hire somebody to do nothing but find these people than it would be to have somebody maintain a new data base that we have to keep up with. The folks in the Planning Department know how difficult that is. We try real hard to keep up with every new president of a homeowners association and those get dated so fast because it just requires a level of maintenance that is hard to keep up with. Believe it or not, I'm not a big believer in adding more bureaucracy and to me we are adding another level that we have to pay for and maintain. The next thing I want to talk about is the whole appeal process. If we do this tonight, what we are talking about doing is

removing the Citizens' Advisory body and going if the Police establishes there is a problem you can be arrested. To me that is too big of a step. For instance we have people come down here every month that have run down properties and what we do is tear it down and put a lien on it. If you have a bad renter in your unit you go to jail. If you leave your property vacant or abandoned and let it run down, then you get a lien against your property. Something is off in that scenario to me. I'm not saying that the property owner should get away with it, but let's do it through fines, let's do it through the liens. Make the fine ridiculous, I don't care about that part, but this idea now that people can go to jail, and that is anybody. A lot of my friends that came tonight from neighborhoods, if you chose to move from your neighborhood and move to another house and you choose to rent your property, are you going to do that now, knowing how hard it is to keep people in there or taking a chance that you could actually be arrested if for some reason your renter doesn't act right.

The last thing I want to do is talk about the whole posting, and I agree with what was said earlier and I'm glad there was some thought about it up here. A lot of times when you are renting a home, that is that first step and actually feeling like you want to become a home owner. You may be even living in a home that you want to one day buy. The idea now that you are going to have this posting and it feels like a hotel room kind of says that you are going to treat it that way. That is not a feeling that we want to convey. We want to actually encourage people to want a piece of the action and actually owning a home. For that reason I'm going to support the deferral with the hope that the Committee will go back and look at those issues and give it some consideration and encourage the neighborhood and the industry to come together to realize that this Council definitely wants to do something about absentee landlords, no doubts about it. Do we want them arrested, at least this Councilmember, that is not necessarily the route I want to go. Do I want to find you, probably so. Do I want to place a lien against you, probably so, but we've got to find some middle ground.

Councilmember Cooksey said I'll support the motion to defer and I'm prepared to vote no on it tonight, but I will support the motion to defer. I consider what we passed two years ago to be a compromise, I didn't much care for it then, but I went along with the compromise. In speaking on the deferral as we think about it, I'll offer something I noted two years ago that if the concern is that there is not accurate contact information on the tax roll or register of deeds office or wherever everybody is listed, we should be going to the General Assembly and seeking a bill to require that current contact information for every property owners. There are worlds of reason why we as a city or why our colleagues over in the county would need accurate contact information for any property owner, not simply a landlord. We have the landlord issue to be sure, but there is code enforcement, there is tax collections. It is a lot easier to track down somebody who owes money on their tax bill if you've got accurate contact information. There are a worlds of reasons why, it is not simply landlords that should be having to be in a data base where they can be found accurately. I think every property owner should and that is something we should go to the legislature for and that puts the responsibility, in terms of enforcing it where it should be, on that major data base of all property within a county.

Councilmember Mitchell said I think I came here earlier today with my mind made up about deferring this item just because when I looked at it myself I thought that deferring it would allow us to work closer together, but then getting here today and hearing from the owners as well as the neighborhood and the Police, and I'll be honest, some of my neighborhood presidents text me while we were at the meeting and said they would like for me to move forward I think as a District Rep. I know there are some issues in my neighborhood about some rental property, I think I will support my neighborhood presidents and move forward tonight and vote for it. I truly respect those who are looking to defer it because they are not comfortable with the total ordinance but I think Councilmember Barnes said it best. Some of us come here and one of our main objectives always is to take care of our neighborhoods and improve the quality of lives of those who live in our neighborhoods. I think this will be a step forward in doing that so I will be voting in favor of this ordinance tonight.

Councilmember Fallon said this has been going on for how long. I've been president of a homeowners, I've been an officer in the Planning Commission. We have the same problems, all we are doing is pussyfooting around and dragging it out. It is not going to change by deferring it. The point is you are destroying neighborhoods when you allow this to go on and if it was so

easy to get the names why hasn't it been done until now. If there is a tax roll and you could get it through it, it would have been done. It can't be done because they make 20 corporations that you've got to go from one to the other to the other and nobody knows where it is. IRS can't collect it so why should we be able to find them? It is time to make a decision instead of just exuviating all the time.

