

The City Council of the City of Charlotte, North Carolina convened for a Special Budget Meeting on Thursday, September 27, 2012 at 12:03 p.m. at the West Service Center, 4150 Wilkinson Boulevard, Charlotte, North Carolina with Mayor Anthony Foxx presiding. Councilmembers present were John Autry, Michael Barnes, Patrick Cannon, Warren Cooksey, Andy Dulin, Claire Fallon, David Howard, Patsy Kinsey, LaWana Mayfield, James Mitchell and Beth Pickering.

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I. Introduction

Mayor Foxx called the meeting to order at 12:03 p.m. and said he wanted to start out very briefly with some introductory comments of why we are here and what we hope to accomplish and then turn it over to the Council for everyone to weigh in. This is not necessarily reacting to what I say but whatever you want to say about this process and where you'd like to take it. We had an interesting summer that was full of highs and one very significant low which is the fact that despite the effort on everyone's part we left the summer without an answer to a capital challenging facing decision. We could talk a lot about why that happened, but I think focusing on the future is probably important to us. Let me try to summarize it. We spend months developing a budget that failed, and we had two weeks to put a budget together before creating a fiscal crisis. Alternatives were proposed and again we passed a no tax increase budget and along the way questions were raised about the Mayor's ability to count. I am usually pretty reserved but I admit along the way I got a little exercised about where we were and I want to make it clear to you that that had nothing to do with where you guys individually come down. It had nothing to do with anything personally. It had to do with the fact that the law requires the Council to approve a budget and I was very concerned that we were facing a fiscal crisis for the City. In the end we did pass a budget. The City is not in the fiscal crisis we got close to and I think we've got the time now to really dig deeper into what the Manager proposed and hopefully develop a senses around how we can go forward. Let me share with you that the process we typically use to get to a budget is one that I think will get us to this budget. That process is basically asking every single hard question we have about what has been proposed by the staff, going through the add and delete process where if there are concerns about particular items, folks can raise those issues, projects can be taken out or put in and wherever we land is usually where the sense of Council is. So what I used to say in my own neighborhoods when we tried to do the numbers and it didn't work, we have a chance to have a do-over and that is essentially what this is. I have spoken with all of you over the course of the summer and I appreciate you taking the time to meet with me and I feel that there is energy around this Council to go forward with something.

Let me suggest to you that we have three options. One I don't think is a real one, but three doors we can walk through. The first door I would describe as a "do nothing door" which is essentially leaving the tax rate where it is and not preparing a capital program. I understand from staff that at most we have until 2014 to adopt some capital plan before our AAA bond rating becomes threatened. That is with an asterisk because as you know the bond rating agencies have begun to work with issues like some of our larger employers and their futures and that is not as certain as they would like to be, so that is an issue and that is door #1.

Door #2 is a "down payment door". That is where we say there is so much uncertainty out there and so much that we don't know about the future that we'd rather do something to avoid getting us into a bond rating problem, maybe classified as routine maintenance, but do something to get us over that hump and when brighter days come again look at doing more.

Door #3 is "swing for the fences door". I think the Manager's proposal which is a program that is calibrated to deal with the magnitude of the challenges our City faces. That is my characterization and not necessarily yours but I think that is essentially the set of choices we have. I sent a letter to you and the letter says pretty clearly that this Council's center of gravity on these issues moves toward a maintenance of effort type budget. I will support a budget that has a 2.44 cent rate increase that many of you suggested before, but I think that budget is probably better calibrated to a five-year budget than an 8year budget, and that is an issue we need to resolve, but we can talk about that if that is where Council wants to go. What I think we should spend our time doing today after everyone has a chance to weigh in is going through

where we left off with projects that seemed like there were pretty good consensus supporting and maybe end the day with a sense of this council as to whether that consensus is still there. If we have time we can dig into some of the specific projects. Let me say one final point, in my view some of what happened in the summer in some people's mind turned on the streetcar. I don't necessarily think so because I believe there is a lot that gets cut out of a budget like the Manager proposed to get you down to 2.44 cents that also becomes an issue. I think we've got two issues which is way more important than the plan. If the plan is more important, how do we go forward and if the rate is more important what projects ... What I propose is today we spend time going through the areas where there appear to be consensus and we are assuring ourselves that consensus exist or identifying places where it don't. The next meeting I think we should dig into the projects themselves, some that are more controversial and do a deep dive on those. The third meeting would be essentially an early version of our adds and deletes where we can literally make some decisions about which projects go in or out. But layering over all of that is the question of which door we want to go through. Do we want to go through door #1, door #2 or door #3?

I've got a quick PowerPoint and Warren Cooksey got me started on this. Some of these slides you've seen before but I just thought maybe beginning this conversation with this would be helpful. For those of you who are old enough or young enough depending on how you like to say it, this is the corner of 5th and Tryon Streets in the 1970's. That is the same corner when you see all those cops during the DNC who were dancing around and created so much fuss. This is our City today. It is the product of a lot of work that people have done and frankly the 12 of us are the guardians of this city that we all call home. Some of you won't remember the old Douglas Municipal Airport, but I remember it. You could literally walk from one side and yell across to the other side and someone could actually hear you. When John Belk said we needed to build a new Airport people thought he was crazy. They said we have planes that take and land., it works so why do we need to build a new Airport. That was in the early 1970's and in the mid 1970's there was referendum that failed and in fact Mayor Belk didn't serve and the time when the Airport actually got built happened after his service ended. Ken Harris was the Mayor who got the Council to put it back for a bond and the voter passed it in the late 1970's. That led us to what comes up next, which is this. The Airport in 1971 had about a million passengers on an annual basis and had about 40 million last year, generating \$12 billion economic impact. The point here is that this was not an easy thing to get done, in fact it was a painful thing to get done. And in fact the Mayor who started didn't get to finish it, but saw it happen. It was the right thing for the City and if you talk to any business association with the City in the last 10 to 15 years they will cite the Airport is one of the top three reasons why they are here. This is the Old Charlotte Town Mall and you can see there is a stack of cars right here. I used to park there all the time and Andy used to go on a date there. Underneath that parking lot there was a creek where it had been capped to create this place and let's look at what that creek looks like right now. It is one of the greatest amenities in the City and one that we have a chance to help improve. This is Independence Boulevard and you could argue that Independence Boulevard made more sense then than it does it does today. It didn't have blockade down the middle, you could make a left turn, business were along the side weren't hurt and by the way we had Crispy Crème. Independence got confused and didn't know what it was. It was a highway for cars and it was a business thoroughfare for those uses alongside it. What we have today is this and this trend has been happening for a long time and I know everybody on this Council knows and understands ...

Here is Beatties Ford Road and I have shown you this same lot about 10 years before now and it would look the same and I can show you 20 years before then and it would look much the same. In fact that mechanic in front of the picture it is from the 1960's and looks the same. While Charlotte is growing, while we've seen so much growth in some areas, but some areas really have stagnated and evening falling behind. Here is North Tryon Street and this is part of the corridor that we think of now as essentially an innovation corridor. It certainly will be something that will invite the Blue Line Extension further up toward the University City Area, but again another area is still defining much of our downtown where a lot of people live but it is really today the underbelly of our City. So you look at that and then you look at this. This is what we have available right now to address those challenges.

