

The City Council of the City of Charlotte, North Carolina convened for a Dinner Briefing on Monday, August 25, 2014, at 5:10 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Dan Clodfelter presiding. Councilmembers present were Al Austin, John Autry, Michael Barnes, Edmund Driggs, Claire Fallon, David Howard, Patsy Kinsey, LaWana Mayfield, Greg Phipps and Kenny Smith.

**ABSENT:** Councilmember Vi Lyles

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#### **ITEM NO. 1: MAYOR AND COUNCIL CONSENT ITEM QUESTIONS**

**Mayor Clodfelter** said we've got one substantive item on the Dinner Agenda here but before we do that we got questions about Consent Agenda items and Eric is going to field your questions and any that you haven't already turned into him; I hope that you've already turned them in and if you haven't this is the chance to get them on the table so he can work on them while we're having dinner.

**Councilmember Fallon** said yes, Item No. 10.

Mayor Clodfelter said I think Item No. 10 is on the regular Business Agenda so we don't need to pull that.

Ms. Fallon said and 18.

Mayor Clodfelter said 18 is on the Consent Agenda so let's see what we've got on that one; questions on that one?

Ms. Fallon said consistency with the City Council policy. Go to the Charlotte Fire Department serving Northlake Mall area with one Engine Company at Fire Safety 28. Now, does that end up in the budget next year or is that something that I can ask for now?

**City Manager Ron Carlee** said it is something that would be considered in the budget next year.

Ms. Fallon said alright so I made it known. You know what I want.

Mayor Clodfelter said I think you did.

Ms. Fallon said well I'm going to do it again. I need a Ladder Company up there.

Mayor Clodfelter said I think he heard you that you need a Ladder Company up there.

Ms. Fallon said and I'm not going to stop.

Mayor Clodfelter said I think we'll hear from you again so that's not something then that we need to deal with tonight.

Ms. Fallon said no, that goes onto budget but it gets talked about first.

Mayor Clodfelter said well can we leave that on the Consent Agenda since your question is for future reference?

Ms. Fallon said yes.

Mayor Clodfelter said that means the only other item you had was 21.

Ms. Fallon said 20.

**Councilmember Smith** said I pulled 21.

Mayor Clodfelter said oh you did. Well this is on Claire Fallon's list.

Ms. Fallon said I had two; it was Item No. 20 and it was the Police Cadet Program; in other words are they going to be trained as police officers or are they just an addendum?

Mayor Clodfelter said you want a general description of what the Cadet is?

**Assistant City Manager Eric Campbell** said are they actually trained as police officers or are they just used as reserve? When you say addendum-

Ms. Fallon said no; just like an auxiliary.

Mayor Clodfelter said so we'll hold that one and see if we can get an answer before we go down in the Chamber.

Mr. Smith said I pulled 21 for discussion only. I wanted to thank staff for the very comprehensive report they sent after a hand full of questions I had at the last meeting on Shot Spotter. I do plan to support it and I also appreciate pulling it out to where we can bill one year contract extension.

Mayor Clodfelter said you just want to give them a public "that a boy."

Mr. Smith said I'm going to give them the "that a boy" right here we don't need to take it downstairs. I just wanted to thank them for; they went from not much data to very comprehensive data.

Mayor Clodfelter said so the rule is you get your "that a boys" here in the more limited sessions and you get your reprimands in public. I agree with Councilmember Smith. It was really helpful to have the additional explanation on that item. I agree with him. Have we got any others?

**Councilmember Barnes** said Item No. 31; this is for traffic signal mast arms. Mr. Manager, there had been a developer request about a year ago I believe regarding some mast arms at Eastfield Road and Prosperity Church Road and at that time the developer had been in contact with C-DOT and was attempting to reuse three or four mast arms and had been told that they could not be reused so he was going to have to go out of pocket and pay for new ones and I see that apparently Duke Energy is allowing reuse. Can I connect you with him and have someone figure out what happened and why he couldn't reuse them?

Mr. Carlee said I'd be happy to.

Mayor Clodfelter said do we need to pull the item or is that just...

Mr. Barnes said no it just reminded me of it.

Mayor Clodfelter said anything else for the meeting downstairs? So Madame Clerk the only one I have that we're going to deal with downstairs may be 20 but if Eric gets an answer back for Councilmember Fallon on that one we may be clean on that one. A reminder you've got one blue ballot for a vote on appointments so please turn in your blue ballot before we go downstairs so that the clerk can get those counted. Mr. Manager, I think that's all we had other than the Arena upgrade reports so if Mr. Kimble has already eaten his dinner I'm sorry we didn't get to him sooner if he has finished dinner then it's his turn to talk.

## **ITEM NO. 2: ARENA UPGRADES REPORT**

**Assistant City Manager Ron Kimble** said we're here tonight to give you a report on upgrades to Time Warner Cable Arena. This is an item that you became aware about this past year in late winter, early spring we started talking about the contractual requirements that govern the operation of Time Warner Cable Arena. I want to say at the outset that we have quite a bit of information to share. You have documents in front of you; the PowerPoint that we're going to go through and the data that's assembled therein. There's also some flip out charts. They won't appear on the screen but you have all of those flip out charts in your materials in front of you.

We also have the University of South Carolina Economic Impact Report that has just been finished. It's at your places in front of you. We'll talk about that at the outset here but I also want to recognize Tom Murray and his staff from CRVA who are here. They were part of the City, the CRVA and the Hornets' team that poured through this over the last five months and then also Fred Whitfield and his team from the Hornets are here as well tonight. It's been a very collaborative process. There were spirited discussions and spirited debates but I think we come forward tonight to make a staff recommendation to you on the path forward for Time Warner Cable Arena and the contractual obligations that we have to meet in order to improve, repair and upgrade that facility.

Time Warner Cable Arena; there is a report in front of you; we started with an economic impact report on the success of Time Warner Cable Arena. The entire report is in front of you. I will summarize some of the things that are contained in it. It is an asset that has brought over \$1 billion of economic impact over its eight-year life. We did a study of last year, it's really the last completed fiscal year of the Hornets which I think ran from October 1, 2012 to September 30, 2013; contained in that report is documentation that we are one of 28 cities to be home to a NBA team. There are 38 teams playing in 29 venues in 28 cities because there is one that shares a facility. Our Arena is a source of pride and entertainment for both local residents and out of town visitors that come to events at Time Warner Cable Arena. It's a contribution to a high quality of life. It attracts business investment, it attracts development, it attracts jobs, it attracts visitors, it attracts people to our community and our Center City and as you know it's a national and international exposure when hosting events in Time Warner Cable Arena such as the Democratic National Convention and some other large conventions in our community which use both the Convention Center and Time Warner Cable Arena to host the number of people and visitors that come. The report from the University of South Carolina done by Dr. Tom Regan shows that it is full of activity. There are Charlotte Hornets NBA games and there were 43 games, 41 regular season games, a couple of exhibition games, there were 41 Charlotte Checkers Hockey League games, there is the CIAA Basketball Tournament which you all know about and have been supportive in a partnership to bring it here for another six years. There are other college basketball games and other college basketball tournaments that are held in this Arena and there is non-sport live entertainment such as concerts, Ice Capades, circuses, high school graduations, Sesame Street, the list goes on and on and all of those events are listed and contained in the Economic Impact Report that is in front of you tonight.

The report documents a total economic impact for 2013 for the period October 1' 2012 through September 30, 2013; \$263.16 million of economic impact for that 12-month period. Some questions that people always ask about this; that is from Arena related events, for out of town visitors that come to those Arena events and the impact of the Hornets' organization both in the expenses and operations of the Arena and the players and the team. It's all of that included in calculating the \$263.16 million economic impact for 2013. It does not count displaced local spending for people who have disposable income and can choose to go to certain events in the community and choosing one over the other the report discounts and does not count the displaced local spending that is occurring in the community. It is true out of town visitor's attendance at Arena related events at the Arena and the Hornets' operations that are related to the Arena. The employment that it generates and spends off and induces is 2,558 jobs in that report; total output again \$263 million and they documented that there are \$38.82 million in taxes that accrue from the operation of the Arena and induced economic impact. That is federal, state and local taxes all inclusive. I think the report says that of the federal government it's about \$26 million and there's about \$12 to \$13 million in state and local taxes actual direct revenue that's thrown off from operations and activities and events at the Arena.

**Councilmember Smith** said how do we distinguish between displaced income and income that is coming in from out of area?

Mr. Kimble said they go they go through a painstaking process of surveying, documenting, looking at tickets, look at all kinds of data to make the extrapolation of how many in town attend versus how many out of town and it's contained in the report the strategy that they used and the method that they used to calculate that. That summarizes what impact it's had last year. We chose not to spend the money to go back and look at eight years, but this is the most recently completed year, but the document speaks to the fact that there is over a billion dollars or

probably approaching a billion and a half dollars of economic impact over the eight years of operations at the Arena, but they did the analysis of just the last year.

**Councilmember Phipps** said those other years does the economic impact come anywhere close to this or is it within this range?

Mr. Kimble said the immediate year preceding probably would have been more because of the Democratic National Convention was held in the Arena predominately and would have thrown off quite a bit more, but this was a one year snapshot in time for October 1, 2012 to September 30, 2013. I think we are continuing to get more and more events in Time Warner Cable Arena so it's moving up the chart with the exception of that one year where we had the Democratic National Convention.

So what does the current operating agreement speak to and let's talk about the history of the agreement. It was signed in 2003; January 13, 2003. The Arena opened on October 23, 2005 and it hosted on its opening night the Rolling Stones concert in Time Warner Cable Arena. The agreement runs for 25 years, it runs from that 2005-2006 basketball season through the 2029-2030 NBA season and the City owns the Arena so we're responsible for it as a City owned building. The Hornets operate the Arena and the CRVA, the Charlotte Regional Visitors Authority performs back of house functions for which they are reimbursed by the Hornets for those services provided. There is a tether of the team. There is an injunctive relief clause which is a legal term saying that they can be sued if they try and leave or declining balance liquidated damages in effect if the Hornets were to try and leave. They have no desire to do so. This was in the agreement as protection. The tether is in place not in the operating agreement but it's in a separate Arena agreement that is also codified and speaks to that particular issue. The operating agreement has prescribed criteria governing repairs to the Arena and what we have to do as City government and how the Hornets participate in that and later I'll walk you through how those dollars come into play with the prescribed criteria governing those repairs but it also speaks to allowing the Hornets and the Charlotte Regional Visitors Authority to request improvements after seven years of operations with prescribed criteria and it then requires that if that criteria is met the City has to make those improvements. That's the way the agreement was structured in 2003 so there are some contractual commitments, some contractual obligations that will have to be met if criteria is prescribed in the analysis.

The operating agreement also includes a pay as you go capital fund for annual small capital needs and I'll walk you through how those dollars come into the equation. The pay as you go capital fund was established back in 2005 as part of the agreement. It says that the City and the Hornets each pay equally into the fund. The contributions in year one started out of \$250,000 dollars a year each so \$500,000 dollars was going into the fund in year one and each of our contributions increases by 5% a year up to a maximum of when it reaches \$500,000 dollars per year. Currently after eight years the contribution is now, because of the 5% escalation, is at \$364,000 dollars per year for each of us which is \$728,000 total going into annual maintenance and repairs for small capital items in the Arena.

I would also note that the Hornets have also spent or leveraged an additional \$6.685 million dollars in improvements benefitting the Arena over the last eight years. They did not have to do this. They have done it through leveraging their partnerships and putting some cash into improvements, upgrades and repairs in the Arena and that summary of those improvements the total to the \$6.685 million is in your packet and it appears on the next page. We couldn't produce it here because it won't show up because of the length of it and the detail on it but we wanted to present it to you and make sure that you can see the documentation that's been provided of the \$6.685 million. They did not have to do that. They have leveraged it and it goes into the Arena that we own and that they operate and that the CRVA is providing back up house services for. Diving a little deeper the City is required in the current operating agreement to make repairs and improvements to keep the Arena operational and current per the following language; if there are changes required by applicable law than the City would need to make those changes. There are none in the package that we're going to show you but that would be like Americans with Disabilities Act or local ordinances or local laws that govern the construction and the structure in governing building standards in our community. There are none, but the agreement addresses that. Secondly, changes required by NBA standards are a second place where we must make improvements if NBA standards require those improvements to be made. Thirdly, capital repairs

necessitated by damage, destruction, defects, ordinary wear and tear, obsolescence or similar causes and you can readily see that this might cause some rather spirited conversation and debate about what things qualify and what things don't qualify for inclusion in this category and quite honestly this would be where a lot of that conversation needed to take place.

Finally, after seven years the agreement says that capital improvements where more than 50% of NBA Arenas now have incorporated this particular capital addition that they're putting forth then we would have to make that improvement if more than 50% of the Arenas now had that improvement in it. To note the Arena is now entering its ninth year of operation; the 2014-2015 basketball season. The Hornets could have come forward last year after the seventh year and asked for these improvements to be considered, to be analyzed, to be worked through but they waited until this year and brought the issues forward in February of this year and we presented those in March to you and to the rest of the public and we now know what improvements they were requesting as part of the alignment with the current agreement terms, the operating agreement.

I want to update you though on two things. There is a list in your packet behind this slide; it speaks to the original amount of improvements that were requested by the Hornets and by the Charlotte Regional Visitors Authority, \$7.8 million requested by CRVA and a little over \$34 million, I think it was \$34,075 million from the Hornets, so what we released to the public at that time was \$41,915,310 that was requested back on March 3, 2014. On that sheet you'll see in one spot there's a place holder for restroom renovations inside the Arena and there are 50 public restrooms in the Arena and there was a \$1 dollar amount in the matrix that is included in your packet and the total amount of requested improvements finally after all the estimates were calculated was \$2.1 million for those restroom renovations. So really their request was not \$34,075,309 from the Hornets. It needed to be increased by the \$2,099,999 to get an accurate picture of the request that they were making to us and then the restaurant provider also had the opportunity to talk to the Hornets, the City and the CRVA about restaurant upgrade requests and their requests came in after that and their request was for \$3,870,000 of improvements to concessions equipment, restaurant equipment, refrigeration, beverage lines, the things that make the building operate well from a restaurateur prospective. The total revised request of all improvements that are in front of you and us over the last five months is \$47,885,309 and it's important to note that those requests have actually been made; they've been forwarded to us. This is the total amount that we had to deal with and had to consider and walk through. That is the capital projects fold-out list that you have in your possession and that became a key document to work through because those were the official requests that were submitted to us.

**Councilmember Fallon** said do you know how much the restaurants bring in?

Mr. Kimble said I think that would be something that would be under the Hornets' operations working in concert with the restaurateur and we don't have access to that particular data. That arrangement on how the restaurateur would fit into the overall operations was part of the original agreement and there's a separate food service agreement that governs all of the restaurateurs activities. So there's another agreement on restaurants.

Ms. Fallon said without strips what they're asking for.

Mr. Kimble said you'll see in the end where we landed on the requests that they made as it relates to those and it's not nearly the \$3.87 million dollars but they submitted requests totaling that to us.

I'm getting ready to give you the staff recommendation in about two slides but I wanted to speak to the goals that we had in this discussion of what we needed to bring forward to the Charlotte City Council tonight and it has been an active five months' worth of conversations among the CRVA, the Hornets and the City of Charlotte. The staff recommendation we're about to share with you, it creates a more appropriately sized annual pay as you go capital fund to maintain a building of this age, size, investment and importance. This is a really important building to our City, it brings a lot of economic impact, it brings a lot of events, it is part of bringing business to this community, it is part of bringing visitors, it is part of activating our landscape of our local residents as well as bringing new visitors to the community. The staff recommendation also fulfills the City's contractual obligation under the operating agreement with the Hornets and the

NBA. We would not bring something to you that we didn't feel comfortable after talking with the Hornets and the CRVA; there will be an agreement that it does meet the contractual obligation and that will be an amendment of the agreement that will come forward to you in the coming weeks and we will document that.

Mr. Smith said if it is a contractual obligation why are we voting on it?

Mr. Kimble said there are two reasons because what you're going to see in the next bullet is the Hornets are stepping up to put some of their additional money into this partnership and we would need to incorporate that provision into the amendment so that we could recognize their spending into this partnership and secondly, the Charlotte City Council is going to be responsible for appropriating the funds in order to make all the improvements that we're going to be talking about so there are at least two reasons, and maybe more than that why we would bring it to you. We would bring it to you for a full conversation about this as well so that the public could understand what's in the agreement and what we have to do under our contractual obligations. To your point Mr. Smith, it leverages participation from our private partner in both up front capital improvements in specific components and in annual fund maintenance neither of which they are required to do, but in order to bring this partnership forward tonight they have willingly stepped forward and agreed to put this kind of money that I will describe into the equation and into the partnership.