Councilmember Pickering said I'm ready to move forward with this tonight also. A lot of time has been spent on this and I think Mr. Barnes said it best, it is about keeping neighborhoods safe and looking out for our neighbors. My only concern is about the registration posting. I have no problem with it say in an apartment office area, but in a single family home it just seems a little, so I'm struggling with that one a little bit. I wonder if there is another way we could make that happen but not actually have it posted on the door. I get the reason which is when an officer comes he needs to be able to know how to reach the owner. I'm struggling with that one, but I think we should move forward tonight.

Mr. Barnes said I just want to make a few quick points. No disrespect to my colleagues, but we've got a 10 or 11 page package last Wednesday regarding this ordinance and there have been five days that have passed since that to answer a lot of the questions that are being asked today. I recognize that as a member of the Committee I'm at something of an advantage over some of my colleagues who are not on the Committee, but the information that is here is fairly straight forward. Section 6-582(d) is that signage issue. It has been in there all along. When you buy a car you've got to have a license plate so if the cops pull you over they can figure out who owns the car. In this case we are saying, again keeping the ordinance the way it has been for the last several years, to require that posting and in fact Ms. Pickering, it almost provides some protection for renters because if they have problems they know who to call in addition to CMPD knowing who to call. Additionally, I will honestly tell you all I don't think anything will change between now and the end of June. We work with members of the real estate community, we tried our best, and I know CMPD has worked with them as well to find some compromise. I don't think it will happen. One of the points I made during the Committee meetings was that I wanted to allow at least 6 months for CMPD and the City to work with REBIC and other real estate interest to publicize the roll out of the amended ordinance January 1, 2013, so the longer we delay the shorter that window is for them to get to work letting people know what may be coming January 1st. I will vote against deferring it because I think the sooner we get to providing this level of protection for our neighborhoods the better and I would urge my colleagues to avoid the delay and vote tonight as well.

Mr. Howard said one thing I did forget to mention earlier is that we are talking about now making it a misdemeanor which gets a little complicated when we talked earlier about property that are owned by corporations, properties that have multiple owners because it has been passed down to kids. You've got other issues that you've got to deal with that I didn't quite get the answers that I was looking for earlier. I'm wondering if another unattended consequence could be now asking the courts who we already say is over burdened, now to deal with something that they may just say that is not on the scale of things that we see every day and they start to dismiss them. I'm kind of worried about that. The other thing that I want to make clear, this is not for me against the neighborhoods or for the industry, this is about being fair. I want to make sure that everybody is treated fair including the neighborhoods as well as the property owners. The last thing is, this is going to be enacted in January 2013 which six months and another month is not going to slow that down for us to talk about this just to make sure that we get this right. One of the reasons we are back here now is because a year ago we thought that we could take away somebody's right to rent. We are back here because maybe we didn't think hard enough about that one and that just wasn't the fact. There is nothing wrong with slowing down right now to try to get this right so that we are not back here in another year because there is some unintended consequences.

Ms. Kinsey said I want to make sure that everybody understands that I am a huge neighborhood supporter and this doesn't have anything to do with against neighborhoods, but we keep talking about we can't find owners. If we can't find owners now how in Heaven's name are we going to find them to tell them to register? I don't quite get it. I just feel like if we have a month and yes I know I have that back-up materials, but something like this I always like a little more lead time and discussing it tonight at Dinner and then having to vote on it tonight is a little bit too fast for

me and that is why I'm asking for a deferral. I'm a little more optimistic, I kind of sort think we might be able to iron out a couple more wrinkles and come a little closer if we have just a month. That is why I'm asking for it. It is certainly not a delay tactic, I'd just like a little more information.

Mr. Cooksey said a quick question for Mr. Newbold just to make sure I'm grasping this comparison correctly. Am I understanding correctly that under the current ordinance a landlord who is in that 4% threshold, if he doesn't work with the policy, if he doesn't respond then the current ordinance wipes out his ability to rent property?

Mr. Newbold said eventually. It could up to an 18-month internal review process at which point it would go to the review board which could pass it on, which they also have the ability to appeal that decision from the review board to Superior Court.

Mr. Cooksey said that provision is supported by State Statute, right?

Mr. Newbold said it is because it falls in the 96 percentile or above.