You've seen this map before and this is basically a map to show the trend in poverty, so that is why the red is where you see more poverty. This is home values and you see that they are decreasing in the same where poverty is expanding. We have an area of green is the southern part of the City. School performance, we've seen this before. That is my bad pie chart but this breaks down the budget The Manager proposed into categories, 17% neighborhood improvement, 9% affordable housing, and 74% transportation. While we've seen a gradual uptick in crime this year overall crime is down, but the Police Department has already told us to get further down we need to put more assets in the field and these Police Stations become very important to us over the next several years. This is a map of the neighborhood improvements that are proposed.

I want to spend a few minutes on transit. If you look at the entire system the absolute greatest ridership is with the Blue Line Extension and that is expected to draw 25,000 riders per day. But if you look at the way the system is built, and by the way I think we are making some good progress on that project, I really feel confident that we are going to get something done on that before the end of the year. But if you look at how our system is actually set up the next projects are the Red Line Commuter Rail and then after that you really have buses and streetcars. You have the east/west streetcar, you have the streetcar out to the Airport. The ULI Study actually suggests two extensions of the streetcar going out to the east part of the City. I want you all to remember Tommy Freeman when we saw that video during our retreat. He talked about a fight between two fast food restaurants when one of them could have accused the other one of buying meat that wasn't good and all this other stuff and they asked the other franchise why did you attack the other franchise for their practices. The franchise said we don't want to kill the category and when we talk about a transit system I think we have to be careful not to kill the category of transit. The streetcar is one facet of it but it is not all of it. The only reason we are talking about the streetcar in the budget process is this chart right here. It shows you what the sales tax revenue is going for. The black Line is what we need to produce in sales tax to build the system we just saw. The Gray Line is what the sales tax is actually doing and the up side of that is that after we finish the Blue Line Extension, after we get the 1 1/2 mile of starter streetcar going it could be a decade, 2 decades or 3 decades before we see another rail extension for our transit system. This is the extension and we will talk about it more in detail at some point. I wanted to make sure everybody knew what a streetcar was so let me try to explain what it isn't. It isn't the San Francisco ... and I think in a lot of people's mind this is the image of the streetcar and how it winds up and down and I get that. That is what a streetcar looks like and in many ways it looks and feels like a light rail car. The only difference is that it is smaller and it is actually cheaper to build compared to light rail, about a quarter to half the costs, but in cities that have done this they've seen the increased value of those projects come in and this development here in Portland sort of grew up around that streetcar. We may go a number of ways on this project and I'm going to make the case as strongly as I can that this is something we should do, but if this Council in its imminent wisdom and judgment decides this project is not a project we should do we are going to figure out a way to go forward. I want to make it very clear, I do think this is a good project and I think this is a worthy project and I think it will add value to our transit system. As we normally do in our adds and delete process I will try to make that case, but if we decide not to do this we decide not to do it, okay.

Here is where we left off and this is where I'm going to transition this back to staff. These were the proposals that were put up, but one on the far end for me is where the Manager's recommendation was. So if you have a \$200,000 house that is probably what you are paying now \$174 per year. The net change to the Manager's budget would be only \$72 additional per year and you can follow all the way across. One difference between Plan #1 and Plan #2 and you know which plan you love. One difference between the two of them was Plan #2 was a five-year and plan #1 was an 8-year plan. We've got a lot of work to try to get done, we always do, Charlotte always does, but all 12 of us have to get around this somehow. I've had a chance to say to you what I wanted to say to you by way of introducing these retreats. I think it is appropriate for anybody who wants to say something to do that.

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II. Discussion – General Capital Investment Plan

Councilmember Cooksey said I was taking notes on your presentation and may go in reverse order now since this chart is still up. A few things concern me about the expansiveness or perhaps the lack thereof. This chart, for example, while I appreciate that it shows the relatively small increases to a person's tax bill based on the various plans. It completely fails to capture the fact that for many of our homeowners in Charlotte what is a \$200,000 house now was less either more or less than and in the cases I can think of, less than that before the reval. It was \$400,000 to \$600,000 were less than that. This is the theme that I had during the budget discussion and it is one that I want to stick with and not lose sight of during our continuation, that many, many people saw substantial increases in their tax bill in September of 2011 versus September 2010 and I just could not look anyone who had that kind of tax bill in the eye and say we are just asking for \$60 to \$70 when in many cases they were already paying \$1,000, \$2,000 or \$3,000 more. I know balance requires us to note and I do note that as the map shows quite a number of our citizens who saw substantial decreases in their value and so from a tax perspective the burden they would still come out okay from a tax perspective, but they have equity issues that they are worried about. Part of our population is worried about their equity and part are worried about their tax bill. That I think was, for me at least, deserves great consideration during this discussion. To the point about category killer in the grand tradition of debate, I agree with you about tying or doing the streetcar issue and the like as being concerned about category killer for transit, that is what I view City funding of the streetcar line in itself. To me that risks a great deal of public support for transit because in 1998 to 2007 our statement to voters was the transit tax funds the transit system and while I acknowledge there has been property taxes used for infrastructure improvements around the lines and we would use some for the Blue Line Extension, I worry that there is a limit. For example, if I were to suggest around this table, and I never would, but if I were to suggest that we should use some transit tax revenue to build some roads in this City because we need some roads, I would expect unanimous horror in rejection of that idea because transit tax is the funding source for transit. So that is kind of the mindset I would ask folks to consider when I recoil similarly the idea of using property taxes for the streetcar. Property taxes are what we use and it is the funding source we've got for local roads and so it concerns me that no-one would ever suggest using transit funding for roads, but to put in this proposal to use road funding for transit strikes me as risking the category of citywide support of the transit. Finally and just a question, I'm curious Mayor, could you clarify how you see a role in this because on Monday you talked about this being a Council budget and a Council process. Does that mean that whatever 6 of decide it is going to go through or you are still reserving the veto possibility?

Mayor Foxx said good question but let me say three things to you before I respond to that because I meant to say this at the outset. I want to be clear on what you guys and ladies can expect from me. You can expect absolute respect for positions that every person on this Council takes on this budget. That does not necessarily mean agreement, but it means respect. You can also expect absolute commitment to figuring this budget out as a group of 12, not by committees but working as a group of 12. We are at a point in this budget where the issues are tabled up, some people might like some things, some people might not like other things and we will figure all of that out, but I think you can expect me to be very strident about that. You can also expect me to be open to figuring this budget out along the lines that some of you have articulated. I know you, for example, stated very early concerns about going forward with any tax increase at all, and later decided to support the 2.44 cents property tax increase which I take to be a move away from where you started out and you are to be applauded for trying to work on that. I'm making a move by saying I'd be willing to support a 2.44 cents budget, but I would be willing to support it for a five-year period as opposed to an eight-year period because I don't want to see us lock in future councils to a lower level of maintenance of effort than we've had over the last 5 years. I said that back in June and I'm saying it again. I don't relinquish my ability to disagree with the Council so I'm not saying that I'm a casual observer to this process. My point is that all of us, I can help this Council work through issues and different positions, but I can only do that when those positions are brought into the field of discussion. To the extent everybody is talking and we've got issues that are being put up on the board, we can work through those. You can't work through them when they are not put on the board.

Councilmember Fallon said in the interest of full disclosure, \$72 seems like a very small amount but that is not a silo it is combined with the county and that is onerous to people. To raise it at any point when their values have gone down to nothing and will go down further I believe, you can't do this to people. There are so many people that are on the edge. The other part is if you're going to spend \$120 million on a small portion of the streetcar why not take that money and either use the Gold Rush or expand the bus system into communities that don't have it now so they can get to work and shopping and doctors.

Mayor Foxx said let me try to reframe. Everyone on this dais has voted to raise the property tax it is just the question of degree.