Our staff recommendation also allows for the Arena to remain competitive in retaining current events that are already being held at the Arena and it helps us lure new events to our City which thereby creates additional economic return. Finally, and this is really important it spreads out the improvements and repairs over a five-year period that enables the City to fund the improvements aligned with our current resources to bring to bear to make the improvements and to put additional money into the annual capital pay as you go fund. We obviously need to pace ourselves with the improvements based upon our available funds and the Hornets being willing to place these improvements into the system over a five-year period rather than demanding them all at one time, which they probably could do under the existing contract. We've been able to spread the improvements out over five-years making them more affordable with our funding sources to make these improvements over five-years.

**Councilmember Mayfield** said what happens in that five-year period if we run into another economic decline like we saw in 2008, 2009? Do we have protections in place in case that were to happen?

Mr. Kimble said from a funding standpoint we have done significant debt modeling on our flow of funds and our hospitality taxes and we are confident and we have run through these debt models item by item time and time again and we are confident that our debt model sustained this kind of spending over the next five years for the Arena and the additional monies going into the maintenance.

**Mayor Clodfelter** said Councilmember Mayfield's question; is that true even in a downturn?

Mr. Kimble said it is because our modeling takes into account those bumps and those cycles in hospitality revenues over a longer horizon.

Mayor Clodfelter said thanks for that clarification.

Mr. Kimble said so here is the Arena upgrade staff recommendation as synced as we can make it but there is a whole lot behind this that we'll need to walk through and make sure that we have clarity on exactly what our recommendation is. To satisfy the City's obligations under the operating agreement the City, the CRVA and the Hornets proposed to implement \$29.9 million of improvements over five years with \$27.5 million funded by the city and \$2.4 million of those improvements funded by the Hornets. A second provision on this is that each of us would agree to fund \$600,000 dollars more per year. That is each over and above what we're already putting into the capital maintenance fund, the pay as you go fund. We would each put in \$600,000 dollars into the fund each year for 10 more years because that's the kind of horsepower we need in the annual capital fund to sustain the building but the first four years of the Hornet's contribution would be pledged to two areas in improvements in the Arena. They would be pledged to upgrades to the home team locker room and they would be pledged towards to

upgrades to suite improvements at \$600,000 for the home team locker room and \$600,000 a year for three years for upgrades and improvements to the suites and all of these first four years at \$600,000 equals the \$2.4 million spent over four years for these two components in the Arena. It's important to note that we under the terms of the contract may have been obligated to pay for home team locker room and suite improvements but it's an area we don't want to delve into and the Hornets recognize that and they stepped up to fund those kinds of improvements in the home team locker room and in the suites.

**Councilmember Driggs** said could I just ask for a clarification, it said earlier in the pay as you go capital fund that we started at \$250,000 and we progressed to \$364,000 a year each and here you're talking about \$600,000. Is that in addition to or in lieu of the \$364,000 level we're at now?

Mr. Kimble said it is in addition to; the \$364,000 is going to continue to grow until it hits \$500,000. It would be layered in with another \$600,000 each. We would jointly be putting in when we reach the \$500,000 under the current formula \$2.2 million a year but the Hornets first four years of \$600,000 would be redirected to the home team locker room and to the suites so the full additional \$1.2 million per year would not be injected until year five because their first four years are redirected to the home team locker room and suites. It's the way that we found that worked for both us; the CRVA and the Hornets to have them fund those improvements that we don't want to fund. Finally, funding for the \$27.5 million of City funded improvements and the \$600,000 per year extra that the City would need to put in; those allocations would be paid from existing hotel, motel occupancy tax and rental car tax derived revenues and we'll show you how those monies come into play; how they've been used in the past and that they can be used and are eligible to be used for this particular project and to meet this contractual obligation.

Mr. Phipps said much has been mentioned about the home locker room. What's going to be done about the visitor's locker rooms?

Mr. Kimble said we will cover that and it's on your sheet. Do you have a special interest in the visitor's locker room?

Mr. Phipps said I would want to see...

Mr. Kimble said we will cover that as we go through the list of improvements that will be done.

Ms. Mayfield said going back for further clarification; so we're now looking at almost a million and your saying that we're estimating that we have the capacity to move forward possibly with tonight's proposal. We know that the Convention Center will also need some work in the very near future; what is the worst case scenario if we agree to this additional \$600,000 on top of the \$364,000 that we're already at of which that the \$364,000 is going to increase since we have a five percent increment already in place if we needed to make additional improvements at the Convention Center or any other one of the facilities that are under the City of Charlotte?

Mr. Kimble said there are different funding sources for the Convention Center than funding sources for the Arena so there is a separate set of capacity and modeling that we've done on Convention Center and you cannot use the Convention Center funding for anything except the Convention Center, the Panthers and the amateur sports that was added; both the Panthers and amateur sports added last year. There is capacity in that Convention Center fund that's growing at a rate and we can go ahead and make the improvements to the Convention Center using those funds. They are not included in this allocation. These are separate funding sources for this purpose.

**Councilmember Kinsey** said where does the \$600,000 come from?

Mr. Kimble said it's towards the end of the presentation, if you want to go there now we can, but it comes from the first 3% hotel/ motel occupancy and 1 1/2% rental car taxes, that were the predominant funding source that funded the Arena in the first place.

Ms. Kinsey said so not from the general account.

Mr. Kimble said are we ready to move on? That's the recommendation. How does it play out? In your packet you have the recommended list of capital improvements that have been extracted from the larger request list and these are the improvements that we recommend funding and we put them on a spreadsheet, we've talked about them in terms of the Charlotte Regional Visitor's Authority category, we've talked to them in terms of the Hornet's category and we have them in the restaurateur food category and we have a contingency that's large to cover the fluctuations in these. These are estimates only. If these are approved for funding then they would go to a longer design process and the cost would be refined so these are estimates at this time. That's why we've built in a rather large contingency in the \$27.5 million so that we can handle how this works when we go to design on the particular improvements. We've also gone to the extent of in the right hand column putting an X in the category that we believe these satisfy in terms of the operating agreement so you've got a column that says NBA standards, you've got a column that says improvements greater than 50% of other Arenas and then you've got one that's called capital repairs and upgrades in the third column. You can see that some of these improvements might satisfy more than one of the categories of improvement but we've tried to highlight in the right hand margin where that fits within the Arena operating agreement description. I'll slow down and let you have a chance to peruse and look at the sheet if you would like, so t I give you time for questions if you'd like.

**Councilmember Howard** said in these categories you have NBA standards, 50%, capitol repairs and upgrades and I assume that capital repair and upgrades are the cost of doing business and we needed to do anyway.

Mr. Kimble said I think they are. They also may fit the category of capital repairs from obsolescence wear and tear but it becomes a debate at that time. It becomes a negotiation so it can be cost of doing business and keeping the Arena in tip top shape to lure additional events here too.

Mr. Howard said I would love before we vote on this next week to know what that number is because some of this is just separating out the fact that we need to keep the building in good repair and I'd like to know if that number is separate and apart from the request.

Mr. Kimble said we can take our best stab at it knowing that some of them fit more than one category in making an assessment what it is.

Mr. Howard said just split it with them, but it should be in here because we need to know what the real number is to keep up a building of this size.

Mr. Kimble said I would also note that on the next two pages behind this I believe are pages that relate to the NBA standards checkmarks and the ones that would relate to the greater than 50% of NBA Arenas have this improvement in it so that you can the data that we've analyzed; the type of conversation and debate that we had amongst ourselves and bringing forward documentation that justifies meeting the criteria in the agreement.

Mr. Howard said just knowing a little bit of the history about the way all of this works; a couple of years ago there was - one of the reasons why the old Coliseum didn't work was because it wasn't set up with suites. That was just a new trend to have suites. Are there any new trends going on that we should be aware of that should give us some concern that is bigger and above just kind of keeping a building that's current?

Mr. Kimble said I have not been made aware of any trend that would say we need to be doing something differently than what we're doing but there may be others in the room who have more knowledge of cutting edge or latest trends but I think we're doing the right things. I believe there are 58 suites in the Arena; 60 suites in the Arena so one of the things is to make sure that you have enough of them or that you might be able to combine suites into larger suites.

Mr. Howard said well it's not a suites thing as much as is there another trend thing?

Mr. Kimble said well if you get to that then technology is a big thing on how you're going to compete in the Arena and in stadiums around the country against the person who just wants to sit at home with all his or her gadgets, technology, devises and how you can make sure that we're



luring people to a place they want to come and making it a great fan experience but also creating the economic impact that you want. A lot of this is addressed in the operating agreement as it relates to technology and there are cutting edge trends in technology that are really, really big. At every event, not just for NBA games, I'm talking about for everything, concerts, Ice Capades. I think eventually it's going to be technology that maybe is at your seat as opposed to on the screen and in the ribbon boards but that's another innovation and another thing to come. Its technology that I think is the ever changing thing that we need to be on top of and I think this does it with the technology that we're talking about.

Mr. Driggs said I think we need to recognize this is actually a fairly controversial proposal and some of the controversy is more general in nature. It has to do with the fact that a lot of people in town don't understand the need for arrangements like this in the first place; why this can't be done by the private sector as a for profit enterprise. What I'm curious about is for one the partnership we have with the team does not include any disclosure of the team finances to us so we're partners making investments in something and not really knowing anything about the economic performance of the thing. The terms of the deal are that the team hosts other events at the facility and realizes the benefits from those as well as occupying it itself for free but that's a deal that we did and I understand that we did it at the time under circumstances that made it something that we were prepared to commit to. More currently from conversations I've had with the staff, the debt that we have to incur to do this soaks up just about all the capacity. In effect the way the debt calculation is done and I agree with the conclusion that we have the ability to service this debt, but it's done in such a way that our capacity is basically looking out ten years pretty much used up so we borrow this money and our coverage ratio is anticipated to go down to a 100% margin which is the lowest level we want to entertained. It does raise the question in my mind as to what flexibility we have for other events so although I realize the staff did a good job in negotiating with the team to obtain this result compared to the initial one I still feel that it puts us in a quite a stretch position financially. Finally my question; have you established what the minimum is that we have to do legally? What is the smallest amount that we could actually spend to satisfy the terms of the contract and is the number that's proposed in excess of that?

Mr. Kimble said excellent question and I would not be standing in front of you today making a recommendation if I didn't feel this was the lowest amount necessary to meet the contractual obligations of the City on this contract. We've been through a lot of gyrations, a lot of debate, a lot of discussion, a lot of back and forth. I believe that this is a reasonable, rational in meeting the contractual obligations of the City and that opinion is a staff opinion. That is not a Council opinion so that is being brought to you today as a staff opinion but I have had staff from the City and engineering staff, from the attorney's office, CRVA, Hornets, everybody diving into this and we have carved it, split it, diced it, the Hornets have given to spread these improvements over five years and we believe this to be a package that meets the contractual obligations in the operating agreement but that is an opinion; that is staff recommendation.

Mr. Driggs said to a certain extent we have what for some may be a tough choice recognizing that we need to honor our obligations and on the other hand not necessarily liking the fact that we have to commit this money this way. I think in the future if we had some sort of sinking fund capacity to anticipate obligations like this rather than being in a position we're currently in that would be a better way to report it. Again, I recognize that it's a contractual obligation.

Mr. Kimble said I would follow up and say there may be more than one way to meet the contractual obligation but this was the best way that we found and it also keeps the Arena economically sound and economically and functionally competitive to lure new events and retain the current events going back to our goals that we had going into the negotiation discussion, debate, whatever you want to call what we did for the last five months. There would be more than one way to skin this cat but we believe we have found the best way within our resources also to make these improvements if you so vote them in the future.

**Councilmember Barnes** said Mr. Driggs and I had a brief conversation earlier about some of the issues that you just mentioned. The first issue from my perspective that we have to consider Mr. Driggs is the fact that we do own the Arena. We inherited the situation, I recall all of the conflict and consternation and weeping and gnashing of teeth in the general public years ago when the Arena was approved. We inherited the contractual obligation, it's a facility that we own and the Hornets actually have made substantial contributions to the operating of the facility so

they're not necessarily there for free and I think by moving from \$47.8 million to \$29.9 million or so there has been something of a reduction in the amount of obviously almost \$20 million of reduction in the amount of asks versus what staff is recommending. I think that the work that Mr. Kimble has done and our other staff members to arrive at a package that includes capital improvements that just maintain the quality of the facility in addition to improving the facility to the point where it's competitive of the other NBA Arenas is to be applauded and I'm going to support it because one there's a contract; two we own the building and three we don't want to be in a position where we take the asset it's generating; about \$236 million in economic impact and allow it to deteriorate and become obsolete.

Mr. Smith said I've got a couple questions. First, do we track events, when we're talking about the competitive nature of other Arenas for events that are not Hornet related, do we track events that we lose to Raleigh and/or Greensboro?

Mr. Kimble said I'm glad that you asked that question. The answer is yes and we visited Greensboro's Coliseum two weeks ago and they've just finished a \$17 million upgrade to Greensboro Coliseum as part of a larger \$25 million upgrade to their complex but \$17 million went it and yes we are tracking what we lose to them as well as what we're trying to do to compete with them.

Mr. Smith said do we lose more, this is sort of subset of that question, do we lose more individual events or do we lose for example say the ACC Tournament or things that are kind of multi-layered type of events so do we lose. I love to go see the Ice Capades when I was a kid; do we lose those types of events or larger scale multi-layered events?

Mr. Kimble said it can be on a scale depending on what kind of event you're talking about. For instance if a concerts only going to make 1 stop in the Carolinas then you want to be as competitive as you can to make sure that stop is Charlotte so you may have to compete with others in the Carolinas for that but there may be other national touring shows that are only going to stop in three places in American and how you need to compete with those is different than others so it kind of all over the board but we need to make our Arena as competitive as we can.

Mr. Smith said I would have loved to, and we won't cut through item by item now, but I would love to see what we're missing out. Looking at the lower level seats and some of those requirements; I see we ranked 29<sup>th</sup> out of 30 for quantity of lower bowls. How do we rank in general size compared to other NBA Arenas? Where do we fall on that spectrum?

Mr. Kimble said I did not give that, Mr. Whitfield do you know the size of our facility compared and where we rank?

**Fred Whitfield, Hornets Sports & Entertainment** said yes our facility is about the same size as most NBA Arenas but our Arena was in-virtually built. We have 6,900 lower bowl seats and especially with college basketball tournaments and you mentioned the ACC Tournament we're thrilled that we were able to steal a year away from Greensboro, my hometown in 2019. Our goal is to try and bid for more of those tournaments but lower bowl seats become very, very important to college basketball tournaments and other events as well.

Mr. Smith said do you think that luxury suites count in the lower bowl seat total or is it purely just the seats?

Mr. Whitfield said the Founder's Level seats and suites do count as part of the lower bowl seating but they aren't considered in the 6,900 but we consider them more in the lower bowl.

Mr. Smith said how many seats do we need to add to get back to –

Mr. Whitfield said we're going to try to add about 500 to 600 seats. We need to obviously have engineering done but we've been told that we could add approximately 500 to 600 seats which the ACC has told us any additional lower bowl seats is very attractive to them and I just use them as one example. Clearly we're making bids to the NCAA Tournaments to hit the road; we have the second and third round coming next year. Again, lower bowl seats are premium. What conferences have found is it much more difficult to sell upper bowl seats and if you have been to

an ACC Tournament recently you'll see a lot of open seating in the upper bowl and that certainly doesn't appeal to the Atlantic Coast Conference or any college basketball tournament.

Ms. Fallon said it is my understanding that we have not gone outside the contract to do other things. This is contractual and we must keep our word within the contract for the improvements.

Mr. Kimble said the answer is yes we have done our best to make sure that everything here is contained within what we should and have to do contractually. There can be debate about that issue though because of the language in the capital repair. It speaks to destruction, defect, obsolescence, normal wear and tear and so those are judgments being made about those things but we believe that we have made correct judgments and assessments and also looked at the other things that we want in our Arena.

Ms. Fallon said so those are judgments we've made to keep current an asset that we own?

Mr. Kimble said yes.

**Councilmember Autry** said with this staff recommendation are we putting the integrity and the soundness of that building at risk at all by not looking for something else?

Mr. Kimble said the agreement speaks to our musts and mandatory that we keep it in sound structural HVAC, back of house, chillers, the structural integrity, the roofs, the outside, it speaks to that and that's what we have to do and we're doing in this so that this building is functionally strong as a result.

Mr. Autry said unless that's the assessment of Engineering and Property Management and the CRVA and everybody that we're not short shifting the integrity of this building at all by what staff is recommending.

Mr. Kimble said I would ask Jeb Blackwell, our City Engineer to stand. They've been part of the team, Jeb William and Jeff Furr have been, one of them or more of them, at all the meetings that we've had because we needed the engineers there, we needed finance people there, we needed legal people there so we've had a strong team looking at this as hard as we could and as you would want us to and CRVA brought their resources to the table because they are the eyes on the Arena for us every day because they have offices in the Arena by virtue of the arrangement of the agreement that they provide backup house services so they've been at all of the meeting and involved in all of the discussions.