Mr. Cooksey said it doesn't have to be 18 months, we could make it faster if need be, but the proposed amendment while creating the misdemeanor concept and ticketing and what have you, still permits this landlord that has property that is causing problems for a neighborhood, to continue to rent his property.

Mr. Newbold said that is correct. This ordinance would not stop that. There other provisions in State Law that could if that property met the definition of a public nuisance.

Mr. Cooksey said but are these State Statues stricter or less strict than the current ordinance we have on the books?

Mr. Newbold said they are different. If you were in the business of having property and you were aware that drugs were being sold, it is stricter because it allows a swifter forfeiture process. If it is simply breaches of the peace there is no remedy under State Law for a forfeiture, but there is a remedy for the court after hearings to set up an injunction which would have many things similar to what we put into place before hand.

Mr. Cooksey said so my brainstorm is this, for those who are concerned about the quality of neighborhoods and these landlords that are causing great deals of problems, which penalty do you prefer? The current penalty where they are eventually prohibited from renting out property and being one of those landlords messing up a neighborhood or an amendment that lets them continue to lease property to tenants? Food for thought.

Mr. Cannon said I do want to acknowledge to members of the Committee which happens to be Vice Chair Councilmember Pickering, Councilmembers Barnes, Dulin and Fallon. The Committee did vote unanimously, to recommend the proposed amendments to the body and I've got a couple of questions. This is being done in other cities in the State of North Carolina, is that correct?

Mr. Newbold said that is correct.

Mr. Cannon said have there been any challenges that we know of?

Mr. Newbold said the challenge haven't been through the court. The challenge has been the industry going to the Legislature and restricting the ability of the city to come up with a rental registration program except as defined by State Law and that was the last session.

Mr. Cannon said relative to what we are proposing, we are not talking about taking people straight to jail if they are in violation. Clarify exactly what we are talking about please.

Mr. Newbold said it would be a misdemeanor which would involve the citation and in some circumstances with repeated offences, if it happened day after day, day after day there is the ability for the City to receive injunctive relief anytime its ordinances are ignored for a certain
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period of time. There is the potential somebody could possibly go to jail but the initial process on this type of Class B misdemeanor is that it would be a fine.

Mr. Cannon said I have asked you that because I don't want people leaving this room or viewing this on TV thinking that they are going straight to jail if some kind of way they are not in compliance with what is being recommended. I don't think that was a fair thing to put out there like that and we've got to be cautious I think about doing that.

Captain Willis said I think it is important to note that in the two years that the ordinance has been in place, we have yet to seek to revoke the right to rent of any landlord. They have come to the table, they have met with us, they have worked with us. The intent with the misdemeanor part of the process is for those landlords who refuse in the future to comply, who refuse to come to the meetings and participate with us. It is not simply because a landlord has a property that has crime occurring on it. It is those that come to the table with us and refuse to do anything about it. I want to make sure that everybody understands that it is not our intent to charge someone just because their tenants have crime on their property.

Mr. Cannon said I so would like to defer this, but I will tell you there has been ample discussion. I think Mr. Barnes has said it well and others around this dais, we have tried I think repeatedly to get at what is an impasse because there is nothing more for the Committee to talk about. We are where we are and the ask is, is there room for the industry and maybe staff to come back together again to see where they can fall on this. My gut reaction is they will be in the same place whether it is two weeks or two years on the issue of whether this should be mandatory or voluntary. Simply stated, they are not going to get there. If the industry that is represented here tonight things that they are going to be for mandatory registration, let's hear it now. Hearing nothing if the Police Department feels the same way in terms of they are going to be okay with voluntary, and not mandatory, let's hear that now. They aren't moving and they are shaking their head left to right. If the heel is already dug in the question becomes what are we deferring for. I need to make sure that I'm clear on where we are trying to get or where we are asking them to try to get with regard to that.

Ms. Kinsey said I was not referring it back to Committee. I was just trying to have another month for those of us who wish to dig deeper and maybe have some discussion, maybe staff could add discussion, but I wasn't suggesting it be referred back to Committee because I totally understand that there is no more for you to discuss.