Ms. Fallon said it would have been a wash.

Mayor Foxx said you say a wash, it is a property tax increase and that is how the public would receive it. With that as a baseline, the question is what is the right set of choices for this community? We are not going to figure this out right this second. What we are trying to do is open a process by which we can figure it out and what I'm suggesting to you is the best use of our time in my opinion in talking to every single one of you and knowing what I know about where people are and what the choices are. By the way you are pointing out issues that are legitimate issues, you and Mr. Cooksey both. I know as well as you know there are people out there that are struggling. The question I would ask you is given the fact that we are continuing to see rapid growth in this area, given the fact that we are seeing devolution occur at the federal and state level pushing down cost to local government, given the fact that there is a change in environment even on the regulatory side on issues like transit where 10 years ago we could expect a 25% local share, 25% state share and 50% federal share and I don't believe that includes – the Blue Line Extension may be the last of its breed and given where the sales tax are performing how are we going to get this system built because the growth questions aren't going to go away. Honestly, if I could put it in a nutshell what we are struggling with, and again I think there are some legitimately points on all sides of this and people can look at the facts and make different decisions on where to go, but what we are struggling with is the trend lines where the donut sits, where we've got a great center city that people come to work in, we've got frayed neighborhoods in the middle and we've got a robust suburban area outside. That trend is already there and the question is what we do about it. I can understand an arguments that says let's try to do what we can and do a little bit more later and we may end up there, but I think there is an equal risk that by trying to incrementalize it we put the money out there and the trends overtake it and we end up right back where we started. So that is the concern.

Councilmember Barnes said in preparation for today I went back and looked over the materials we had over the summer and the spring in trying to arrive at a budget. What I decided to do today was start with the Manager's budget. I have no desire to get into a battle of the Barnes/Kinsey proposal, etc. I actually went back and looked at the Manager's original proposal and there are some things about it that I want to point out then I want to dig down through the issues. For example, in terms of economic impact the Airport and west corridor investments were estimated to generate 5,000 new jobs. The east and southeast corridor investments were estimated to generate \$200 million in new development. The northeast corridor investments, that one bridge, the north bridge itself was estimated to create 10,000 new jobs and the applied innovation corridor was estimated to create \$280 million in new development and the joint communication center was going to save us over \$700,000 per year in facility lease costs. There are some great items in that budget and in fact as I looked through each of the items in there the only item that I think we got stuck on was the streetcar. All of the other projects seemed to have a permanence except the streetcar and what I mean by that is that we were contemplating funding a portion of the line, the \$119 million so with that in mind, what I did was look back at some things we talked about before and haven't talked about in quite a while. The first one was the Bay Area Economic Study, was done in 2008 and released in January 2009 and I think that that study done at our request by a consultant, Bay Area Economics actually provides a good bit of guidance on how we might be able to move forward with the budget package and what I would like to do, either in preparation for the next session or the third session is ask staff to assist with some numbers. For example, just give a little bit of background on the Bay Area Study. It contemplated a no build, no streetcar scenario, a baseline development scenario and an accelerated development scenario. It also contemplated that we would use TIFs and MSDs in

building a streetcar system and it had low funding numbers, moderate funding numbers and high funding numbers and it thought at that time that under the low funding scenario that we would generate \$209 million from TIFs and MSD' from 2010 to 2035 and the high end was \$333 million so there was quite a bit of value according to the consultants at that time that they thought would have been creative and realized. One of the issues that some of us have talked about privately was the idea of being able to assess some sort of special assessment to Presbyterian or Central Piedmont or Johnson and Wales and JC Smith and there is a statute, General Statute 12138 that would allow us, and I will seek the advice of Council if that is not true, but I think it will allow us access to create a special assessment district that might include those institutions again to create value to help pay for a streetcar program if we choose to go that route. The report itself contemplated that we might use parking meter revenues, public garage revenues, a surcharge on tickets to events at facilities owned by the City so all of the Bojangles and Ovens facilities, the uptown arena would be one of those where we might add some fee to a ticket to help subsidize the cost and there was one thing in there I caught and this is where I would rely on the expertise of staff a bit more. It talked about us arranging credit guarantees to repay construction costs and maintenance costs back to the general fund and it also talked about arranging internal loans that we could use and repay through TIFs and MSDs. If you guys could take a look at that and tell us what that might generate now I think that would be very helpful Mr. Manager.

Also we had talked about putting \$47 million of the \$119 million in COPS and \$72 million being the part of the property tax. What I would like to know is with respect to the \$72 million, if we are able to work according to the BAE Study and generate some values for the MSDs and TIFs special assessment districts, how much of the \$72 million could we reduce? I know you don't know that now, but just in terms of some things I would like to consider. If we are able to create some offset either through credit guarantees or repayment, what do those numbers look like for us? I had this conversation with Councilmember Howard and I think this is something we should begin to figure out to talk about and that is the gentrification and densification of the streetcar corridor if there is to be one. There is a level of gentrification and densification that you see in places like Portland that would be required almost to make the streetcar system be as effective as we would want it to be. There is a conversation I think that should be had with the general public, maybe they know but I didn't get many e-mails saying when am I going leave, but I think it would be useful to address the mighty midgets of the Beatties Ford Corridor for example, to have that conversation with people so they recognize where we might be going and where they may be going. Ultimately folks, I hope that if we, and I think we will at some point, as we arrive at a bond package we have to have something that the community will support broadly and there are some issues that Mr. Dulin has raised, Mr. Cooksey and others, Ms. Fallon about tax increases and if you put the wrong bond package out there it sinks because you have so much negativity surrounding it and I think we would all like to be able to enthusiastically support the neighborhood improvement bond, affordable housing bond, transportation bonds so at the outset that is what I would like to have you all look at in the BAE study and also as far as all the other projects and packages are concerned, I think they all made sense to almost all of us. The only reason I took anything out was to try to get the six votes. The only reason Patsy took anything out was to try to get the six votes. If we can get six votes and hopefully 11 votes on a package it would be great if all of us could enthusiastically say this is good for all parts of the City and we are going to support it. I think the public would have more confidence in the package.

Councilmember Howard said I would like to hear from everybody. I would like to go around the table and make sure we hear from everybody. I thought about going back through the process and I don't need to rehash a lot of that, but this has been a lot of sleepless nights for me personally and one of the things I would like to start with, and I heard the Mayor say it, I would like to put the responsibility back in this room, it is our budget, all 12 of us. I think the Mayor is a member of the City Council so he has a vote to facilitate the end vote. I was happy Mr. Barnes that you recognized it is not just his vote, it is six and that is the way our system works. It is all of us, so I go back to the fact that all said what we thought and then we came back. I would like to talk a little bit about what the Mayor was showing in those pictures. It brought back a lot of good memories for me. If I remember right the old Charlotte Douglas Airport pictures were in the 50's which came right after the great depression and those horrible years. The new terminal actually where the construction was mostly in the 70's which happened during gas prices and

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everything else was going on. The Coliseum opened up in the late 80's and we were going through some economic turmoil in the 80's and then we just had the audacity to take on the DNC after the last turmoil and economic downturn and we did a pretty good job with it. I think the word that comes to mind for me during all of this is "vision" and I think that is what the Manager's proposal was trying to get us to remember that Charlotte is a City of vision and we always look to the future trying to figure out what comes next and not just kind of sitting on where we are. For me fundamentally and maybe it has something to do with the fact that I have spent a lot of time with transit over the last several years. I think the transit system is a gift that we are going to leave to next generations and I think what we need to do and what we don't need to do is rehash it and we need to talk about what sources we need to get at if we can all agree that we need to have a system, but we need to figure out how to make the system work. Having a system on paper and having a plan didn't do anything for us, matter of fact I don't know if was ingenuous or intentional or what the case was, but that same streetcar that will eventually go down Trade Street, then peel off to Cedar Street over to Morehead Street, but actually come down Wilkinson right outside of this building on its way to the Airport. We are talking about building a system that has legs that go throughout the City, not just in one place or the other. It is not just going to go down Beatties Ford Road and down Central Avenue but it will peel off and come straight down Wilkinson on the way to the Airport. That is part of building a system that we talk about. It won't be just that neighborhoods that see the economic development, eventually it will be economic development truly that we have in the community and that is the Airport which was started when times were bad because we had vision as a community. I think the Mayor is right, we have been given a great gift in the community and we need to make sure we hand off to the next generation in the same shape we got it if not better. Thank you Mr. Barnes, we do need to start with the sources and I hope we do start to make it how we finish building the system that we are all hope and agree is what we should be focusing on.

