

The City Council of the City of Charlotte, North Carolina convened for a Dinner Briefing on Monday, June 25, 2012 at 4:07 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Anthony Foxx presiding. Councilmembers present were John Autry, Patrick Cannon, Warren Cooksey, Andy Dulin, Claire Fallon, David Howard, Patsy Kinsey, LaWana Mayfield, James Mitchell and Beth Pickering.

ABSENT UNTIL NOTED: Councilmember Michael Barnes.

Mayor Foxx said Welcome Back and we have a lot of information to cover before our Dinner Break. We will start with Mayor and Council Consent Item questions.

ITEM NO. 1: MAYOR AND COUNCIL CONSENT ITEMS

Councilmember Howard said Item No. 37, the memo that we got, can you just have Jerry go over that tonight?

City Manager, Curt Walton, said we have speakers on that item so we can do all that at one time.

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ITEM NO. 2: PERFORMANCE EVALUATION PROCESS FOR CITY MANAGER AND CITY ATTORNEY

Mayor Foxx said this is an issue that has been referred to the Council Manager Relations Committee. I want to thank the staff as well as Committee Members for helping to talk this through. Ms. Brown, Director of Human Resources, we asked her to come and sort of help almost orient the Council on the evaluation process, given that we have so many new members.

Human Resources Director, Cheryl Brown, said this is going to be a short presentation to orient the those four new Councilmembers on the process that we have used in the past for the City Manager and City Attorney evaluations and lay out some important dates for us as we move forward. Ms. Brown used PowerPoint for her presentation to the Council.

We've got some history and you've probably heard this as we talked through this over time and some information has come out of the Council Manager Relations Committee but over the past 10 or 15 years we've had several different mechanisms that we've used to evaluate the performance of both the City Manager and the City Attorney. We've had some that were very complex and cumbersome and we've had some others that have been much more streamlined. The most recent evaluation that Council conducted was the City Manager evaluation back on the 28th of November 2011. We have not conducted an evaluation yet for our new City Attorney, Bob Hagemann because he is new. The process we used back in the fall was actually an on-line survey that we sent to the Councilmembers. We received 11 out of 12 responses which was really very positive for that survey. Working with the Restructuring Government Committee group and the Council-Manager Relations Committee we did define FY12 as a transition year. We would use the same process we used back in the fall, but work to develop a new process moving forward, beginning with FY13.

Just a little bit about why we evaluate. You evaluate your appointees, your Manager and your Attorney to recognize and reinforce those positive accomplishments and performance successes that they have exhibited throughout the year. It is an opportunity to learn from the past year in order to prevent future problems and to enhance performance moving forward. It is an opportunity to exchange feedback on observations regarding the employees performance for the past year, two-way conversation between you and the Manager and you and the Attorney. It is way to strengthen the working relations between the employee, Attorney or the Manager and Mayor and Council. Also it enables you to establish goals for the employee for the year to come in FY13 both organizational and any personal development goals that you want to set. Over time some of the concerns, some of the issues that have been discussed by the various committees and discussed by members of Council include the need to time the evaluation schedule to the fiscal year. We begin in July, we end in June so let's work to set the timetables to match that fiscal
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year. We want to try specific performance goals for each of the employees for the fiscal year. One thing important is the transparency of the evaluation process. Often times with an evaluation process there may be a pay increase that results and with better transparency of the process and better public understanding, that could be a positive thing for both Council and the Manager. Each of you know that you have access to Curt, you can speak to him one on one, there is lot of different perspectives that come along with your work and this gives the Council an opportunity to speak with a unified voices when talking with the Manager about what the expectations are for the coming year.

Some of the upcoming events for you, between June 26 and July 13, we wanted to make sure you all had the opportunity to have any one on one discussions with Curt about the past fiscal year and the upcoming fiscal year 2013. On July 6 which is the Friday after the 4th we will be sending you the electronic survey for you to complete and return to us within 10 or 14 days. On July 16 the Council-Manager Relations Committee is going to meet to review those surveys and help categorize the results for you so it will be an easy to read document. The Human Resources staff will help that Committee in any way we need to. On July 23, that is a Monday and that will be the time you will evaluate the FY12 performance of the Manager. What comes along with this process, Curt prepares a summary of his accomplishments and successes for the year July 1 to June 30 so you will also be provided with that information to help you in completing your survey and completing your evaluation. August 27, on the agenda tonight at your regular meeting, there was a desire to coordinate the performance appraisal of the City Attorney with the City Manager so we are going to move Bob Hagemann's performance evaluation to the August 27 date which is your meeting in August and it will follow the same process that we are going to use for the City Manager, there will be a survey and there will be performance information that Bob will get to you ahead of time for you to use.

Councilmember Barnes arrived at 4:12 p.m.

What I'm going to do now is go specifically into the performance evaluation process for the City Manager and these are some of the items that you can expect to see on the survey that you receive on the 6th. There are five evaluation criteria upon which you will evaluate the Manager. The first of those is Runs the Business and these key elements will be noted in the survey and in the information that you receive from Curt that he prepares, he will also delineate and define successes, accomplishments within these same key element categories. You can see Running the Business obviously providing leadership to the City departments; service delivery strategies to meet changing expectations of our customer; to facilitate organizational change, productivity performance, financial responsible budget that reflects Mayor and Council priorities; monitor capital projects schedules and budgets; monitor and measure performance via the Balanced Scorecard; communicate customer service focus and stay abreast of "best practices" of other cities.

The second evaluation criteria for the Manager is Builds the Community. I don't feel that I need to read all of these to you but I'll give you a second to kind of glance over those. A lot in this area is about good communication, keeping people informed, working with other groups throughout the City and being actively engaged.

The third of the evaluation criteria is Looks to the Future. This one is very important for us to be able to think strategically about what we are looking for down the road; anticipating issues and problems; modifying plans as we need to; a big one that we talk about a lot, maintaining the AAA bond rating and to continue to position us for success in the future.

The fourth criteria is to Promote Management Values, talks about the relationships between Mayor and Council; defining problems, focusing on the outcomes; timely communication and those types of things.

Councilmember Mayfield said we are looking at the evaluation criteria and going down the bullets, maintain the AAA bond rating. How do our decisions as Council affect the Manager's opportunity to maintain that AAA bond rating if that is one of the criteria that we are using for the evaluation?

City Manager Curt Walton said I think anything in the evaluation criteria, whether it is what Cheryl has shown you here or something that I've reported as a goal for next year, if Council makes a decision that is in a different direction from that, in the past we've always talked about that. We use to and I don't know if we still have the one about 95% of planning decisions will be upheld, that is not up to us. That is our goal to provide you with the information, but it is really up to you all whether it is 95%. It would be the same thing for something like AAA. If we go in a different direction then that is not important anymore, that would be factored in.

Ms. Mayfield said just so that I'm clear, part of your evaluation criteria is connected to maintaining an AAA bond rating, but if we made a decision as a body that drops that bond rating from a AAA to a AA then that is going to reflect back on doing your evaluation process?

Mr. Walton said probably. I think that is something that we would all have to own together.

Ms. Brown said we've covered Promoting Management Values and finally Developing People is the fifth of the criteria. Communicating your policies and strategies to the overall organization so we can maximize performance; recruit and retain the best workforce that we can and recognize the importance of hiring a diverse workforce reflective of the community and providing leadership at all levels within the organization.

Again for our new Councilmembers, we do at the time of the survey and the evaluation provide you the compensation information that we collect each year. We will provide you with the information for both the City Manager and the City Attorney and we look to the 10 largest Council/Manager cities for compensation information for you. We look to the same positions in larger North Carolina cities and counties. We always look at the County Manager, the CMS Superintendent and Executive Directors of local non-profits. For the City Attorney in particular we do quite a comprehensive survey of national municipalities or comparable size. That compensation information will be provided to you in mid July.

Councilmember Fallon said what is deferred compensation?

Ms. Brown said deferred compensation would be like our 401-K Plan, a 457 Plan and there are organizations that may contribute money into a deferred compensation plan for a particular employee. You see the last bullet there, total compensation, we look at a variety of different pieces to determine what that total compensation is.

Mayor Foxx said this is the process we are going to start entering into very shortly so if there are process questions, now is the time to ask them.

Ms. Fallon said can we subtract tonight from evaluations?

Mayor Foxx said only if we are evaluating you, I'm kidding – only if we are evaluating ourselves.

Councilmember Cooksey said one thing to point out on this is that it is difficult to encapsulate, but it is something I think we should all keep in mind. What I would argue is best for evaluation of the Manager is for us to come up with an evaluation that is the Council's evaluation, not 12 people giving feedback to one guy. We do have a tendency to want to do that and it is going to be inevitable as each of us will have elements. To the extent that on elements of the evaluation we can, whether it takes a vote, straw vote or what have you process, figure out ways to give direction to the Manager that reflect either all 12 of us or a majority of us, I think that is something we should strive for instead of just being one on one, on one, on one constantly.

Mayor Foxx said that has been a big topic of conversation with the Committee. A lot of times in these evaluations there are 12 different, only 11 fill out the evaluation, but if the City Attorney didn't comb his hair the right way somebody gets out of sorts about that and that become a sore point. These evaluations are not about our individual issues, they are about collecting feedback and so it is most helpful to both of our employees when they know what the collective thinking of the group is as opposed to the one. We are talking about ways to try to figure out a way to

build into the process a way to provide the one on one feedback that one might to share on things that probably don't belong in the collective discussions. That is part of the conversation piece.

Ms. Mayfield said this is just for clarification sake. We have the Manager Relations Committee, is that Committee going to lead the rest of us in the conversation prior to the surveys to help address that so that you don't have, because it seems like this would just be the scorecard and we are only addressing the issues that are listed on the scorecard as it relates to the specific job performance, to help alleviate all those additional conversations.

Mayor Foxx said no, previously we put all the information in our spread sheets and everybody got everyone's comments and then we sit around the table and we talked through what the collective comments should be back to the employee. We are having a conversation about the role of Council/Manager Relations Committee can play in trying to distill the common points that get made across so it becomes more efficient. I think that would be a good use of our time and effort, but that is subject to the group agreeing to do that. Ms. Brown, do you have anything to add to that or Curt or Bob?

Ms. Brown said in the last meeting you did talk about the meeting on the 16th to be used for that purpose to help with the 12 different perspectives and consolidating the delivery of that information and helping to streamline the conversation.

Mayor Foxx said if it is okay, what we will do on the 16th is the Committee will meet and we will take the feedback that everybody has put into their evaluations and we will try to consolidate it so it may be a more efficient discussion.

Ms. Mayfield said to be perfectly honest, again only speaking for me as an individual, I have been working with the City Manager now for 5 or 6 months so in a 6-month time period as opposed to some of my colleagues that one, are on the committee and should know what the goal of the member relations committee, what you have seen the goals of this role as well as the City Attorney role should be and it seems like it would make a lot more sense for the Committee to be the one that leads that conversation, opposed to us just having random responses to put on a survey when we are still learning every day the full scope of the responsibility that he has.

Mayor Foxx said that is where are headed. You've now been oriented. Any questions you have and let me say this with all caps, underlined and bolded, **ANY QUESTIONS YOU HAVE ABOUT THE PROCESS PLEASE TALK TO CHERYL BROWN, TALK TO THE CITY MANAGER, TALK TO THE CITY ATTORNEY OR ANY OF US WHO HAVE BEEN ON THE COUNCIL FOR A WHILE ABOUT HOW THE PROCESS WORKS.**

Ms. Mayfield said I want to make sure I don't have any questions when we walk away from here. Who are the members of the Council/Manager Relations Committee?

Mayor Foxx asked the members to raise their hands.

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ITEM NO. 3: CHARLOTTE REGIONAL FILM COMMISSION UPDATE

Hunter Widener, Chair Film & Television Advisory Committee said we appreciate your allowing us to come in here and present to you and we thought with all the success of the film industry here we would give an update to you so you could understand what we have been doing and what we do continuously. (He used PowerPoint for his presentation to Council).

A little background, the Film Commission is a division of the Charlotte Regional Partnership. It is made up with Beth Petty, Director and then an assistance as a full-time employee then we have a 12-member Advisory Panel which I chair, all volunteers that help promote this industry in Charlotte. But not just Charlotte, it also promotes a 16-county region of the Charlotte USA Region, but the majority of that is really housed here in Charlotte. Crews will stay here, go off site, film in another county, but it is really all based here in Charlotte which really makes Charlotte the hub for that activity. It has a strong commitment to film and video production and

services, commercial, television and still photography and feature films. What people don't realize, and I try to emphasize every time I talk to a group, it is not just the feature films that you hear all the buzz about all the time, it is really a sustainable industry that is here in our City that is comprised of crew, equipment and things like that. It is the commercials and everything else that is going on here on a day to day basis. For instance NASCAR Media Group handles all of the production nationwide comes through Charlotte and that counts as part of our oversight in regard to that. It is not just the feature films that everybody always remembers.

Also the Film Office is the hub office for all this production. This industry is inherently fragmented sometimes and what we serve to be is really the clearing house for all of the production and recruitment that goes on with this industry here in Charlotte. The reason we do that is we want to deliver a standard and an experience to anybody that comes in and films here. We don't want somebody out there on the street that we don't know about so we really try to be the clearing house for all of that film and production that is coming through in Charlotte. What Beth spends a lot of her time doing is getting information on the local filming procedures. She does a lot of site photography recruitment. It is not like a headquarters that comes in and will give you something specific. They may come in say we need something, 15 different churches to look at so we have to have all of that comprised in a library of information and locations and Beth does a lot of that scouting when the production companies come in. She will spend her time out doing a lot of that scouting. Our information on crew, equipment, stages, support services, how to interact with the City and we are also a liaison with the federal, state, county and city governments for all things that happen with the film industry here in Charlotte and the region.

I will give you some specifics on our last economic impact study that was done in 2009. What it found, which was surprising, and we want to be able to quantify this, but this industry provides \$500 million in annual economic impact and that is direct and indirect. What you will find is interesting is the annual jobs that are supported within there. It is about 2,453 jobs annually for this industry. The average annual compensation for those jobs is over \$47,000 which is above the average for the state so these are high paying jobs, it is a lot of jobs and it is something that is sustainable.

Councilmember Cannon said would you be so kind as to state specifically the types of jobs per se?

Beth Petty, Director Charlotte Regional Film Commission said we have all types and naturally we have a slide that is coming up that will show you all the different types of companies that we actually touch. This is actually a sampling, there are so many different types of companies that actually are impacted. In our production guide book that you have, a lot of the free lance crew is listed in yellow, the companies that we work with. This shows over 400 free lance crew members and this coming year that will be more. Every year we gain more and more crew members.

Councilmember Autry said I'm actually in the book too.

Mr. Widener said if you look at this page here, this kind of shows all of the different industries and different services and goods that happen with the film and production industry that happens all the time whether it is rental cars, restaurants, hotels, but it is also things like construction, dumpster and trash pick-up, all the different things that happen that you wouldn't necessarily think about, but it is a sustainable industry where it provides all these jobs that are out there. In addition to that when you talk about Charlotte and trying to promote Charlotte and the region, these are just some quotes and some of the actors and actresses and producers that have been on the ground recently and talked about Charlotte. For us as a recruitment tool, you think about these folks going back to New York or Los Angeles where they are really touting Charlotte and this region about a great place to work, live and to come in here and they are telling their friends about. The industry is a very close industry so everyone talks about something like Homeland, which has been very successful. That industry will start talking about it and go talk to the people who did Homeland and say why are you in Charlotte, why is it so great and these are some of the reasons the folks out there talk about.

Also about the economy, a couple of things for me. It is a very, very clean and green industry. There is really limited infrastructure. A lot of times the production companies will actually leave a place better than they found it. There was a recent article in the Mooresville Tribune about Banshee, which is one of our series that is filmed here. They came in, made some improvements to the Southern Railway Depot, \$20,000 of improvements that they were going to do anyway. Banshee went ahead and paid for those because they wanted to use that location so you can see how the industry really leaves a lot of positives behind instead of really draining a lot of our infrastructure. A lot of our existing assets are featured a lot in these productions and these commercial. They will have visuals throughout the country of Charlotte with the skyline, with the arena, the stadium, and the neighborhoods so it is certainly another added benefit that we don't have to pay for when these companies come in for them to promote Charlotte, promote our region with a very positive view.

Ms. Petty continued the presentation with Great Reasons why people want to Film here. We have an incredible crew base. It is second in the state, Wilmington has the largest crew base and we have the second largest. We are home to major equipment houses, we already have Cinelease, Hollywood Rentals, Illumination Dynamics here. There is probably more lighting and equipment here than anywhere else on the east coast outside of New York City. We have a variety of locations. When the Hunger Games called and said we need a futuristic environment, can Charlotte do that, I said absolutely.

Mayor Foxx said what about a "Dystopian Future"?

Ms. Petty said when Homeland called and said can you play Washington, I said absolutely we can do that. When Banshee called and said do you have a small town that would look like the Amish Country side.

Councilmember Autry said Dystopian is for societies who fail to continue to invest in themselves and their future and what they might end up with.

Ms. Petty said when Shelter called and said we need Northern New England seaside town, I said yes, we can do that as well. We actually doubled the Duke Mansion and on the scout the Director said can you hear those waves crashing and I said absolutely. You just that put that in the set later and it works. We have direct flights to almost anywhere, five direct flights daily from Los Angeles, 39 from New York City. We have really strong state incentives both in North and South Carolina and we've names the Production Center by the IA which is a real feather in our cap that shows that production companies want to come here and the union recognizes that and it makes easier for people to make the choice to be here.

Some of recent commercial activity, we have 65 plus commercials every year ranging from \$50,000 to a million that they spend here on the ground. I'm going to show you one of those commercials.