Mr. Cannon said I had some misgivings because I am very selective about mandatory anything. I really don't care for mandates at all and I hate having to penalize the whole for a few that are causing problems for the City overall, however that is typical of any of the ordinances that we've been putting in place. For instance, the sign ordinance, dance halls, noise, etc. The masses haven't been the problem, this body has moved forward in a way to really address the issue of a few rather than the whole. It has always been that way and anybody who lives in this City knows that if they are in any area of business they get that piece. What we are talking about is not the 96% that might be doing it right, you are not the issue here. The issue happens to be those that are more so in that top 4% or headed that way. If we have stricken for you a tax basically or a fee to even register and that registration is just something that you need to sign off on the dotted line, I'm still having some difficulty trying to understand why you don't want to get there. I guess we can continue to talk about that. I have a question for Mr. Padilla and that is the question Ms. Kinsey put out there, if something could be done why hasn't it been done in the way of helping to register some of these properties?

Mr. Padilla said you are referring to why has a voluntary program not been in place?

Mr. Cannon said we heard from Ms. Knotts who talked about a way to be able to do something that we and/or the department just don't know anything about. So I guess the question is why hasn't something been acted upon relative to what she has been able to uncover.

Mr. Padilla said we had in our discussions with CMPD early on suggested a program that would be voluntary in nature. No-one is going to step up for a voluntary program when (a) one does not exist and (b) there is no exchange of value for registering voluntarily. What we are
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suggesting and have suggested is that a program exist whereby a data base that CMPD has could be made accessible, information about crimes that occurs on a property to be made accessible to the property owner in exchange for them coming to the table and voluntarily registering. When that is in place we believe a number of people who would like to know what is going on on their property and has information about what their tenants are doing, we think they will step forward, but in the absence of that information being available or being offered as a benefit of registration no-one would voluntarily come forward to register without that. That is the avenue we would like to explore.

Mr. Cannon said really, because I sent you an e-mail and I was asking you that question of the tens of thousands that are property owners, I asked you how many would you be able to go and register. Your response back to me was that it wasn't about the numbers, but it was about public safety, and this has nothing to do with public safety. I would counter that because I will tell you that if you are living next door to someone who is renting their property and it is a problem property, you are going to be making the phone call hopefully. I will tell you that as a resident of southeast Charlotte we have problem rental properties in Mr. Cooksey's district that are rentals in which property owner have almost abandoned. In areas of the City where you would think there would be more stability. Ms. Pickering is in the area and she has seen it as well. The greater numbers that we saw in Committee happen to come from the different tiers in the north, the west and places in the east, that is where we are seeing the problem to a greater extent, but I just want to make the point that this is a citywide issue and we need some level of help to be able to sort of reel these folks in. I went to the Board Meeting for REBIC and I said at the Board meeting that I would be happy to see what we could do to move forward to have some other level of discussion to bring both CMPD to the table along with those in the industry. I thought the meeting went well. Councilmember Barnes made some suggestions, we talked about a trial type period, which is something Mr. Barnes and members of Council that if we move forward that we would still be open to in the way of a review to see how it is working. If it is not working the way it should be after a year's time, let's pull that thing back in and call it a day. I think that was the thrust of the last ordinance Mr. Mayor that you worked on and several others up here. It is my hope that inasmuch as I hear and I understand both sides of it, I think if the registration is fee and all you simply have to do is register your property and if you are not a problem property owner and causing problems in the community, there is no sweat off of your back because you are just registering your property for free whereas before it was fee for you to do that. It is not perfect, we know that, but we are trying to get to a means to make sure that for those real people that aren't here tonight, because I'm confident that those of you that are represented here tonight, you are not the problem. You haven't been the problem and you won't be the problem, but those others that are not here tonight advocating, that is the problem. Those are the people that we are having the problem out of and those are the very people that CMPD is having a problem with in terms of getting the information that is needed. I support the Mayor's idea on consolidation relative to making sure we can get the City and the County to come together on some things to work together collectively on trying to be able to have a system that works for everyone because right now you've got land resources out there over in the Register of Deeds and by the time it gets to the tax collection office, they don't have all the information that is needed that CMPD can't locate property owners by. That is a problem and we've got to find a way to work through it and I hope we can. I hope Council will move forward with the recommendation of the Committee and with the caveat if the maker of the motion will accept a one-year period for this to come back for review unless there is something else to suggest, I think that is in order.

Mayor Foxx that is a request on the base motion by Mr. Barnes. Is that accepted.

Mr. Barnes said the request to review the performance of the ordinance in one year. Absolutely, I think that is perfectly fine.