Councilmember Cannon said Mr. Barnes you made a comment with regards to the assessment and thank you for doing your homework on that and pulling that out of a place where many of us around the table didn't even know existed. What I didn't hear you talk about and maybe you know the answer to, what type of assessment percentage wise, what were you talking about that could be considered from each one of those entities that you made mention of?

Mr. Barnes said the study actually referenced numbers consistent with MSD so three tenths of a penny, a third of a penny that type of impact on the parcels that align, under a special assessment district you need the majority of the property owners to agree and that takes me to another issue about whether people are going to get behind this thing or should.

Mr. Cannon said would that be for all or some?

Mr. Barnes said would likely be all depending on how it was established and again I'm looking to Curt and Bob for assistance, but I think it would be all of the properties along the corridor. Directly on the corridor or three blocks back, but I think directly on the corridor. It would be up to us to set the rate and again if you can establish a situation where we could leverage the construction costs against that tax I think we would start creating a situation where people would say, look the folks who are in the corridor, benefiting from the project directly have some skin in the game. Specific numbers are in that study and they may not be good now, but they were at the time.

Mr. Cannon said that helps a great deal because I think at the end of the day, vision and all that stuff included, for the most part we agree on where it should land relative to some of the core areas of concentration of interest. The elephant in the room is how do we come with finding different alternative revenue sources that might help us as it relates to streetcar project. I almost want to know from staff because I know there has been a lot of us around this table, including me, that have gone to staff and asked for a little bit of this and a little bit of that, what it might mean in terms of impact. I almost want to note that we aren't repeating the same stuff over, what that list looks like in terms of different suggestions or asks that have been on the table relative to the potential revenue sources that might be out there. COPS have come up and we've heard vehicle registration and a lot of different things, even private equity to some extent. I think that just helps us to drill down on where we are trying to go.

Mayor Foxx said a lot of interest in looking at alternative revenue sources, value capture potentially a district based sources, MSDs, etc. Staff, is there a way to sort of catalog those sources that have been suggested along with maybe some other ones that have been used elsewhere? What I think would be most useable as a side by side, you have the source, you have what we have the ability to actually implement ourselves without any help from someplace else, what that source would spin off and I think that kind of side by side gives us the ability to have that conversation.

City Manager, Curt Walton said the Streetcar Advisory Committee did a lot that, we would have to update but that is not a problem.

Mayor said could we have that by the next session?

Mr. Walton said yes.

Ms. Fallon said thank you Michael, I'm going to rebuild a conversation you and I had. We spent a lot of time on Monday night, you and I, and I have no objection, we talked about it. If we could get a pot of money that would be dedicated only to the streetcar and sustain itself where it would throw off the interest to have the street car funded every year rather than going to the taxpayer. I'm not willing to go \$500 million to build a streetcar and \$6 million to \$8 million to run it. If we can get a funding source that just stays in that silo and throws off the money to run it, I'm fine with that. The other think is and Michael brought it up, when we started to talk to that, Beth and I sat down and said oh my goodness, we know gentrification will happen and I am not willing to have people who have lived their whole lives before ... and we came up with a plan that if it happens possibly this Council would pass to keep people who want to stay in their homes in their homes, without that big pot of money touting them into some other place because it is not fair to people who want to stay in their homes.

Mayor Foxx said I think that is a very legitimate issue and different sources put more pressure on that than others. An MSD, just as a for instance, creates a bit of a hike because I live in one by the way and I pay more taxes than most of you all, but my streets are cleaner.

Councilmember Kinsey said yes, but they don't get garbage service and I hear about it, not you.

Mayor Foxx said an MSD creates an increase in property tax within that particular district so you could have two problems. One is people who live in that area end up paying more property tax than people who don't and the other one is that if you are really trying to revitalize an area and bring business and retail uses into the area that provides a bit of a disincentive for them to come. We can debate the source once we know what the sources are. I think the issue is trying to get some on the table and I would add another concept which I think is being looked at for the Red Line, which is value capture through TIF, but a different type of value capture in which maybe you create an evolving fund so that whatever the initial outlay is for the streetcar, the value that comes in gets redeployed to help build it out. I think there are models out there that have been used that way. We might as well look at everything.

Mr. Cannon said the other thing I hope that we might look at as well, as we talk about trying to create a balance in this community I'm reminded of the chart the Mayor used to illustrate about Beatties Ford Road. We talked about the streetcar and where it will end at French Street. I don't know that we are working to create the type of balance that is much needed further inside of that corridor and I would hope that we might be able to look at the opportunity of not going so far as Rosa Parks per se, but maybe on this side of I-85 or maybe where the House of Prayer is, I think it is Gilbert Street and consider looking or at least starting construction, if we are in this direction, from Gilbert going inward to uptown Charlotte largely in part because one could realistically argue that what we are looking at right now is really prone to taking care of uptown and uptown only. Johnson C. Smith and all the great things that are happening in around it with Mosaic Village, University doing well itself and what is coming in the way of different types of residential units is almost uptown in its own respect. But going beyond that I think is much more to be gained from. Ms. Fallon mentioned gentrification, something I am very familiar with by way of what we had to go through when we were working to bring about SouthEnd. Gentrification is a double-edged sword and you take your medicine the best way you feel like

you want to take it. Those choices are either you want to be fine with what you have, if it is crime rates that or high if it is economic development that has left the area and you do something about it, or you leave it alone and I don't think that is where we are trying to go. Obviously, if we do something about it, it does mean the potential of some changes along the corridor for people and their ability to be able to reside there. That is why we had to go through trying to educate people in the Homestead Act and get those people in line to be able to enjoy a lifestyle in the community where they wanted to stay. Beyond that there is an education piece out there that we have make sure we are about. People are still selling their homes in Wilmore for \$50,000. They have come to me and say should we make this move and I say no, if you can please stay right where you are. They sold anyway and today or a little bit before not, many of those people are finding themselves to be homeless. They didn't have any place to go because they thought that \$50,000 was going to carry them somewhere, not really understanding that they still had to pay for another place to reside. I would hope we would do all we can, and this is part of the planning cycle, Debra Campbell, where we need good folks like her and other at the table to help us with this process. It is not going to be, I don't think, very simple as we start talking about the build out of where we are trying to go. If were to start at Gilbert per se, and go inward to uptown, it makes sense to me that we would try to make sure that we are connecting. Would you stop at the Intermodal Station at Graham Street, probably not. I think we would extend it a little further down to the Transportation Center area. Now you've got that connector of where it Ts at a point where people can get on or get off and you've still taken care of ridership across the board. If it doesn't make sense that is find, but it would seem to me that rather than trying to do everything right now with the streetcar, we look to do a portion of it and still again look at all the alternative revenue sources that staff will bring back for consideration.