Mayor Foxx said Beth if anyone is every looking for a "Secret Shopper" we have one on the Council.

Ms. Petty showed a Verizon commercial and said that was a national spot that was shot here. This is our recent television activity and I'm sure you have all watched Homeland, that is our first major TV show that is here on FOX Sunday night at 10:00. Banshee has not aired yet, HBO it is a new series that we just got. Shelter – we just wrapped up for the Warner Brothers. The Bachelorette just shot three episodes here. American Idol – hopefully you saw that 10,000 people showed up at that audition which is amazing. America's Got Talent and the list goes on and on of reality shows and other TV series that have been here.

Homeland Season 1 estimated between \$40 to \$45 million spent on the ground and you can see all of the awards that they have won. It keeps bringing them in, it is such a wonderful show. It is great to have a television show here and to have one that has been so successful, it is really great for us. Actually I was just recently told that President Obama named it as one of his favorite television shows and the production company told me that some of the assistances to the General will call them and ask for tapes of the show that they can watch before they go to

meetings with President Obama because he likes to talk about it in their meetings, so we like that. Here is a Promo Trailer for Homeland. (Shows commercial)

This is some of the recent film activity. Hunger Games was the largest production ever recruited to the Carolinas. You can see the other independent films that have been recently. You are Here was here just a few weeks ago. It won't be released until much later.

Mayor Foxx said will we get the sequels to the Hunger Games or do we know?

Ms. Petty said we might get part of it. These are some of the numbers on the Hunger Games. You can see it has just been phenomenal and over 66 million people as of June 19th have seen the movie so that is 66 million that have viewed Charlotte and the surrounding area. That count will just continue to go up. (Hunger Games Commercial).

Some of our key challenges for the Film Commission are staffing and increased trips to California. I just came back from California which was a great success and met with several production companies while I was out there and also attended the trade show. Website upgrades is something that we really need to concentrate on so we can present the region and Charlotte in a better and more competitive way. Obviously, we need more stage space here in our region. I want to thank you so much for this opportunity.

Mr. Autry said having the Hunger Games primarily housed here and doing their shooting here last year was a big economic impact, \$65 million in the people's pocket on the ground here. That seemed like that was the perfect opportunity to capitalize on the success of that production to go out and market the region even better. What were your efforts like in that?

Ms. Petty said we only had money in the budget for one marketing trip to California so I went just recently. We will be getting more of these because they had such a great experience. Before the producers left they told me that we would be getting a lot more work here. I said how do you know that and they said because we are going to tell everybody. They had a great experience here. Every need was met for them. Any request they had of us, we met it whether it was a location, weather it was finding a doctor for a sick actor, whatever it was we found it for them. We need more funding hopefully to help promote this region and get the word out in a better way, faster way.

Mr. Widener said a lot of the challenge and what we do here on the ground is yet, and you asked if we would get the sequel, we've had a lot of success and we have a lot of things that come in. Our real challenge now is the fulfillment and the on the ground working with the producers and everybody in managing the City, we have two dedicated film series or three that are filmed here now so that is our real challenge because we have to with a two-person office, recruit, come in, manage, fulfill, promote and do all those things so that is the big challenge. Unlike a headquarters who may come in and be here for 20 years, Hunger Games may come in here and go to Georgia next year. Homeland could be here and go to Michigan next year. That is the real challenge, keeping them here and what we have to do is be able to manage that process because this is a unique industry that takes constant attention.

Ms. Petty said it is a 24/7.

Mr. Autry said yes, they like their attention and we know that.

Councilmember Kinsey said I have a question on behalf of a neighborhood in District 1 and I got complaints and I honestly didn't know who to talk to. A commercial was being filmed and it was at night, which I guess most of them are. I know my neighbor used to allow her house to be used and they were always there at night with lights shining in to make it look like day. They left the place messed up and they were of course loud, noisy and it was very disturbing. Is that something you can help us with?

Ms. Petty said I can and I'll make sure you have my card and I'll follow up with the production company. That is what I'm here for.

Ms. Kinsey said good, thank you so much.

Mr. Widener said I'll tell you that is really what I was talking about, this standard deliverable that we need to have and to be the clearing house for all of this because we don't want this to be an unregulated industry out there where anybody can go shoot in your neighbor's house and shoot a commercial. That is the real need for having a Film Commission here to help guide that and protect what happens here. That is very important.

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ITEM NO. 4: DISPARITY STUDY UPDATE

Councilmember Mitchell said the Economic Development Committee Members, Vice Chair Mayor Pro Tem Cannon, David Howard, LaWana Mayfield and Warren Cooksey, we wanted to give Councilmembers an update on the Disparity Study, the timeline we charged City staff to go by and look at, based on a recommendation from Franklin Lee, a timeframe where we think a new disparity study will be available to us, to our SBE's and our community. I will turn it over to Brad Richardson.

Brad Richardson, Neighborhood and Business Services said I was in Wilmington for a couple days last week and I don't want to steal thunder, but I shared an elevator with Robert Downey's look alike and a stunt lady. The hotel, the moderately mid-priced Home Wood Suites hotel, not a high end overrun with crews, producers, all filming Iron Man Three at the Screen Gem Studio, very fascinating.

We have this on tonight's agenda because you have an action item under the policy portion of your meeting tonight to do two things. One is to accept the findings of MGT, let me read that to you. "Accept and adopt the findings and analyses set forth in Chapters 1 through 6 of MGT", the Disparity Study update. You heard that back in September and also the Committee recommended to direct staff to begin work on an SBE/MWBE program that utilizes both race and gender neutral measures and race and gender conscious measures to remedy those disparities. That is where we are going tonight and we thought we would spend a few minutes with you here in the dinner hour to answer any questions you might have about the action and we also don't want too long away from the microphone or the committee with this very important topic. It has been on our agenda for a long time. The committee has worked really hard. We've had a couple of experts come in and talk to the committee over the last 8 to 9 months. We want you to know we are working really hard on it so I through we would do tonight is have some Q and A if you are ready or interested or have questions about the action item tonight. Nancy Rosado is in the audience, she is our SBO Program Manager and she can handle technical questions as well as Bob and I'm not sure if Cindy is in the room tonight. The 5 or 6 slides will give you the idea.

Mr. Richardson used PowerPoint for his presentation to the Council. We will talk about the background, a refresher for the Council. We will talk about MGT's findings and recommendations, we'll talk about the work done by Mr. Lee which Mr. Mitchell referred to. He is a Tydings & Rosenberg's Attorney. We'll talk about the Committee recommendation and we also want to share with you tonight the work plan and schedule. One of the things the Committee asked us to do was tell us how long this will take to wrap up. It is a big work item, we've laid out a schedule for you to view tonight. It is one of the attachments in your agenda, and we'll tell you the general components of that.

With regards to background, in October 2010 we retained MGT to do the Disparity Study, their goal was to determine whether we really have disparity in our community with a number of minority and women owned business enterprise firms qualified to work on City projects and those that actually get work. Also to determine if we had a legally justified need to begin MWBE measurements and we also wanted MGT to provide recommendations to the Council on how to modify our current policy. That policy as you know has been in place since 2003. In September 2011 MGR presented in this very room to you and then subsequently with the Committee three conclusions. There is statistical evidence showing disparity in some categories, sub-contracting and architecture engineering with African American firms and Hispanic firms,

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however they found that there was insufficient anecdotal evidence, anecdotal a big word for interviews, surveys, focus groups that they did in town during the course of their study. They also found that the City's current race and gender neutral program, the SBO police has been effective in increasing the utilization of minority and women owned businesses. Given those three things they said we do not recommend establishing a race and gender conscious program. If all three would have been met I think they would have been in a different place, however the Council through the Committee recommendation voted to retain Franklin Lee of Tydings & Rosenberg to re-examine those findings just to get a second opinion about some of those areas of concern where there was significant substantial disparity in a couple of categories. Mr. Lee provided his opinion to you just a few months ago. A written document was produced and we circulated that to you and then he gave a very detailed review to the Committee on May 17th.

Subsequent to that meeting with Mr. Lee the Committee on one or two occasions dove in a little deeper into what it means to revise the program, should we revise the program, should we not and this is the recommendation that is before you tonight in the Policy section of your agenda. Accepting and adopting the findings, that is a step we must take eventually to adopt a race and gender conscious guidelines remedying disparity. Tonight is the first step in going down that path as well as directing the staff to begin the work. Here is the work. The work is really a hard summer time of work of reviewing policies, legal precedent, legal frameworks and working closely with your Council appointed Citizen Advisory Committee. We'd like to spend some time before Thanksgiving getting feedback on draft straw man of what a new program might look like and we want to be back in front of you and the Committee, end of the year, winter time before you head off to your Council Retreat the first week of February with an idea of what the program would look like if adopted by Council.

Mr. Mitchell said I think it would be helpful if Cindy could explain why it is so important to adopt MGT findings even though Franklin gave a counter, but I think it would put us in a better position just in case we ever get challenged legally. Cindy can you do that?

Cindy White, City Attorney's Office said one of the legal requirements of having a race and gender conscious program is that City Council adopt a factual predicate on which that program is based. That is what is set forth in Chapters 1-6 of the MGT Disparity Study. That is a critical piece and that needs to happen before we actually start to move forward with a program.

Mayor Foxx said that is on for tonight, to which Mr. Richardson said yes sir.

Mayor Foxx said some of you were not here when I asked about Consent Items, does anyone have any Consent Items?

Councilmember Barnes said I have pulled Item 23. This is the Zoning Ordinance policy assessment approach that Ms. Campbell described to us last week. My question was the approval is sought for up to \$160,000 for third party firm. I would like to know if that is being billed hourly and if so what that rate is. Also I have pulled Item 32, this is the Airport Deicing Refill Station for \$2.85 million. The question I had was whether we currently have another one of these facilities on site at the Airport. I remember some action we took in the last year or so deicing and I just wanted to get clarification. Also on Item 34, the Airport Terminal Atrium Signage, a \$163,000 contract, whether we will have signage to indicate the number of people waiting at each check point to help disburse the traffic at each check point. I don't know what sort of methodology we might employ for that Mr. Manager or how I could articulate and otherwise. The point is that sometimes you go in there and "C" has 100 people waiting and "E" has 10 and the TSA folks are running from one to the other saying go to down to that one or go down to the other one. I wanted to know if this signage that we're being asked to approve would incorporate that level of information for the benefit of the traveling public.

Councilmember Kinsey said I have two that maybe could be answered very quickly. I'm voting for them anyway. The first one #40 – Sale of 5309 Lila Wood Circle. We bought some property sometime ago and now we are turning around and selling them. What is the difference in the price we paid and what we got from it. Is it a huge difference? It is just curiosity more than anything else because I remember going through all of that earlier. The other one is Item #41, Exchange of Land Rights along the LYNX Light Rail Project. It is the Carson Boulevard.

mpl

Mr. Walton said it is the Old Simpson Lighting.

Ms. Kinsey said on the second page under what we get from them it says completion of streetscape improvements, etc, etc. Wouldn't they have to do that anyway through the development process? That is not something extra that we are getting, I'm just curious.

Councilmember Mayfield said I have a couple - #22 - The Police Firing Range Lead Reclamation. Reading this I see what the anticipated revenue is, but what is the awarded contract cost. #23 - the Zoning Ordinance Policy Assessment and Approach - wondering is that something that can be postponed or if we need to move forward with awarding that contract now. #27 - Police Assets forfeiture Appropriation - Trying to get an understanding of the last bullet point, \$24,000 will be used to fund training for the District Attorney's Office. Subjects will include gang issues and enhanced assistance to crime victims. I wanted to get a little more of an explanation of what that is. #32 - Airport Deicing Refill Station - looking at the DBE on there, the established goal, I'm wondering if that was just a typo on our end because I know once before there was a typo where the established goal 7% committed is 1.26% so I'm hoping that is a typo. I want to get clarification on that. The last one #37 - I wanted to have some conversation, which I think we are going to have conversation on it tonight anyway and that is the Airport Baggage Screening System for the West Terminal, the breakdown of A - G because I know there has been some concern of the bid process so I wanted to be able to have opportunity to discuss that.

The meeting was recessed at 4:58 p.m. for dinner.

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ITEM NO. 5: ANSWERS TO CONSENT ITEM QUESTIONS

Mayor Foxx said do we have the staff in place to do the Consent responses?

Assistant City Manager, Julie Burch said Item No. 22, Councilmember Mayfield asked about the any cost associated with this and the short answer is yes, there were costs associated with getting the material ready to be reclaimed. That was a separate contract of about \$60,000 and now this contract is all revenue to the City because this company will pick up the bullets that have already been collected and piled up if you will, and we will receive revenue up to \$125,000. Of course net of the cost it is about \$65,000 total net revenue.

Item No. 23 - The Zoning Ordinance Policy Assessment, Councilmember Barnes asked about the hourly rate. Actually the base contract is for \$148,500 and that would be the amount we would pay assuming that the company fulfills the scope of work in a satisfactory manner. If there is additional work there will be hourly rates involved through the principles, we might anticipate additional work for additional public input if that is necessary as part of the process so the contract is in an amount up to \$160,000. The other question was from Councilmember Mayfield, can we postpone this and the short answer is yes, however Debra Campbell indicated to me they are really interested in pursuing this and had wanted to undertake this work for quite some time and would really like to go ahead and move forward with it.

Ms. Mayfield said the question I had when I asked if we could postpone it, was really a question of budget. Is this from the current budget and this is already appropriated or is this additional funds we need moving forward.

Ms. Burch said current year budget. Item #27 - Police Assets Forfeiture Appropriation - Councilmember Mayfield asked a questions about the last bullet in terms of training for the DA's Office. That training will be for example, helping the DA staff learn to recognize gangs, gang behavior, activity that will help them be even more successful in prosecution. Other types of training relates to victim assistance, victim witness advocates and helping those advocates help victims of crime know what resources might be available to them in dealing with their situation. Those are primarily the activities involved with that. It is all about helping the DA's Office and CMPD work even better together to be successful in prosecution in these kinds of cases.

Mr. Walton said that is a good question, in North Carolina District Attorney's Office is woefully underfunded so we've been supplementing the DA's Office for about 25 years both with positions and stuff. They don't have enough of either and in the end it impacts the productivity of the Police.

Ms. Burch continued with answers to Consent questions. Item #32 – Airport Deicing Refill Station – Councilmember Barnes asked if we have another one and we don't. We have the one deicing station and we believe this offers more than enough capacity to handle planes when we have this kind of weather. Councilmember Mayfield asked about the DBE information and whether the 7% goal was a typo. It is not. That is what was established as the goal.

Ms. Mayfield interrupted to say no, it wasn't that the established goal was a typo, it was the committed amount was a typo.

Ms. Burch said no, it is not. The committed goal was 1.26% and since the bid they have raised that up to the 4.29% that is referenced in the paragraph below as well as good faith effort. The attachment #35 provides a summary of what they did in terms of good faith effort as well as indicating that they did line up two additional DBE firms after the bid was proposed for award.

Councilmember Mitchell said is there any follow-up on the reason why they didn't hit the 7%?

Ms. Burch said I don't have that information with me now although I do know that Jerry Orr indicated that over the course as the contract starts up, the intent would be to continue to urge them to get to that 7% goal.

Ms. Burch continued with Item #34 – Airport Terminal Atrium Signage, Councilmember Barnes asked if in this contract there might be signs to indicate the number of folks at each security check point. The answer to that question is no, however Jerry is very intrigued by that idea. We don't know if any other airport right now that actually has that, but he is interested now in pursuing that to see if that might be possible. We also had some conversation that actually it might not be so much the number of passengers as it is the estimated wait time and trying to figure all of that out in terms of technology and that kind of thing. The short answer is no, it is not included in this contract.

Councilmember Fallon said couldn't that be like the parking where it says spaces open because it is a pain in the neck. You go there and you wait and they tell you to go to the other end and it is far away if you are dragging your luggage. We do have that signage for parking lots right, couldn't we use something on the order of that?

Ms. Burch said perhaps.

Mr. Walton said we will have to look at the options.

Ms. Burch continued with Item #37 – Airport Baggage Screening which I believe we do have speakers for and will be discussed downstairs. Item #40 – Councilmember Kinsey asked about the City's purchase price of that property on Lila Wood and the purchase price was \$999,500 and that was back in 2005. Item #41 – Councilmember Kinsey, I believe you asked the question about what the City receives from the developer. The notation there on Page 55, they are doing more than the baseline and what we would expect from the developer in this case. That is actually itemized a little bit in the middle of that page. We are actually providing a bit of a pocket park through more seeding, more lighting, a water feature and I understand also a dog fountain and some additional landscaping.

Mr. Barnes said going back to Item #40, it says we bought the house for \$950,000.

Ms. Burch said \$999,500.

Mr. Barnes said a million dollars and we are selling it for \$665,000. Who is buying it?

Ms. Burch said I don't have that information. It is a private buyer.

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Mr. Walton said Mr. Barnes I vaguely remember this from several years ago. At the time we were going to have to condemn the house or buy it and basically eat up the yard because there was no space for what Utilities had to do so the lot is significantly smaller now than it was at the time it was \$999,000.

Mr. Barnes said so we haven't had an appraisal done on this and this is just what some willing buyer was willing to pay for it, right?

Mr. Walton said no, the appraised value was \$650,000 and the upset bid process yielded an additional \$15,000 so it is \$665,000.

Mr. Barnes said so it was appraised, to which Mr. Walton said yes.

Mayor Foxx said other Consent Items?

Mr. Walton said except for the Baggage Claim that we have speakers on.

The meeting was recessed at 5:44 p.m. to move to the Council Chambers

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The Council reconvened at 6:32 p.m. in the Meeting Chamber of the Charlotte-Mecklenburg Government Center with Mayor Anthony Foxx presiding and all Councilmembers present.