Mayor Foxx said we've talked a lot about this, but let me make a very brief set of remarks here. The ordinance that we have today is the product of a compromise that was made back in 2009. Based on similar issues and questions raised by the Real Estate Industry over rental registration as a concept which was being introduced at that time. The subsequent reviews by the CMPD have come back and suggested that beefing up of the ordinance is necessary to achieve the purpose for which it was initially promulgated. I have a few concerns and it really has to do
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somewhat with what is going on in the community, but what is going on around the dais on this topic and essentially it is this, that for those of you who represent districts where this rental issue is a huge problem I think it is hard to get around the fact that what some are suggesting tonight is that the solution that is being proposed is overbroad to the extent that it pick up innocent actors in the market place and requires them to do something they wouldn't ordinarily have to do based on the bad behavior of a few people. On the other hand we've tried lesser alternatives already and what has come back and what has moved through Committee has been a review of that and it hasn't come back perhaps as sparse as you might have otherwise wanted it from a market place. On the dais what I'm concerned about is that we've spent a lot of time talking about this and a lot of it comes back to things that are happening within a particular district or particular area when really all of us at some level have to be thinking about how the whole City gets impacted by something like this. I think that people are thinking about the whole City but as I hope that as we talk through these types of issues, not only in this context, but in other context that we really think about not only the corner of the world that maybe you get elected to serve, but the fact that we've got an entire City to explain these types of issues to and if we can't build the consensus around these issues that we'd like to have, if it really comes down to a Hobson's choice for us fine, but I would love to hear us talking at a higher level about some of these issues. Having said that and because I think there are real issues that are being addressed by this ordinance, but I think some of what is happening and some of what has happened in the budget discussion we had little earlier is that people are starting to talk past each other and for us as a group of leaders on this Council, we need to really be trying to work on making the best possible case to everybody who has to listen to what we are trying to do to lead this City. In listening to the conversation, I'm not sure how good of a job has been done on that because it sounds like more us against them than I would like to hear, even though I think everybody in the industry knows that this stuff has been moving. That may be apropos of nothing for many of you but honestly I think we are dealing with some very thorny issues all across our plate right now and we really need to work hard to make sure that not only the people that elect you in a district understand what you are saying, but long-term the entire community understands what we are trying to wrestle with and why it is good for people in different corners. If we can't make that case we need to be thinking carefully about what we are doing.

The vote was taken on the substitute motion to defer until June 25th and was recorded as follows:

YEAS: Councilmember Cooksey, Dulin, Kinsey, Mayfield and Pickering.

NAYS: Councilmembers Autry, Barnes, Cannon, Fallon, Howard, and Mitchell.

Mr. Cooksey said I have an amendment to offer, to add to Section 6-583 a couple sentences. The Police official shall cause the owner of residential property to be notified of the first instance of disorder activity in each calendar year. The notice shall be sent in the manner of the owner's choosing among options of electronic mail, telephone call, mail for certified mail.

Ms. Kinsey seconded the amendment.

Mr. Barnes said Mr. Newbold would what he just described and proposed to be covered in Section 6-584, which is the notification and mandatory meeting, which wouldn't kick in until you've had violations. Are you suggesting that we notify them of the very first one, because I want to understand how you heard his proposal.

Mr. Newbold said I heard his proposal to say that we will become the party for the one instance through the entire City to send out notifications by certified mail, and other stuff.

Mr. Cooksey said if I could speak to it before anyone starts criticizing it I might explain it better. We heard at the Dinner Briefing that it is the intent of CMPD to notify registered landlords of the first instance of disorder activity on their property so that the notification and mandatory meeting once the threshold level is hit doesn't come as a shock or surprise. I'm proposing that we write that in as an affirmed of responsibility in the ordinance. I added that part of owners choosing of method and I'm open to tinkering around with that depending on what CMPD's intended method is for that. What I'm suggesting with this amendment is to do what we heard CMPD say they wanted to do, just to put it into the ordinance so that we know that it will happen. I welcome any advice on how to word that amendment from CMPD's attorney, but essentially my amendment is

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to write into the ordinance what you said you wanted to do. How do I do that if not by this method?

Captain Willis said our intent is and it is actually something that we worked with the industry on that the owners asked for was to know about what is going on at their property. Our intent is to provide electronic access to that information. You are still able to get it through any of our district offices in paper form, but for those people that are able to access it electronically we are moving in that direction to be able to provide that at that one instance level or at a weekly summary, biweekly summary, however that particular owner chooses to have it. I think by doing it by certified mail to every registered owner for one crime that may not get them to that 96 percentile, would be a very daunting task to do that. That is our intent to move forward with that on the electronic side.