Councilmember Mitchell said Council, I have to apologize to you during the budget discussion when there was a lot of talk about the streetcar I wasn't too involved because I had a little project called a "wedding" to get ready for on June 16th. I heard about all the comments about the streetcar and the West Trade Street/Beatties Ford Road Corridor. I think we need to be very careful when we talk about an MSD. Make sure you explain to us where the current MSDs are and the criteria, what makes an MSD successful. I don't want us to get too far down the road and we realize an MSD is only successful when there is high density, a lot of rooftops. So Mr. Barnes to your point, Presbyterian Hospital, West Trade Street, Beatties Ford Corridor, I'm not sure an MSD is a solution to generate the type of revenue we need. I think it would be great for staff just to come back and explain that to us. We talk about the partners along the streetcar that we would like to participate, I just want to make sure we are fair because you start talking about having high learning institutions focus on more than just academic, I'm not too sure that is their mission. They are there to educate their population and not really put a lot of their funds into a public service that usually the City provides. The fairness question, you said Presbyterian and Johnson C. Smith which participate in the streetcar, do you have UNCC participating in the Blue Line Extension?

Mr. Barnes said yes, significantly.

Mr. Mitchell said we want to make sure we do the ask and I'm not sure if we ask the Chancellor to vote what would his response to that question be, we are talking about public service. Ms. Fallon mentioned gentrification and I'm asking the question were you strictly talking about West Trade Street and Beatties Ford Road or are you talking about another area of the streetcar?

Ms. Fallon I'm talking about where the streetcar would go.

Mr. Mitchell said I was trying to make sure if it was my leg or Patsy's leg so you are talking about my leg. Let me use the opportunity to talk about, we had dealt with that issue five years ago so I think in the West Trade Street and Beatties Ford Road, that would not occur. Mr. Cannon is correct, gentrification has a good and a bad and in our case it was good. You look how Wesley Heights has changed, Biddleville and Smallwood and so I caution us to try to use that as a negative, why we shouldn't build something because we are afraid of gentrification. There was certain provisions we took then, we did a whole study on gentrification and I have to give Debra Campbell the credit. We got ahead of the curve to educate citizens on gentrification. My point is, I want to make sure if we have any discussion, we use as much data as we can relying on staff and instead of having this emotional discussion about our budget. That does not

do any good to any of us around this table. I was away, but I heard a lot of emotional debate instead of real hard facts so you are right the community was confused. They didn't know what we were doing, where was our direction. Mayor you mentioned the baseline, to me there are several baselines and the big one is taxes. Do we have 12 votes around this table to say we are going to increase taxes in 2013-2014. We need to decide. If we are not, don't waste staff's time, don't waste our time. If there are votes, and I give Andy credit, Andy has been consistent. Andy said I'm not budging, I'm not going to raise taxes. Correct Andy?

Councilmember Dulin said yes and no. I was in support of 2.44 cents and \$674 million worth of projects.

Mr. Mitchell said so you will budget. Also maybe the baseline all 12 of us agree to discuss raising taxes to a certain degree. Now is the baseline affordable housing, community safety or transportation? As we go down this path this time I want us to really rely on staff's data, make more intelligent comments about this budget and let's get away from this emotional debate that has caused so much confusion in the community. None of us want to raise taxes. We've got family members unemployed, we know folks who have lost their jobs, but it is about what type of city we want for Charlotte.

Mayor Foxx said this conversation so far is light years ahead of where we were this summer. We are going from the streetcar specifically to whether to do to how we do it and that is a different dialogue. This is a process we'll keep talking it through, but I think we are making some progress.

Ms. Mayfield said first let me welcome all of you to District 3. We welcome you to the area and some of you welcome back. I'm hearing the conversation and ultimately I want to believe that I'm hearing that we all agree that we need to see something done. I will agree to the comments that Ms. Fallon made regarding the conversation she had with Ms. Pickering as far as the follow-up of Councilmember Barnes in gentrification. I think a lot of that when we are looking at economic development comes from our role with creating the opportunity since we say every day that we do not create business, we just create the environment for business, there has to be and I'm hoping there is a way for us to direct some of those conversation so that we see a certain type of economic development in the area so that we don't have more a dollar corner in certain areas or a lot of salons, even though they are valuable and we need them and we need barbershops, but we need a balance of that type of development that we see in areas. That is a conversation we need to have with our business community as far as where their commitment comes from and what commitment are they willing to bring to the table when we do decide to move forward. I honestly believe that we do need to figure out a way to identify the funding sources that are needed for a streetcar because we do need to have multiple forms of public transportation.

I have the opportunity to sit on the Centralina Economic Development Sub-Committee and what we are looking at is regionalism. The latest numbers that came out said that by 2030 the amount of congestion that we are going to have on our highways is going to have us looking at cities where they started off on the right path and somewhere they turned down the side road and got lost. With me growing in South Florida in Miami I had multiple forms of transportation so I do see why we cannot continue to wait on identifying how we are going to pay for the streetcar. I recognize the importance of our cabinet and everything can't be well, but if we think back, me as a citizen, there was a lot of conversation in the community when we laid the Blue Line and nobody wanted it. I get to have the benefit now of representing this district that has seen the amount of growth in SouthEnd all the way down to I-485 because of the Blue Line. That was targeted growth and we made sure that we had relationship with the business community. We can do the same thing again. I agree with Councilmember Howard that yes, that vision has to be there because that what has always grown this city and if you've been in this city for more than 5 years then you have seen the difference. I remember what the City of Charlotte looked like, what Park Road looked like when I moved here in 1987 and what it looks like today to get from one end of town to the other. We are now sitting in my neighborhood and I look at Wilkinson Boulevard and the lack of growth that we have and I think about what that potentially can look like when that streetcar replaces that sprinter line that takes you from uptown straight to the Airport. Also thinking about those that come in and visit our city as amazing as I see the ... You
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don't see that until you get uptown. When you come in from the Airport and you jump on that sprinter line, what you are driving through coming up Wilkinson Boulevard heading into town, the first thing you see is not the beauty and the diversity of our area. Yes, I'm concerned about gentrification, but I think we have a role to play in that and I'm not a fan of leaving certain conversation to future Councils for them to talk about it because unfortunately I think that is one of the reasons we are in the position we are in now was because we didn't have those conversations around taxes. I hear the concern that Mr. Cooksey has but we have no control over the county's role. We had a process where every four years they could have done an evaluation and a of people in the community called for it and it didn't happen. What we have to do to my understanding is as elected member for City Council, we have to continuously look at how we grow our city. We cannot use the fear of this additional tax is going to hurt because again I'm looking at, if you leave out of this building and turn to the right I have a community over here that has never seen an increase in their property values and their homes are valued under \$100,000 so those numbers we looked at looked at starting at a \$200,000 home, they are still paying \$800 in taxes for that home that is valued at under \$100,000. They are not seeing the benefits and the infrastructure in this neighborhood and in the surrounding neighborhood to justify what they have been paying and at some point we have to make the investments that are targeted to make sure that this core where unfortunately previous years those people were when we went through gentrification, a lot of them moved into this area so we did have a process of moving people out when a small percentage, maybe 20% or 30% of the current residents were able to stay there, but then what happened to everyone else, and I don't think those conversations really happened about what happened to everybody else. Well, a lot of them moved over here and that economic resources and infrastructure resources didn't come along when those people moved so now there has to be a way that we make an investment that is going to give back. I think a lot of times we forget that it is our responsibility to go out there in the community and explain what the process looks like. I had a conversation with a resident last week when we have the Police Station for Steele Creek opening and they were so excited and happy about it and I explained this is because previous councils through bonds helped to pay for this. That is why we have it so what we are saying that this body that is coming together potentially saying we are not going to provide that same service of knowing that it makes an impact in the community by having that Police Station wide and accessible and bold in the community, we are not going to do that because we couldn't pass a capital investment plan. Once we had that conversation about a previous Council approved this, so now it is our turn to take it forward, that changed that conversation a little, but I also reminded her we are not just saying we are going to raise taxes just for the sake of it, we are paying those same taxes because we live within the city and you have a lot of members of this Council that still go to work every day and have full-time jobs or part-time jobs. Luckily I'm in that position right now and I can focus on this, but one I'm going to have to go back to work. I'm saying I'm going to sign off to pay these additional taxes in my home that is valued at under \$100,000. I'm saying I know the importance of having it so it is not just like we are arbitrarily saying we are going to do a tax increase, we are doing it for the infrastructure that we need and if we do it the right way within 5 years we will start seeing the benefits of that because the whole purpose of being a home owner is to be able to have value and equity in your home because that is how you build wealth. That is historically how wealth has been built because that is our system and one of the ways you build it. If we are not going to invest in our community then I would hate for that to happen under our reign to say that we were not forward thinking enough and that we couldn't come to a decision to look at how we grow the entire city and not just segments.