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

Hickory Grove's Parade

Jeannie Welch, 5736 Ebley Lane said thank you for the opportunity to speak about one of Charlotte's oldest traditions, the Hickory Grove Fourth of July Parade. We want to invite everyone on the City Council to attend this family, friendly event. We have a parade that goes up W. T. Harris Boulevard and ends at what is now the Grove Presbyterian Church that used to be Hickory Grove Presbyterian Church. We have games for the children, have a Miss Hickory Grove pageant, we have a DJ and a stage and we invite all elected officials and candidates to say a few words on our stage. This is a wonderful opportunity to press the flesh of your constituents at a very fun, family friendly event. This is something that has been a tradition on the eastside for 44 years and we invite all the Councilmembers and everyone in the audience to join us on the 4th of July for this wonderful event. It begins at 10:30 with the parade and then at noon the celebration starts at the church. Thank you very much for this opportunity to speak and I hope you will all be able to join us.

Amendment to the Trash Ordinance

Libby Smart, 1931 Ferncliff Road, said I am a resident of Old Foxcroft Neighborhood and the mother of two teen-age children. I am here tonight because of Andrew Wright. Andrew, a 9th grade student at Myers Park High School was hit by a truck while riding his bike to school on Tuesday, May 29th. He was riding along the sidewalk of Sharon Lane and clipped the trash bin that was in the sidewalk. Andrew lost control and fell into the street where he was hit and killed by an oncoming truck. Had Andrew been riding down this sidewalk on any other day other than Tuesday, he would be alive. That is because Tuesdays are trash rollout days in my neighborhood. This accident might have been prevented if the City would enforce the requirement that trash and recycle bins be placed off the sidewalk. Sidewalks are public right-of-ways and there should not be obstacles on the sidewalks creating safety hazards for walkers and bikers. I never knew Andrew Wright nor his family, but I regularly walk my dog down this very road only to find myself stepping into the street to get around the bins. Why are they there? This makes no sense. I have no longer walked my dog down Sharon Lane on Tuesdays for this

reason. Bravis Jackson, Supervisor for the Charlotte Sanitation Department told me that the mechanical arms of the trucks can reach 8 to 10 feet out to empty the trash bins. If the mechanical arms of the trucks cannot extend to place the empty bins off the sidewalk, then the drivers get out themselves and move them back. His crews regularly do this so that another accident like Andrew's doesn't happen again. Mr. Jackson did say that it is up to the citizens to place their trash bins off the sidewalks when they roll them out. City Ordinance Section 10-99 – Rollout Container Service prohibits containers from blocking sidewalks, but contains no penalties for violation of this law. Yet, anyone in this Chamber tonight can be fined \$50 if we put our trash out too early or take our containers in too late. Tomorrow is trash rollout day in my neighborhood. I invite you to take a ride down Sharon Lane tomorrow morning and see how many bins are still in the middle of the sidewalk. I would like to see the City Council enforce its existing laws by levying fines on those who block sidewalks with their trash and recycling bins. Please don't let another accident happen like this again, one that could so easily be prevented. Thank you for your time.

Councilmember Cannon said I had a conversation with Attorney Hagemann about this very issue and let me thank Ms. Smart for coming down and the various people who have made phone calls and/or e-mails that have been presented surrounding this issue. It is an issue that is pretty tough to get your arms around because it is just not something that can be done as simple as trying to enforce the ordinance. Where this incident occurred with the life was lost unfortunately and our prayers still remain with the family of the victim in this case, with it being on the sidewalk there is like an incline and the rollout container is sort of up on that incline and I think the people that reside in the area had put their rollouts like that up on the sidewalk largely in part because another issue would exist. Remember the road that they are traveling is a narrow road and putting the rollout containers actually in the road could be something that could obstruct traffic that much more. It would seem to be that we ought to at least refer this to the appropriate committee. I don't know that is the Environmental Committee or Public Safety, but it needs to go somewhere for us to try to message this to figure out what can be done to prevent these types of actions from occurring in the future. Again it is not a very easy solution to what is a real problem and you will see that more so especially if you get some of the pictures that Attorney Hagemann and others have been privy to take a look at. It is my hope that we might be able to do that in terms of referring this to a committee to have some level of discussion about it if Council agrees.

Councilmember Howard said the Environmental Committee is dealing with kind of the whole trash issue anyway so we could add it to what they are doing.

Mayor Foxx said without objection, great.

Councilmember Dulin said for the audience and Ms. Smart who was just here, what just happened was Ms. Smart, you and others that we've heard from, that issue has now been sent to our Environment Committee and it will be studied and looked upon by that Committee first and then the full Council. Thank you for coming down.

Women's House

Heather Redding, 1209 Reece Road, said tonight I'm here on behalf of all the women at Hope Haven. I want to thank you for allowing us to have the opportunity to open up this new house for extended recovery. You have no idea what it means for a lot of women that need a little extra time. We want to prove to the neighborhood what great neighbors we can be and it is truly appreciated for all the help and backing that you all are giving us. It is truly a blessing.

Mayor Foxx said thank you, you are very kind to come and we appreciate what you are doing and certainly appreciate your willingness to come with us on a night like tonight, it is refreshing to hear some good news.

Week of Awareness

Joan Goode, 11712 Dan Maple Drive said I have more good news. I am Chair of the Housing Opportunity Foundation to remind you that the Foundation is the charitable arm of the Charlotte Regional Realtor Association. I am joined tonight by my colleague Renoda Henderson. We are here on behalf of our fellow realtors in response to Mayor Foxx's proclamation that 2012 be the
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year of our neighbors. The Housing Opportunity Foundation and Charlotte Regional Realtors Association have responded. As you know every year we conduct Realtor's Care Day and thanks to those of you who have joined the 500 realtors who worked tirelessly on April 20th to address the critical exterior repairs of 23 homes throughout the region. As part of continued response we dedicated Week of Awareness June 18–22 to highlight the mission of the Foundation as it works to address local housing issues. To that end this past week featured Realtors at the Heart of the Community. Activities included a snack bag drive in cooperation with A Child's Place. We exceeded our goal of providing a thousand snack bags for homeless children participating in summer camp and actually delivered a grand total of 1,103. A convey of realtors delivered the snack bags to camp on Friday, June 22nd. We challenge others in the community to match our efforts and to coordinate their own snack attach drive to assist in meeting the needs of these children through A Child's Place. Souls of Our Neighbors viewing and discussion 50 realtors gathered to view the documentary, Souls of Our Neighbors, a cooperative effort of crossroads Charlotte, Mecklenburg Ministries and Temple Bethel. Realtors participated in conversation and discussion to better understand affordable housing issues and determine ways that our industry could not just participate, but lead. In closing as real estate professionals, we firmly believe that everyone should have safe and affordable housing in which to live. Thank you for allowing us to share what we are doing to achieve that objective. We look forward to continuing to partner with you and others as we fulfill our vision of creating a better quality of life for the region.

Mayor Foxx said thank you very much. What an awesome job. It means a great deal to so many in our community, thank you very much.

The Charlotte Inn

Jerome Deveix, 3632 Commonwealth Avenue said I live in the 3600 block of Commonwealth Avenue and I serve on the Commonwealth Park Neighborhood Association Board of Directors. I am here tonight to talk about the Charlotte Inn as the last of the rundown motels that plagues that our otherwise quiet communities. Since long before I became involved in our neighborhood association, the number one goal of this community has been to enhance our collective standard of living and a major focus has been to eliminate the blight that remains within an ear shot. Nowhere is this issue more evident than in and around the Charlotte Inn. To put it bluntly, the clientele attracted by this motel and its reputation is an impediment to the revitalization of our neighborhood and those that surround it. Our neighborhood's convenient location near center city, close to the wonderful neighborhoods of Plaza/Midwood, Chantilly, Elizabeth and Cotswold has attracted numerous young home buyers over the years, many of whom have invested significantly in remodeling, thus improving their properties and doing their part to try and improve the overall community. While the Charlotte Inn has played an important role in keeping Commonwealth Park Properties from reaching their full potential I'd like to be clear that this business is not just undesirable merely for the sake of property values, it is downright unsafe, especially given the multitude of negative spillover it has had on our otherwise quiet streets. We have a vibrant mix of neighbors, many of which have small children who should not have to be faced with transient delinquents looking for trouble. I am here tonight alongside a dedicated neighborhood board and armed with a petition signed by more than 600 people to shut down the Charlotte Inn. The purchase and demolition of this motel is included as part of the \$25 million Bojangles Coliseum redevelopment project which we fully support. I'm here on behalf of the neighborhood to encourage you to maintain the funding for the purchase and demolition of this motel as part of your capital improvement program. We are confident that this is an investment that will pay back huge dividends, not just for our community, but for our City as a whole. Regardless of the outcome of tonight's meeting or the vote in November, we urge you to find a way to exercise the City's option to purchase this property by the end of this year. Some of our neighbors are here tonight and many more are watching at home. We hope you do what is right for our neighborhood and for the City.

Rebecca Stoddard, 3613 Commonwealth Avenue said I live right down the street from Jerome and I'm going to try not to sound like a broken record. I'm here tonight to also talk to you about the Charlotte Inn and I sit on the Board of the Commonwealth Park Neighborhood Association. This rundown motel has been an eyesore and a crime magnet and we want it to go. In 2011 CMPD spent almost 500 hours responding to calls at this hotel just from call from neighbors and other officers. That does not include the amount of time that they spend patrolling

the location, which they know is a hub of criminal activity. In the past year there have been arrest for prostitution, drug use and distribution, two murders, arrests including a federal sting on members of the M 13 Gang and numerous criminals with outstanding warrants are found and arrested there on a weekly basis. At the June 5th meeting of our neighborhood association, we had nearly 60 residents in attendance and we voted unanimously, to support the City's efforts to purchase and demolish the Charlotte Inn as part of the Bojangles Coliseum Redevelopment Project. The problems at this Inn have been going on for years, if not decades. The removal of the Charlotte Inn is the top priority for our neighborhood and we have strong support from the neighborhoods that surround us. We are prepared to do everything we can to help the City convert this site into the uses envisioned in the adopted Independence Area Plan. We ask that you maintain funding for the purchase and demolition of this motel as part of your capital improvement program, but regardless of the outcome of tonight's meeting or the vote in November, we urge you to find a way to exercise the option to purchase this property by the end of this year. We know that investment will pay back huge dividends, not just for our neighborhood, but for the eastside and the City as a whole. Thank you so much for your time.

City of Charlotte Priorities

Wayne Powers, 4321 Steward Andrew Boulevard said I wanted to talk to you tonight about something that I'm not allowed to talk to you about. It is a "B" word, but I was told that we had a hearing on this subject already so we couldn't really talk about that even though the "B" word that we had the hearing on has been rejected and there is a new "B" word that is out there. The "B" word starts with "B" and ends in uddget, but I won't say the word but I just wanted to talk to you tonight if I can. I know you folks have a tough job ahead of you and there are heavy divisions on that dais and I understand that and I empathize with you, but I urge you to keep this process as open and accessible to the people as you can. The public hearing process is a part of that and I urge you to revisit that. The City Attorney, who has the opinion that one hearing is enough for the entire process, I urge you to revisit that. At a time when you are trying to decide some difficult decisions tonight about what I can't talk to you about, I urge you to please remember that in this time of very high unemployment which has just gone up again, I urge you to remember some of our senior citizens who are on fixed incomes. I urge you to remember our returning armed service members who are coming back and can't find jobs. I urge you to remember our students who are graduating and can't find jobs so as you raise taxes or think about raising taxes I urge you to think twice about it, whether it is a small amount or a large amount. When we have a City Attorney that is giving the opinion that the public hearing on something that has been subsequently rejected should preclude a public hearing on a new proposal, when we have a City Attorney who is of the opinion that raising taxes, not quite so much as just keeping the lights on, maintenance should be the base budget. You shouldn't be raising taxes for basic infrastructure needs. When we have those opinions being offered by our Attorney I understand those opinions and I understand that there is an argument behind those opinions but I would ask that maybe it is time for a second opinion. Thank you for your time and I wish you good luck tonight on your difficult decision.

Lying and Corruption

Joseph Lee, 1214 Lucky Penny Street said I'm back with the same problem again. I came before and I'm having a problem where I live. There are people that keep coming around and causing trouble and I don't know why. I go to the Police about it, I talk to other people about it, all kinds of problems. They said I was the only black person there, well I've been seeing people and they have been black, Spanish, men and women and all different races. I'm trying to figure out what is the problem there. I keep talking to people and I can't find nothing out and nothing like that. I don't want to be uninvolved with politics or religion, involved with politics but I was never interested in it. I keep hearing this name like Satan, Lucifer, God and all of that, I'm not involved with none of that. I don't have nothing to do with Jesus Christ or none of that. I just have some people that if they want to know their race, go get DNA test and stuff like that. I don't know what happened if they have murder law in Russia, Russia got the same law we got here, the same constitution and everything else, but some of the people that have been President here ran over Russia, they come here write laws, same thing that is going on in Russia. I went to jail for something like that, bank robbery or something like that and got released in 2005. DNA, Adam and Eve I don't know what all that was about. Maybe I was involved with the rib and all that stuff like and nobody never told me about that. What I want to know is can you all help me

with the problem or tell me where to go at and tell people to talk to me and I don't know what all the rest of the talking was about.

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CONSENT AGENDA

City Clerk, Stephanie Kelly said the only item that was pulled was Item No. 37, there are three speakers. I need to note for the Mayor and Council that Item No. 42-O, there is a correction in the owner's name, it is a property transaction. The owner's name is Duy Tran and Item No. 42-P has been settled.

[Motion was made by Councilmember Cannon, seconded by Councilmember Kinsey, and]
[carried unanimously, to approve the Consent Agenda as presented with the exception of]
[Item No. 37 and Item No. 42-P which has been settled.]

The following items were approved:

20. Amend the 2012 Meeting Calendar for City Council to show the City Attorney's evaluation will be on August 27, 2012 from 2:00 p.m. to 4:00 p.m.
21. Change Order #1 to the contract with Ferebee Corporation in the amount of \$250,000 for the Browne/Hucks Road Improvement Project.
22. Contract with Southern Resources, Inc. in order to sell lead bullets reclaimed from the Police firing range at Shopton Road. The anticipated revenue for the City is estimated to be \$125,000.
23. Professional services contract with Clarion Associates in an amount up to \$160,000 to conduct a general assessment of the Charlotte Zoning Ordinance and evaluate a variety of approaches for reorganizing, restructuring and/or rewriting the ordinance.
24. Contract to the lowest bidder, State Utility Contractors, Inc. in the amount of \$310,839.90 for the Washam Street Pump Station Force Main Replacement Project.

Summary of Bids

State Utility Contractors	\$310,839.90
Davis Grading	\$348,324.90
Sanders Utility Construction	\$377,360.06
R. F. Shinn	\$414,741.60
Propst Construction	\$417,989.25

25. (A) Contracts to the following companies to provide electrical motor and pump repair services at all of Utilities' treatment and pumping facilities in a combined annual amount of \$1,200,000:
 - Purser Central Rewinding Co., Inc. \$105,000
 - A & W Electric, Inc. \$100,000
 - Dixie Electro Mechanical Services, Inc. \$165,000
 - Jenkins Electric Co. \$680,000
 - Integrated Power Services, LLC \$ 50,000
 - American MTS Rewinding of NC \$100,000(B) Authorize the City Manager to renew the contracts for two additional one-year terms.
26. Professional services contract with GHD, Inc. for work and asset management program implementation services in an amount up to \$625,870.
27. Budget Ordinance No. 4914-X appropriating \$79,000 in police assets forfeiture funds.

The ordinance is recorded in full in Ordinance Book 57, at Page 751.

28. (A) Contracts for audio translation and transcription services for an initial term of eight months in the aggregate estimated amount of \$67,000 for the initial terms and the aggregate estimated amount of \$100,000 for any renewal terms with the following service providers:
- American High-Tech Transcription and Reporting, Inc.
 - Globespan Medical, Inc. dba Globespan Transcription
 - Outskirts, Inc. dba Verbal Ink
- (B) Authorize the City Manager to extend the contracts for up to two additional one-year renewal options as authorized by the contracts.
29. (A) Authorize the City Manager to renew the public safety radio support and software subscription contract in the amount of \$2,557,959.38 with Motorola Incorporated, as authorized by the sole source exception G.S. 143-129(e)(6), and (B) Authorize the City Manager to approve four additional one-year renewals of the public safety radio system support and software subscription contract with Motorola Incorporated with possible price adjustments at the estimate of renewal as deemed reasonable and appropriate by the City Manager.
30. (A) Approve the purchase of Biohazard Identification Systems as authorized by the sole source exception of G.S. 143-129(e)(6), and (B) Approve a contract with Idaho Technology, Inc. for the purchase of Biohazard Identification Systems and accessories in the amount of \$90,000.
31. (A) Resolution accepting a Federal Aviation Administration (FAA) grant in the amount of \$20,500,000 for Airport projects related to the new runway, and (B) Budget Ordinance No 4915-X appropriating \$20,500,000 in FAA grant funds.

The resolution is recorded in full in Resolution Book 43, at Page 744-745.
The ordinance is recorded in full in Ordinance Book 57, at Page 752.

32. (A) Contract to the lowest bidder, Wharton-Smith, Inc. in the amount of \$2,855,000 for the construction of a Deicing Refill Station, and (B) Budget Ordinance No. 4916-X in the amount of \$2,855,000 from the Airport Discretionary Fund to be replaced by future FAA grant funds or Passenger Facility Charge revenues.

Summary of Bids

Wharton-Smith, Inc.	\$2,855,000.00
Edison Foard, Inc.	\$3,034,992.50
Crowder Construction, Inc.	\$3,536,060.00
Matthews Construction Co., Inc.	\$3,737,380.37
Gilbert Engineering, Co.	\$4,377,004.00

The ordinance is recorded in full in Ordinance Book 57, at Page 753.