Mr. Cooksey said an e-mail notification or something of that sort.

Captain Willis said it would be an e-mail blast that would come out with a single incident, multiple incidents or a summary report.

Mr. Cooksey said I will alter it to say the Police official shall cause the owner or residential property to be notified by electronic mail of the first instance of disorder activity in each calendar year. Does that cover the intent?

Mr. Newbold said it does not from what I'm hearing. The intent is that the owner has access to that data base. That is the intent of what I heard period.

Mr. Cooksey said I will stick with the amendment because I think I heard e-mail blast or I heard blast notification. I would still argue that it would be in our best interest if we have this electronic communication means to make it an affirmative responsibility to give landlords the heads up of something happened on your property rather than have the first required communication in the ordinance be, come and meet with us because things have gotten out of hand.

Mr. Barnes said Mr. Newbold you were about to answer a question which he didn't ask which is are you all prepared to do what he proposed? If you are I will accept the friendly amendment and we can move forward.

Captain Willis said our intent all along has been to try to do a better job of sharing those crime incidents that go on. Ultimately in our stance, it is the owner's responsibility to obtain that information. We are trying to make it more easily acceptable or accessible to them, but I don't think it is our first priority to push that out to everybody that may have one individual disorder incident occur on their property.

Mr. Barnes said I can see how that could inundate you so I won't accept the amendment.

The vote was taken on the amendment offered by Mr. Cooksey and was recorded as follows:

YEAS: Councilmembers Cooksey, Dulin and Kinsey .

NAYS: Councilmembers Autry, Barnes, Cannon, Fallon, Howard, Mayfield, Mitchell and Pickering.

Mayor Foxx said we go back to the original motion, but let me ask one more question. What efforts were taken to do something less than the mandatory across the board registration, other than the existing ordinance? Have you all looked at a way to do it differently?

Mr. Newbold said from 2008 there were several discussions, but there were various levels of when a threshold would be or when a mandatory registration would kick in. There were a lot of discussion that there shouldn't be any registration and then there was the process we had that got us to the compromise. I'm sorry I can't be more clear about what has happened since 2008 up to the current, but just about every option during that initial group of stakeholders meetings that went on for almost two years was discussed, but as soon as the topic of any type of registration
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or what I would call accountability came into place there was resistance to that, hence the compromise that we ended up with, which is the 96 percentile is when somebody would resister.

Mr. Howard said what was done to go from restriction of being able to rent to misdemeanor. Was there conversation between there and going all the way to misdemeanor as well?

Mr. Newbold said all of those things have been discussed since 2008 in some various proposal.

Mr. Howard said were there any other things considered between the two of those?

Mr. Newbold said I'm not sure what they would be at this point. Here is what we discussed. We discussed every rental registration program in the country for cities our size. We looked at smaller ones and we also looked at larger ones. All of those were given in the original one to the stakeholders and there was a push to try to get a consensus but we couldn't get one. Whenever there was discussion about registration there was some, not all of the industry, but some of the stakeholders who would not agree to that.

Mr. Howard said one of the reasons why we have a Council is for this very reason. If you can't find a compromise between the stakeholders, we have a committee process and then it comes to the body and I know we are getting ready to vote, but the idea that nothing else could be done up here as far as suggestions for changing the ordinance is something I think I'm disagreeing with. I brought up doing fines, I brought up doing liens, something we already do for condemning property. If you come to the table, you need to come to the Council level and what we are doing now is we don't even get a chance to hear those out.

Mr. Newbold said I will be glad to address the liens if you would like.

The vote was taken on the original motion to approve the ordinance and recorded as follows:

YEAS: Councilmembers Autry, Barnes, Cannon, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

NAYS: Councilmembers Cooksey and Dulin.

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ITEM NO. 11: CONCLUSION OF CONSENT AGENDA

This was done at the end of the Consent Agenda.

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ITEM NO. 12: MAYOR AND COUNCIL TOPICS

Councilmember Autry said this has been sort of an out of body experience for me because it was almost two years ago that I was standing up there speaking in favor of this ordinance. Now here I am having the opportunity to actually vote on it.

ADJOURNMENT

The meeting was adjourned at 10:55 p.m.

Stephanie C. Kelly, City Clerk

Length of Meeting: 6 Hours, 47 Minutes
Minutes Completed: July 27, 2012