No, I do not support the idea of identifying a special tax because we already have that idea. SouthEnd did that and SouthEnd is in a position where a lot of the residents can afford to do that. Once we make our initial investment then we can look at having those conversations. Once we get more homeowners instead of renters and more people that come in and buy low as Mr. Cannon said, okay I'll pay you \$50,000 for your house and then at the height that house was worth \$200,000 or \$300,000 so you've dropped quarter of a million dollar homes in the Wilmore community where the average home was \$48,000 to \$50,000. That adjusted people's tax rate tremendously so you have people who are generationally been in their home, and they are seeing some of the benefits, but you go two blocks over past Wilmore and you see no infrastructure investment. I honestly believe it is our responsibility to do something about it. I hope we get to a place where we can recognize a way to financially support streetcar, public transportation and the other investments that are needed in the community.

Councilmember Pickering said thank you Mr. Mayor for your introduction and laying out where we are, how we got here and particularly for your kind words about anything you might have said in the past was not intended to be personal. I appreciate that. You mentioned the three doors, number #1 was do nothing door, leaving the tax rate as it is and #2 the down payment door as you called it, specifically along the lines of what we actually need to do right now and #3 swing for the fences door. If it wasn't for the County revaluation I would be at door #3 because that is my general nature, think the big picture vision. The County revaluation really concerned me and affected a lot of homeowners and I represent all of the citizens of Charlotte and I didn't feel like I could pile on the shock that some of those homeowners felt with an additional tax increase at the 3.6 cent level. I did feel that we were fortunate in that the County was able to reduce their tax somewhat so we could raise ours to that level and have a no net increase for homeowners and that is why I supported that 2.44 rate and I still really think that was a happy medium, that was the middle ground and that was the best of all possible worlds at the time. I think it is just plain common sense, I want to do as much as we can without negatively impacting homeowners right now. If it weren't for that county revaluation I would have voted for that budget and I really thought I was going to at the outset. That is my goal, what actually needs to be done now, how much can we do. I would love to see that 2.44 cent rate and I'm open to the five years and I have no opposition to the streetcar whatsoever on principle. I love all kinds of public transportation but I do believe we need to look for alternative sources of funding, but I have absolutely no opposition to it conceptually or philosophically. That is what I would like to do, move this City forward. We cannot sit still and I absolutely disagree with #1. I have no problem raising taxes in an election year, none whatsoever. I would love to move this City forward, but we've got to take into consideration everything facing our taxpayers. I can't just kind of separate it out; I have to look at this total picture in my mind.

Mr. Dulin said last year's budget cycle as we all know was interesting. The group of six that came together on June 11th and again at 1:00 p.m. on June 25th I thought had done wonderful work, led mostly by the hard work of Mr. Barnes and Mr. Cooksey, but the six of us came together in pretty classic Charlotte manner to me, came up with a plan that I thought would have worked and that I was willing to compromise. It was the kind of work that doesn't happen in other places, so it doesn't happen in Raleigh for all these years and gosh knows it doesn't happen in Washington. That group came together with something that worked and you and I had an hour conversation on Sunday the 24th of June before the meeting on Monday. I was pleased with that work and oddly enough as things happened on June 25th some folks changed and we ended up with zero which was fine with me. One of the things we are talking about here is, the 2.44 keeps coming back up and some folks would say, and I'm saying this hypothetically because I'm not supporting today, but some folks would say okay we can go right back to the 2.44 where we had it, let's tee it back up, but others folks at the table are saying no, no, you don't understand. We want to go 2.44 and we want to change the debt. To me the 2.44 was last week's game and it is over and we are not worried about how the game went last week, we've got a game this Sunday that we are worried about, this coming year. The 2.44 might come back up but to me it is a new day and it is a new opportunity to look at it. I'm still not a streetcar supporter, but I am a supporter of the east side and I'm a supporter of the west side. I had breakfast at Bojangles at Johnson C. Smith this morning and I was on Gilbert today. What is interesting thought and I'm talking about the elected folks sitting at the table, I'm sitting at a table of my friends but I really have for the first time in a while, the feeling there really are only two of us at the table. The Republican minority on Council is really feeling the weight of that minority status at this particular meeting, but I'm sitting with my friends. This is a friendly conversation we are having.

Mr. Mitchell said can you explain what weight the Republican minority feeling?

Mr. Dulin said the conversation at the table has been from everyone it is all about how are we going raise the added revenue to do the streetcar or these others things. The only note I've taken is that new revenue sources are other people's money and it all other people's money that we deal with.

Mr. Mitchell said how does that make the Republican minority feel like you are carrying the weight?

Mr. Dulin said there are 9 Democrat Councilmembers sitting at the table and two Republicans so quite frankly you all can do anything you want to and we had two Republicans and four Democrats came together last year in what I thought a wonderful fashion to try and get something done, to get \$674 million worth of projects done in all four corners of the community. That ended up not working out so I don't mind stepping up to the next plate and let's talk about it again, but I have the feeling today that what you all are going to want to do is be able to figure it out and get it done regardless of what I have to say. You will listen to me I suppose.

Mayor Foxx said everyone is at the table and everybody has a voice and all voices will be heard.

Councilmember Kinsey said I'm going to keep my mouth closed and my ears open.

Mr. Dulin said I wish I had said that Patsy.

Councilmember Autry said I took on this position because I wanted to have a positive impact on my community, to serve my community and to serve the best interest of this City to insure that the City has a bright and stellar future ahead of it. I also had to write my escrow company a check in January to make up the difference in what my property tax value had gone up and someone who pays himself out of his own business at a fixed income rate, that wasn't the easiest task to do. It was a lot easier to ride my bicycle 10 miles over here today for this meeting and I appreciated every mile of bike lane that we have, but there was no bike lane on Wilkinson Boulevard, and there was no bike lane on Monroe Road. These are the kinds of amenities that make a community a forward moving and forward thinking community. Public transportation is a major component of that. It is what connects us, it is what keeps us vital, it's what keeps us growing to continue to build roads, to continue to widen existing roads. It is like me controlling my weight problem by just getting a bigger belt. There are better solutions, there are more sustainable solutions and I want to be involved in setting that course for the future of our City. So when we talk about raising taxes I have to write that check also, but I'm willing to do it to better our community.