Mr. Driggs said you mentioned that there's \$39 million I think in total tax receipts; federal, state and local. Do we do the analysis of what proceeds there are directly to the funds from which this debt is being serviced as a result of the investment?

Mr. Kimble said I think we could take a stab at that based upon the University of South Carolina professor to see what kind of infusion of actual dollars would go into the funds. Is that what you're asking?

Mr. Driggs said it just that would be a cash on cash type of thing within the funds beside from the other benefits.

Ms. Mayfield said looking at the capitol projects and repairs, I need you to assist me with this contingency line and what exactly is this contingency that is over five years; \$2.15 million.

Mr. Kimble said that's about an eight percent contingency on the total amount of capital improvements repairs and items that will be done over a five year period. That's a reasonable amount especially knowing that these are estimates at this time and more design work needs to go in to make sure we've got firm costs. The contingency is there to make sure that we can do all the things that we're trying to do on the list with an adequate buffer and contingency that can be allocated in the proper way after we do the full design. It's to be sure that we can complete the projects that are on the list.

Ms. Mayfield said so will Council receive updates of the actual breakdown because what we're looking at is fiscal year 15, \$150,000 and then going up consistently to \$500,000 each additional year so contingency would love to think it would come in a lot lower than what we're identifying but if it comes more so are we looking at change orders, are we looking at the actual break down so that we as Council can go back and speak to our constituents as far as how is exactly was this money spent?

Mr. Kimble said we'll be glad to set up a reporting system that can report back on the improvements that we're going to make and how we allocated it. The reason why the contingency is so low in the first year we're only doing \$2.1 million, I can't remember the number; I don't have it in front of me on my chart; you have it on your chart, and then they move up and you have more significant expenditures and you have to refine those estimates to get to design in those later years so the contingencies match against the improvements that are being done each year.

Mr. Smith said what happens if we come in under budget? What happens to the \$2.1 million in contingency and then conversely what happens if these are estimates, what happens if we come in above budget on the money that's allocated?

Mr. Kimble said I think that's a discussable item. We are intending to recommend to you that we allocate \$27.5 million dollars to this set of improvements and we fully expect that when you get to design there's going to be ratcheting of those estimates up to final costs. We don't think there will be any but that is a discussable item. What we do with anything that might result from and what do you do if your costs go over; how do you scale back another project in order to bring it in at the \$27.5 million dollars. That's a good question and we're still having that final discussion with the Hornets prior to coming back to you for action.

Mr. Smith said I appreciate all of the hard work you've put into this too so thank you.

Mayor Clodfelter said the thing about some of the questions that Council has asked prompted me to think about this; is there a subsequent trigger point under the agreement coming up and when will the next trigger point be for this exercise?

Mr. Kimble said we're still finalizing that. It could be at least after five years because these improvements carry us along this spectrum for that time period and we're still working through how it will codified in the agreement that we bring forward to you in a couple of weeks.

Mayor Clodfelter said there would be a future revisiting as we are doing now?

Mr. Kimble said yes.

Mayor Clodfelter said that's a pretty material term. When will you know that; certainly well in advance of the schedule for Council action?

Mr. Kimble said remember that the provision after seven years was the one about more than 50% of the NBA Arenas. We have an annual obligation to do capital repairs and we're preempting that by the schedule that we're talking about and the things that we're trying to do here we've got to get the language exactly right but we understand your issue and we will be discussing that over the coming days.

Mayor Clodfelter said I think it's an important issue and I think it goes to some of the questions that Councilmember Driggs has raised in thinking about the questions he did ask. What struck me was that if you step back from the snapshot picture of where we are today and what we're looking at doing right now and you look back at the nine year history it's pretty remarkable that nine years ago they were able to set up a financing structure and make the contractual commitment they've made that has worked out over nine years and not only has worked out well over nine years but has put us in the position today where we have sufficient funds available from existing revenue sources, not including the property tax, not including the sales tax and not having to go to Raleigh to ask for additional money. We have enough existing revenue from what they started out with in 2003 to meet the commitment nine years later and carry forward with the future. That's a pretty darn good piece of stewardship whether you approve this or not.

What prompted the question really is when's the next look that we've got to do because that's what I think Councilmember Driggs' question is going to be in the same good position the next time we have this discussion however many years out in the future, as we are in today.

Mr. Kimble said excellent point, and we are trying to be accountable to what you asked us to do nine years ago and what you're asking us to do today is be accountable for this next subsequent period.

Mayor Clodfelter said I'm asking you exactly that. I think you are accountable for what was decided nine years ago. Your recommendation shows that. We're asking you to be as foresighted today as they were then.

Mr. Kimble said now the funding sources; Ms. Kinsey asked an earlier question; where is the \$600,000 per year coming from? That's coming from the same fund where the three percent occupancy and one and half percent rental car tax funded the original Arena and it also funded the amount into minor league baseball; the Charlotte Knights. That was \$725,000 dollars over twenty years that came out of this same fund for the nights but there is sufficient capacity in that tourism one fund to pay for the \$600,000 a year for 10 years and the higher amount of annual pay as you go capital for the Arena. The other funding is coming from the tourism two category and we need to be clear on this don't we Mayor.

Mayor Clodfelter said yes we do.

Mr. Kimble said because the Mayor was in the State Senate when this happened but it was an extra rental car tax of five percent levied by Mecklenburg County; it's called the you drive it rental car tax, four percent of it funded the debt on the Arts and Cultural facilities and the Council had a robust discussion many years ago about where would the other one percent go and it went to roads so the five percent must go into transit and the dollars that it frees up in transit can be used to fund four percent to be used for hospitality and tourism related asset development and one percent of it goes to roads. That was a very transparent, open discussion many years ago. It was an active debate; it involved the county, the city, the state and the hospitality industry to determine how that money would be allocated. There is a partnership with the hospitality industry on this four percent.

Mayor Clodfelter said the rental car industry?

Mr. Kimble said on the rental car, yes and that has sufficient capacity in it to fund over five years at the pace of spending that in the plan that we presented to you tonight. Next steps, provide the additional information that you've asked for tonight and make sure we give that back to you quickly and then the tentative schedule is for September 8<sup>th</sup> Council Agenda for consideration of the Amendment to the Arena Operating Agreement, the documents especially the Hornets willingness to put money into the equation because that has to be codified and then consideration of likely a five year capital budget that would allow these appropriations to be made for these set improvements that are here presented tonight. There'd be two components probably under one action but under two components.

Mayor Clodfelter said very clear.

Mr. Kimble said I want to thank the City staff that is really come to the table to work on this so hard predominately in Engineering, Finance and the Attorney's office. Scott Grier, Cindy White, Jeb Blackwell, William Hass and Jeff Furr; they were there for most of the meetings, the Bobcats have stepped up, the CRVA has stepped up and this has been a spirited conversation and it remains a partnership today and we're thankful for that.

Mayor Clodfelter said Ron, let me also volunteer you because you've already met with at least a couple of Councilmembers and the finance team as part of the team to go through in detail the funding flow of the revenue projections and the funds flow over the period of this and beyond and I'm sure you would be available to anybody else who wants to have the same exercise.

Mr. Kimble said absolutely.

Mayor Clodfelter said any other questions? If not we'll go back to the top of the agenda and we only had one question Eric on the Consent Agenda and we'll see if you've got an answer for Councilmember Fallon on that. Not just any answer but an answer that satisfies her.

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**ITEM NO. 3: ANSWERS TO MAYOR AND COUNCIL CONSENT ITEM QUESTIONS**

**Assistant City Manager Eric Campbell** said yes I do have an answer. Councilman Fallon had a question regarding the Police Cadet Program that was part of the 2014 Justice Assistance Grant Program. The actual Cadet Program is a program set up for eligible college students to work within CMPD. There are assigned throughout the department. Part of the goal of the Cadet Program is to get them interested in law enforcement as a profession before they graduate from college. They currently have six participants in the program. It has a maximum of nine; this grant would increase that to 10 participants.

**Councilmember Fallon** said thank you.

**Mayor Clodfelter** said does that take care of you?

Ms. Fallon said absolutely.

Mayor Clodfelter said if that takes care of it Madame Clerk I don't remember that we had any other items to be pulled.

**City Clerk Stephanie Kelly** said no sir.

Mayor Clodfelter said okay. Mr. Manager, anything else for dinner?

**City Manager Ron Carlee** said no sir, I think we can work our way to the Chamber and actually start on time.

The meeting was recessed at 6:17 p.m. to move to the Council Chamber for the regularly scheduled Business Meeting.

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**BUSINESS MEETING**

The City Council of the City of Charlotte, North Carolina reconvened for the Citizen's Forum and Business Meeting on Monday, August 25, 2014, at 6:30 p.m. in the Meeting Chambers of the Charlotte Mecklenburg Government Center with Mayor Dan Clodfelter presiding. Councilmembers present were Al Austin, John Autry, Michael Barnes, Edmund Driggs, Claire Fallon, Patsy Kinsey, LaWana Mayfield, Greg Phipps and Kenny Smith.

**ABSENT:** Councilmember Vi Lyles

**ABSENT UNTIL NOTED:** Councilmember David Howard

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**INVOCATION AND PLEDGE**

Councilmember Driggs gave the Invocation. Boy Scout Troup #9 from The Cathedral of Saint Patrick led the Council in the Pledge of Allegiance to the Flag.

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## CITIZENS' FORUM

**Mayor Clodfelter** said I want to start by saying though before we begin we do have a special guest speaker tonight and I want to acknowledge him before he even comes down to talk to us about his topic. We have former Mayor, Eddie Knox; my first Mayor when I came to Charlotte; he was the Mayor of Charlotte when I moved to town and also Frances Knox is with him. We're always glad to have you back here and any time you want to sit in the chair again, Mr. Mayor you're welcome to do it.

### **Heathrow on Harris Homeowners Association Request for Garbage Removal**

**Mike Basso, 8542 University City Boulevard** said I have with me Clarence Gibson; we are Board Members of Heathrow on Harris and we're here to discuss refuse removal for our Association. It was very nice of communicating with Ms. Ellen Price who was very nice to us and came to our community and checked out the area for solid waste removal. We understand there are only two alternatives; one being dumpsters and one being roll off containers. Ms. Price came and looked at the area and said we definitely do not have any room for dumpsters so we'd like to ask you guys to consider providing us with roll off containers. We will assign four specific areas within the community so it would be a lot easier for the refuse removal companies to come and remove the garbage from all four areas. We have approximately 100 units and we'd like you to seriously consider having refuse removal for our Association. Thank you.

Mayor Clodfelter said thank you Mr. Basso and you've been in conversation with Ms. Price and I'm sure their probably already at work on some options.

Mr. Basso said yes.

### **Charlotte Zoological Park Presentation**

**Robert Mussen, P.O. Box 472751** said I have waited eight years to be here in front of you to tell you where we're at on bringing a Zoological Park to Charlotte. As you can imagine there's a lot of moving parts to a big project like this and if you've picked up some of the news that's here and there we've said from the beginning that we would do this without tax dollars and we sincerely mean that. I come before you tonight to just really bring you up to speed on where we're at and ask for your support; not financial but just public support. We've worked eight years hard to try to bring this thing together and I'm proud to say that Crescent Communities who's a big supporter of us has made available 110 acres for purchase on Lake Wyle, west of the Airport which is one of the most underserved areas in Mecklenburg County. We've put together a report that's over 108 pages. This is the executive summary that I've given you and e-mailed you, as the Mayor has indicated, that outlines the market analysis and economic potential why a zoo would work in Charlotte. I'll also add that Charlotte Mecklenburg County area is the largest area in the country that does not have a zoological park.

The first question that comes to mind is why do we need a zoo here; we have one in North Carolina in Asheboro, we have one in Columbia. Well I'll tell you why. North Carolina Zoo was an idea of the Rotarians back in 1967. In 1973 they decided to build a zoo in North Carolina. Freda Nicolson who headed up Discovery Place tried to bring the zoo here where the tobacco plant was up near Concord. Raleigh didn't want the zoo and of course the purse string fight got in the way and a textile person, a business person put up a 150 acres in Asheboro to build a zoo there. The problem with that is that the resident market doesn't exist in Asheboro. David Jones who's a super guy, that's the director, has spent 20 years trying to make that zoo work. He's never accomplished it financially. It costs taxpayers roughly \$10 million dollars a year to subsidize that zoo. We've met with David and asked for his support and said we would work with him.

A zoo will work in Charlotte. We have that report. It will be economically sustainable after it's built. How are we going to get there? The citizens of this community will support a zoo. Zoos are typically supported by memberships, by the community, buy memberships in advance. We feel we can raise anywhere from \$20 to \$60 million dollars by getting public support in advance. To do this though we need land and we need the support of the community, the leaders like yourselves to say this is good for Charlotte. We have the proof in the report that's forthcoming;

it's just being completed and gone through and the I's dotted and the T's crossed and we'll make it available in probably about a week that you can read through and it's essentially a business plan. It tells you from top to bottom why it will work here. In fact, it should throw off a profit. We've talked to David about possibly working with them to help them out financially as well and get the burden off the tax payers.

Mayor Clodfelter said Mr. Mussen I'm going to have to call time on you unfortunately. We're going another report from you within a week or two?

Mr. Mussen said yes about a week we should have the full report and we'll send it to you.

Mayor Clodfelter said I think this is going to be a longer term discussion than just the three minutes tonight.

Mr. Mussen said it is and I entertain that. I'm open door. Thank you for your time.

### **Charlotte Streetcar Project**

**H. Edward Knox, 817 East Trade Street** said I want to talk to you tonight about Trade Street. Trade Street has been something everyone's been working on and interested in but it's been somewhat of a nightmare for us. I'd like to have the people who are here that have been inconvenienced by the construction to stand if you would. These are bonding companies and law firms that I can tell you they have all been put out by what we've had to go through. For weeks there has been no activity in front of our office except to be closed down. We sent numerous requests for information.

We were informed last Thursday by the foreman that they were trying to make some progress and he went through several proposals that he'd like for me to consider and I told him that I was not an engineer, not a construction foreman, just please finish it and move on up the street. I don't know yet why that the construction occurred in front of the police station and City Hall first when they don't even have an entrance to either front side so we've sort of been singled out. The row of condominiums, our law office, the next law office and two bonding companies have just been stagnated by the ability to get to our office. We've watched this go on for months and months. Ms. Knox has made a series of pictures that I think the Clerk has them if you'd pass them around I'd like for you to see them to show you the delay that has occurred. In July of last year, for example, there are pictures there that show you May 22<sup>nd</sup> of 2014. After much extended delay we have the August 8<sup>th</sup> pictures. Things were really getting bad at this point because we were told when they moved up in front of our place and shut it down it would be a month and we're in the eighth week and we're still not able to get into the office so we complained and I'm sorry but it was necessary.

Thank goodness Friday was a big day. Friday they did some construction there, thank you for asking me about it and they opened up our entrance but I want you to understand, and I know you do, as members who represent the City tax payers that this is truly a problem when we pass something that progress and hopefully it is but it encumbers those who have been here longer, who have paid their taxes that make all of these things happen. I would like to also tell you the last picture is today of our front door. A car pulled up right in front of our front door, Ms. Knox came downstairs and much like a Hardee's or McDonalds or Bojangles there was a car sitting on our brick sidewalk parked right there. People have been driving over but there are replacing this sidewalk and that's going to help.

Mayor Clodfelter said Mr. Mayor I'm in a lose-lose situation here. I'm going to be in trouble with my Councilmembers here or I'll be in trouble with you.

Mr. Knox said okay I'll summarize. I want to give credit to Mr. Thornton who helped us and today we had three members of the City come and see us and met with us. We had a chance to talk to them and we understand some of the complications of the construction but I can tell you this don't forget the people who pay the taxes got here before the trolley so thank you for doing that.



Mayor Clodfelter said Frances are you going to want to speak? Then I'll let the Mayor take some of your three minutes then that will be alright so that way I'm not in trouble with these folks okay.

Mr. Knox said my wife, she wrote some of this for me so let me read this letter. She said we have endured porta johns, trash cans in front of our office doors, cars parked on our sidewalks, staff talking endless hours without working and it's been difficult to direct our clients through the maze. You might know I'm older and many of my clients are older and some of them have pulled up and called me and said I can't find your place; I'm going back home. She did write this; I thought this was pretty good; as a farm boy at heart the old proverb which came first; the chicken or the egg? I remind you all that we collectively here tonight as business men and women came first. Please make sure that the project stays on the track. Thank you.

Mayor Clodfelter said and I know that at least we got one driveway opened and so I'm sure there is going to be diligent follow up on this to try to get everybody else's access restored as quickly as we can. Thank you for calling that to our attention.