33. (A) Contract amendment with DAS Architecture, Inc. in the amount of \$889,910 for the design of a new food court, (B) Amendment to the concession Agreement with HMSHost extending the contract for five additional years, and (C) Budget Ordinance No. 4917-X in the amount of \$889,910 from the Airport Discretionary Fund.

The ordinance is recorded in full in Ordinance Book 47, at Page 754.

34. Contract with SignArt, Inc. in the amount of \$163,745 for purchase and installation of signage in the Terminal Atrium.

Summary of Bids

SignArt, Inc.	\$163,745.00
Camps Construction	\$257,500.00
Poblocki Sign Company	\$275,229.00

35. (A) Contract to the lowest bidder, Blythe Construction, Inc. in the amount of \$18,220,961 for the construction of the Airport Entrance Roadway, and (B) contract with S&ME, Inc. in the amount of \$750,500 for quality assurance testing services of the Airport Entrance Roadway.

Summary of Bids

Blythe Construction, Inc.	\$18,220,961.
DeVere Construction	\$18,545,910.
Triangle Grading and Paving	\$19,671,449.
Blythe Development Co	\$19,974,026.
Sealand Contractors	\$20,102,697.
Morgan Corp.	\$20,606,339.
Rea Contracting	\$24,032,866.

36. (A) Resolution accepting an Other Transaction Agreement from the Transportation Security Administration (TSA) in the amount of \$549,894, (B) Budget Ordinance No. 4918-X appropriating \$549,894 in TSA grant funds to the Airport Capital Investment Plan Fund, (C) Approve the purchase and installation of security equipment as authorized by the sole source purchasing exception of G.S. 143-129(e)(6) and (D) Approve a sole-source contract with Johnson Controls, Inc. in the amount of \$549,894 for the purchase and installation of security equipment.

The resolution is recorded in full in Resolution Book 43, at Page 746-747.
The ordinance is recorded in full in Ordinance Book 57, at Page 755.

38. (A) Resolution authorizing the refund of property taxes assessed through clerical or assessor error in the amount of \$45,170.23, and (B) Resolution authorizing the refund of business privilege license payments made in the amount of \$380.

The resolutions are recorded in full in Resolution Book 43, at Page 748-752 and 753-754.

39. (A) Resolution of intent to abandon a 10-foot alleyway between Camden Road and South Tryon Street and (B) set a public hearing for July 23, 2012.

The resolution is recorded in full in resolution Book 43, at Page 755.

40. (A) Resolution approving the sale of City-owned real property (PID #17511338) located at 5309 Lila Wood Circle for \$665,000, and (B) Authorize the City Manager to execute the sale documents for this transaction.

The resolution is recorded in full in Resolution Book 43, at Page 756-757.

41. (A) Resolution authorizing an exchange of real property rights between the City of Charlotte and 1200 South Boulevard, LLC, Cambridge Development Group, LLC or their successors and assigns (developer) involving Tax I.D. Numbers 12301502, 12301506 and 12303605, and (B) Authorize the City Manager to execute all necessary documents to complete the exchange of land rights.

The resolution is recorded in full in Resolution Book 43, at Page 758-759.

- 42-A. Acquisition of .547 acres in Fee Simple at 815 Rowan Street from John B. Crider for \$75,900 for Fire Station 13 Expansion, Parcel #1.

- 42-B. Acquisition of .325 acres in Fee simple at 4333 Glenwood Drive from Norman E. Cason and wife, Rosa B. Cason for \$64,450 for Fire Station 13 Expansion, Parcel #2.

- 42-C. Acquisition of 8,779 square feet in Storm Drainage Easement, plus 139 square feet in Temporary Construction Easement at 1331 Scotland Avenue from Keith Michael Trandel-Korenychuk and wife, Darlene Marrie Trandel-Korenychuk for \$15,725 for Cherokee/Scotland Flood Control, Parcel #20.

- 42-D. Acquisition of 251 square feet in Sidewalk and Utility Easement at 1921 Commonwealth Avenue from Ballentine Family Investments II, LLC for \$13,060 for Commonwealth Streetscape, Parcel #11.1.
- 42-E. Acquisition of 508 square feet in Fee Simple, plus 2,506 square feet in Storm Drainage Easement, plus 9 square feet in Utility Easement, plus 1,332 square feet in Temporary Construction Easement at 3200 New Hampshire Drive from Wanda Lou Woods, for \$26,700 for Idlewild Road Roadway Improvement Project, Parcel #9.
- 42-F. Acquisition of .556 acres in Utility Easement plus .234 acres in Temporary Access Easement at 5952 Sharon View Road from Olde Providence Racquet Club f/k/a Olde Providence Racquet and Swim Club for \$58,0000 for McAlpine Creek Relief Sewer Phase 3 – 66” Sewer Line, Parcel #45.2.
- 42-G. Acquisition of .307 acres in Fee Simple at 3600 Preserve Place from JLS Holdings of NC, LLC for \$272,000 for McAlway/Churchill Storm Drainage Improvement Project, Parcel #2.
- 42-H. Acquisition of .276 acres in Fee Simple at 3604 Preserve Place from Bitterman Investments, LLC for \$270,000 for McAlway/Churchill Storm Drainage Improvement project, Parcel #3.
- 42-I. Acquisition of .262 acres in Fee Simple at 236 Meadowbrook Road from JLS Holdings of NC, LLC for \$270,000 for McAlway/Churchill Storm Drainage Improvement Project, Parcel #4.
- 42-J. Acquisition of .209 acres in Natural Storm Drainage Easement at 343 Wendover Hill Court from Bahabri Stores, LLC for \$32,600 for McAlway/Churchill Storm Drainage Improvement Project, Parcel #8.
- 42-K. Acquisition of 1,433 square feet in Storm Drainage Easement, plus 89 square feet in Utility Easement, plus 5,963 square feet in Temporary Construction Easement at 7233 Point Lake Drive from BACM 2005-6 Lake Point Drive, LLC for \$14,425 for Robinhood/Dooley Storm Water Capital Improvement Project, Parcel #26.
- 42-L. Resolution of condemnation of 1,835 square feet in Fee Simple, plus 3,602 square feet in Existing Right-of-Way, plus 44 square feet in Utility Easement, plus 4,957 square feet in Temporary Construction Easement at 5309 Beatties Ford Road from Kappas of Charlotte, Inc. and any other parties of interest for \$3,850 for Beatties Ford Road Widening, Phase 1, Parcel #64.

The resolution is recorded in full in Resolution Book 43, at Page 760.

- 42-M. Resolution of condemnation of 19 square feet in Utility Easement, plus 670 square feet in Slope Easement, plus 10,647 square feet in Temporary Construction Easement at 5401 and 5409 Beatties Ford Road from Kappas of Charlotte, Inc. and any other parties of interest for \$7,575 for Beatties Ford Road Widening Phase 1, Parcel #66.

The resolution is recorded in full in Resolution Book 43, at Page 761.

- 42-N. Resolution of condemnation of 887 square feet in Fee Simple, plus 1,283 square feet in Storm Drainage Easement, plus 1,474 square feet in Temporary Construction Easement at 9249 Idlewild Road from Brenda Long Hager, Patricia Long McCarver, Jean Long Frodge, Kim Wayne Long and David Philip Long, Jr. and any other parties of interest for \$3,280 for Idlewild Road Roadway Improvement Project, Parcel #57.

The resolution is recorded in full in Resolution Book 43, at Page 762.

- 42-O. Resolution of condemnation of 945 square feet in Sidewalk and Utility Easement, plus 1,939 square feet in Temporary Construction Easement at 2429 Galloway Road from Duy Tran and any other parties of interest for \$550 for Mallard Creek Sidewalk Improvements, Parcel #11.

The resolution is recorded in full in Resolution Book 43, at Page 763.

43. Titles, motions and votes reflected in the Clerk's record as the minutes of April 9, 2012 Business Meeting, April 11, 2012 Budget Retreat and April 16, 2012 Zoning Meeting.

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ITEM NO. 37: AIRPORT BAGGAGE SCREENING SYSTEM/WEST TERMINAL EXPANSION.

- A. **Contract to the lowest bidder, Pteris Global (USA), Inc. in the amount of \$25,384,571 for the construction of a baggage screening system,**
- B. **Contract with BNP Associates, Inc. in the amount of \$1,737,500 for construction administration services of the baggage screening system,**
- C. **Contract to the lowest bidder, Archer Western Construction, LLC in the amount of \$21,945,700 for the construction of the West Terminal Expansion,**
- D. **Contract with SUMMIT ECS, Inc. in the amount of \$257,050 for testing and special inspections for the West Terminal Expansion,**
- E. **Change order in the amount of \$268,600 to the contract with C Design, Inc. for architectural construction administration services for the West Terminal Expansion,**
- F. **Change order in the amount of \$258,488 to the contract with United Engineering Group, Inc. for mechanical, electrical, plumbing, and fire protection construction administration services for the West Terminal Expansion, and**
- G. **Change order in the amount of \$134,250 to the contract with Laurene, Rickher & Sorrell from structural engineering construction administration for the West Terminal Expansion.**

David Haddaway 208 Shoreline Parkway, Tega Cay, SC said I am David Haddaway with Pteris Global and the reason came to speak tonight is we submitted quite a big package for the baggage handling system in the Charlotte Airport. We found out we were the low bidder on the process, we were pre-qualified and found out that we were the low bidder. Through the process of getting it approved and come to you tonight, it has come to my attention that there has been quite a big lobbying effort against my company now. My company is a rather large company, it has over 150 baggage systems throughout the world. This system here has about a thousand drives or motors or conveyors in it. The systems that we have handled around the world such as Beijing had over 12,000 motors into it. We've done Dubai, we've done Shanghai and quite a few large scale airports. We've been around since the 70's and were named the dinner roller before and we are a public company and it is called Pteris Global. In the US we have an installation that we completed in Phoenix, the Sky Harbor. Part of that installation we did there, we decided that we needed to start operating more as a US company. While we were doing that we were looking for a place to start up operations. We have a very, very good trade partner with a company called Mantissa Corporation and they are off Presley Road. They make tray systems and have since the 1940's. We have an agreement with them, we bring their tray systems overseas and they help us out over here. We put some investment into this area and actually spent about \$1.5 million on a complete demonstration center. I would like for any one of you all to come over and take a look at it. It has everything you can possibly have inside a baggage handling system, controls, scanners, carousels and all that kind of stuff. With that put in there we use that to get completely approved by BNP who was the consultants on this project. We also got approved by other consultants such as Cage and I know this is a USAir town, but also Delta has a very large engineering organization that also examined us real closely and completely approved us in record time. My main purpose here is to actually give you a face as to who we are. We are very, very experienced in this type of work and we have won this work in what we thought was a very fair bid, the best that we could put out there. Through that I just really wanted to introduce us and one other point that I want to make is we do plan on setting up

complete operations in Charlotte. That is why this project was so important to us. We have a 50,000 square foot building set up next to our demonstration center.

Barry Lagerstedt, 5101 Westinghouse Boulevard said I represent Siemens Industry and I think most of you know of the Siemens' strong local presence and national and global presence. I will not mention all the different projects we have performed successfully in the past, but they are numerous. We are in fact the leader in the industry and a prime solution provider for the United States and other global communities. Siemens has a strong local presence and we have in fact filled a protest as of this last Friday and I would like to cover the high points of that so we understand what our contention is. Our contention is limited to a procurement document and not the history of companies of past projects that are relevant or deemed not relevant. In the bid package and the documents that were supplied for the procurement we alleged that Pteris' bid does not meet the DBE requirements as required and also includes false information. Pteris' bid failed to satisfy the requirements in two ways, first Pteris represented DBE goal was satisfied with participation of a single firm. The name of that firm is Absolute Business Connection and they represented that they were a NC-DOT certified and they are in fact not. They are a temporary services provider and they do not have any certification for the required NC-DOT bid documents. Secondly, Pteris did not use the proper bid form and omitted material representations required from each bidder. We believe that Pteris' bid should be rejected and deemed non-responsive for material deviating from the mandatory revised bid form. They did not use the revised form which has material clarifications in it relating to proposed contract time and required contractor's license. Both are critical to this project. Thirdly, Pteris' bid is improperly imbalanced if unbalanced and clearly shifts allowable costs to TSA funded base bid work, thereby jeopardizing TSA funding. Misallocation of costs could be determined as unbalanced bid, The base bid has been augmented with three or four options, alternates one, two, three and four all of which are not TSA funded projects, part of a TSA funded scope. This improper unbalancing of the bid and the alternates is really shifting non-TSA reimbursable costs into the reimbursable line item for TSA which of course is government funded under 90% reimbursable with the Airport's OTA of the transaction agreement with TSA. Fourth, Pteris' item must be rejected because Pteris lacks the TSA.

Neal Sweeney, 214 North Tryon Street, said I'm with Kilpatrick Townsend & Stockton, representing Siemens. First of all Siemens is the low bidder on the base bid and then there are four alternative bids that any combination of which can be accepted or rejected. Siemens with alternates one through three remains the low bidder. It is only if the City decides to award to Pteris on the basis of the inclusion of alternate bid four does Pteris become the low bidder. That item is called slope plate and it has nothing to do with the baggage system which is the focus of this procurement and where TSA funding is coming from. This is not just an issue of quality or time and service, we are talking about fundamental defects in the bids which require rejection under North Carolina law. They used the wrong bid form. They misrepresented, whether it was intentional or not, the DBE participation. They identified their DBE contractor, the one sub that is going to do \$900,000 worth of work as being certified by NC-DOT to do Airport and metal buildings. They are not so certified. They are a temporary staffing agency and that is the only certification that they have from NC-DOT and we provided the documentation related to that. Secondly, you are I'm sure familiar with the concept of the bid has to come in as required by the City otherwise it is non-responsive because it doesn't bind the bidder and if it non-responsive it has to be rejected. Pteris didn't even use the required bid form in the contract. They have the front three pages but the last page is an old bid form that omits three specific representations, two of which, one relates to schedule and the other relates to licensing. These are fundamental requirements that in any circumstance are typically looked at and taken and rejected. There is also the issue here of the TSA involvement. This project is all about TSA requirements, TSA supervision and TSA funding. They have three different elements that put all of that at risk. The unbalanced bidding which make look good to the City because non-TSA funded items look like you might get them for free, but I don't think TSA is going to like that and you run the risk of not just those dollars, but the entire grant being placed at risk. In addition, in terms of the qualifications, the focus again of this procurement is a TSA approved and funded system. There were specific requirements that the bidders had to state regarding their TSA experience with these very specific requirements.

Councilmember Mayfield said I see that Mr. Orr is in the audience and if we can have him come up because the questions I have would be better answered by Mr. Orr. Just so I have some clarification with the bid process, noting what Mr. Sweeney just mentioned, we have a process where we receive more than just a base bid?

Aviation Director, Jerry Orr said yes ma'am, the specifications called for a base bid and four alternates which could be added to that base bid, the prerogative of the City to do that. The specifications clearly state that the City can award the base bid only or any combination of the base bid and the alternates.

Ms. Mayfield said is there any language in the bid process where if whatever company is awarded the bid, if they are not able to meet all the requirements based on the bid that they submitted, is there a process in place that addresses that since from what I here there is a concern or whether or not what was submitted in the bid can actually be performed once this award moves forward. Do we have a process in place that would address that?

Mr. Orr said yes ma'am, the Design Consultant for this process has designed many TSA funded projects similar to this. We ask them to pre-qualify the bidders and they did that. There were five companies that were pre-qualified, four of those submitted a bid. After Siemens raised questions we asked the Design Consultant to review all of their material. They did that and they said they have no reason to not consider Pteris able to do the work.

Councilmember Barnes said is Absolute Business Connection a DBE?

Mr. Orr said yes sir.

Mr. Barnes said with regard to the payment of this contract, it is a \$25.3 million contract, at least this baggage system piece is, and an additional \$1.7 million for construction and administration services, so it is a decent size contract. The material we have indicates that the project will be funded by the TSA grant and by 2011 General Airport Revenue Bond. It says the debt service of which is paid by the PSE's.

Mr. Orr said yes sir.

Mr. Barnes said we received something at Dinner indicating that this was an ARRA Grant.

Mr. Orr said it is stimulus money to the TSA and then the TSA issues the grant to us.

Mr. Barnes said when it mentions bonds and debt service, explain why that plays a role if it is a grant.

Mr. Orr said the TSA grant which you accepted a couple months ago pays for 90% of the eligible costs of the project. We pay for the other 10% and we have bonded that and the debt service is paid with PSE's.

Mr. Barnes said Mr. City Attorney, regarding some of the issues that Mr. Sweeney raised I believe you provided us with an opinion or someone provided us with a write-up indicating our responses to those issues. Do you believe it is advisable to go into that tonight or allow them to find Judge Mulliner or Judge Boner and take up there?

City Attorney, Bob Hagemann said Mr. Barnes I don't know that it would be productive to get into a point by point legal debate. We have reviewed the allegations, we being myself and the Airport's attorney along with Mr. Orr. They have been working on this for a considerable period of time and I am satisfied from a legal standpoint your better course of action is to award the contract as recommended.

[Motion was made by Councilmember Barnes, seconded by Councilmember Kinsey, to]
[approve the subject contracts.]

Councilmember Mitchell said David, in your bid on alternates two and three, all the bidders submitted a price and Pteris did not. Can you explain why.

Mr. Haddaway said yes, that was actually me and my entire line of reasoning wasn't actually the TSA money or any of the funding. My entire reasoning is I have a facility, I have management staff, I have manufacturing, at that point within three miles from the Airport. I'm off getting other business, I've built a whole operation at that location. I just thought it was a good partnership with the Airport that I'm right next to that I shouldn't have to charge them for additional training, not just for that time, but for really any time because we are right down the road. I just didn't see a cost so I thought that was a good business relationship decision not to charge for that point.