Councilmember Barnes said I wanted to amplify a couple points. One point going back to the original Manager's proposal, it would have had a \$1.6 billion of economic output activity and impact on the community. It would have \$383 million in earnings impact so there is a lot in there. I only say that because I think as we talk about growing the community and developing Charlotte we should recognize the literally the blunt force of that budget. With regards to the questions that I've asked about the streetcar, I'm not suggesting that I will support a streetcar at any cost. What I'm saying is that if the numbers that they give back to us makes sense and we can actually offset a good percentage of that \$72 million on the construction side, then I'm willing to explore that. I think until we actually do that we won't know and we need to do it because we may find the situation where 25% of the money can be derived from these alternative sources. The reason that is important is because we are in fact using five different funding sources for the Blue Line and for consistency sake I think we should at least try to diversify the funding methodology for the streetcar system. Hopefully we will get the data at the next meeting and can move through it, but I'm trying to how to move forward and if we can find a way to be able to give and take that is fine, but we've got to do something because we've got to represent our City well and take care of the people who live in it.

Councilmember Howard said I'm going to try to stay where James said we should stay which is logic and try to get to the real numbers. I want to go off on a tangent about how there are a bunch of neighborhoods who didn't see anything and we can talk about that and how some would love gentrification, especially West Boulevard. What about a scenario where I think out of fairness, how do we do this, there is a Blue Line that is going to run from Pineville all the way up to the University eventually that didn't have to do an MSD of any sort to get what it got and it got that investment. I want to figure out a way to be fair to the people along these other corridors so they don't have to carry more of the burden themselves more than the people along the Blue Line had to. What about us looking at a TIF along all the lines, the south line and the line up to the University and the rest of the line. How about if we looked at a TIF on the rest of the area and that would be used in a pool of money that is used to offset the ½ cent sales tax and maybe the other sources we can come up with. That way the folks going to the University area, people that have not yet benefited on the south line as well as the streetcar on Beatties Ford Road and

Central Avenue and eventually down Wilkinson Boulevard, how about everybody be put in a TIF just like they are doing with the Red Line essentially. Essentially what they are doing is taking almost a straight shot all the way up and some of that TIF is going to be used to offset whatever other sources they can get. Is that hard to figure out if we go right off the line, the same amount of space we would go off for a PEDSCAPE maybe and go straight up Central Avenue. What would that give us if we did the same thing everywhere and put all of that into a pool that we then use with another source? That way at least everybody that has benefited from the transit line are kind of all in and not just these future lines we are talking about? Is that hard
Mr. Manager:

City Manager, Curt Walton said I don't it is hard, it would just take us a while because there are a lot of parcels. I think you raise a good point. The 2030 Plan after we get the Blue Line Extension done is pretty much ... and so I think we have a bigger problem with what we are trying to solve is the streetcar now. What you are talking about is the Silver Line, the Red Line, the streetcar, everything could be done, we'd just need a little bit of time because there is a lot of acreage to figure out.

Mr. Howard said I know we did it on Central Avenue and Beatties Ford Road already. We used the exact footprint we used with PEDSCAPE so we already know that we've come up with a plan to push density in that area. You don't go outside that area, you go to the area we've already identified in our land use plans for more density and that has been the PEDSCAPE and I know we have it to a certain extent on Central Avenue and a good bit on Beatties Ford Road too. That would be a good place to start and then also do it on the Blue Line totally and if we can get in front of the Blue Line Extension we can capture that value as it comes on line and throw it all in a pool and not do this thing where it only benefits the area that it is coming from. That is the part I think fundamentally has been a problem for me that Beatties Ford Road should be expected to carry its weight. Well, it carried some of the weight for the Blue Line too through the sales tax so how do we make that fair across the board? That's my proposal to put on the table today.

Mr. Barnes said would you include the areas that are already covered by the MSD?

Mr. Howard said I'm not sure. I think what Mr. Mitchell was saying earlier, we need to see how fair that is or not fair for the downtown because they are already carrying two MSDs.

Mr. Barnes said I would oppose that kind of taxation where you lay on a TIF through uptown and a TIF through University City.

Mr. Howard said I just want to see what it looks like. Actually a TIF works differently I think. A TIF is us giving away value. It may not even matter, but the MSD is what would be a problem. TIF is us saying we can take a future commitment and put it in.

Mayor Foxx said we can delve much more deeply once we get the staff to come back with some of the specifics.

Councilmember Cooksey said I also had some general discussion stuff that got sidetracked. I'll start with this one, as a former constituent of Councilmember Mitchell, I'm trying my dead level best not to do what I'm about to bring up. It is very easy I think for us to have territorial pride and be very concerned of our area. But a line such as my leg of the streetcar doesn't help the streetcar get to citywide and I wish I could find a nicer way of putting that.

Mr. Mitchell said I was making a reference because there was a lot of conversation and I just wanted to make sure as a District Rep, I never did get a chance to give feedback.

Mr. Cooksey said I understand but language matters in all of this and to the extent that the streetcar is a controversial project for the City to consider citywide anyway, but with language such as "my leg of it" that adds a sense of ownership that makes it a lot easier for the people who elect me for example, to say contrary to Councilmember Howard's concern about fairness, if it is your leg you pay for it and I'm not arguing that at this point. I'm talking about how we can, because eventually we are going to have to be talking about, whatever we come up with, to the community as a whole. If this is not discussed and we've repeated this theme generally in

conversation but when we start talking specifics, we are not talking about this as a citywide effort, then we are going to send 7 different districts and nothing gets funded.

Mr. Mitchell interrupted to say just a counter point. We talked collectively about funding Ballentyne and you clearly said my project and my district.

Mr. Cooksey said Ballentyne is paying for that bridge. The taxpayers of Charlotte aren't and that is my point that Ballentyne is paying for that bridge.

Mr. Mitchell said this council voted and I just wanted to make sure.

Mr. Cooksey said the distinction I'm drawing is this Council voted to allow Ballentyne to pay for its own bridge. That is the same model I brought down during the discussion topics and that is the feedback I get a lot of. By way of illustration I'm elected from a district that has not had an identified general fund bond project completed since Ballentyne was annexed 15 years ago. You cannot come to District 7 and say this identified bond project was on the ballot was built by the City of Charlotte. None exist.

Mr. Howard said how did the water get out there?

Mr. Cooksey said that is not a general obligation bond project. No voters voted on that so whatever we go to we are going to have to, we're talking general obligation bonds because the water and sewer CIP that is done, we're talking the general fund CIP through general obligation bonds and it is also a proposal that with the exception of a Police Station which may or may not make the final cut. Asking the voters in District 7 to support a general fund CIP that will have no identified general obligation bond projects to vote on and I understand that point. I have spent a good chunk of time explaining to a variety of community leaders why that is because a lot of the neighborhood's transportation projects are based on adopted land use plans and there hasn't been an adopted land use plan in South Charlotte since we adopted I-485. Again when we talk about a named project for a general obligation bond vote there are none in District 7 since Ballentyne was annexed 15 years ago. There is a reason for that but to a District 7 voter that requires a lot of education which is the responsibility of all of us. That is what is percolating in South Charlotte which is why I'm very hesitant to see the conversation going in the direction about my leg of this or my leg of that.