### **Silver Oak Apartments Eviction**

**Erik Johnson, 6533 Monroe Road** said I'm here on behalf me and my fiancé. I'm here from the Silver Oaks situation. Mr. Autry knows me because I spoke to him and Mr. Aubry, something has to be done about this. That's all I can say to ya'll Mayor and stuff like that. We're living homeless. We have this eviction on us because I paid these people and stuff like that. Something is just not right. I don't want to break down and stuff like that. Something is just not right with this system. We're living damn near homeless because of this eviction. Mr. Autry knows and Mr. Aubry knows what I've been going through over 18 months dealing with these people and I'm not asking nobody for no favoritism. I pay my way but to be living down here like this is just not right. I have way more documentation and stuff like that. I'm out of thousands of dollars dealing with these people and they done took my money. I've talked to Mr. Goode and everybody and I'm damn near homeless. I'm living in a hotel and it's just not right. My health is deteriorating and my female friend, my fiancé health is deteriorating. You are giving these landlords too much power to do certain things to tenants who are willing to pay. They can come to court. I done been to court, I done been to Judge Judy, Judge Mathis; they don't even want to come to court. I done been to mediation; nothing. Nothing is getting done. Something is not right with this. I don't even need three minutes because it comes to common decency. Common decency, Mr. Autry knows I spoke to him over a thousand times. Some things not right here Mayor for a landlord to take your money and put an eviction on you and they can't come to court or nothing like that and nothing is not been done. Why you got to be living like this.

Mayor Clodfelter said you paid your rent?

Mr. Johnson said yes.

Mayor Clodfelter said I'm sure Mr. Autry is been looking into this.

Mr. Johnson said I done been all over Charlotte. Mr. Autry knows my story and Mr. Aubry knows my story.

Mayor Clodfelter said well thank you for coming to tell all of us tonight and I'm sure what we'll do is figure out what we can do to keep you from being homeless. That's the last thing we want for anybody. John, we'll talk about this one and we'll follow up okay.

**Councilmember Autry** said yes.

**Councilmember Barnes** said Mr. Mayor would you share that follow up with the rest of us please?

Mayor Clodfelter said oh yes. I think we discussed that at the last couple meetings and I think we've been getting memos from the Manager about follow up on speakers who do come down to address us. I think that's a good practice and we'll continue it.

### **Probation and Parole**

**Richard Benedict, 1744 Wilmore Drive** said I've come here to talk to you about parole and probation on an un-light side. For years now we've been working with the prison system out of Goldsboro, America House of Hope Ministries have been taking people in that the state cannot find housing for. We take these people free of charge. They either deliver them to us or we even send somebody up to pick them up but recently under the rule of Mr. Tracy Lee this has come to a halt. He'd rather see them go to the shelters. He'd rather see them sit right there in poverty, he'd rather see them go right back to the mess that started them going to where they were before they went to prison than to have a Christian based program take them in free of charge and house and feed and clothes them and get the reacquainted with their families and get steady on their feet. We find this to be an obstacle and going against what the Department of Corrections stands for; corrections and rehabilitation. How you can you rehabilitate somebody if you put them right back in the fire? We find it very unproductive.

We offer them life skills, we offer them job training, we offer them free housing, we offer them a chance to get their life back on the ground where you can't get that at the shelter where the put you out at six o'clock in the morning and you're not allowed back in till four o'clock. They're left to their own devices, their property has to be carried back and forth and they have no way to do anything because they don't have a place to store things. They don't have a place to do resumes, they don't have a place for internet access unless they get to the library and it you can't even use that unless you have an ID card and a library card. What he'd doing is hindering the rehabilitation process and we've offered them this free program at no charge like I said and we turn around every single time and we've been doing this; I've had people from Goldsboro, right from the Superintendent on down call us. Can you take the family that the last moment said no. Yes we will; no problem. We've got people on ankle bracelets, we have people that other facilities, Charlotte Rescue Mission, Salvation Army wouldn't take because they have open warrants or on parole or on ankle bracelets but we take them. Now Mr. Tracy Lee finds it - but well it behooves me as to why he would have any reason to not put them in something that's productive and leave them on their own whiles and this is something I would like to have addressed and have checked into because it makes no sense. It's no good to have intelligence if we don't have common sense and it's since my people are destroyed for lack of knowledge because we're rejected knowledge and what he's doing is very unfathomable and please look into it and see what we can do to get this back on track. We look forward to still working with the State Department and the State Corrections Department and getting people back on their feet and this is all we're trying to do and I hope you can give us a help.

Mayor Clodfelter said thank Mr. Benedict and obviously probation and parole are a state function but we'll do is have some discussion with the members of the legislative delegation from Mecklenburg County and bring this to their attention and see if they can intervene perhaps.

Mr. Benedict said thank you because he's in charge of District 26 which is Mecklenburg County.

**Bruce Little, 1744 Wilmore Drive** said most of you all know my name is Pastor Bruce Little. I am the Founder and Pastor of the Miracle House Hope Ministry here in Charlotte. Our number one mission is to take men and women that are struggling with alcohol and drug addiction, battered, in and out of prison. It's those people that we try to take. We bring them directly into our ministry which we run nine properties out of the Wilmore community at this time. We bring them directly inside our facility and for nine months, nine days, nine hours or however long they stay there we try to get them to change their life around but we do it with the word of God. It doesn't cost them anything to come to the ministry however here recently I've been having a little trouble with probation and parole and the reason why we're bringing it to the City Council is because we know this is aired publicly so somebody might be able to help us and the thing that I'm having with Mr. Tracy Lee, he is the District Manager and his district includes the City of Charlotte which is Mecklenburg County so I'm bringing it here first. I spoke with Mr. Tracy Lee several times. He said that the Miracle House of Hope was not a feasible program because of our fundraising efforts as everybody on that board knows we're the ones that are out, we in the parking lots, we're in the stores; we're asking people to help us out because we're not a government funded facility, nor state funded, nor city funded but yet and still we're housing 35 people that would be homeless. We're feeding them three times a day, we're clothing them. When I spoke with Mr. Tracy Lee he said that well we're not doing that because you guys are

pan handling. I said well okay Mr. Lee I've got employees that's willing to work with me right now, I've got a construction company that's willing to say listen if you can get these guys out of prison I'll get them a job so I recalled Mr. Tracy Lee and I said listen I got guys that are going to give these offenders a job because it's nothing like coming home to a faith based program no matter what other person thinks it's nothing like Jesus to transform a person's mind and that's what we offer. I spoke with Mr. Lee, told him about the employee that said he can take employees from the Miracle House he told me that any type of paperwork that is needed that he would furnish it for me. I called Mr. Lee back and he refused to speak with me. He said that the City and Mecklenburg County don't want to do business with the likes of me. That's actually what he said and I said well listen can please with your immediate boss sir because it's not about me and you Mr. Lee but it's about the guys in prison that's wanting to come home to a life worth coming home to and we're providing Jesus and the guy will not give me his immediate supervisors name. He would not give me any information on how I can bring my housing program up to par where I can fit the requirements to get these guys out of prison and that's why I'm here today is to get some information from somebody. What can I do to better my housing situation where these guys can come home to a job and to the word of God? What is it that the Miracle House of Hope can do and that's why I'm here?

Mayor Clodfelter said Reverend Little and Reverend Benedict have you all talked to any of the members of the State Legislature from Mecklenburg County and the House of Representatives? Mr. Little said we haven't Mr. Mayor simply because this just happened like he started this probably about last week and I didn't really know what was happening. I was supposed to have four women come from Fountain Correctional Center and when the four women didn't come up I was like what happened because they were approved to come and he's denying the transfer into the county so he's stopping there so now a young man's mother called me crying the other day because her son was stopped from coming.

Mayor Clodfelter said we will talk to them on your behalf but I would also strongly suggest that you talk directly to some of the members of the House of Representatives in the State Senate. They oversee the Department's budget and the Department of Probation and Parole will pay attention to them.

Mr. Little said and the thing of it is before I go Mr. Mayor but can I get a contact from anybody on the panel?

Mayor Clodfelter said if you will leave your name with the Clerk and we'll provide a contact person for you.

Mr. Little said may I proceed to the Clerk now Mr. Mayor?

Mayor Clodfelter said you may do that.

### **Wells Fargo and Bank of America**

**Reverend Willie Bee Simpson, P.O. Box 16537** said I am a Charlotte activist. I've been here for so many years, born and raised in Charlotte and some of you know me and some of you don't. Some of you may not care to know me but I want to read this. I stated to the Clerk earlier about my congratulations to the banks of Charlotte. To whom that cares, hi to the banks in the Queen City of Charlotte, one of the fastest growing places to live in in America. Millions spent on upgrading buildings, roads, houses, stadium, ball parks, yes for football. I Reverend Willie B. Simpson have spoken before the county, government and the City Council many a times addressing problems in the community small and great. People being struck down by speeding cars, drunk drivers, maybe some on the cell phones. What I'm saying to you can spend millions on arenas, new shopping malls, demolishing the old shopping malls. Millions wasted but no one is with me to fight for the homeless. I say shame on the banks and especially Wachovia that's been converted to Wells Fargo, Bank of America all have made my life hell in this City. City for the past five years monies taken from my account, home sold without replacement, you figure it out. No money in my pocket to go, left out in the cold. I say thanks, this is my thanks to the bank, thanks, I thank God that I'm saved and my wife asked me, Simpson don't say that. This is what I want to say or else I will be in jail.

Mayor Clodfelter said Reverend Simpson thank you for sharing with us tonight. Mr. Alexander, we didn't get to you we have to start the regular meeting that was scheduled at seven but if you're here your item on the fluoridation program is on the Council Agenda for -Mr. Manager I forget which meeting?

**City Manager Ron Carlee** said September the 8th.

Mayor Clodfelter said September the 8th?

Mr. Carlee said yes sir.

Mayor Clodfelter said okay so we had to postpone it from the earlier Council meeting I don't know if Mr. Alexander is here but we will be talking about that subject at the Council meeting on September the 8<sup>th</sup>

**Councilmember Howard arrived at 7:02 p.m.**

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### **AWARDS AND RECOGNITIONS**

**Mayor Clodfelter** said that concludes the Citizen's Hearing portion and we'll move now into the regular business meeting and to start off we've got a couple of recognitions that we just want to announce before we start voting on items and the first one that I'm going to recognize is Councilmember Austin on behalf of City Council is going make a special recognition for the Yeti Youth Robotics Team which are here with us tonight.

#### **ITEM NO. 4: YETI YOUTH ROBOTICS COMPETITION TEAM RECOGNITION**

**Councilmember Austin** said on June 17<sup>th</sup> the Yeti Youth Robotics competition team participated in the 2014 Technology Summit. The summit is a collaboration of regional governments that share technology plans and accomplishments. This year's Partnership For A Better Future was hosted by the City of Charlotte, Mecklenburg County, Charlotte Mecklenburg Schools and Rock Hill. This team is composed of kids from in an around Charlotte and believe and believe strongly in giving back to the community with the goal of spreading science and technology awareness in the Charlotte area. Today we have Lia Schwinghammer, Executor of the Queen City Robotics Alliance and some other members with her and I'll turn it over to her.

**Lia Schwinghammer, Queen City Robotics Alliance** said thank you Councilmember Austin, thank you Mayor and the rest of the Councilmembers for recognizing our team for the good works that they do and these students. I want to thank my husband for connecting us to the City so that we could demonstrate ... and also that we did demonstrate at the Airport Youth Day this year as well. I want to thank Al Newman and Peggy Huffman who helped to organize this and for us to thank you.

Just a few words about what we are; our team participates in something called FIRST. FIRST is an acronym that stands for the Inspiration and Recognition of Science and Technology and they do this through encouraging students in robotics tournaments. What do they do? Is it only about robotics? No. They do many other things. The robot is the carrot is what we say. They do marketing, they do fundraising, they learn public speaking, they learn team work, and they learn how to work together on challenging projects and problem solving. Why is this an amazing program and why I want them to keep doing this. This program costs less than almost every other sport out there. We know that a lot of students think that I'm going to be a sports star. I'm going to be an athlete but studies show that less than 1% of all students will become a pro athlete or have the ability to become a pro athlete. 100% of our FIRST robotics students have the ability to become a professional in technology or business leaders. Outreach as you mentioned earlier is a big part of our program and so we work with a lot of our community partners. Some of the partners obviously you can see on our robot our sponsors. We have over 25 sponsors from local communities and corporations. We also work with groups like ImaginOn, 100 Black Men, Discovery Place, Society for Women Engineers, American Association of Mechanical and Manufacturing Engineers. We also are working with a new group who's called Sim Fair Maker

Group which is here in Charlotte so we are getting involved with the Maker of more Organizations as well. Lastly, if anybody wants to know more about FIRST or our routine and learn about it you can search at Yeti-Robotics on Google and we will pop up and you can contact us for more information and we'd love to share with you. Again, thank you.

Mayor Clodfelter said thank you all. Roll it out a little bit so everybody can get a better look at it.

Ms. Schwinghammer said they didn't expect to demonstrate it but at any future time if you want to actually see this robot I invite you to come to our meetings at Central Piedmont Community College and I will invite you during build season when we're building a new robot because every year these kids build a new robot in six weeks. Yes that's the amazing part. Everybody thinks it takes a couple months; they have six weeks. That's their challenge limit and they have a budget limit and all kinds of fun things like that too.

Mayor Clodfelter said congratulations to you all. This is really a great. I can see from all the smiles you all have fun doing it as well; not only learning but having fun that's the best thing.

### **RECOGNITION OF THE CITY ATTORNEY AND THE CITY CLERK**

Mayor Clodfelter said I want to make two announcements and extend congratulations on behalf of the City Council and all of the City to two of our regular attendees at the dais. Our own Stephanie Kelly has been sworn in now as President of the North Carolina Association of Municipal Clerks, and not to be outdone in the competition, our own City Attorney, Bob Hagemann was recently sworn in as President of the North Carolina Association of Municipal Attorneys. That's great, congratulations to both of you. It's a recognition both of you deserve very well. Thanks.

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### **CONSENT AGENDA**

**Mayor Clodfelter** With that we'll now move into the business items. The first thing we have is the Consent Agenda items 18 through 59. I think we have none of those pulled for separate discussion and all questions got answered at dinner.

Motion was made by Councilmember Howard, seconded by Councilmember Phipps, and carried unanimously to approve the Consent Agenda as presented.
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The following items were approved:

#### **Item No. 18: Voluntary Annexation Public Hearings Date**

Adopt resolutions setting public hearings for September 22, 2014, for two voluntary annexation petitions.

The resolutions are recorded in full in Resolution Book 46, at Pages 9-15.

#### **Item No. 19: Department of Homeland Security Grant**

(A) Authorize the City Manager to accept a grant in the amount of \$175,000 from the U.S. Department of Homeland Security's 2013 State Homeland Security Grant Program, and (B) Adopt Budget Ordinance 5453-X appropriating \$175,000 to the Fire Department Emergency Management Grant Fund.

The ordinance is recorded in full in Ordinance Book 58, at Page 933.

#### **Item No. 20: 2014 Justice Assistance Grant**

(A) Authorize the City Manager to accept a grant from the U.S. Department of Justice, in the amount of \$483,916, from the Justice Assistance Grant Program, and (B) Adopt Budget Ordinance 5454-X appropriating \$483,916 in grant funds from the U.S. Department of Justice.

The ordinance is recorded in full in Ordinance Book 58, at Page 934.

**Item No. 21: Shot Spotter Contract Renewal**

Approve a contract renewal with Shot Spotter, Inc. to extend three subscriptions (Center City, Grier Heights and Albemarle/Farm Pond) for Shot Spotter coverage in the amount of \$160,000 for a term of one year.

**Item No. 22: Refuse Vehicles Purchase**

(A) Approve the purchase of refuse truck cab/chassis from a cooperative purchasing contract as authorized by G.S. 143-129(e)(3), and (B) Approve a unit price contract with Chastang Enterprises dba Chastang Ford for the purchase of eight refuse truck cab/chassis for a term of one year under the Houston-Galveston Area Council Buy, contract #HT06-14.

**Item No. 23: Neighborhood & Business Services Residential and Commercial Demolition Services**

Award contracts for residential and commercial demolition services for a term of three years to: -Double D Construction Services, Inc., Jones Grading and Fencing, Inc., Vistabution, LLC, and W.C. Black and Sons.

**Item No. 24: Hucks Road Bridge Infrastructure Upgrades Municipal Agreement**

(A) Adopt a Resolution authorizing the City Manager to execute a Municipal Agreement with the North Carolina Department of Transportation, in the amount of \$208,100, for infrastructure upgrades associated with the Hucks Road Bridge Replacement, and (B) Authorize the City Manager to approve the final reimbursement request for the actual costs of construction.

The resolution is recorded in full in Resolution Book 46, at Page 16.

**Item No. 25: Transportation Asphalt Contracts**

(A) Approve the purchase of asphalt from state contracts as authorized by G.S. 143-129(e)(9), and (B) Approve unit price contracts, in the aggregate estimated amount of \$5,700,000, for asphalt with the following vendors, per state contracts, for a term of one year: Ferebee Asphalt Corporation, Blythe Construction, Inc., and Lane Construction.