Mr. Mitchell said all of your competitors bid a substantial amount so are you saying you are giving that portion free because you were close to the Airport?

Mr. Haddaway said the substantial amount you are talking about is \$20,000 or \$30,000 in a \$25 million project and being involved in many other company's estimating processes, what they do is they will go out there and plan for X amount of weeks to send somebody out there, house them, give them airline tickets and set up complete classes. My logic was again since I am right there, I have all my people right there, I have facilities right there to be able to train these folks in, I'm already working with them first hand on site. The additional training shouldn't have been a factor. That is the just the plain reason I put behind that.

Mr. Mitchell said I favor local companies so let me share my bias up front. How big is your operations here in Charlotte?

Mr. Haddaway said right now our operation is not very big in Charlotte.

Mr. Mitchell said how many employees do you have in Charlotte?

Mr. Haddaway said one.

Mr. Mitchell said let's try to compare history, how many projects of this type? You mentioned Phoenix. Have you accomplished any other projects of this type in the US?

Mr. Haddaway said Phoenix.

Mr. Mitchell said Phoenix is your only one.

Mr. Haddaway said that is right. With a little caveat on there, in Phoenix and the whole point is commissioning TSA projects and working with TSA. We have one full fledged system where we provided all the hardware, all the controls, everything about the project from start to finish. We also did two other complete projects with Phoenix through a company called FKI which is a rather big business, but we fully commissioned those two projects as well so we have commissioned through TSA three projects in the US. One last thing Calgary and Winnipeg with TSA.

Mr. Mitchell said so your goal here was to use your one employee you have here and then partner with the other firm you mentioned earlier to complete this project?

Mr. Haddaway said no, our goal here is to set up operation in Charlotte. We do have more people throughout the US. We have an Engineering Manager in Dallas, we have actually one lawyer in New York and we have a Project Manager who is in San Diego. We have a whole list of people we are planning on hiring. We have two Administration.

Mr. Mitchell said Siemens I have the same questions just to make sure we are being comparison. How many employees do you have here in the Charlotte office that have scheduled to work on this project?

Mr. Lagerstedt said what we are planning to do, we are going to execute this project from our local Charlotte office, but we too also have an office right up the street. Our training people and commissioning people that Mr. Haddaway spoke of are also going to be on the project and there will be 12, however we do understand there is a costs in a real time, real services required real costs so we want to truly represent the real costs which is what the bid form states. As you may know we have thousands of employees with Siemens here in the Charlotte region, but specifically all of people who will execute the project here locally at the Charlotte Office.

Mr. Mitchell said how many employees, not excluding your nice plant at Westinghouse, but how many employees do you have here in Charlotte that will be working on this project?

Mr. Lagerstedt said specific to the project it could be up to 20. It will vary. We have a lot of partners, we have a lot of local community partners as well with DBE firms. Certainly a combination but at least 20 people locally.

Mr. Mitchell said let's talk about experience. How many of these projects has Siemens completed in the US?

Mr. Lagerstedt said at least 10 projects, significantly more. Ten major projects working directly with the TSA and in fact working with them on reimbursable agreements very similar to this or nearly identical to this.

Councilmember Cannon said Mr. Haddaway, I know you made mention to us about the one person, but you made mention of several others that may be participating. What would be your total number of people that you would have operating on this particular project?

Mr. Haddaway said that would operate on this particular project, we submitted a complete organizational chart but I could start with the Mangers. We would have two Site Manager, a Safety Manager, a Quality Control Manager. We would have a Project Manager, Installation Manager, a Controls Manager, all of these people we would have coming into this particular project. On top of that with the facility we would start up operations with more Administration people, service people, warehouse production people. To give you an estimate in the warehouse we will probably have about 20 work on this project alone. We sub-contracted out the electrical installation, but the management of the project would probably be somewhere around 10 to 15. I wish I had my organization chart in front of me, I'm sorry.

Mr. Cannon said are these already existing jobs or would you be hiring for anything additional?

Mr. Haddaway said a mix, we don't have a whole lot. We have a Project Manager here in the US, we have the mechanical lead which is Mike D. Barnes and myself.

Mr. Cannon said would you be hiring individuals locally?

Mr. Haddaway said oh yeah. That is our hope plan to come.

Mr. Cannon said Mr. Orr how did you identify on your RFP sheet whether each entity or all entities in this case because there looks to be about four, how you identify whether or not they had capacity to make you all comfortable with wanting to award this RFP?

Mr. Orr said by having the Design Consultant interview and vet the contractors that they deemed could do the work.

Mr. Cannon said it has been suggested by those that were not awarded this bid, it looks like there is a difference of about \$232,988 difference from what I can tell by the write-up, but it has been suggested that some information was falsified and I want to get a couple clarifications if I might. Mr. Orr Councilmember Barnes asked you the question about if this firm happened to be a DBE firm and your reply was yes. Are they certified?

Mr. Orr said yes sir, they are certified by NC-DOT and I can show you the certification letter.

Mr. Cannon said I would beg to ask the question where did you get your information from if indeed we have certification that is available for us to look at?

Mr. Sweeney said we got our information from two things, the bid by Pteris and the NC-DOT on-line information. Pteris is a certified DBE contractor, but is a temporary services contractor, a staffing agency in essence. What they indicated and certified in their form was that ABC was specifically certified as an airport and metal buildings contractor by NC-DOT and that is not true, or at least it is not true as of today if you check the NC-DOT on-line resource. I would also point out that one of the other requirements in terms of the package to prove the DBE documentation and participation, you see we are supposed to print out and provide that specific code certification from NC-DOT. They didn't do it, indicating they knew it and they knew it was bad information that they were indicating a certification that ABC did not possess and does not possess.

Mr. Cannon said, Mr. Orr, let me ask the question another way? Were there any entities that failed to meet the certifications as they were supposed to by way of this RFP in its request?

Mr. Orr on Pteris' bid?

Mr. Cannon said yes.

Mr. Orr said no, the DBE sub-contractor that they proposed to use is a certified DBE contractor. Our program only requires certified DBE sub-contractors. It doesn't matter a bit what they do.

Mr. Cannon said relative to the DBE levels in terms of goals, did Pteris exceed the goal further in terms of his DBE utilization than some of the others that are listed here or how did that shake out between Pteris and Siemens?

Mr. Orr said yes, Pteris' DBE participation was higher than Siemens.

Mr. Cannon said Siemens, do you recall what your DBE goal happened to be and actually what you committed to?

Mr. Sweeney said I believe it was in excess of 3.1%, the exact dollar figure I don't have with me now. I would point out all of this information is contained in Siemens' bid as well as in Pteris' bid. Siemens proposed multiple DBE certified contractors, all of whom and the dollar values that was projected for them is reflected in the bid. Whether or not Pteris has a higher participation by a hundredth of a point I'm not certain. We met the goal and close to what Pteris had.

Mr. Cannon said Pteris had 3.61. I think the established goal was 3% and they exceeded that goal it looks like by .61. Is that correct? Archer had an established DBE goal of 12%, the committed goal there was 21.12%.

Mr. Orr said that is correct.

Councilmember Dulin said Mr. Orr thank you for being down again tonight. We discussed this the other day and Siemens, I have no doubt that your company can do this work, matter of fact a little bit of this, and I'll get to the irritating part a little bit later, but this is a good example about what the private sector is doing to get work and to feed their employees. We are talking about the trickledown effect, but these guys need a job so that the Project Managers can get a job so the truck drivers can get a job delivering the materials etc, etc. but are either one of you one of the two that I had the telephone conversation with the other day from your company? It is not a good thing when you are trying to get a job to tell the guy you are talking to you are getting ready to sue him if you don't get your way. If you remember right after you told me you were going to sue me is when the conversation was over. I don't know where I'm going to be tonight, well, actually I pretty much know where I'm going to be tonight, but I just need you to take that back to 101 Training Class.

Councilmember Autry said Pteris, the work for the manufacturing of the system, where will that work be done?

Mr. Haddaway said we do have manufacturer's facilities in Singapore and in China. We are worldwide. The content of the US portion of the equipment that is going to our systems is 85% compared to 15% that is coming over from overseas. The only items we have that are coming over would be things that are called slider beds and sidewalls. The complete assembly and some of the fabrication will be done right here in Charlotte. There is a whole lot of other subsets done by other companies, PEDB panels, Stillworks and Catwalk, that is also sub-contracted out, matter of fact everybody we did for the Stillworks was in North Carolina. There are some components that come over from Singapore and we fully assembly in our plant here.

Mr. Autry said so really what you are planning to do here in Charlotte is stage the gears that comes in from overseas, assemble and implement from Charlotte?

Mr. Haddaway said that is correct, and not just for this project. This project has helped us get going which is kind of a big thing in our community of BHS's here. We plan on doing this as an operation from this point on. We want Charlotte to be our base and we clearly suggest that by building such a demonstration center.

Mr. Autry said for Siemens where will the manufacturing of the Siemens system be done?

Mr. Lagerstedt said 100% of the entire project will be executed here in the US. The manufacturing primarily will be done in our plant in Dallas/Fort Worth and a lot of the local manufacturing will be done here in the City of Charlotte.

Ms. Mayfield said anywhere in our RFP process does it state that you – do we have any rules around either utilizing or not utilizing a staffing firm. The reason I ask that question is because I do want it to be known that I am not a fan of superseding the process and we had an RFP process and the process was that we receive submission based on that process, but I do want to make sure that we are very clear moving forward for all parties and any future parties that what I'm hearing on this project is that the majority of the work for the company that has been awarded, that work will be happening here in Charlotte. In Charlotte there will be jobs that are going to be created from this award according to Mr. Haddaway, but I want to make sure do we have anything in the RFP language that differentiates for a staffing company opposed to a non-staffing DBE or SBE?

Mr. Orr said no ma'am we do not.

Councilmember Fallon said does using the wrong form or an outdated form preclude their bid?

Mr. Hagemann said our bid documents to allow the waiver of minor irregularities. One of the things we typically look at in making those kinds of decisions is whether or not doing so would create any kind of competitive advantage. In this case I think Mr. Orr can confidentially say that this would not have created a competitive advantage. The other point I will mention for the benefit of Council, I will remind you this is actually a bid process and under state law we are legally obligated to award to the lowest responsible bidder. There are only two basic reasons for not awarding to the low bidder. One a determination that the company is not a responsible company and I think Mr. Orr would point out that they were pre-qualified, which is in essence a determination at the front end that everybody pre-qualified is responsible and the other question is whether or not the bid is responsive to the bid and in this case staff is comfortable that they are. The last point I would make is while we certainly we recognize the importance of local jobs state law does not let you make the award for these kinds of contracts based on local preference.

Mr. Mitchell said Jerry, what impact would this have if we delayed this decision?

Mr. Orr said this is a security project so obviously we want to move forward with it. We took these bids three months ago and we've already gotten one extension from the TSA because this is stimulus money and has a deadline for being spent.

Mr. Mitchell said what is the deadline?

mpl

Mr. Orr said the end of 2013.

Councilmember Cooksey since I know this is being recorded and will probably come back again, I just wanted to be clear that my no vote is not actually based on either of the companies in front of us, it is based on the fact that this is an American Recovery Reinvestment Act funded project and I always vote no on those.

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

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

NAYS: Councilmembers Cooksey, Dulin and Mitchell.

Summary of Bids Item A

Pteris Global (USA), Inc.	\$25,384,571
Siemens	\$25,617,559
Daifuke Webb	\$26,046,991
G & T Conveyor Company, Inc.	\$28,821.819

Summary of Bids Item C

Archer Western Construction, LLC	\$21,945,700
Edison Ford, Inc.	\$22,348,000
PCL Construction Services, Inc.	\$22,400,000
Hendrick Construction, Inc.	\$22,897,843
Matthews Construction Co., Inc.	\$26,780,000

* * * * *

ITEM NO. 7: ORDINANCE NO. 4909-Z FOR A MIX-1 (INNOV) SPA LLW-CA AND LLW-PA, MIXED USE, INNOVATIVE SITE PLAN AMENDMENT WITH FIVE-YEAR VESTED RIGHTS FOR APPROXIMATELY 319.91 ACRES LOCATED ON THE EAST SIDE OF SHOPTON ROAD WEST GENERALLY EXTENDING FROM GREEN HERON COURT TO WINGET ROAD AND ON THE WEST SIDE OF SHOPTON ROAD WEST GENERALLY EXTENDED FROM WINGET ROAD TO LIMEHURST PLACE.

A protest petition has been filed and is sufficient to invoke the 20% rule requiring affirmative votes of $\frac{3}{4}$ of the Mayor and Councilmembers, not excused from voting in order to rezone the property.

Tammie Keplinger, Planning said this public hearing for this petition was actually held in February of this year. It is a request to change the zoning on a small portion of the original Sanctuary development to allow the density for this parcel of 1.75 units per acre. It is consistent with the Steele Creek Area Plan and the Zoning Committee recommended approval by a vote of 4 to 1. Staff is recommending approval.

Councilmember Mayfield said there has been a lot of e-mails as well as a lot of conversation regarding this proposal. I received an e-mail over the week-end that asked a question about the negative impact of sediment during construction. Do you have an answer as far as how sediment during construction could affect Lake Wylie?

Ms. Keplinger said Ms. Mayfield I would like to refer that question over to David Caldwell, with Engineering and Property Management.

David Caldwell, Charlotte Storm Water Services and Mecklenburg County's Water Quality Program said there could always be potential impacts from sediment from construction. We are not opposed to this rezoning primarily just because it does comply with the Lower Lake Wylie Ordinance and the City's Post Construction Ordinance which is in place to prevent pollution to the lake, which is stricter than State requirements. We feel confident that is enough in place to protect the lake.

Ms. Mayfield said so our requirements are stricter than what require, but I heard a comment earlier today that in comparison to South Carolina our requirements aren't as strict around the water quality so I want to make sure that on our end we have done everything we can to try to maintain and/or improvement down the line the water quality.

Mr. Caldwell said the Lower Lake Wylie water shed ordinance is actually not even required by State law and that is something that was adopted to protect water supplies downstream in Mecklenburg County so it is stricter than state requirements. The City's Post Construction Ordinance which requires the treatment of storm water on site, that ordinance is actually stricter than what is required by the state as well.

Ms. Mayfield said there was an also an e-mail that I received that basically asked the question of staff approving this petition solely on staff discretion and that there is a potential of violating zoning and environmental ordinance. For clarification sake can you give a brief synopsis as to how it was determined that we would move forward and that staff would support this zoning petition?

Ms. Keplinger said yes ma'am I will be glad to. As part of the Steele Creek Area Plan the Sanctuary Development which consisted of about 1,800 acres when it was originally rezoned and established actually mentioned in the plan. In that plan it calls for residential land uses up to one dwelling unit per acre within the original Sanctuary zoning area. The actually conditional site plan that was approved as part of the of the original Sanctuary Plan sets the density for the overall Sanctuary Development at .40 dwelling units per acre. What this does, it takes one area, a combination of parcels B and C combines that area into a new component and sets the density for that component at 1.75 dwelling units per acre. For the overall Sanctuary with 1,800 acres as per the original request it changes the overall density to .52 dwelling units per acre. Although it is an increase in overall density for the Sanctuary it is still under what is recommended by the Steele Creek Area Plan.

Councilmember Fallon said Mr. Attorney, have you thoroughly vetted this with what the Zoning Committee had approved? Is it legal and legitimate?

City Attorney, Bob Hagemann said we are satisfied that this is a policy decision that you can make. If Council approves it we believe that is a lawful decision.

Councilmember Autry said there was a bit of confusion and some discussion before we came down here this evening and it was supposed that the developers at some point could take an area where they said they were going to plant trees down by the water and then determine for themselves at some later date before full implementation that they didn't want to plant the trees there, they will plant the trees someplace else, therefore allowing for homes to be put down by the water. Is that in deed the case?

Ms. Keplinger said no sir, that is not correct. What is shown on the site plan to the north of Withers Cover Road I believe is the area you are referring to, is a large area that is open space, tree save and it is protected for water quality measures and many different other things combined. In order for the petitioner to go in and put houses in that area they would be required to go back through the rezoning process.

Mr. Autry said the full rezoning process?

Ms. Keplinger said yes sir, it would come back to the Council.

Ms. Mayfield said I appreciate the leeway to ask a lot of questions because I know there has been a lot of conversation, a lot of community meetings. This conversation started more than a year ago so I have attended a number of the meetings. Local residents have supported the petition as well as those we see tonight that are in opposition. There has been quite a few articles that have been written in the *Charlotte Observer*, but one of the articles was in reference to the development having a profound negative impact on the health of the cove, both in terms of the sediment during construction and Greg Gaskins of the Catawba River Keeper Foundation had

some concerns but I remember reading in the paper work where we had spoken with a previous member of the River Keeper.

Ms. Kiplinger said I apologize I did not read that article so I'm not familiar with that, but I do know that Rusty Rozelle was also quoted in that paper. He is actually a County Employee and David Caldwell works with Rusty. Rusty could not be here tonight so if you have a questions it would specifically go to Mr. Caldwell.

Ms. Mayfield said from what I'm hearing the biggest concern is the potential impact on the Cove and I want to be clear that I support the proposal that has been made by staff as well as those that supported this in the community, but I wanted to make sure that we have done everything we can to make sure we address as many concerns as possible, and there is not lingering this idea that we just created this process to just move forward and create something that is going to have a negative impact when we are really looking at how to positively impact the area. Any information that you can give that shows that we have worked tirelessly to protect the water quality will be helpful.