A quick question of the Manager based on something that was said earlier, has any policy making body in Mecklenburg County, be it MTC or this Council or any other, adopted a plan that shows a streetcar on Wilkinson Boulevard?

Carolyn Flowers, CATS CEO said in the 2030 Plan there are two streetcar projects and so the Sprinter Line is the precursor to the Wilkerson streetcar.

Mr. Cooksey said does it propose that it be constructed within the confines of the 2030 Plan?

Mr. Walton said not in 2030.

Mr. Cooksey said even when we have funding for the 2030 Plan was funding a streetcar line on Wilkinson to be done by 2030?

Ms. Flowers yes.

Mr. Cooksey said I was just looking at it and I didn't see it.

Mayor Foxx said the map I showed you came from the Plan.

Mr. Cooksey said back when the revenue was coming in I didn't realize it was funded by 2030.

Ms. Flowers said it was a precursor to the local.

Mr. Cooksey said as mention that was the information I got. Another thought on going forward in this process is I was able to compromise on the 2.44 the last go round because I could go back and tell voters that there was no net change to the property tax bill as a result of that. Now there will be a net change if we are talking about a tax increase. I want to return to an idea I brought forward earlier on the previous round and dropped and now that we are starting over I will bring it up again. Because any property tax increase will fund the general fund CIP, is solely for the general fund CIP, which will not happen unless voters approve general obligation bonds, I think it makes a tremendous amount of sense to recognize the different roles that Council and the voters in general obligation bond process, and whatever we agree to on the general obligation bonds that vote should also be a vote on the tax hike. It shouldn't be a Council vote on the tax height, then tell the voters, well we've done it already vote for the bonds. Because the tax rate solely, unlike in 2006 where it was a hybrid, this proposal is solely to fund bonds that the voters have to approve. We can't issue them and we can't do what we say we are going to do in this tax hike unless the voters approve the bonds. The voters I think should approve the tax hike.

Mayor Foxx said I'm really going to help you out Mr. Cooksey because you had the idea of the no property tax increase budget this past summer and that is what the Council did so I'm not going to count you out, but I think that is a process discussion that we need to have if you want to have it, but that discussion needs to happen after we figure out (A) what are we going to do and (B) when are we going to do it and (C) how.

Mr. Cooksey said I appreciate that. I didn't want it to be perceived that I was dropping that at the last minute that oh, now we've worked all this way and now Cooksey is presenting that. I wanted that part up front in terms of something I think we should keep in mind. Once we get to the end of this process, how do we present it to the voters and I think it makes the most sense for the voters in terms of what the voter's responsibility is versus ours to package the tax rate and the bonds together.

Mr. Mitchell said Curt when we did all them property taxes increases, what year was that?

Mr. Walton said 2006.

Mr. Mitchell said Mr. Cooksey, your proposal is to put the tax increase on the ballot?

Mr. Cooksey said basically the general statutes permits us to go voters to get permission to raise the tax rate either in general or for a specific purposes, so I would image the language would be increasing the property tax rate by X for the purpose of supporting general obligation bonds. Unlike 2006 when part of the increase was for bonds and part was for operation, this proposed increase is bonds only.

Mayor Foxx said staff had a presentation that would have laid out areas of consensus, but I'm sort of hearing a lot of things. Let me see if we can do an informal poll of sort of where we are. How many would prefer to spend our next session basically looking through door #3 so to speak, assuming everything but the streetcar in the budget and doing a deep dive on the streetcar? That is one option I think I heard articulated. The other one is that we can take the areas of departure that were in the last couple budget proposals and we can go through all the projects, the trails, the eastside, Bojangles, Dixie/Berryhill Road. We can do that but I would like to know by a show of hands which door people want to go through. Is it door #2, is it door #3, is it door #3 with the streetcar, having a separate dialogue because I heard you say Michael and you also Mr. Cannon that the streetcar is the thing that you feel like gummed things up so if we spend time on that maybe we can get to a resolution? We have to make a decision as to what happens to the rest of this stuff. A show of hands on focusing on the streetcar in our next session and leaving everything else in the budget on the table. This is informally not committing you guys to a decision, it is simply asking for an expression of direction for the next meeting.

Ms. Kinsey said is this door #3, to which the Mayor said yes.

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

Mr. Barnes said it would help people if we dig down into the individual projects because I've had folks say to me, what would \$20 million do for public/private partnership and if people want to do it that is fine, but I think for me the key issue is the streetcar.

Mayor Foxx said I think what we should do next time is come together, spend the bulk of the time on the streetcar. I do think having presentations on those areas where there was some contention between the last two budgets would be helpful. The Thread Trail, the Bojangles piece, the Dixie/Berry Hill Road, all that stuff that you all know, but I do think there does need to be a level set on those things too so we'll spend most of the time on streetcar next time. The assumption is that the rest of that stuff is stuff that folks have a basic comfort level with and if that is not the case, next time please bring your questions about those other things because the third meeting will be adds and deletes.

Mr. Dulin said with the third meeting scheduled for adds and deletes, what does that do, Randy and Curt, to our traditional schedule in the spring?

Randy Harrington, Budget Director, said it would help us in terms of planning for the spring. Obviously Council made certain guidance decisions we will incorporate that into the budget process. We would probably bring it back as a refresher in the spring as we deal with the capital program as a whole, but we would include it again as part of the Manager's entire recommended budget process.

Mr. Dulin said a couple years ago I made a run at trying to get the Centralina Council of Government out of our budget and still wish we had, but it lost so it stayed in the budget. The next year it was there and we've done this with some people that have lost funding. In the next year if it loses funding it just gets gone so this year technically those projects in the CIP last year when the budget was adopted with no CIP those projects are off the table. It seems to me that at adds and deletes if Councilmembers wants to add those CIP projects back in then that would be the place to add them back in. Just don't assume that they are there. I would think that paper work would come to us with none of them because they were not passed.

Mayor Foxx said in the spring when we start our process and the staff makes a recommendation to the Council on the budget, from there the Council then adjusts that budget to the dictates of the Council. We effectively made no decision on the Manager's budget. We didn't do anything and so the issue is now, the staff recommendation is still on the table, as still sort of the baseline, right? The adds and deletes will be matched against that, so if there is something you want to take out, propose taking it out. If there is stuff you want to add, propose to add it, but that is the template from which we are working.

Mr. Walton said that gives you a chance to focus on the operating budget starting in March and April which would be the normal first year of a two-year budget.

Mayor Foxx said so we won't worry about add and deletes on the operating budget. Okay, thank you all, this has been a really productive meeting.

Mr. Dulin said can I have the floor one more time? Just to the Councilmembers, I apologize but I have a matter that is going to pull me away from the closed session this afternoon and I just wanted to publicly tell you I'm leaving on an excused absence from the Mayor and City Manager that I cannot stay.

Mayor Foxx said understood and thank you for that. With that is there a motion to go into closed session.

Motion was made by Councilmember Kinsey, that we go into closed session pursuant to GS 143-318.11(a)(4) to discuss matters related to the location or expansion of an industry or business in the City of Charlotte including economic development incentives that may be offered in negotiations. Councilmember Mitchell seconded the motion and the vote was recorded as unanimous.

The meeting was adjourned at 1:54 p.m.



Stephanie C. Kelly, City Clerk

Length of Meeting: 1 Hour, 51 Minutes
Minutes Completed: October 16, 2012