**Item No. 26: Heating, Ventilation, Air Conditioning System Services**

Approve three-year term contracts, not to exceed \$300,000 each, for heating, ventilation, air conditioning test, adjust, and balance services with the following firms: Research Air Flo, Inc., TAB Services, Inc.

**Item No. 27: 2014 Community Investment Plan-Advance Planning**

(A) Approve a contract, in the amount of \$225,000, with American Engineering Associates-Southeast, P.A. for planning services related to land acquisition and street connections necessary for the 2014 Community Investment Plan projects, and (B) Authorize the City Manager to negotiate and execute two contracts, for a total amount not to exceed \$800,000, with the following firms for master planning and design services for the Cross-Charlotte Trail project: - Kimley-Horn and Associates, Inc., Land Design, Inc.

**Item No. 28: Over/Underpass Enhancement Program**

Award the low-bid contract of \$480,158.80 to Carolina Cajun Concrete, Inc. for Over/Underpass Enhancement Program.

**Summary of Bids**

Carolina Cajun Concrete, Inc.	\$480,158.80
OnSite Development, LLC	\$484,165.00
United Construction, Inc.	\$514,811.00
Sealand Contractors, Corp.	\$577,998.30
Zoladz Construction Company, Inc.	\$621,830.00
D. E. Walker Construction	\$791,584.43

**Item No. 29: Hope Valley/Oak Forest Neighborhood Improvement Project**

Award the low-bid contract of \$1,175,048.40 to Carolina Cajun Concrete, Inc. for the Hope Valley/Oak Forest Neighborhood Improvement project.

**Summary of Bids**

Carolina Cajun Concrete, Inc.	\$1,175,048.40
United Construction, Inc.	\$1,181,025.60
D. E. Walker Construction	\$1,356,834.53
Sealand Construction Corp.	\$1,404,166.80
Zolodz Construction Company, Inc.	\$1,450,800.00
Blythe Development Company	\$1,589,010.00

**Item No. 30: East Forest Neighborhood Improvement Project, Phase 2**

Award the low-bid contract of \$535,596.30 to RJJ Construction, LLC for East Forest Neighborhood Improvement Project, Phase 2.

**Summary of Bids**

RJJ Construction, LLC	\$535,596.30
United Construction, Inc.	\$561,787.60
Carolina Cajun Concrete, Inc.	\$588,588.00
DOT Construction, Inc.	\$630,400.10
OnSite Development, LLC	\$707,408.90
Zopadz Construction Company, Inc.	\$729,300.00
D. E. Walker Construction Company	\$744,711.25
Blythe Development Company	\$951,834.95

**Item No. 31: Traffic Signal Mast Arm**

Approve payment to Duke Energy, in the amount of \$140,834.45, for the installation of seven mast arm poles on the Johnson & Wales Way/Fourth Street project.

**Item No. 32: EASY Energy Accounting System Software Agreement**

Approve a software license agreement with TKG Group, Inc. and the estate of Stephen Frederick Kelly for the use of the EASY Energy Usage Monitoring software for \$250,000.

**Item No. 33: Storm Water Maintenance Contract Fiscal Year 2015-A**

(A) Award the low-bid contract of \$1,440,913.25 to OnSite Development, LLC for the Storm Water Maintenance Fiscal Year 2015-A contract, and (B) Authorize the City Manager to approve up to two renewals, each in the amount not to exceed the original contract amount.

**Summary of Bids**

OnSite Development, LLC	\$1,440,913.25
Blythe Development Company	\$1,691,169.00
D. E. Walker Construction Company	\$1,722,147.25
Carolina Cajun Con	\$2,666,896.00

**Item No. 34: Statesville Road Widening Change Order**

Approve change order #1, in the amount of \$794,210.13, with Blythe Development Company for the Statesville Road Widening project.

**Item No. 35: Charlotte Transit Center-Property Management Agreement**

Authorize the City Manager to amend the Property Management Agreement with Lincoln Harris to include the operation and maintenance expenses for the Charlotte Transit Center for Fiscal Year 2015.

**Item No. 36: CATS and Charlotte Mecklenburg School System Service Agreement**

(A) Adopt resolution approving a one-year cost-sharing agreement with the Charlotte-Mecklenburg School system for the #51 Pineville-Matthews bus service in the amount of \$63,930, and (B) Authorize the City Manager to renew the agreement for up to two additional years with minor adjustments to the operating costs.

The resolution is recorded in full in Resolution Book 46, at Pages 17-18.

**Item No. 37: Fuel Storage Item Donation to Charlotte-Mecklenburg School System**

Adopt resolution authorizing the donation of fuel storage items to the Charlotte-Mecklenburg School System.

The resolution is recorded in full in Resolution Book 46, at Page 19.

**Item No. 38: Trolley Car 85 Wheel Assemblies**

Adopt a resolution authorizing the donation of surplus trolley wheel assemblies on Trolley Car 85 to the Charlotte-Mecklenburg Historic Commission.

The resolution is recorded in full in Resolution Book 46, at Page 20.

**Item No. 39: Airport Vehicle Maintenance Mechanic Services Contracts**

(A) Approve a professional services contract with Carolina Auto Truck and Coach Service, Inc. for vehicle maintenance mechanic services for a term of two years, (B) Approve a professional services contract with Global Aviation Services, LLC for vehicle maintenance mechanic services for a term of two years, and (C) Authorize the City Manager to renew these contracts for up to two additional, one-year terms, and to modify the estimated amounts per year based upon the actual operating needs of the Aviation Department.

**Item No. 40: Airport Paint Truck Purchase**

(A) Approve the purchase of one new paint truck from a cooperative purchasing contract as authorized by G.S. 143-129(e)(3), and (B) Approve a contract with M-B Company for the purchase of one new paint truck in the total amount of \$352,555.09.

**Item No. 41: Airport Real Estate Appraisal Services**

(A) Approve a professional services contract with Paul E. Finnen and Associates, at the unit rates of \$400 to \$850 for residential appraisal services, for a term of three years, (B) Approve a professional services contract with JC Morgan Company, at the unit rates \$500 to \$4,500 for residential & commercial appraisal and review appraisal services, for a term of three years, (C) Approve a professional services contract with Absolute Appraisal & Acquisition, LLC, at the unit rates of \$400 to \$3,000 for residential & commercial appraisal and review appraisal services, for a term of three years, and (D) Approve a professional services contract with John J. Locke, at the unit rates of \$2,000 to \$5,500 for commercial appraisal services, for a term of three years.

**Item No. 42: Airport Deicing Chemicals Contract Renewals**

(A) Approve two, one-year contract renewals with Nachurs Alpine Solutions Industrial for providing potassium acetate deicing fluid, (B) Approve two, one-year contract renewals with Clariant Corporation for providing sodium acetate solid runway deicing, and (C) Approve two, one-year contract renewals with Little Hardware Company for providing area solid runway deicing.

**Item No. 43: Airport Barry Drive Roadway Improvements**

(A) Award the low-bid contract of \$567,987 to Blythe Development Co. for roadway improvements, (B) Approve a contract, in the amount of \$16,698, to Summit ECS, Inc. for testing services, and (C) Adopt Budget Ordinance 5455-X appropriating \$584,685 from the Aviation Discretionary Fund to the Aviation Community Investment Plan.

The ordinance is recorded in full in Ordinance Book 58, at Page 935.

**Summary of Bids**

Blythe Development Co.	\$567,987.00
Sealand Contractors, Corp	\$571,985.10
Onsite Development, LLC	\$594,646.50
Devere Construction Co.	\$687,290.63
Zoladz Construction Co.	\$709,695.00
Blythe Construction	\$883,916.25
Country Boy Landscaping Inc.	\$888,275.20

**Item No. 44: Airport Baggage System Closed Circuit Television Module**

(A) Approve the purchase of a Closed Circuit Television Data Storage Module and associated cable equipment, as authorized by the sole source exemption of G.S. 143-129(e)(6), (B) Approve a contract, in the amount of \$134,392, with Johnson Controls, Inc. to furnish and install an additional Closed Circuit Television Storage Module to accommodate the security requirements



of the Checked Baggage In-Line System, and (C) Award the low-bid contract of \$104,706.66 to AFL Network Services, Inc. for data cabling installation.

**Summary of Bids**

AFL	\$104,706.66
MTS	\$106,309.22
CSI	\$139,275.44

**Item No. 45: Utility Portable Air Compressors**

(A) Approve the purchase of Doosan portable air compressors from a cooperative purchasing contract as authorized by G.S. 143-129(e)(3), and (B) Approve a unit price contract, in the amount of \$229,736, with ASC Construction Equipment USA, Inc. for the purchase of eight portable air compressors under the National Joint Powers Alliance Cooperative (contract 060311-CEC).

**Item No. 46: Utility Closed Circuit Television Van**

(A) Approve the purchase of a Closed Circuit Television van from a cooperative purchasing contract as authorized by G.S. 143-129(e)(3), and (B) Approve a contract, in the amount of \$224,272, with Aries Industries Inc. for the purchase of one Closed Circuit Television Hi Cube Van off the Houston-Galveston Area Council Cooperative, contract #SC01-12.

**Item No. 47: Clems Branch Sewer Pump Station Expansion**

Approve a professional services contract with Stantec Consulting Services, Inc., in the amount of \$398,250, for engineering design and construction administration services of the Clems Branch Sewer Pump Station Expansion.

**Item No. 48: Water Meter Copper Tubing**

Award a low-bid, unit price contract to Eastern Industrial Supply for the purchase of copper tubing for a term of one year.

**Summary of Bids**

Eastern Industrial Supply	\$213,852.00
Ferguson Waterworks	\$224,096.00
Murray Supply Company	\$225,410.40
H. D. Supply Waterworks	\$281,288.00

**Item No. 49: Utility Safety Supplies**

(A) Approve the low-bid, unit price contracts for providing safety supplies for a term of one year to the following vendors: Core Supply, LLC, Safety Products Inc., State Electric Supply Company, and (B) Authorize the City Manager to renew the contracts for two additional, one-year terms with possible price adjustments at the time of renewal.

**Summary of Bids**

Core Supply, LLC	\$101,444.72
Safety Products Inc.	\$161,060.92
State Electric Supply Company	\$ 90,377.07
WS Darley and Company	\$19,361.00
USA Bluebook	\$113,030.39
Piedmont First Aid and Safety	\$120,477.43
F&M Mafo, Inc.	\$130,369.60
Bryant Supply	\$131,400.52
Fastenal	\$141,045.30
American Safety Utility Corp.	Nonresponsive
Grainger Industrial Supply	Nonresponsive

**Item No. 50: Steele Creek Gravity Sewer Outfall Improvements**

Approve a professional services contract with Willis Engineers, Inc., in the amount of \$869,600, for engineering design and construction administration services of the Steele Creek Gravity Sewer Outfall Improvements.

**Item No. 51: Council Agendas Automation Software**

(A) Approve a contract with Granicus, Inc. for Agenda Automation software for an initial term of five years, with an upfront amount up to \$65,000, and \$45,000 annually for maintenance, and (B) Authorize the City Manager to approve two, one-year renewal options as authorized by the contract, and contingent upon the company's satisfactory performance.

**Item No. 52: Enterprise Resource Planning Software Maintenance and Subscription**

(A) Approve the contract renewal of a maintenance services agreement with Tyler Technologies, Inc. for MUNIS software for a term of one year, in an amount not to exceed \$263,125, (B) Approve the contract renewal of a subscription services agreement with Early Morning Software, Inc. for hosting and access to PRISM software for a term of one year, in an amount not to exceed \$93,000, (C) Approve a maintenance service agreement with IBM for Clarity and Cognos Disclosure Management software for a term of one year, in an amount not to exceed \$99,355, (D) Approve the contract renewal of a maintenance services agreement with Air-Transport IT Services, Inc. for PROPworks software for a term of one year, in an amount not to exceed \$27,600, and (E) Authorize the City Manager to approve up to four, one-year renewals for continued service with possible price adjustments as authorized by each contract and contingent upon satisfactory performance.

**Item No. 53: Citywide Cooperative Purchasing Agreements**

(A) Approve the following cooperative purchasing agreements as citywide contracts as authorized by G.S. 143-129(e)(3): Knoll: for the purchase of furniture from Carolina Business Interiors as the authorized distributor for Charlotte for the term of three years under U.S. Communities contract number 440003404; Herman Miller: for the purchase of furniture from Alfred Williams as the authorized distributor for Charlotte for the term of three years under U.S. Communities contract number 440003403; and Graybar: for the purchase of electrical, lighting, and telecommunication equipment and supplies for the term of three years under U.S. Communities contract number MA-IS-1340234, and (B) Authorize the City Manager to extend the contracts for additional one-year terms as long as the cooperative contract is in effect, at prices and terms that are the same or more favorable than those offered under the cooperative contract.

**Item No. 54: Petroleum Tank Maintenance Services**

Approve unit price contracts for petroleum tank maintenance at City properties, in amount not to exceed \$125,000 for each contract and for a term of three years with the following vendors: SouthEastern Petroleum Systems, Inc., and Petroleum Equipment and Service, Inc.

**Item No. 55: Refund of Property and Business Privilege License Taxes**

(A) Adopt resolution authorizing the refund of property taxes assessed through clerical or assessor error in the amount of \$920,734.98, (B) Adopt resolution designating authority to the City's Director of Finance to process refunds of property taxes resulting from value changes determined in the review of the 2011 revaluation, and (C) Adopt resolution authorizing the refund of business privilege license payments in the amount of \$43,458.58.

The resolutions are recorded in full in Resolution Book 46, at Pages 21-291.

**Item No. 56: Meeting Minutes**

Approve the titles, motions, and votes reflected in the Clerk's record as the minutes of: June 16, 2014 Zoning Meeting, June 23, 2014 Business Meeting, July 21, 2014 Zoning Meeting and July 28, 2014 Business Meeting.

**Item No. 57: In Rem Remedy**

**Item No. 57-A: 522 Lakewood Avenue**

Adopt Ordinance 5456-X authorizing the use of In Rem Remedy to demolish and remove the structure at 522 Lakewood Avenue (Neighborhood Profile Area 88)

The ordinance is recorded in full in Ordinance Book 58, at Page 936.

**Item No. 57-B: 1917 & 1919 West Trade Street**

Adopt Ordinance 5457-X authorizing the use of In Rem Remedy to demolish and remove the structure at 1917 & 1919 West Trade Street (Neighborhood Profile Area 382).

The ordinance is recorded in full in Ordinance Book 58, at Page 937.

**Item No. 57-C: 1921 & 1923 West Trade Street**

Adopt Ordinance 5458-X authorizing the use of In Rem Remedy to demolish and remove the structure at 1921 & 1923 West Trade Street (Neighborhood Profile Area 382).

The ordinance is recorded in full in Ordinance Book 58, at Page 938.

**Item No. 58: Transfer Former Water Tower Site to Town of Matthews**

Approve the transfer of a .33-acre parcel of vacant land at 1021 Matthews-Mint Hill Road (PID 193-294-04) to the town of Matthews.

**Item No. 59: Property Transactions**

**Item No. 59-A: 7821/7823 Mountain View Road**

Acquisition of 6.22 acres in Fee Simple at 7821/7823 Mountain View Road from Ervin & Joyce Reid for \$99,500 for Aviation Master Plan.

**Item No. 59-B: Vacant Lot on Mountain View Road**

Acquisition of .104 acre in Fee Simple, a vacant lot on Mountain View Road from Ervin Reid ETAL for \$2,200 for Aviation Master Plan.

**Item No. 59-C: 7825 Mountain View Road**

Acquisition of 3.28 acres in Fee Simple at 7825 Mountain View Road from Kennedy-Evans-Wright ETAL for \$52,500 for Aviation Master Plan.

**Item No. 59-D: 7827 Mountain View Road**

Acquisition of 3.28 acres in Fee Simple at 7827 Mountain View Road from Brenda Reid Ford for \$52,500 for Aviation Master Plan.

**Item No. 59-E: 7829 Mountain View Road**

Acquisition of 3.28 acres in Fee Simple at 7829 Mountain View Road from Carolyn Moore ETAL & Samuel W. Davis Jr. for \$52,500 for Aviation Master Plan.

**Item No. 59-F: 7901 Mountain View Road**

Acquisition of 2.836 acres in Fee Simple at 7901 Mountain View Road from Robert & Mildred Coleman for \$45,500 for Aviation Master Plan.

**Item No. 59-G: 8017 Mountain View Road**

Acquisition of 28.609 acres in Fee Simple at 8017 Mountain View Road from Coleman Heirs for \$458,000 for Aviation Master Plan.

**Item No. 59-H: 7911 Mountain View Road**

Acquisition of .324 acre in Fee Simple at 7911 Mountain View Road from Willie & Sherer Coleman for \$5,700 for Aviation Master Plan.

**Item No. 59-I: 7833 Mountain View Road**

Acquisition of 1.567 acres in Fee Simple at 7833 Mountain View Road from Solomon Roberts & Dorothy ETAL for \$25,100 for Aviation Master Plan.