Mr. Caldwell said we monitor Wither's Cove regularly and as part of the rezoning requirements there is a monitoring component that the developer is required to monitor. They send us data from their own monitoring that is required that they do quarterly. We review that data and would of course follow up if we see any issues. We have not at this point. They do baseline monitoring prior to development and then monitor for three years after development in various coves that the project would drain to. There is also requirements in there for the developer to have their own erosion control person to monitor the site. These are special requirements that are not on other development. Also we monitor the Cove ourselves every other month for water quality reasons and also as far as sediment impacts, there is something in the rezoning notes that requires the developer to do baseline depth profiles in the coves that would give us a baseline for sediment levels in the cover and then they would do that again after development so we would be able to tell if there were any impacts from the sediment.

[Motion was made by Councilmember Mayfield, seconded by Councilmember Mitchell, and]
[carried unanimously, to approve the Statement of Consistency and Petition Nol. 2011-065 by]
[Chapel Cover at Glengate, LLC for the above site plan amendment, as modified and as]
[recommended by the Zoning Committee.]

The ordinance is recorded in full in Ordinance Book 57, at Page 691-692.

The modifications are:

1. Modified the "Transportation" and "Innovative Standards" notes to indicate the petition will increase the pavement with a Withers Cover Road (10-foot travel lanes and a one-foot shoulder on each side of the road) from Hatfield Road to Traymore Lane.
2. Modified a note under "Transportation" indicating the installation of a five-foot wide sidewalk/shared walking path along one side of Withers Cover Road extending from Wildlife Road to Traymore Lane.
3. Modified Note #1 under "Streetscape and Landscaping" to indicate a minimum five-foot wide trail along the Shopton Road West frontage to reflect the requirement of the 2003 rezoning.
4. Addressed CDOT comments by providing a 10-foot wide asphalt pedestrian/bike trail from the terminus of Winget Road to the northern property line of tax parcel 199-151-09 owned by Mecklenburg County.
5. Provide a note under "Transportation" indicating the petitioner will complete the construction of Winget Road from Shopton Road West to the western property line of Phase 3 prior to the issuance of the first certificate of occupancy for a dwelling unit within Phase 3.
6. At staff's request and due to the inability to enforce, the petitioner removed an architectural standard which stated "a minimum of 50 percent of the single family detached dwellings units constructed on the site shall have front porches".
7. Increased the minimum lot widths within Parcel B by modifying the note to read "a minimum of 40% of the single family lots developed on Parcel B shall have minimum width of 70 feet, and the remaining lots shall have a minimum width of 60 feet".

8. Increased the minimum lots widths within Phase 3 by modifying the note to read “a minimum of 40% of the single family lots developed on Phase 3 shall have a minimum width of 80 feet, and the remaining lots shall have a minimum width of 70 feet”.
9. Modified an “Architectural Standards” note to read:…notwithstanding the foregoing, vinyl accents, such as trim components, shall be permitted, vinyl may be utilized on the soffits of the single family detached dwelling units and vinyl windows may be installed on the single family detached dwelling units”.

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ITEM NO. 8: CITY MANAGER REPORT

City Manager, Curt Walton said I do not have a report.

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ITEM NO. 8-B: CONSIDER A VOTE ON THE MAYOR’S VETO OF AN ADJUSTMENT TO THE CITY MANAGER’S RECOMMENDED FY2013 OPERATING BUDGET AND FY2013—2017 CAPITAL INVESTMENT PLAN

Mayor Foxx said on the next agenda item which is the City Budget, we’ve actually had some discussion about the budget already today. In an earlier session the City Council did Straw Votes Part II and that process yielded two plans that were discussed, one by Ms. Kinsey that would have reduced the City Manager’s plan from 3.6 cents down to 3.16 cents. That plan failed by a vote of 4 to 6. There was another vote to approve a plan submitted Mr. Barnes that would have adjusted the tax rate to 2.41 cent I believe Mr. Barnes, and that proposal passed and I vetoed it. Tonight one of the actions that the Council needs to take is consideration of an override of the veto. Before we get there I thought it would be helpful for those who are here and those who are watching and even for my colleagues on the City Council to go back for a second and take a look at what we’ve been talking about over the last several months and why the decision that we are making now is so critical. (The Mayor used PowerPoint for his presentation). I also feel compelled to say that this is not the typical way that we go about our business and I actually understand why we are gummed up. We are gummed up because we have a City that is continuing to evolve and change that needs resources, but we are also struggling with the fact that many citizens themselves are struggling today. What is the appropriate response to a community that is as dynamic and is potentially able to surmount the challenges that are in front of us balanced against the impact on citizens. Let me start first of all by pointing out that over the last several years we have managed to retain a level property tax rate, with the exception of last year when we reduced the property tax rate to a revenue neutral rate. That was not a hard decision for us and as I recall I think it was unanimous that we approved doing that, knowing that we would find ourselves back here this year discussing a capital budget. If you look back even further than that, back in 2006 the City Council considered a tax increase and actually approved a tax increase that did two things. One thing was that it put a third of those resources into hiring Police Officer, 70 Police Officers that have been on the ground since then. Two-thirds of the increase went to capital investments like roads, sidewalks, neighborhood improvements and affordable housing. Another aspect of that budget was to increase our street resurfacing because at the time we were drifting into a 28 to 31-year cycle, meaning that a road would not be resurfaced for 28 to 31 years when it is recommended that they get resurfaced for 12 years. The impact of that decision has been positive. The City has approved two of the largest transportation bonds in our history during this great recession. Our crime rate has reached historic lows, we’ve been able to maintain effort in affordable housing and our street resurfacing cycle which was dangerously close to going into the 70 percentile out of a 100, being a perfect score has now moved from 82 to 88 and it continues to improve which saves our citizens money in terms of the gasoline they purchase, in terms of car repairs, etc.

In 2009 we faced continued challenges with the economy and in 2010 the severe downturn hit the City like a ton of bricks. In fiscal year 2010 we actually took money from our capital budget and put it into our operating budget in order to keep the lights on in the Government Center and the reason we did that was that we didn’t want to impose a tax increase on citizens at a very difficult time. In fiscal year 2011 City Departments produced 48 budget reductions that resulted

in \$7.7 million in savings. These included things like reductions to Solid Waste Services unscheduled bulky item pick-up service and reduction in 311 service hours, external agency reductions, internal efficiencies like streamlining of service provisions in areas such as single stream recycling, internal cost transfers, etc. I don't want someone who is watching our conversation to think that we haven't been working to work within our means. The reality is we have and we have been able to do that successfully even during this downturn.

Now, if you look at that picture right there, those of us who are old enough to remember, that is what our City looked like in the 1970's. If you go to the next slide, that is what we look like today. That is a remarkable transformation, but it is a remarkable transformation that has happened as a result of the work we've done together as a City in conjunction with our private sector partners and in conjunction with the County and others. As I've talked to people about this budget situation there are three questions that I keep getting asked. Why are we talking about raising taxes at all? A good question. What does this capital program do and how much does it cost? Let's start with the first one – why are we discussing the capital improvement plan, partly because of public safety. We've hired about 130 Police Officers between the 2006 budget and the recovery act and the truth of the matter is, the way we are going to get additional gains in public safety is partly by putting more assets out into neighborhoods and into the community. Job growth, according to the figures put out last Friday, we have an 8.4% unemployment rate in the City, not the county, not the region, but the City. We are not well yet. We still have a lot of work to do and our citizens and our community are not out of the woods. Some parts of this proposal are targeted toward job creation and I'd like to point out that in construction and architecture in particular, which is heavily impacted by a city capital budget, there is a lot of construction jobs, a lot of architectural and engineering jobs that will come about as a result and in fact the staff has done an analysis of the Manager's proposal and that proposal is expected to generate 11,000 construction jobs and about a \$5 billion economic impact. A third reason, neighborhoods – if you look at Charlotte and you were to draw circles, the smallest being the center city and the largest being our suburban ring and the middle part being the middle ring of our city, we have relatively new suburbs and we have a thriving downtown that has been the product of continuous work over the last 30 or 40 years. What has also happened is that those middle ring communities have started to decay and there really hasn't been a comprehensive approach to try and reverse that. I'm going to show you in a minute what that looks like. Fourth – anybody have to go through traffic? It is getting worse and it is because we are a great community, people are attracted to coming here, they want to live here and more people equals more congestion and that trend is not likely to change. Finally, the City has zealously guarded its AAA bond rating and that bond rating is something that all of us should be concerned about keeping. Here is our crime rate. I'm not going to sit here and argue to you that we are as good as we want to be on reducing crime. There is a lot of work to do, but the trend line has actually been moving in the right direction. Part of it is because of staffing, part of it is because of approach, getting some of our Police Officers out of desk jobs and putting them on the street. If we are going to see continued gains there, there are a lot of things that play into it, but one of them is making sure that we have the assets out there. The unemployment rate, as you can see between March 2007 and now, we've had some fall off there. We are improving, but we still have a ways to go. By the way the rate takes into account a percentage, it doesn't take into account the raw number of jobs, but there are more people working and there are also more people looking for work today than there were back then.

Here is your congestion and your hours of delay. Look back at 1982 – on an annual basis you would have had five hours of delay. It is five times that now and it is likely to continue and that is why roads, bridges and those transportation assets are important but they are not sufficient to address those issues long-term. That is why our transit plan is so critical. Here is the City's debt capacity. You see it spikes after 2006, the budget that I just talked about. It has been steadily going down as we have assigned projects until where we are today in 2012.

I told you about middle ring area, this is actually taken from the *Charlotte Observer* so if you have a problem with it, talk to the *Observer*. This is Charlotte 1970 versus 2007 and the area that I want you to pay attention to is the red. The red represents the poverty in our community and you see how dramatically it has expanded since 2007. These are the percentages of persons receiving food stamps in our City. The red represents the most densely populated parts of the City where food stamps are high utilization and this is not 1970, this is 2002 to 2010. Now we

look at land values. Orange is where values are depreciating, the green is where values are appreciating. Schools – the red represents where end of grade proficiency is low, the green where it is high. Very consistent.

As I look at the future of this City and all of us up on this dais have to decide what the factors are that push us one way or the other on a budgetary decision. There are three factors that I think are going to be critical. Number one, as that red area starts to expand that means that growth is attracted to a smaller and smaller footprint of our City, which means if I showed you some maps of where growth is going outside of the City of Charlotte, it is just across the City line. Over the next 20 years one of the real key things we are going to have to do as a City, we are going to have to provide the competitive advantages for people who can choose to live in the City or choose to live outside the City. That trend is not changing. That is something we are going to have to address. Secondly, the federal and state environments are changing. You may recall the deficit talks that happened about a year ago. Those talks resulted in sequester cuts that will take effect at the end of the year, which will result in reductions of about a half trillion in domestic spending and a half trillion in defense. If you think that infrastructure is not going to be impacted by that I think you are wrong. If you think human services aren't going to be impacted by that I think you are wrong. That means that in an environment where our citizens are really challenged, I think you are going to see the most fragile, the most challenged communities that are going to face the most challenges and those are going to get compounded by these trends. So what is the plan and what does it attempt to do? This is the City Manager's recommended plan, 74% transportation, 9% affordable housing, 17% neighborhoods. Six new Police stations, job growth, flight innovation corridor, this is just one example, but it is an effort to leverage what UNC-Charlotte is doing to promote different industries such as Informatics and biosciences, health care, etc. We think we can create a corridor of innovation that seeds entrepreneurship and allows job growth to happen. There are other job growth aspects of this plan. You may know that the Intermodal facility is on the way generating a couple billion dollars of impact over the next 20 years. What we don't have out by the Airport right now is a good site for manufacturing, distribution activity to really take off so there is a proposal in this package to create a road network out there that will make that easier to do. Of course on the Independence Corridor where there is so many challenges there is an opportunity to convert some of the facilities that we own into facilities that will facilitate amateur sports. Neighborhood improvements, five projects. We've had a paradigm shift in the way that we think about this. Historically the City would put sidewalks or curb and gutter or something in a neighborhood and we'd say we've developed that neighborhood. The reality is there so many more complexities in what makes a neighborhood a good neighborhood or not. What we are doing is taking fewer projects and making them more impactful by taking area plans, increasing the land area that is involved, reaching out to communities and neighbors and leveraging our relationships with the County and the School Board to see where we can make the best impact. That is innovative in an innovative part of this budget.

Traffic and commute times – two major categories of investment, one is direct investment in roads and bridges and the idea there is obviously to build capacity, to allow traffic to move better with signalized intersection, etc. The second is to advance the 2030 Transit Plan. This happens in two ways, the first is through investment in the North Tryon corridor to go along with the Blue Line Extension, \$102 million set aside to do that. The second is the east/west streetcar, \$119 million investment. This project has gotten a little beat up, but I'm going to talk about it a little bit, without thinking that I'm going to change many of the minds on this dais on this, I just want the public to have an understanding of why we are talking about it. The first issue is why are we talking about using property taxes for transit. There are several reasons, five in fact, the first is when the initial transit tax was passed in 1998 there was an expectation that the federal government would split the cost of building our transit system out at a ratio of 50%, the state would 25% and that our sales tax would provide the last 25%. As it turns out the federal environment has changed, the state environment is changing and the sales tax is also changing. What is happening at the federal environment is frankly the earmarks that were used to build the South Corridor line don't exist anymore. You can't go to Congress and get an earmark for transit. Those at the moment are being distributed administratively by the agencies and you can't get a full funding grant agreement until you've done your design work. Projects that are out there to be done at the federal level are a little bit at a standstill until there is a comprehensive transportation bill that is passed by Congress and that isn't expected to happen for at least for
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another 8 or 9 months until we have an election, etc. In addition to that the sales tax has changed. That is our sales tax revenue projection. The MTC saw this in 2010 and what we want to see is that gray line either right at or north of that black line, which is the cost of building the system out as it is currently anticipated. What has happened as a result of the recession is that the amount of revenue projected in the sales tax is actually much lower than was originally intended. What that means is that we have the ability right now to pay for exactly one line which is the extension of the Blue Line and after that all bets are off. What that means for projects like the streetcar and projects like the Red Line is that we've had to go back to the drawing board and try to figure out a different way to do them. The Red Line is actually part of a conversation around a public/private partnership and frankly part of the ideal behind what is being looked at right is that incremental property tax values can be used to help build that line. Even if the streetcar goes away at a way of the water buffalo today, you're still going to have a conversation about the use of property taxes in transit somewhere down the line when it comes to the Red Line. This is the streetcar map. The blue is the portion that is currently funded, the yellow is the portion that is proposed to be funded by the Manager's proposal. The point that I would like you to see here if you look at South Boulevard there, which is where the Blue Line currently runs into downtown, there is no connectivity between South Boulevard and the Gateway Station that will ultimately be in Third Ward. If you think about it longer term, if you are coming on the transit system north/south and you decide you want to go to the Airport, which the streetcar is eventually supposed to do, going in that direction, you won't be able to hop off this train and hop onto something else and get out there. You will have to hop on a bus to get to the Gateway Station, and hopefully we will have something at the Gateway Station to get you to the Airport. When we talk about the streetcar I think we need to be talking about it as part of the transit plan and not as an isolated project. That is the way I've seen it the whole time.

I have conditional past tense here because two weeks ago the Manager's recommendation was voted down, but I did want to you show this to you because this is really the top line of what we've looked at. No plan that I've seen comes in over this one, but this is the cost of the Manager's recommended plan. The left column shows you the current tax rate, 43.7 cents. On an annual basis for a \$200,000 home, that is \$874, \$400,000 home \$1,748 and \$600,000 home \$2,622. If you look at the change between that and what the Manager proposed, the annual change on a \$200,000 house is \$72. The annual change on a \$400,000 house is \$144 and the annual change on a \$600,000 house is \$216. I'm pointing all this out for a couple reasons. This City is an incredible place and you can look at our center city and you can tell how incredible it is and I'm incredibly optimistic about the future of this City, but I'll also tell you that we have some challenges. I will call them leaky roof type challenges that if we don't start to address in an aggressive way, I think we are going to have bigger challenges down the road.

I want to say that I appreciate the Council taking the time to really dig into this issue over the last couple weeks. I think everyone is approaching this issue earnestly, but the challenge that I'm facing right now quite candidly, as I listen to the conversation is this, any tax increase on our citizens is going to be a hardship. I'm not willing to put a tax increase on our citizens if I don't feel that we can deliver the results that we promise. I vetoed a budget that I think is improved over the one I saw last week, but I think there is still some issues that I take with it. I will recommend a couple of things. We are going to have an override vote in a minute, but I would suggest is, if the streetcar has become such an entanglement, as much as I think it would be a good thing for this community, as much as I think we are not going to have a chance to think about that over 20 years, as valuable of an asset I think that will be to our community, if this Council is so gummed up over that issue then I think someone ought to make a motion to take it out. That is not what I want but we have to approve a budget by law by June 30th. I will tell you that I don't think the votes are here to do that because there are some on the Council who don't want to go above a certain level of tax increases and frankly, taking the streetcar out doesn't get you there. The other option that I will present to you tonight is rather than allow the acrimony that has existed on this body for the last couple weeks and perhaps has spilled out into the community, another option is perhaps to consider maintaining our effort on our tax rate, keeping it where it is and taking the conversation about a capital program over the next year, really digging into it, building community support for it and moving forward from there. My point here is that I think we've got a responsibility, not only to pass a budget, but to do it in a way as best we can helps bring our community together and I'm suggesting those two which are not

ideal, not what I want, not what I believe is best for the community ultimately, but is far better than us trying to cram for the test, which is what I think we're doing right now.

Mayor Foxx said do we have a motion on the override?

Councilmember Barnes said I don't have a motion, I want to speak to Item 8-B which is the Mayoral veto adjustment to the City Manager's recommended budget and its override issue. First I think it is important for the general public to know that many of us were hoping to find a tax rate that did not increase people's property taxes much, if any at all. In the package I'm going to describe to you, I'm going to tell you what we lost with the veto and perhaps I will be able to get to a motion here fairly quickly. Among the things that were lost with the veto are \$43 million in investments at the Airport and in the west corridor, \$92 million approximately, actually \$72 million in investments in the eastside and southeast corridors including improvements at Bojangles Arena, improvements along Monroe Road, Idlewild Road, We lost funding for the Blue Line Corridor Extension. We lost funding for the applied innovation corridor, the UNCC Informatics partnership, we lost funding for Prosperity Church Road, the eastern circumferential, we lost \$60 million of funding for sidewalks and pedestrian improvements, we lost \$48 million of funding for traffic controls and bridges, we lost \$64 million for our joint communication center for CMPD and our fire department, We lost funding for six CMPD Division Offices, we lost \$48,000 in affordable housing funding, we lost \$30 million in neighborhood improvement funding for the Prosperity Village area, \$30 million for White Hall, \$20 million for West Trade and Rozzelles Ferry, \$20 million for Central Avenue and another \$20 million for the Sunset/Beatties Ford area. Because of the nature of the veto and the way we are going to approach the budget tonight we've also lost pay raises for Police and Fire and all the other City employees and I will tell you all what is going to have to happen if we are not able to move forward in terms of the impact on the City. In addition to losing the compensation and raises for Police and Fire and our other employees we are also going to realize a \$250,000 loss of revenue for our Storm Water Department, a total of \$1.64 million over a course of one month, \$200,000 will be lost to CATS as a result of our inability to increase fares and we will also lose the ability to issue a bond referendum for this coming fall. I say all of that to say that this is serious stuff and we all know that. The budget that I proposed would have generated \$674 million for a capital improvement program. It would have included a 2.41 cents increase to fund that \$674 million package and from the perspective of those of us who were involved in arriving at that budget, yes there was some things taken out of it but we honest believe that it will help in many parts of our community to create jobs, to revitalize those areas and yet not drive up the tax bills of many of the people I represent and many of the people that my colleagues represent. I'm disappointed by the veto, I'm not sure how we move forward. I have another motion on Item 9, but I don't know that there is a motion that would be successful on 8-B. My motion on Item 9 would be somewhat different from the original motion that was vetoed.

Mayor Foxx said is there a motion on 8-B?

Councilmember Howard said I just want to clarify, my colleague Mr. Barnes just shared that raises wouldn't happen if for some reason we didn't go forward. That is not my understanding of this. Is that correct or not?

City Manager, Curt Walton said under an interim budget they could not. If you agree to a tax rate that does not adjust the recommended general fund rate, then there would be raises going forward, but under an interim situation there would be no change to any part of the budget.

Councilmember Kinsey said just for further clarification, I want to make sure that I understand. I understand the interim, but if we were just to adopt the operating budget as listed here, minus any CIP, the raises would be in there and all of these things that have been mentioned that might be taken out would.

Mr. Walton said you have to adopt all three pieces, the general fund, pay-as-you-go and the debt service fund. As soon as you set a rate for all three of those then everything in the operating budget can go forward.

Councilmember Mitchell said Mr. Barnes, in your proposal was there some discussion why the streetcar was not included?

Mr. Barnes said there was Mr. Mitchell, and I won't speak for my colleagues, but from my perspective I didn't think that the streetcar was a good use of our money right now. I don't believe we should fund the streetcar out of our property tax, both capital and operating. I have expressed that concern to you and to everyone else around this dais for the last several years so it is not a new concern that I'm raising with the group. There were other things that were also taken out Mr. Mitchell, as you know. There was \$252 million cut and of that \$252 million \$119 million was for the streetcar.

Mayor Foxx said again, is there any motion on 8-B? Mr. Hagemann, do we have to have a vote?

City Manager, Bob Hagemann said no sir.

Mayor Foxx said we will move to Item No. 9.

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ITEM NO. 9: ORDINANCE NO. 4910-X FOR THE FY2013 APPROPRIATIONS AND TAX LEVY, THE CAPITAL INVESTMENT PLAN RESOLUTION FOR FISCAL YEARS 2013-2017, THE FY2013 PAY AND BENEFITS RESOLUTION AND ASSOCIATED HUMAN RESOURCES CONTRACTS, AND OTHER ITEMS RELATED TO THE ANNUAL ORDINANCE ADOPTION.

[Motion was made by Councilmember Barnes, seconded by Councilmember Dulin, to approve]
[Items A-L, setting the tax rate at 2.44 cents above our current rate per \$100 of evaluation, and]
[respect to Item D I would move to adopt the budget compromise document that I submitted to]
[Council last week and we discussed at our 1:30 meeting today.]

Councilmember Barnes said if pass Items A-L tonight what we will get will be a number of the things I mentioned earlier, after school funding, domestic partner benefits, the Police and Fire raises along with other employee raises. We will have \$25 million for improvements at the Bojangles arena, \$30 million at the Airport that I mentioned. You've heard me go through the list a few moments ago. One thing that I think is important is the Mayor is right, this has been a very taxing process for each of us and I want to say that I've heard some criticism of Curt Walton, the City Manager and for the public record I want to say that what Mr. Walton did was exactly what we asked him to do, which was to be bold in how he addressed the capital needs of the City. None of the blame for this is on you Curt. What we know people, is that we have about \$4 billion of needs, \$4 to \$5 billion, I think you indicated earlier, and he determined that we could perhaps address \$926 million of the \$4 to \$5 billion. Some people say that is not enough, that the \$926 is not enough and again for those of us who supported the motion that I made earlier today, the goal is to figure out how to keep the tax rate, the tax bill of most Charlotteans flat or neutral and that is to say that the County, and Mr. Howard raised this issue back on June 11th. The county lowered taxes by 2.44 cents per \$100 of evaluation and we were trying to pass a budget that would raise taxes by no more than 2.44 cents per \$100 of evaluation. The package that is described is 2.41 cents. I would move to again increase to 2.44 in order to allow for that tenth of a penny in additional capital capacity for a future Council or this Council to use in the future. I know that this is not the budget that many people around this dais would have liked to have seen. I think from my perspective it is a budget that is responsible because it does in fact address many needs around the City including west Charlotte. There is \$40 million in this budget that is specifically geared to west Charlotte and another \$72 million that is designated for east Charlotte plus about \$16 million that is in reserve. I think that while it is not a perfect budget it is an effort to continue our partnership with the state and federal governments with respect to the Blue Line Extension, for example. It is a continued effort to support affordable needs. It is an effort to continue to provide for the public safety of the people of Charlotte by funding six new Police Division Offices and inclosing I want to applaud Mr. Cooksey and Mr. Dulin for joining our effort to keep people's costs reasonable in this community. It is very difficult to be bipartisan now days and I think we are all trying to do that even though it is 9 - 2, it is really

more like 6-1-1-1-1 or 5-1-1-1-1 so I appreciate the time and I think we have a motion and a second.

[Substitute motion was made by Councilmember Howard, seconded by Councilmember]
[Mitchell, to set the rate in Item A at the current rate of 43.7. That means that we wouldn't]
[need D.]

Councilmember Howard said when I bought into this, this was about how do we transform this full community, how do we move forward with transforming those areas that have seen blight. For my friends in south Charlotte, this is not against you, this is about how do we make sure that those areas that are not producing tax, carrying their load with the tax burden, start to do that. We've seen success with that with places like Dilworth and Plaza/Midwood and NoDa. I think the Mayor spoke very eloquently about it, and it is kind of funny because my colleague Mr. Cooksey, suggested this a while ago and didn't get any votes for it. I think the Mayor made some good points, maybe we need to go back to the drawing table and get this right and figure out how do we help the whole community and while we do that a lot of my friends in the south will get what they want for at least a year while we go back and talk about it. I think it is more important to move this full community forward than to kind of pick and choose here and there and that is the only reason why I bought into it.

Mr. Barnes said I want to ask Greg Gaskins to talk to us about the implications of not having a CIP or a tax rate above the current 43.7 cents per \$100 of evaluation.

Finance Director, Greg Gaskins said we don't know is the short answer but I will expand on that. Any time that you are a City with the growth type of prospects that Charlotte has had over the last particular 10 years, I think we were the fastest growing metropolitan area above a million in the country over the last 10 years. The prospects that we have currently were even in a down environment, we are continuing to grow, to add jobs, even at the same time we have high unemployment. The expectation is that you are having a lot of needs in the infrastructure capital area that are not being met. Related to maintaining a high physical presence which we have with the AAA, and really what that means is that our cost of borrowing are lower in order to get the same type infrastructure investment that other cities have which means competitively we have an advantage over other cities. I think at your retreat we had a video which talked about global competitiveness. This is an area where the City of Charlotte has a competitive advantage that results in lower taxes for citizens. The concern is related to the AAA rating is are we as a community going to meet those essential infrastructure needs and how are we going to do that. The challenge for the City Manager and myself will be if we don't have a CIP, if we don't advance that program then what is the explanation. What is the expectation of the Council and the citizens related to that CIP. The reason I don't know the answer to that is we haven't ultimately decided.

Mr. Barnes said thank you Mr. Gaskins, so to be clear Mr. Howard, what you are suggesting is that we went from a package of \$926 million that you supported and endorsed to your new proposal of \$797 million down to zero and that is because a group of us went from \$926 million to \$674 million and you disagree with that. The result of that is you've gone from \$797 to zero.

Mr. Howard said Mr. Barnes that was my motion for the reason I stated, which was the fact that we needed to do something that was about the full community. From the very beginning the City Manager set this up with the statement, we are all in this together and that has been my thing from the beginning. That is the way I felt about south Charlotte and on the record, I've supported projects all over this community that I thought would be good, whether they were going to meetings in Mooresville about the Red Line, calling the State House about the Blue Line or whatever it is, my thing is how do we move this community together all together and that is the plan I want to support, not something to kind of piecemeal it.

Mr. Barnes said I'm going to vote against your substitute motion. I don't think it is in the best interest of Charlotte. I think it does much more to move us backwards than it does forward and I believe that the original motion, while perhaps not as aggressive as your original wish is not nearly as damaging as a zero CIP.

Mayor Foxx said Mr. Manager, let me ask you a couple questions, some of them I asked upstairs. The components of the proposal that is now under consideration for the second time, generate questions in my mind. Why was the Park South Drive project put in the CIP to begin with?

City Manager, Curt Walton said Mr. Mayor that project is in there because of what can be gridlock around SouthPark and on Fairview particularly during rush hours. That provides one north/south connector that is not there now.

Mayor Foxx said as I understand it, the only road project in south Charlotte, is that correct?

Mr. Walton said that is correct.

Mayor Foxx said second of all there is a reduction of the public/private partnership funding. Can you tell me what the impact of that reduction is?

Mr. Walton said I believe that was in the Bojangles Arena. It gives me concern because I don't think we know what the impact is yet. There is going to be significant investment, public and private for that area to turn around and what people will be able to bring to the table, we just don't know that yet. I think we are not going to be able to handle that alone, nor should we, either financially or from the decision on what to do. One of the concerns I raised upstairs is when we take pieces out of these programs, we really can't guarantee what the results are going to be. The same thing for Dixie/Berryhill at the Airport. We will certainly do our best without that public/private money, but it does limit our opportunities.

Mayor Foxx said speaking of Dixie/Berryhill, can you talk a little bit about what the goal was there and how taking it out impacts the goal?

Mr. Walton said the goal is, business park sounds a little bit too simplistic, but to provide space for the businesses and industries that will locate in Charlotte that are really dependent on the Intermodal facility, which is a, as we've called our port. That will be a significant investment when it is finished and it will really make a difference. What I can't tell you now is with the loss of the Dixie/Berryhill money mean that the road network is not sufficient to get those businesses back to I-485 or to I-85, don't know that answer yet.

Councilmember Mayfield said one of the proposals earlier today from Mr. Barnes also eliminated the I-85 North Bridge. I'm trying to figure out when we really look at that, hearing the impact if we don't move forward with some of these things, because I am of the mindset where I support what was mentioned earlier that if we are only going to do a little is that putting a band-aid on it or as I just mentioned to my colleague if you need a new engine, why go get an oil change. If we take out the I-85 North Bridge, what was the purpose of having that in this original plan?

Mr. Walton said the road network is poor in the University area and the two bridges, the southern most of those is fairly thorough under planning and design. The northern bridge is one that would take a great deal of traffic off of W. T. Harris which is a significantly congested road and provide another opportunity across I-85. The crosses across I-85 are just limited and very congested. It would be for like University Park, University – all of those areas I think it would bridge the economic opportunities on each side of I-85.

Mayor Foxx said one last question Mr. Manager, I heard from Mr. Gaskins on the AAA bond rating, can you add anything to that conversation?

Mr. Walton said Mr. Gaskins is right from the financial aspect, and I would say from the more normative sense that the staff by law cannot go out and advocate for these projects, so when anything goes to the voters in November, that is something that you all have to lead. As you debate these different opportunities and different options, it's got to be something that you all feel good enough to go out and represent to the voters, and that you feel good enough about the results that can be achieved and can be quantified and can be translated so the public can understand those. That is not something staff can do. That is something that you all have to do. If you are not ready to go out and do that, then do something along the lines Mr. Howard

suggested. If you are ready to do that and you feel like you can go out and articulate where you are and why you are there and what the impacts are going to be then Mr. Barnes' recommendation is certainly fine. We will make it work, but it is something that we can't pick up the mantle of advocacy after July 1. That is something that this body has to do. Mayor Foxx said do you believe our AAA bond rating is threatened by maintaining the rate at a level?

Mr. Walton said I think either way, in 2014 it will be a critical point. Does something happen immediately no, we will probably get warned verbally. I don't think we will have a finding similar to an audit that the rating agencies would tell us as I mentioned to you this afternoon, we have heard already from the agencies and the most worst thing is an interim budget so that has really more implications than what you ultimately decide. I would ask you to consider that in terms of the bond rating agencies, but I think because of our history and our record we can explain at least this process and show the blueprint that we have for going forward. In 2013 or definitely 2014 there is not some significant investment made in the community beyond the 2.44 cents, I think we will be in trouble.

Councilmember Dulin said what was that percentile that you just said?

Mr. Walton said if we don't do something in 13 or definitely 14 we will definitely be in trouble with the rating agencies.

Mr. Barnes said Mr. Manager, do we currently have any money available for public/private partnerships?

Mr. Walton said none of any size if we do.

Mr. Barnes said with regards to the \$25 million that is in this proposed budget for the Bojangles Arena area improvements, what was the anticipated use of that money?

Mr. Walton said we do have options on three hotels, one of which was mentioned tonight. What goes back in those places is certainly up for discussion. Who actually is going to construct the auxiliary facility for amateur sports is undetermined. Implementing the components of the ULI Study is something that provides many, many opportunities for private investment so I can't say specifically until we actually get there with the partners and see what they want to do.

Mr. Barnes said I'm hearing you say that the \$25 million could help that area, to which Mr. Walton said absolutely.

Councilmember Cooksey said I just need to check on the content of the substitute motion. With regard to the substitute motion's treatment of Item D, I heard the phrase "no CIP". Do we actually understand that to mean \$926 million less in CIP i.e. the amount that would be funded by the proposed tax increase taking the CIP down from \$4.1 billion total to \$3.2 billion, mostly enterprise fund but with like \$70 million or so in general.

Mr. Howard said I am talking about everything covered in the top, not enterprise funds. I don't want to do anything that I didn't intend to do Mr. Manager.

Mr. Walton said that was a good question and I wasn't sure of your answer. We still would need D, we just wouldn't have an additional increment of general CIP in it, but it would still have aviation....

Mr. Howard interrupted to say that is definitely what I meant Mr. Mayor.

Mayor Foxx said we have a motion on the table to keep the tax rate level.

Councilmember Cannon said is that the substitute motion?

Mayor Foxx said Mr. Howard's motion to keep the tax rate at 43.7, to not increase the Capital Improvement Plan by \$926 million as recommended, and all other items in the proposal remaining the same.

The vote was taken on the substitute motion and was recorded as follows:

YEAS: Councilmembers Autry, Cooksey, Dulin, Howard, Kinsey, Mayfield and Mitchell

NAYS: Councilmembers Barnes, Cannon, Fallon and Pickering.

[Motion was made by Councilmember Howard, seconded by Councilmember Mayfield, to]
[approve B, C, E, F, G, H, I, J and K.]

Councilmember Dulin said did you say D?

Mr. Howard said no, I said B, C, E, F, G, H, I, J and K and I'm leaving L out because I need to be recused.

Mr. Cooksey said I haven't lobbied anybody about this and I haven't talked about this, this is a preferable conscious matter about constitutional interpretation. I'd like to offer an amendment to remove the domestic partnership provision from Item E. There was no second.

Councilmember Pickering said there was no second, is that correct?

Mayor Foxx said that is correct.

Ms. Pickering said I would just like to say on Item E which is the pay and benefits plan resolution and Human Resources contract, this is for me the one vote that is easy and it is a pleasure. The domestic partner benefits, this is where it is and for me that is a yes vote, that is a yes, yes, a thousand times yes. All our domestic partners want to do in my opinion is be with the one they love, have a family and be able to take care of that family. These benefits help them do that. They can put their family members on their health insurance, their life insurance and if someone gets ill they are able to take part in the family leave act. I would like to say to our domestic partners, thank you for hanging in there with us. You had other options and I hope this is the night that you've been waiting for. We appreciate you, we value you and I would suggest to my fellow Councilmembers we just want to treat all of our employees fairly, equally, and I would hope they will support this.

Mayor Foxx said is there a clarification on the motion pending?

Mr. Mitchell said yes Mayor, two things, one is to recuse Councilmember Howard from Item L.