**Item No. 59-J: Vacant lot on Wilkinson Boulevard**

Acquisition of 0 acre in Fee Simple from Fuller Family Limited Partnership, John G. Blackmon and Irene Blackmon for \$52,000 for Aviation Master Plan.

**Item No. 59-K: 7700 Wilkinson Boulevard**

Acquisition of 3.9 acres in Fee Simple at 7700 Wilkinson Boulevard from 74 West Inc. for \$654,000 for Aviation Master Plan.

**Item No. 59-L: 2 vacant lots on Wilkinson Boulevard**

Acquisition of 3.392 acres in Fee Simple, two vacant lots on Wilkinson Boulevard from 74 West Inc. for \$127,000 for Aviation Master Plan.

**Item No. 59-M: 5134 Shopton Road**

Acquisition of 1.341 acres in Fee Simple at 5134 Shopton Road from Jeffrey A. Harper & Marianna M. Harper for \$143,000 for Aviation Master Plan.

**Item No. 59-N: 308 Dakota Street**

Acquisition of 18,068 sq. ft. (.415 acre) in Fee Simple (Total Take) 308 Dakota Street from Judith M. Henson and Marla M. Whisenant for \$58,000 for Charlotte Mecklenburg Utility-Line Protect Dakota, Parcel #1.

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**ITEM NO. 16: CONCLUSION OF CONSENT AGENDA**

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**ITEM NO. 6: CITY MANAGER'S REPORT**

City Manager Ron Carlee said nothing to report this evening.

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**ITEM NO. 7: CATAWBA-WATEREE RIVER BASIN WATER SUPPLY MASTER PLAN**

Mayor Clodfelter We do have speakers on this item. I've got four speakers signed up and Mr. Perkins, what I understand is that your other three colleagues want to yield their time to you and the way the Council rules work on that is when we have four or more speakers they can combine their time and one speaker gets 10 minutes so you've got up to 10 minutes to talk to us.

Sam Perkins, 421 Minuet Lane said I do appreciate the opportunity to speak. You should have a copy of the PowerPoint for you. This is something that has been worked on by a number of groups for a number of years and even though this is often been presented as a living document we still have a lot of concerns because of what it lacks and questions that have gone unaddressed and were not seen as important enough to go into the initial plan which is 998 pages of how through the Catawba-Wateree River Basin, 5000 square miles, 18 drinking water intakes and Duke Energy, everyone with an intake; how that water is going to be managed.

On the second slide I think there is a lot of reason to praise this group and even to an extent this plan. I think this is our regions greatest issue believe it or not; greater than coal ash, greater than anything else. I think the Catawba is also ahead of other basins in planning and I think that's fantastic because, as you can see, with the point and moving on to the next slide we have a relatively small drainage basin by surface area but a lot of people. You look at how big the Yadkin PD is but you think about what towns it has; we have a lot of population in a very, very, small area. The nice thing about having 11 reservoirs that have had development on them is that they are an immense source of property tax revenue and the reason I, Sam Perkins, as a homeowner in Charlotte and my wife love a \$3,000,000 million dollar house up on Lake Norman in Cornelius is because that generates a lot of property tax revenue so even if you live in Matthews it keeps property taxes lower for everyone in the City and county to have lake front property that people want to go to that they want to have a boat on.

Now the other thing with 11 reservoirs is that they were created for the purpose of power generation; originally hydro but more recently thermal electric power production so that includes two active coal plants, one retired and two new nuclear power plants so within a 29 mile actually in this case within a 39 mile span of the Catawba River you have four, five if you want to count Riverbend still, power plants but even if you only count the generation from the four you've got about seven giga-watts of power production. There's only one other place in the nation where you will in a 20 mile radius find five thermal electric power plants being coal or nuclear and that is on Lake Erie around Detroit, Michigan and we generate about a giga-watt more electricity. You need the water from the lakes for cooling, on the next slide you can see a map of the United

States and this is from a study out of the University of Colorado as well as actually the USDA forestry out of Raleigh, North Carolina and what this shows if you look you can see our little basin there is a little bit brighter than anything else east of the Mississippi.

If you go to the next page where it's got four United States, it's a more specific breakdown. What these are maps of is stress so the hotter colors means a water supply is more stressed. The first one was overall and these next two look at a specifically for municipal contribution as in drinking water and then thermal electric power production because when you use water for cooling in a thermal electric power plant you transfer heat to that water and warmer water more readily evaporates and if you look comparatively I know this is small. If you look at you can find the paper yourself Averette Et Al 2013 that can show you in better detail how much stress there is on us from thermal electric power production and not from our municipal water supply. That's the basis for where we are for in a small basin a lot of people we need water, we need electricity and I think two other key distinctions to make here that need to be absolutely clear in your minds is the difference between water use and water consumption. Water consumption simply put that's the most important one because it's water that is not available to those downstream. It leaves the basin and it goes bye, bye and we don't have it.

Looking at that water consumption so how does water leave the basin? Thermal electric power production; this is a current chart out of a study that was done in 2006, 2007 and it looks at the different contributors in terms of thermal electric power production, public water supply, industrial users and agriculture and you can see thermal electric power production is the plurality. It's about half of all the water that's consumed within the basin. What the Water Supply Master Plan has done is it has look forward and tried to see where are we going to be in 50 years. We have to be able to provide water in order to grow and by their counts it switches a little bit but you are at about half almost of public water supply and then the rest is the thermal electric power production; water that we lose from cooling. If you'll go one more slide you can see these side by side and one of the biggest issues that myself and the other people who have yielded time to me take with this is, I should have pointed out by the way we have Ron Shultz and Bob Elliott with the Lake Norman Marine Commission and David Robinson with the Sierra Club here behind me.

One of the biggest issues that we have is that inter basin transfers get included in the public water supply so this is water that goes over the basin lines, does not come back, you have both a demand issue in the Yadkin/Pee Dee and you also have a general infrastructure issue with waste water treatment plants that don't discharge back clean water into the basin from where it was taken. I think that's a very, very important thing to parse out and it has not been parsed out, so if you break it down and you take out inter basin transfers from what is projected by the water management group itself in its plan for 2065 we will have 17.5% of water leaving the basin through inter basin transfers. The people in this basin using the water will only be contributing to about 30% of the consumption and in 2065 thermal electric power production will be 43%. Note again, to show just how disproportionately impacted we are, the national average for consumption from thermal electric power plants is 3%.

Let me also point out in the disproportionate IBT impact. IBT's, we currently have more permitted to leave this basin than the people in this basin are currently using and that's a dangerous things so the IBT's that are permitted by the state are not currently being completely utilized but they there for municipalities to our east to utilize nonetheless.

**Mayor Clodfelter** said I'm sorry to interrupt you and I won't count it against your time but I have to ask you the question, Mecklenburg County straddles the ridge line, the two basins, so when you talk about IBT's leaving the basin are you counting the water that's consumed in eastern side of the City of Charlotte as leaving the basin?

Mr. Perkins said anything that goes in the Mallard Creek Waste Water Treatment Plant is leaving the basin. Mooresville is a very similar situation, Statesville, there are other also plans down in Lancaster County, SC to take water from the Catawba to a reservoir in Union County. The reservoirs in Lancaster but it would be serving Union County.

Mayor Clodfelter said there's an awful lot of water that crosses back and forth over the ridge lines based upon the routing of the water supply lines. Are you counting that as inter basin transfer?

Mr. Perkins said I wouldn't say back and forth, it pretty much it goes east then unfortunately it doesn't come back and what I do think that gets at though is that we do need a regional water supply to our east and I think there are things that could have been brought out in this plan that would help encourage that development. It would have really helped stress the need for that to our east. The goal of the Water Supply Master Plan was to show the ability to provide water for 50 plus years and they define success in the engineering term of does the water level fall below an intake structure. Failure would be physically falling below that intake structure. There were no direct considerations for the economy, recreation or ecology and the executive summary of the plan itself it directly acknowledges this.

What does the plan do? It's not a whole lot of strategies that it ends up implementing. It lowers the critical intakes and it does a few more things but ultimately in reducing consumption it tries to reduce for those of us in the basin that utilize water as well as those who are using it outside of the basin, but again it's much more marginal loss for those of us that are within the basin. It targets the water supply category, inter basin transfers I think go very unaddressed and Duke Energy, I'm sorry to harp on them for one other thing, while they move around water and they add some power plants and they do a few things with shifting things around they don't ultimately reduce their consumption at their power plants. I think that's a big issue and they have no due diligence for that in the plan. They started talking about it a lot more since we've brought up these issues but the fact that it wasn't in there in the first place I think is very concerning.

The other thing there is a plan that is not required for any approval, there is also a model called CHEOPS that's supplies a lot of the plan and I can tell you we have a lot of concerns about this. Rick Gaskins, our Executive Director was a Mechanical Engineer from Duke University who did modeling. He's found a number of issues, some of our volunteers have found issues and of course in the data that's fueling the plan there are issues. I'm going to go through this last bit, is a lot of text, ultimately, I think it's very disingenuous to, especially for the presentations we're hearing now, versus what is actually in the plan. I think the biggest need maybe that is relevant to City Council is a detailed financial impact for each action that being taken and I don't think it would be physically responsible to not have one included; recreation, economic impacts also. Finally, I will say financial impacts a balanced approach and I will leave it at that. We were invited by the City to be part of the due diligence for the coal ash plan and if you would like to ask whether or not we have had valuable input I would invite you to ask Mr. Yi, Mr. Phocas or Mr. Cagle for their input on our expertise. Thank you.

Mayor Clodfelter said I'm going to see if Councilmembers want to ask you any questions and then I'm going to recognize Councilmember Autry who chairs the committee to take a look at this. Let me see does anybody have any questions?

Mr. Perkins said I'll just say I think is a plan that with a little more work could very much be worthy of a resolution of support given that this a living document. I would say there is no rush to giving this a resolution of support. I think there are some things that you all can encourage to have put forth, investigated, some due diligence in other aspects and have the group come back and then ask for your resolution of support with some of these things that hopefully we can also be involved with asking for in due diligence period.

**Councilmember Autry** said this has been certainly a very important piece of business. The management group has been at this for years to get to this point and I certainly appreciate Mr. Perkins and his colleague's position. I share a lot of that position myself. During the committee vote that I supported bringing it before the Council I spoke a lot about why we weren't doing more with solar and wind to cut some of the consumption that's required by our utility providers for they evaporate everyday but it's also more about some behavioral changes that are going to be considering for our future. Over 20% of water consumption on a daily basis is for irrigation and that's not just golf courses but front yards and back yards and gardens so where are we getting the best use for the water that we do have in that plan. There's also nothing in the plan about water quality and I know that wasn't the purview of the plan but that's also an important item that we need to be dealing with. I'm frustrated with the process, the results, some of the aspects of the plan. I've spent a lot of time with Mr. Gullet and folks from Duke and the Riverkeepers and the Sierra Club discussing all the aspects of this plan and sharing in the frustration but also understanding that without driving the stake in the ground somewhere how are we going to measure for the future. My understanding from Mr. Gullet is that the parts of the plan that require the city to institute initiatives and make changes that most of those practices are

already under way with the City as it is. I'll certainly relinquish and let anyone else add in including Mr. Gullet if they would like to share at this time.

Mayor Clodfelter said Barry I should ask you if you want to make any remarks on it. We had a Dinner Meeting, an extended discussion and presentation of the plan back in May. I don't know if you want to add any remarks; if not I've got Councilmember Driggs who was going to speak and I've got others who want to speak on Council but let me first offer you the opportunity if you want it.

**Utilities Director Barry Gullet** said this is a really important plan for the whole region and this is as Mr. Perkins said this is a process. It's not a one and done deal. This is a process that needs to take place for many, many years. The master plan is not an end all be all. You mentioned water quality; that is on our radar screen as a future addition to this. A lot of the issues that Mr. Perkins brought up have been addressed and are being addressed and they are all very controversial issues. The thing to remember about this Water Supply Master Plan is that it is really focusing on drought conditions and so the information about defining failure; we were working within a framework that had already been established for inter basin transfers for water levels in the reservoirs, for power plants. It had already been established by the comprehensive relicensing agreement that more than 70 stakeholders including the City of Charlotte agreed to several years ago as part of the federal energy regulatory commission relicensing process. We were working within that framework, but we believe this is a plan that gets us headed in the right direction. We believe that its critical to improving the tax values of our area. A region that doesn't have a water supply plan that looks out more than 50 years in on thin ice no pun intended but we need to be able to demonstrate to the businesses to our customers to our citizens that we are planning for the future and that's what this Water Supply Master Plan is about. It's the first of its kind. It takes into account a lot of innovative and creative solutions that had not been considered before and I believe it is a really good plan and it's the right thing for our region.

**Councilmember Driggs** said I just wanted to say and I'm the Vice Chair of the Environment Committee. I was impressed that we have a framework that will bring together the 18 major users of water in the basin. I think it's an important step just to get all the consumers working together basically and my question Mr. Perkins is, do you see that this does harm or are you just disappointed that it doesn't do more?

Mr. Perkins said with regard to Charlotte, really with regard to the entire basin I think there are so many questions we can't really know for sure. I've seen some data that shows when they tried to do a model they tried to back fit to previous data that Lake Norman would be at full pond 25% of the time, which certainly does not fit how we have seen historically Lake Norman sit in terms of water level. I think where there could be very disproportionate impact is up on Lake James which is the upper most lake in the Catawba River chain. That's one place where I have a lot of serious concern that it could do harm. I think the other potential issues that we think we've solved are Water Supply Master Plan or water supply concerns and issues and we really haven't. It was mentioned by Mr. Gullet and I think it is a good point is that this might be better framed as a drought crisis management plan for when we are worried about physically being able to keep water in over those intakes but I have a Master's in Hydrology, Rick has a degree in Mechanical Engineering and has worked with models and there are a lot of questions that we have asked and we have not gotten good answers or really any answers in many cases that should have been very simple for putting back out there.

**Councilmember Phipps** said I have a question about this whole plan. What if any penalties have been built into the regional approach to ensure compliance with the plan?

Mr. Perkins said as I understand it that this is more of something that's willingly signed onto and there's a willing compliance and Councilman Driggs the other thing I will also mention was with regard to water rates. No one likes their water rates going up and I think inevitably as this regions continues to grow we're going to have a crunch to where waters rates are going to go up but I think making sure that the different players for water consumption are all contributing to a reduction in their use in consumption of water so that the people of Charlotte Mecklenburg Utilities and throughout the basin are not disproportionately having their rates raised as a result. I think that's very important to consider also and as I understand it, it was initially considered in the first draft of this plan but was later removed.

Mayor Clodfelter said I think the question of what sanctions are here Mr. Gullet you may want to address that too.

Mr. Gullet said Mr. Phipps the Master Plan is not a regulatory document. It's a planning framework and so it doesn't try to prescribe how any water system meets its goals. It sets the goals and then the Water Supply Plan again is creation of the Water Management Group and the Water Management Group members are constantly monitoring the data that we share with each other when we meet every other month and so we'll be self-monitoring, we'll be helping all of the water supply utilities develop the tools and the techniques and the methods that are needed to help them meet their goals and it will be different for some towns than others because towns are different and their water uses are different, their people are different and so we need to let towns put the solution in place that best fits their community and their values and that's what the Master Plan does.

**Councilmember Smith** said I have two questions. Mr. Gullet, have we taken this to other municipalities yet?

Mr. Gullet said yes we have. We have taken it to other municipalities and we're in the process of making the rounds. The town of Granite Falls approved it last Monday night. We're going to Camden, South Carolina tomorrow, the town of Mooresville has had it to their Environment Committee and it's on their Council Agenda later so yes we are scheduled and we are taking it to all of the public water supply utilities that are in the water management group and we're also taking it to other civic groups and to other interested parties across the region and the basin. We're quite proud of this Master Plan. Again, it's the first of its kind and we believe that it still has some work to be done on it but it's going well so far.

Mr. Smith said have we received any push back yet from the other municipalities that are involved?

Mr. Gullet said no we have not.

Mayor Clodfelter said I want to take the liberty if I can of saying a couple of things about the point that Councilmember Smith you questions touches on and this is sort of reflective on my prior life. This is one of my priority issues in my days in the state capitol. North Carolina has the distinction if you want to call it that of being one of the very few states without a comprehensive statewide water management policy. In fact we may now be the last state to still be struggling with developing one. That is really not a condition that can continue into the future and certainly not and remain economically competitive with all the states around us. I want to reinforce something Mr. Gullet said this is a plan of modest ambitions. I think you would agree with that. It is a plan of modest ambitions and so to fault it for not being perfect is to make the perfect the enemy of the good. It does not pretend to be really a comprehensive management plan for the Catawba-Wateree River Basin. What it purports to be is a plan for managing public water supplies in periods of stress and that is really all it pretends to be.