Mr. Howard said that is why I didn't do L.

Mr. Mitchell said to Mr. Cooksey's point you remember Out of School Time Partners, I sent a memo about funding Greater Enrichment Program. Randy Harrington has identified some capital resource funding, Randy I know it has been some time ago, but you helped me identify a source to refund Greater Enrichment to its full capacity \$374,000. We tried to ask the County to meet us half way and were not successful there. Can you share with us and recap in a memo the funding, its purpose for the funding?

Budget Director, Randy Harrington said Mr. Mitchell I think the proposal was to use capital reserve fund balance that is available. The City has a policy of maintaining a 16% fund balance reserve. This will be amounts that are above the 16% and that would be about \$637,000.

Mr. Mitchell said if I could briefly speak to this motion amendment about the Out of School Time Partners, we all believe in after school funding and I think staff is doing a great RFP process and I think we had this item referred to both the Budget Committee and Economic Development Committee to move forward to refine the process and to make sure we are spending our money wisely. I think it would be a tremendous hardship to the Greater Enrichment Program come July 1 to reduce them over \$411,000 considering how many kids they
mpl

really serve in our community. A lot of those kids are part of Project L.I.F.T. to make West Charlotte Senior High School better so I would ask as an amendment to take the \$394,000 out of the general reserve fund which currently has a balance of \$637,000, as a one-time funding.

[Motion was made by Councilmember Mitchell, seconded by Councilmember Howard, to]
[approve \$394,000 out of general reserve fund, as a one-time funding. The vote was recorded]
[as unanimous.]

The vote was taken on Mr. Howard's base motion and was recorded as unanimous.

[Motion was made by Councilmember Mitchell, seconded by Councilmember Mayfield, to]
[recuse Councilmember Howard for Item L. The vote was recorded as unanimous.]

[Motion was made by Councilmember Mitchell, seconded by Councilmember Mayfield, to]
[approve Item L. The motion was recorded as unanimous.]

Mayor Foxx said it is incredibly disappointing not to be able to have a capital program this year, but it is better I think to get the right one for this community and one that we can as universally as we can feel good about. I would like for us to start work right away on a capital improvement plan that can be taken up, if not in 2013, in 2014 and we should do that as a full Council. I'm going to suggest that we immediately start that work in September. We have a recess schedule that will slow us down a little bit, but we want to start on that.

Mr. Howard said just to clarify because that went real fast. For my folks with the streetcar, just so you know what we did, the Mayor said it but I just want to be clear. I'm still in support of it and I just think we need to make sure it is part of that full package that the Mayor and City Manager just talked about. As we move into those conversations I hope you guys will participate and let us know how you feel as well.

The ordinance is recorded in full in ordinance Book 57, at Page 693-703.
The resolution is recorded in full in Resolution Book 43, at Page 764.

ITEM NO. 10: GENERAL OBLIGATION BOND REFERENDUM

ITEM NO. 11: INTERIM 2013 OPERATING AND CAPITAL BUDGET

Item Nos. 10 and 11 were not considered for a vote due to motion and vote taken on Item No. 9.

ITEM NO. 12: ORDINANCE NO. 4911 AMENDING THE PASSENGER VEHICLE FOR HIRE ORDINANCE (CHAPTER 22) TO AMEND THE VEHICLE AGE LIMIT FOR TAXI CAB VEHICLES.

[Motion was made by Councilmember Dulin, seconded by Councilmember Howard, to adopt]
[the subject ordinance.]

Councilmember Cannon said this item is one where the City Council adopted revisions to Chapter 22 of the City Code which revised the vehicle age limit of taxi cabs from 10 years to 6 years. The age limit for taxi cabs will be effective July 1, 2012 and under the current PVH ordinance that is exactly what we have currently on its way and opening up the opportunity to have some more discussion about it. The Committee met on May 29th to discuss the referral of this particular item and the Committee which consist of myself as Chair, along with Councilmembers Barnes, Dulin, Fallon and Pickering, came back with the recommendation that the Council change the number of years from 6 to 8 years, that is the age limit. That is to be effective July 1, 2012. We did this is the name of positive imagery, professionalism and fairness that we believe drives us to a place where we need to be when trying to support those within the cab industry.

The vote was taken on the motion and recorded as follows:

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

NAYS: Councilmember Kinsey.

The ordinance is recorded in full in Ordinance Book 57, at Page 704-706.

ITEM NO. 13: APPROVE THE ECONOMIC DEVELOPMENT COMMITTEE RECOMMENDATION TO: 1. ACCEPT AND ADOPT FINDINGS AND ANALYSIS SET FORTH IN CHAPTERS 1 THROUGH 6 OF MGT AMERICA, INC.'S 2011 CITY OF CHARLOTTE DISPARITY STUDY UPDATE REPORT THAT WAS PRESENTED TO COUNCIL ON SEPTEMBER 26, 2011, AND 2. DIRECT STAFF TO DRAFT A SBE/MWBE PROGRAM THAT UTILIZES BOTH RACE AND GENDER NEUTRAL MEASURES AND RACE AND GENDER CONSCIOUS MEASURES TO REMEDY THE DISPARITY DOCUMENTS IN MGT'S DISPARITY STUDY UPDATE, CONSISTENT WITH THE LEGAL OPINION ISSUED BY TYDINGS & ROSENBERG.

[Motion was made by Councilmember Mitchell, seconded by Councilmember Cannon, to]
[approve both 1 and 2.]

Councilmember Dulin do we expect the legal questions and the legal work that has been suggested that will come with this motion tonight?

Councilmember Mitchell said I think the first part that we talked about at dinner, while we have to adopt the findings so we can build a better legal case.

Cindy White, Attorney's Office said in order to move forward with a race and gender conscious program, it is important to establish a factual predicate that shows there is disparity in City contracting and that there is anecdotal evidence of discrimination in the market place. That is what the first chapters 1 through 6 of the MGT Study do.

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

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

NAY: Councilmember Cooksey.

ITEM NO. 14: ORDINANCE NO. 4912, FLOODPLAIN ORDINANCE REVISIONS

[Motion was made by Councilmember Howard, seconded by Councilmember Cannon, and]
[carried unanimously, to adopt the subject ordinance.]

The ordinance is recorded in full in Ordinance Book 57, at Page 707-708.

ITEM NO. 15: AUTHORIZE THE CITY MANAGER TO EXECUTE A NORFOLK SOUTHERN/CSXT RAILROADS GRADE SEPARATION TERM SHEET AND SUBSEQUENT THREE-PARTY AGREEMENT AMONG THE CITY, MECKLENBURG COUNTY AND THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION CONSISTENT WITH BUSINESS TERMS IDENTIFIED IN THE ATTACHED TERM SHEET.

[Motion was made by Councilmember Cannon, seconded by Councilmember Mayfield, to]
[approve the subject authorization. The vote was recorded as follows:]

YEAS: Councilmember Autry, Barnes, Cannon, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.
NAY: Councilmember Cooksey

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ITEM NO. 16. (A) APPROVE CONTRACTS BETWEEN THE CITY OF CHARLOTTE, THE NORTH CAROLINA DEPARTMENT OF COMMERCE (THE STATE) AND UNITED TECHNOLOGIES CORPORATION (UTC) FOR \$2,500,000 ONE NORTH CAROLINA GRANT FROM THE STATE TO UTC, (B) APPROVE THE CITY'S SHARE OF A BUSINESS INVESTMENT GRANT TO UTC FOR A TOTAL ESTIMATED AMOUNT OF \$255,048 OVER FIVE YEARS (TOTAL CITY/COUNTY GRANT ESTIMATED AT \$731,644), (C) APPROVE THE CITY'S SHARE OF AN ECONOMIC DEVELOPMENT GRANT TO UTC FOR \$875,000 OVER TWO YEARS (TOTAL CITY/COUNTY GRANT ESTIMATED AT \$1,750,000), AND (D) BUDGET ORDINANCE NO. 4913-X APPROPRIATING \$2,500,000 FROM ONE NORTH CAROLINA GRANT TO UTC AND \$875,000 FROM THE CITY TO UTC.

[Motion was made by Councilmember Mitchell, seconded by Councilmember Howard, to]
[approve A, B, D and C.]

Councilmember Autry said I'm going to be voting against this just from a principle of being a defense contractor. I'd like to see us recruiting business and industry to the area but I would like to see them where they are not involved in destruction of other parts of the world.

Councilmember Kinsey said will this generate more property tax, are they going to have to build something, are they moving into the old Goodrich Building? What is the generation? They are asking us for a lot of money and they are a very, very, very wealthy corporation. I did not vote for this in closed session and I'm not sure that I will tonight, but I need to know really what the benefit is for us.

Brad Richardson, Economic Development, Neighborhood and Business Services said a site location has not been announced yet. The leading candidate is an existing building at Goodrich's current location in the Tyvola Road, Coliseum Business Park area.

Ms. Kinsey said so there might not be any kind of additional property tax?

Ms. Richardson said oh, no ma'am, I'm sorry let me be very clear. In your write-up you will see that in order to qualify for the grant the company will invest no less than \$4 million in new equipment and building improvements.

Ms. Kinsey said that is still not property tax is it?

Mr. Richardson said yes, that equipment and improvements will be taxed.

Ms. Kinsey said the equipment would be property tax, to which Mr. Richardson said absolutely, and recall that any grant payments are a portion of the new taxes received.

Ms. Kinsey said yeah, I know. They are also asking for \$875,000 over two years up front.

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

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

The ordinance is recorded in full in Ordinance Book 57, at Page 749 and 750.

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ITEM NO. 17: CONCLUSION OF CONSENT AGENDA

This was discussed at the end of the Consent agenda.

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ITEM NO. 18: NOMINATIONS TO BOARDS AND COMMISSIONS

A-1. Airport Advisory Committee – one appointment for a Westside resident for a three-year terms beginning August 1, 2012.

Crystal Jackson, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

Gregory Hunt – Did not meet the requirements.
Stephen Rosenburgh – Did not meet the requirements/

[Motion was made by Councilmember Barnes, seconded by Councilmember Kinsey, and]
[carried unanimously, to appoint Ms. Jackson by acclamation.]

A-2. Airport Advisory Committee – one appointment for an aviation affiliation representative for a three-year term beginning August 1, 2012.

Colvin Edward, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell, and Pickering.

Willis Harney – 0
Gary Spellman – 0

[Motion was made by Councilmember Barnes, seconded by Councilmember Kinsey, and]
[carried unanimously, to appoint Mr. Edwards by acclamation.]

B. Charlotte Regional Visitors Authority – One appointment for a representative of a convention hotel for an unexpired term beginning immediately and ending June 30,2014.

Glenn Simon, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield and Pickering.

[Motion was made by Councilmember Cannon, seconded by Councilmember Mitchell, and]
[carried unanimously, to appoint Mr. Simon by acclamation.]

C. Citizens' Review Board – The following applicants were considered for five appointments for three-year terms beginning August 1, 2012:

Alan Alder, nominated by Councilmembers Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

Jason Baker, nominated by Councilmembers Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

James Barnes, nominated by Councilmember Mitchell

Theresa Halsey, nominated by Councilmembers Autry, Barnes, Cannon, Fallon, Kinsey, and Pickering.

Robbie Harrison, nominated by Councilmembers Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

Sonnie McRea, nominated by Councilmembers Cooksey and Dulin

Paulette Michael, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

[Motion was made by Councilmember Barnes, seconded by Councilmember Kinsey, and]
[carried unanimously, to appoint Alan Adler, Jason Baker, Robbie Harrison and Paulette]
[Michael by acclamation and leave the one other appointment open.]

D. Community Relations Committee – The following applicants were considered for three appointments for unexpired terms beginning immediately and ending June 30, 2013:

Sandra Donagny, nominated by Councilmembers Cooksey, Dulin and Mitchell
Brenda Hayden, nominated by Councilmembers, Cannon, Fallon and Pickering.
Karen Henning, nominated by Councilmember Kinsey
Sabrina Jackson, nominated by Councilmember Howard
Veronica Jones, nominated by Councilmember Mayfield
Carmen Jones-Pickett, nominated by Councilmembers Barnes and Mitchell
Vanessa Kenon-Hunt, nominated by Councilmember Pickering
Sue Korenstein, nominated by Councilmembers Cannon, Fallon, Kinsey and Pickering
Melvin Lowery, nominated by Councilmember Howard
Cedric McCorkle, nominated by Councilmember Barnes and Cannon
Tenessa Moore, nominated by Councilmember Cooksey
April Morton, nominated by Councilmember Autry
Delores Reid-Smith, nominated by Councilmember Autry
Jacqlin Robinson, nominated by Councilmember Mitchell
Winston Sharpe Jr., nominated by Councilmember Fallon
Marilyn Sutterlin, nominated by Councilmembers Dulin and Kinsey
Michael Van Zytchow, nominated by Councilmembers Autry, Cannon, Dulin and Mayfield

E. Domestic Violence Advisory Board – The following applications were considered for one appointment for a three-year term beginning September 22, 2012:

Sandra Donaghy, nominated by Councilmember Mayfield
Gregory Hunt, nominated by Councilmember Cooksey, Fallon and Pickering
Courtney Merchant, nominated by Councilmember Barnes, Cannon and Kinsey
Eddie Sanders, nominated by Councilmember Mitchell
Brigit Taylor, nominated by Councilmember Autry.

F. Historic Landmarks Commission - The following applications were considered for two appointments for three year terms beginning July 17, 2012:

Joseph Elliott, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield Mitchell and Pickering
Michael Rogers, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

[Motion was made by Councilmember Cannon, seconded by Councilmember Kinsey, and]
[carried unanimously, to appoint Joseph Elliott and Michael Rogers by acclamation.]

G. Keep Charlotte Beautiful – The following applicants were considered for two appointments for unexpired terms beginning immediately and ending June 30, 2013 and June 30, 2014:

Russ Ferguson, nominated by Councilmembers Cooksey, Dulin, Fallon, Kinsey, Mitchell and Pickering.
Vanessa Kenon-Hunt, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Kinsey, and Mayfield.
Winston Sharpe, Jr., nominated by Councilmember Autry, Fallon, Mayfield, Mitchell and Pickering.

H-1. Passenger Vehicle for Hire Board – The following applicants were considered for one appointment for a vehicle for hire company owner for a three-year term beginning July 2, 2012:

Robert Walker, nominated by Councilmember Howard
Gregory Hunt, nominated by Councilmembers Dulin, Fallon, Mayfield and Pickering.

H-2. Passenger Vehicle for Hire Board – The following applicants were considered for one appointment for a vehicle for hire owner for a three-year term beginning July 2, 2012:

Abdoulaye Kaba, nominated by Councilmember Autry
Andrew Thompson, nominated by Councilmembers Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

[Motion was made by Councilmember Barnes, seconded by Councilmember Cannon, and]
[carried unanimously, to appoint Gregory Hunt by acclamation.]

H-3. Passenger Vehicle for Hire Board – the following applicant was considered by one appointment for a representative of hospitality and tourism industry for a three-year term beginning July 2, 2012:

Diatra Fullwood, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Kinsey, Mayfield, Mitchell and Pickering.

[Motion was made by Councilmember Cannon, seconded by Councilmember Mitchell, and]
[carried unanimously, to appoint Diatra Fullwood by acclamation.]

H-4. Passenger Vehicle for Hire Board - The following applicant was considered for one appointment for a user of passenger vehicle for hire for a three-year term beginning July 2, 2012:

Carolyn Carr, nominated by Councilmembers Autry, Barnes, Cannon, Cooksey, Dulin, Fallon, Howard, Kinsey, Mayfield, Mitchell and Pickering.

[Motion was made by Councilmember Barnes, seconded by Councilmember Cannon, and]
[carried unanimously, to appoint Carolyn Carr by acclamation.]

H-5. Passenger Vehicle for Hire Board –The following applicants were considered for one appointment for a person with disability or a representative from an agency that works with persons with disabilities for a three-year term beginning July 2, 2012:

Twila Adams, nominated by Councilmembers Autry, Barnes, Mayfield and Mitchell
Hung Chau, nominated by Councilmember Kinsey
Steven Eddy, nominated by Councilmembers Cannon, Cooksey, Dulin, Fallon and Pickering.

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ITEM NO. 19: MAYOR AND COUNCIL TOPICS

Councilmember Barnes said I wanted to announce fun times in District 4. On July 14th I will be hosting my annual shred event for document shredding. This year we are going to do hard drive so if you have a hard drive that you want to dispose of properly or safely, take it out of the computer, bring it down and it will get shredded along with the paper. That will be from 9:00 a.m. to noon at the Smokey Bones Restaurant at the corner of W. T. Harris Boulevard and North Tryon Street.

Councilmember Mayfield said I want to let all of the constituents of District 3 know that my second Town Hall will be coming up on July 25th from 9:00 a.m. till 12:00 at Steele Creek AME Zion.

Councilmember Autry said I just want to remind everyone, you've already heard about earlier, but on July 4th the Hickory Grove July 4th Parade, the oldest continuous 4th of July Parade in the county. Please come out to the eastside and enjoy a great time.

Mayor Foxx said I see a lot of the staff a lot more than I did when I was a Councilmember and the process of going through this capital improvement discussion has shown me some innovation
mpl

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and some creativity and some boldness of our staff. I want them to know that I'm very disappointed at where we've landed, but I'm hopeful that what has been done to provide this roadmap is something that we can spend the next year, perhaps two years working through to build something that can be supported by this Council. I think we've got a ways to go but I don't want you to hang your heads because you all did a heck of job putting that budget together and Curt I want that to you as well.

The meeting was adjourned at 9:09 p.m.

Stephanie C. Kelly, City Clerk

Length of Meeting: 5 Hours, 2 Minutes
Minutes Completed: August 31, 2012