I take your suggestion Mr. Perkins in the manner in which I think you intended them which is there are encouragements that we take the next step beyond the first baby step and that what really this is but I don't want to minimize again how important the first step is when you're learning to walk and that's what we're doing with water policy in North Carolina is we're learning to walk. As Mr. Gullet says, no other part of the state has even managed yet to get all the public water supply systems to the state to sit down around the same table and talk to each other about how to have a common management plan for low water capacity situations. Nobody's even having the discussion and so we are really trying to lead a little bit in that but we don't jump all the way I think to where we all want to be and where you want to be and where I want to be at the end of the day with a Comprehensive Basin Wide Water Management Plan; a different animal. To Mr. Gullet's point too, we're also constrained to some extent by the relicensing procedures which laid out and dictated that we have to use the CHEOPS model in this basin. The state is using a different model and other river basins elsewhere in the state because it has a choice to do so. We have to use this model and we have to make it work.

I don't want to understate the importance of the tasks that are yet to be done. That's what you've given us a roadmap for and a very good roadmap but again I don't want to make the two of you enemies because you're not really. To Councilmember Smith's point I think a lot of folks are looking to Charlotte to say are you committed to this? You're really the 800 pound gorilla in this



river basin and if you're not willing to at least say we'll start here then they are certainly not going to go with us on the next step of the journey. They certainly won't go down the road to where we really need to go. I think we've got to do this in order to just get the ball rolling if for nothing else. Thank you for humoring me but as I say I had to get that out of my system as a State Senator not as a Mayor.

Mr. Autry said I want to say that I appreciate the work that the management group has done. I can't imagine trying to take on a task like this Mr. Gullet and you've been exemplary with answering questions, with offering to talk to me anytime I reached out to you about that. I also want to thank the Riverkeepers and the Sierra Club because they've been very important in guiding through this process also by bringing to light some of the issues that you and I share a passion about. We have to keep working on those and making those a reality for this community also. I thank both of you for the exemplary work that you've done. Unfortunately this is just the beginning. There's still a lot of work to be done and I hope we can get to that asap.

Mayor Clodfelter said you're going to be having a lot of Environment Committee meetings and Mr. Gullet is going to be at every one and Mr. Perkins as well.

Motion was made by Councilmember Autry, seconded by Councilmember Smith, and carried unanimously to approve the Environment Committee recommendation to adopt a resolution supporting the 2014 Catawba-Wateree River Basin Water Supply Master Plan.
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The resolution is recorded in full in Resolution Book 46, at Pages 1-2.

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#### **ITEM NO. 8: LYNX BLUE LINE EXTENSION PARKING GARAGES**

**Mayor Clodfelter** said and that takes us to Item No. 8-A, which is the low-bid contract award to China Construction of America of South Carolina for the parking garage at J. W. Clay Boulevard, and Item B to award the low-bid contract of \$32,098,000 to New Atlantic Contracting, Inc. for the construction of the parking garage at University City Boulevard. Mr. Attorney, do we need to vote these as separate items or can we vote them together?

**City Attorney Bob Hagemann** said your pleasure.

**Councilmember Howard** said I'd like to request we vote them separately.

Mayor Clodfelter said I think it probably would be a good idea to vote them separately so we'll take them in way. The first is the low-bid contract to China Construction of America of the parking garage at J.W. Clay Boulevard. This was deferred from a prior meeting for additional staff information and I don't think I'd be contradicted by any of the Councilmembers for saying thank you very much for the follow up explanation and the more in depth detail about these contracts. I think that was good work and we appreciate it.

**Councilmember Mayfield** said I have some specific questions regarding our DBE goals for both Items A & B but since we separated them looking specifically at Item A and I'm giving time for staff to make their way to the podium because we had established a DBE goal of 12.5% committed DBE goal and then what they're working on. My specific questions is when we're establishing these goals how are we identifying these percentages because I would think logic would say that we would already have access through Charlotte INClusion, through our SBE programs, through all the programs that we have where we say we're working to diversify opportunities for development locally. We will already have an idea of how many businesses would qualify for this particular bid. If we create a goal of 12%, 8%, whatever that goal is that goal should be based on the fact that we do know that we have minorities currently in our system or we could easily access that should be able to submit qualified bids or to be able to work so when we come in extremely short of those goals I'm trying to understand where that disconnect is happening.

**Danny Rogers, Project Director for the Blue Line Extension with CATS** said those are all obviously good questions. As far as the Blue Line Extension, it's a federally funded project so it is DBE or Disadvantaged Business Enterprise and that's the program that we have to follow. Those contractors are all certified with the North Carolina Department of Transportation. North

Carolina Department of Transportation builds highways, flat stuff. These structures, buildings, don't necessarily fit in real well. When we talk to the contractors we were concerned obviously. We held off on bringing this before Council but we didn't get as much participation as we would have liked so when we went back to talk to the contractors we asked them why they weren't finding the type of help that they needed. There were a couple of reasons, but the one specifically addressing your question is about the availability of contractors; DBE firms are all certified through North Carolina Department of Transportation and is heavily weighted toward horizontal construction, road construction, transit construction, these being parking garages their vertical and there aren't as many firms that specialize the vertical that register with NC-DOT. There also listed by industry codes so some of the firms that might be in that code more specialize in horizontal because that's why they have registered with NC-DOT so it's a little harder for them to find them for the vertical. I think you saw in the Council Manager Memo that if you look at the overall program for BLE we're well ahead so on the horizontal part where we have good contractors already out there available we've done really well. This one obviously took us back so we took more time to investigate it but it has to do with a couple things. One is how we construct the debt and the other one is just that it was a vertical structure as opposed to horizontal where NC-DOT typically does.

Ms. Mayfield said it sounds really great that when we look at the entire project that overall we're doing well but when we're looking at individual contract approval we're looking at one \$24 million dollar almost \$25 million dollar potential approval as well as \$32 million. That still doesn't get to the question I asked which specifically is when we're creating these goals are we creating realistic goals based on the access of resources that we have available or are we creating unrealistic goals so then when it's presented to Council we're then going to question well why were you not even able to meet half of the projected goal because if we had done our due diligence we should already know and if we're doing what we say we plan to do with Charlotte INclusion we should have access to all the DBE's, all the SBE's all of the diversity opportunities and businesses that are in the region that should be able to apply for these. We should have access to them and if we don't then we're falling short and we're creating a system of misinformation. If we're setting the goal but we haven't done our due diligence to make sure that this is a realistic goal and then when the bid comes in and they have not even come close to meeting that goal we're sending very mixed messages not only to the business community that may be submitting an RFP but we're definitely sending a mixed message to our diverse business community to let them know that they really have an opportunity to take advantage of all the growth that's happening in the city. That's what I'm trying to get an answer to is how are we establishing these goals and are we looking at the fact that we are not necessarily, there may be a possibility that we have some room to adjust it a little more so that it actually ties in that goal to what availability is out there so that way we're creating more realistic goals opposed to saying well they weren't able to meet it on this level but through our good faith efforts they tried so they even though they come in at less than 1% but we had a goal of 12% we're going to move forward with it especially when you're talking about \$25 million dollars, even \$1 million dollars if we have a real goal around truly moving forward and supporting our diverse businesses.

Mr. Rogers said I think that's a great observation and in this case it does apply. We did not use specific enough information in setting the goals on this one. We used some historic bids that we had recently had. Unfortunately it was a different type of construction for the deck so when we set the goals it was really on a different playing field. You're right the observation is that the goals were set to high in this case. We revise goals if you had taken in the detail that we should have been looking at when we're setting the goals. Those goals would have gone down. In fact, at this point China Construction would actually be meeting the goal. New Atlantic on the University City Boulevard would still not be making the goal but they have made significant strides to increase their participation but you're right we have taken note of that. That's a lesson learned. We're changing the process to make sure that we get as much detailed information we can so we do set realistic expectations. It's a good observation.

**Councilmember Smith** said what type of track record does China Construction America of South Carolina have doing public sector work specifically work of this scale, parking garages?

Mr. Rogers said I'll let Jeb answer that. I know that they have not done anything for us but they have done other work.

**Jeb Blackwell, City Engineer** said they have not done work for us. They have got appropriate licenses and bonding and based on that they are a responsive bidder.

Mr. Smith said what public sector projects and what type of work have they done? I was doing a little bit of research on the internet and I was having a hard time and I'll ask the same question about New Atlantic Contracting as well. I found a school I think somewhere in South Carolina that China Construction had done and I was having a hard time finding other things.

Mr. Blackwell said I do not know the answer to that question. Our procurement folks we do talk and see to their proposing staff and that sort of stuff and so we do do some general checks but I would tell you that by and large if their licensed and bonded that the presumption is that they're a qualified bidder.

Mayor Clodfelter said can we come back to you while we get that answer?

**Councilmember Howard** said on the second on B, you mention that -

Mayor Clodfelter said let's stay with A if we can because we broke them up.

Mr. Howard said it's a question about both. In one you said that you really they're more correct goals would have been right on A, but not on B and I'm wondering why there was no note of what it should be and some corrective number so we know how close you think they are on both?

Mr. Rogers said for the goal, the goal was set so it was established so we can't change the goal after the process so we are not going to put the revised goal as the committed goal that's what they had to strive for as part of the federal process. It's a federal program so we have to follow those rules so that is the committee goal so we can't change it. What we did is in the Council Manager Memo we tried to detail that information so that you would have what that goal would have been under the revised scenario.

Mr. Howard said can you share, I don't have that information.

**City Manager Ron Carlee** said I have it in front of me. For the New Atlantic the revised goal after we take into account the kind of construction would have gone from 12% to 6.55% and the bidder is currently at 3.63%. On China Construction, the DBE goal revised it went from 12.5% to 8.2% as the revised goal and they are at 8.63%.

Mayor Clodfelter said back to Councilmember Mayfield's point about setting a target.

Mr. Carlee said right and that was the response that you received from staff earlier. We did not accurately and it was a miscommunication in terms of the type of construction and the extended review enabled us to really dig down to basically answer that question. That was what was troubling me in particular, how did we end up so far off?

Mr. Howard said I'd love to either get a more definite report from the Manager about how we're going to correct this. To be honest with you I'd prefer and I hadn't spoke to the Chair of the ED Committee but I'd prefer to refer it to his Committee to make sure that this is vetted so that we can get our hands around kind of what the proper way is. There's something wrong because you know we show up, we have our backs up and then we hear well you shouldn't have your backup and there's something wrong. I'd like to refer that to committee.

Mayor Clodfelter said let's see if we can get the follow up report on the corrective action. You guys are putting so much into committees right now that things are really bogged so can we do that first and then see if you need to go to committee after we've gotten that report.

Mr. Howard said I still want to know it's being vetted and whatever the new process is; somebodies heard about it.

Mayor Clodfelter said let's get the whole Council to get that information from the Manager.

**Councilmember Barnes** said within the Economic Development Committee's current body of work is a analysis of the SBE Program and we can include it. I'm looking for Mr. Kimble, I don't see him. Mr. Mumford you know about this. It's within the scope of that and we can adjust to include this as well.

Mayor Clodfelter said it's already there and we don't need to make a new referral.

Mr. Carlee said Mr. Mayor, I think we can work that within that context.

Mayor Clodfelter said do we have an answer now for Councilmember Smith's question?

Mr. Rogers said yes we do. We have list of contracts they've had previously. New Atlantic had several parking decks, \$28 million, \$16 million another one \$13 million, one it was in Raleigh, another was with UNC Charlotte; they did the deck for them and China did a lot of work in South Carolina, they're actually called China Construction America of South Carolina but they've done \$77 million dollar high school in Lexington, \$25 million dollars in Trident Technical College in Charleston, SC and several others so they do have references.

Mr. Smith said my concern is I haven't seen a track record of those folks doing this type project and while they're a low-bid now we often get a, I understand that projects change and that's where change orders come in. My concern is that the low-bidder now they don't have the experience in this type of work and then we come back with change orders that subsequently pushes them past what would have been low-bid status.

Mayor Clodfelter said Mr. Attorney, I think the box we're in though that unless we find they're not a responsive bidder we don't have that discretion.

Mr. Hagemann said that's correct. You're legal standard is to award to the lowest responsible bidder and you have to use past evidence of bad performance to justify a conclusion that a company is not a responsible bidder. I don't know that what I'm hearing would be sufficient to say that they're not responsible.

Mr. Smith said the scope of work doesn't factor into our equation?

Mr. Hagemann said I'll defer to the engineers but as a lay person -

Mr. Blackwell said the scope of these is similar. A year or so ago there was a firm from South Carolina that bid and had never done work before and we did this reference check and we came into this Council and recommended not awarding based on this contract officer doing this reference check. I was not involved in that check obviously by my first answer but we believe that that are capable of doing this work. A parking deck is relatively simple.

**Councilmember Fallon** said I'm going to ask a question but I don't know if I'm allowed to. Is this an American company or is it a company that's incorporated in America?

Mr. Hagemann said Councilmember Fallon based on the limited research I have done it appears that they are incorporated in the United States. I wouldn't pass judgment because I don't know underlying ownership judgment but I would suggest to you that that's not a proper factor in considering whether it's a qualified company.

Ms. Fallon said just out of curiosity I wanted to know.

**Councilmember Austin** said these contracts always bring me pause when I see that we did not meet our DBE goals. I kind of want to go back to kind of a general statement and hopefully Mr. Hagemann will be able to bring some light. We talk a lot about good faith efforts and if you will explain that to kind of the general public because for my minority business owners in my district that just sounds like we made a few phone calls and we weren't able to find anybody and that's almost kind of like a way out and we really need to assure the business community that it's a little bit more in depth to that and talk about the process how staff responds, the whole piece for me.

Mr. Hagemann said I'd be happy to do so. First of all it's important to differentiate between how one satisfies good faith efforts under the federal DBE program, which is applicable to these contracts, and under your SBE Charlotte Business INCLUSION Program which could include SBE or MWBE. The courts have been very, very clear. You cannot constitutionally do quotas or set asides based on race or gender. What they have allowed and you've been through this process recently in putting together the Charlotte Business INCLUSION Program is that race and gender can be used to remediate historical evidence of past discrimination and underutilization. Many of you are familiar with the disparity study that was undertaken that led to the conclusion that there was evidence of past discrimination, underutilization in the community in certain trade areas

with respect to certain minority groups and that is the legal justification for you to use or consider at all; race or gender in your contracting decisions. Now that said, as I said before, the courts do not allow quotas or set asides. If you set a goal, if we were to set a goal and say that the only way you can comply with the program is by meeting the goal that's a defacto quota or set aside. What these programs required and it's required both under the federal regulations for DBE, very clearly required under regulations, it's also required under state statute that you operate under your SBE program and it's constitutionally based is that there must be a good faith effort's component to your program. What that means is a contractor who's lowest contractor complies with your program if they meet they goal or satisfy the good faith efforts requirements built into the program. I understand, we all understand, it's certainly understandable that your disappointed when a low-bidder does not meet the goal, but failure to meet the goal does not mean they have not complied with your program, and we do have mechanisms in this case under the DBE program there was an initial review and then a federally required administrative reconsideration process and through that process it was determined by the officer empowered to make the decision that both of these contractures made good faith efforts. The legal conclusion of that is they are compliant with your and the federal program and for that reason again I understand the frustration, that's really not a justification for turning down the bids.

Mr. Austin said and so when we speak of they made good faith efforts does staff look at that, their sheets or something, are they making phone calls? I just want to dig a little deeper so we can assure people.

Mr. Hagemann said on the federal program, DBE it's not a point system, there's more subjectivity to it then under Charlotte Business INClusion. Under the program that you've put together it's a point system. There are various factors that have been identified and the bidder must demonstrate that they scored sufficient points to meet the cumulative amount to qualify as having met good faith efforts. I believe the standard under the federal program is active and aggressive attempts. It's a more subjective standard admittedly so, but the low-bidder does have the right to come in and present evidence to the hearing officer, which was done in this case, to show the efforts that they undertook that they believe and in these cases the hearings officers agreed, constituted active and aggressive efforts to achieve the goal. The last point I'll make is again, understandably so if a bidder falls significantly short of the goal, a half a percent compared to a goal of 12% it feels like the response should be; how can they have made good faith efforts. It is not the percentage; it's not how close you got to the goal that determines whether or not you made good faith efforts; it's, what are the things that you did to try to achieve the goal? To repeat myself the amount by which a bidder falls short of the goal is really not a factor in determining whether they made good faith efforts.

**Councilmember Kinsey** said I just want to share some experience because in my other life working for an architectural engineering firm I had to do these; seek sub-contractors or partners for projects and there were many times when I had to do the good faith effort and it takes days to make the phone calls. If you're doing it right and to detail what you're doing work on the point system. I don't know it could be a little different now because I have been retired from full-time work for several years but it is not insignificant when you do make those efforts. It doesn't sound like that unless you've had to sit at your desk and try to locate, speak to people or document everything that's being done so unless you've ever down it it does sound like you said like maybe you write something down. It is much more involved.

Mr. Austin said exactly and that's the perception in my community is that we're just making a few phone calls and oh I couldn't find anybody. When we think of just all of the business owners, minority business owners and women business owners out there it just boggles my mind that and even we have our own INClusion Program that we can't find folks for these substantial multi-million dollar projects. It just blows my mind.

Ms. Kinsey said it is frustrating. I understand but that's my own personal experience having done it.

Mayor Clodfelter said I think the way it historically has been one of the biggest problems on the largest projects is bonding and that's been a problem historically all across the state everywhere is getting bonding and the law generally requires that bonding and that's one of the biggest obstacles.

Ms. Mayfield said I'm following up for a little more clarification on the question that Councilmember Smith asked. What I'm trying to understand is I also looked at basic research for both A and B, the companies. If what we're looking at awarding tonight are the development of the parking garages and neither one of these companies has any proven documented record of building parking garages. Yes they both have a number of works that they have been a part of. We have already had multiple parking garages that have been built and that are in the process of being built currently, thanks to other projects, even with the expansion of UNC Charlotte. I'm trying to understand how we were not able to actually encourage bids from those who are actually familiar with this particular type of development but I also share a concern that by having two companies coming in that have no particular experience in this particular type of work that we may be looking at cost overruns; but perfectly honest in another five to seven years work that wasn't done properly or the possibility and so I'm trying to understand how we would look to identify two companies that have absolutely no proven experience in building parking decks when we have so many businesses that have built parking decks. Did we reach out to them or did just send out the RFP and just set back to see who was going to actually submit a bid. The last piece of that, the caveat is are we prepared to step in to make sure that if we see anything that is going to cause concerns, structural concerns, any type of concerns moving forward what is our plan to get in and try to rectify that before completion of this project?

Mr. Rogers said as far as having experience in this actual activity a parking garage or major structures New Atlantic did the parking garage for UNC Charlotte which is a \$16 million, 1,200 space deck, six levels so they do have specific experience in parking garage. China, although they do not have a parking garage listed they do have some major structures; a \$77 million high school, \$25 million nursing building so they have significant structural experience that would be consistent with what we're looking for.

Mr. Blackwell said for my perspective a precast parking deck is relatively simple construction so even something that's not a parking deck typically precast construction is a major way that these projects are built and so our contract officers feel they can do it. I would also say that we have substantial authority, we do quality control on the whole thing; precast companies that they use are companies that are local firms and those are firms we know do good work on precast concrete and we have a bond that ensures that. We've had a couple of contractors over the last few years who were unable to finish their work and in those instances one instance we finished a month or two late but the others we have called the bonding company and we finished the work and had someone else come to finish it so we will be verifying the quality of their work. We believe that they are qualified, we will be verifying the quality of their work, we have a bonding company behind it that guarantees that we will get what is in the contract at the contract price so when we have had to call the bonding companies in we have not ended up with out of pocket cost there; it costs the bonding company. We have contracts give us a lot of tools to enforce that we have qualified professionals that will be reviewing the work as it goes it so I can't stand here and guarantee you that these guys can deliver these projects. We believe that they can.

Motion was made by Councilmember Barnes and seconded by Councilmember Fallon to (A) Award the low-bid contract of \$24,758,871.50 to China Construction America of South Carolina, Inc. for the construction of the parking garage at J. W. Clay Boulevard.

**Summary of Bids**

China Construction America of SC, Inc.	\$24,758,871.50
Messer Construction Company	\$25,489,750.00
New Atlantic Contracting, Inc.	\$37,972,000.00

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

**YEAS:** Councilmembers Autry, Barnes, Driggs, Fallon, Howard, Kinsey and Phipps.

**NAYS:** Councilmembers Austin, Mayfield and Smith.

Mayor Clodfelter said that leaves us with Item B.

Motion was made by Councilmember Barnes and seconded by Councilmember Phipps to (B) Award the low bid contract of \$32,098,000 to New Atlantic Contracting, Inc. for the construction of the parking garage at University City Boulevard.

**Summary of Bids**

New Atlantic Contracting, Inc.	\$32,098,000.00
China Construction America of SC, Inc.	\$33,348,583.40
Messer Construction Company	\$34,984,950.00

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

YEAS: Councilmembers Autry, Barnes, Driggs, Fallon, Kinsey, Phipps and Smith.

NAYS: Councilmembers Austin, Howard and Mayfield

Mayor Clodfelter said good discussion on both of those and thanks to staff for trying to dig deeper into this and help us understand and I think Ms. Mayfield's point about realistic goal setting is really the most important take away from the whole discussion.

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**ITEM NO. 9: RESIDENTIAL RECYCLING COLLECTION**

**Mayor Clodfelter** said Mr. Attorney do we need to vote these separately or can we vote them together.

**City Attorney Bob Hagemann** said you can vote them together.

Motion was made by Councilmember Howard, seconded by Councilmember Barnes, to (A) approve a lease agreement with Inland Waste Solutions for the rental of recycling collection trucks for a period of 6 to 10 months in an amount not to exceed \$345,000, and (B) approve a contract amendment not to exceed \$1,800,000 to the existing contract, estimated to be \$12,500,000 with BFI Waste Services, LLC dba Republic Services of Charlotte for Multi-Family and Public Facilities Refuse, Recycling, and Bulky Item Collection Services to provide additional services for the City on an as-needed basis for a period of 6 to 10 months.

**Councilmember Phipps** said what penalty provisions were in place for failure to meet the contract agreement? Where there any penalties imposed as a result of that?

**City Manager Ron Carlee** said we've been imposing penalties for quite a period of time.

Mayor Clodfelter said may I follow up and ask is any part of the cost of these replacements services going to be covered by penalty assessment or charges against bonds?

Mr. Carlee said I believe that this is actually a negotiated resolution. We've had a lot of conversations about it.

The vote was taken on the motion and was recorded as unanimous.

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**ITEM NO. 10: BUSINESS INVESTMENT GRANT FOR SEALED AIR CORPORATION**

**Mayor Clodfelter** said here again, Mr. Attorney can we vote these all together or should we vote them separately. Sometimes it not clear to me whether these are separate action items when there listed this way.

**City Attorney** said Mayor typically when you have an A, B or C or some combination it's presented to you as something that can be voted on together and your rules do allow for a motion to divide a question if a Councilmember wishes to do so.

Motion was made by Councilmember Howard, seconded by Councilmember Kinsey, to (A) approve the City's share of a Business Investment Grant to Sealed Air Corporation for a total estimated amount of \$1,622,569 over seven years. (Total City/County grant estimated at \$4,446,400, (B) Approve a contract between the City of Charlotte, the North Carolina Department of Commerce, and Sealed Air Corporation for a \$2,500,000 One North Carolina Fund Grant from the State to Sealed Air Corporation, and (C) Adopt Budget Ordinance No.5450-X appropriating \$2,500,500 from the One North Carolina Grant Fund to Sealed Air Corporation.

**Councilmember Phipps** said I was just curious does the General Assembly's action during this recent short session, does that affect this proposal in any way in terms of their inaction -

Mayor Clodfelter said their availability on whether there is \$2,500,000 in the One North Carolina Fund from the State?

Mr. Phipps said I was just wondering is this separate and apart from this or would it affect it anyway, just curious.

**Neighborhood & Business Services Director Patrick Mumford** said to our knowledge the state approved this and it's already funded. The issues that you are mentioning would affect future grants.

Mayor Clodfelter said this may be one of the last ones in under the wire.

**Councilmember Howard** said one thing I want to add is I want thank everybody involved and welcome hopefully with this vote Sealed Air to Charlotte. I would hope that staff worked with Sealed Air to connect them with UNCC and other universities in that area with the research and development jobs. That's something that we need to do a better job of and I would hope that they see the value in not setting up necessarily laborites on their own or trying to bring in people on their own. We have students out at UNCC, Johnson C. Smith and other colleges that could help with this so I'm going on the record and ask staff to make sure that you share those sentiments with them if you will please.

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

**YEAS:** Councilmembers Austin, Autry, Barnes, Driggs, Fallon, Howard, Kinsey, Mayfield, and Phipps.

**NAYS:** Councilmember Smith.

The ordinance is recorded in full in Ordinance Book 58, at Pages 903-904.

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#### **ITEM NO. 11: INTERLOCAL AGREEMENT FOR HISTORIC LANDMARKS COMMISSION WITH MECKLENBURG COUNTY AND TOWN OF CORNELIUS**

**Councilmember Phipps** said are there are any blended resource arrangements for the review and compliance testing for properties seeking historic status or construction to preserve the historic status in as much as we got all of these localities involved; are we seeking to try to leverage resources and reviewing this? I know at a previous meeting we were allocating resources to help out on this. I was just curious as to that.

**Councilmember Kinsey** said the additional resources were for the Historic Districts Commission and that's under the City. The Historic Landmarks Commission is under the County and is funded by the County.

Mr. Phipps said so still, I was –

**Councilmember Howard** said it is a renewal.

Mayor Clodfelter said I don't know but I think if there were additional resources being requested it would come as part of the County budget request most likely, not a City request.



Motion was made by Councilmember Howard, seconded by Councilmember Austin, and carried unanimously to (A) Approve Historic Landmarks Commission Interlocal Cooperation Agreement with Mecklenburg county and the town of Cornelius for the Charlotte-Mecklenburg Historic Landmarks Commission to add Cornelius to the municipalities served by the Commission, and (B) to authorize City Manager to sign the Interlocal Agreement on behalf of the City.

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**ITEM NO. 12: PROPOSED ANNEXATION AGREEMENTS WITH MATTHEWS AND MINT HILL**

**Mayor Clodfelter** said Mr. Attorney, again, I thought previously we voted these separately.

**City Attorney Bob Hagemann** said Mayor, you may have but it's not a legal requirement.

Motion was made by Councilmember Barnes, seconded by Councilmember Austin, and carried unanimously to adopt ordinances 5451-X and 5452-X approving the proposed Annexation Agreements.

The ordinances are recorded in full in Ordinance Book 58, at Pages 905-932.

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**ITEM NO. 13: CITY ATTORNEY COMPENSATION**

Motion was made by Councilmember Barnes and seconded by Councilmember Smith, to award the City Attorney a base pay increase of 4% effective July 5, 2014 in recognition of his performance from July 1, 2013 through June 30, 2014.

**Councilmember Fallon** said I would like to just say that the ratings for the Attorney were so high I thought that the compensation should be a little bit better but that was the decision of the Council but thank you Bob for being the very, very fine lawyer you are.

**Mayor Clodfelter** said I think Councilmember Fallon expresses the unanimous opinion around the table about the quality of the service you've rendered. We thank you for that and your colleagues in the Association of Municipal Attorneys think well of you as well.

**Councilmember Kinsey** said I have to totally agree with Ms. Fallon. I felt that the review we gave him was exemplary. It's just no question about it and I personally felt that he deserved more than the 4%. I've struggled with whether or not I'll even raise my hand for this but I guess in the spirit of team work I will but I do believe he deserved much more than that.

**Councilmember Howard** said I'm going to ditto everything she just said and I'm still not sure I'm going to vote for it yet.

Mayor Clodfelter said well if motions don't pass then the floor opens for other motions so there we are.

The vote was taken on the motion and recorded as unanimous.

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**ITEM NO. 14: NOMINATIONS TO BOARDS AND COMMISSIONS**

**14-A: Charlotte-Mecklenburg Coalition for Housing:** The following applicants received nominations for one appointment for a legal representative for an unexpired term beginning immediately and ending June 30, 2015.

Brandon Lofton, nominated by Councilmembers Austin, Autry, Barnes, Driggs, Fallon, Howard, Kinsey, Mayfield and Phipps

Motion was made by Councilmember Howard, seconded by Councilmember Austin, and carried unanimously to appoint Mr. Lofton by acclimation.

**14-B: Historic District Commission:** The following applicants received nominations for one appointment for a resident owner of Hermitage Court for an unexpired term beginning immediately and ending June 30, 2015.

Lisa Yarbrough, nominated by Councilmembers Austin, Autry, Driggs, Fallon and Mayfield.  
Edwin Peacock, Jr. nominated by Councilmember Barnes.

**Deputy City Clerk Emily Kunze** said neither one received at least six votes.

**Mayor Clodfelter** said Lisa Yarbrough is the incumbent and she has failed to meet the attendance requirements so taking Councilmembers who nominated her want to continue her service not withstanding that. That would be the just of the nominations.

Ms. Kunze said correct. There were five nominations for her.

Mayor Clodfelter said that will then go on to our next meeting.

**14-C: Keep Charlotte Beautiful:** The following applicants received nominations for two appointments for unexpired terms beginning immediately, one ending June 30, 2015 and the other ending on June 30, 2017.

Joshua Arnold, nominated by Councilmembers Mayfield, Phipps and Smith.  
Martin Joseph, nominated by Councilmembers Austin, Driggs and Fallon.  
Joshua Middleton, nominated by Councilmembers Austin, Driggs and Howard  
Francene Greene, nominated by Councilmembers Autry, Fallon, Howard, Kinsey, Mayfield and Phipps.  
Laura Sieckmann, nominated by Councilmember Autry.  
Regina Tisdale, nominated by Councilmember Kinsey.

Ms. Kunze said we had six nominees. One received six votes, everyone else received one or three nominations.

Mayor Clodfelter said so those will carry over to the next meeting also.

**14-D: Tree Advisory Commission:** The following applicants received nominations for one appointment for an unexpired term beginning immediately and ending December 13, 2016.

Joshua Arnold, nominated by Councilmembers Autry, Howard and Smith.  
Tom Johnson, nominated by Councilmembers Austin, Driggs, Fallon, Kinsey, Mayfield and Phipps.

Mayor Clodfelter said we'll carry that over and you guys get a chance to lobby each other on those.

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## ITEM NO. 15: APPOINTMENTS TO BOARDS AND COMMISSIONS

**15-A: Waste Management Advisory Board:** The following nominees were considered for one recommendation by City Council for appointment by the Board of County Commissioners for an unexpired term beginning immediately and ending November 5, 2015.

Howard Cohen, nominated by Councilmembers Barnes and Driggs.  
Jay Winfrey, nominated by Councilmembers Austin, Mayfield and Phipps.

Results of the ballot were recorded as follows:

Howard Cohen, 8 votes- Councilmembers Austin, Autry, Driggs, Fallon, Howard, Mayfield, Smith and Kinsey.  
Jay Winfrey, 2 votes- Councilmembers Barnes and Phipps.

Mr. Cohen was appointed.

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#### ITEM NO. 17: MAYOR AND COUNCIL TOPICS

**Councilmember Austin** said I just remind individuals in my district that I will be hosting a Town Hall Meeting called E-3: Engage, Empower, Execute on Saturday, September 20<sup>th</sup> from 9:00 am to 2:00 pm right here in the Government Center; more information to follow.

**Councilmember Driggs** said I wanted to announce that I'll be hosting a Town Hall Meeting at exactly the same time, District 7 and its entitled Managing Growth in District 7. It will be at Providence High School from 9:00 am to 12:00 pm on the 20<sup>th</sup> of September. We will have members of the planning staff, C-DOT and CMS there to talk about topics related to how are growth is being managed whether it is too much congestion on the roads and in the schools and whether we have a good vision going forward for the district. That will be on the 20<sup>th</sup> of September at 9 o'clock.

**Councilmember Kinsey** said I would like to ask the Council to allow for the petition that's scheduled to be heard in October to move up to September with the vote in October. It is the Eastway Crossing Chef Store. I apologize, I don't have the petition number but I talked with Ms. Campbell about it.

**Mayor Clodfelter** said is that going to create any insuperable issues Deborah.

**Planning Director Deborah Campbell** said no, we don't think so.

Mayor Clodfelter said do we need to vote on that in order to move - are we voting on just the hearing or the decision date?

Ms. Campbell said the hearing.

Motion was made by Councilmember Kinsey, seconded by Councilmember Driggs, and carried unanimously to move the hearing on Petition No. 2014-094 to the regularly scheduled Zoning Hearings on September 15, 2014.
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**Councilmember Fallon** said on September 28<sup>th</sup> which is a Sunday 2:00 p.m. I will be having an At Large meeting. The Mayor will be our guest, we will also have our City Manager, Ron Carlee and I think the Chief of Police and the Fire Chief will also be attending. Everybody's invited since I am At Large for the whole of Charlotte and it's at the University City Library on W. T. Harris. If you want more information please get in touch with Kim Oliver at the office here.

**Councilmember Barnes** said I want to congratulate my two baby girls for starting kindergarten today. They are wonderful little girls.

Mayor Clodfelter said college savings program already.

Mr. Barnes said now that I'm not paying daycare, preschool tuition I can. I also want to wish my grandmother happy 91<sup>st</sup> birthday today. I hope I have her genes for longevity.

**Councilmember Howard** said I actually was trying to beat you to this because I was going to say congratulations to my daughter who is starting as a senior in college, one who started a senior in high school and I have one that started the second grade and a grandson that started kindergarten so congratulations to all of ya'll.

**Councilmember Phipps** said I wanted to invite people to the Annual Hidden Valley Parade and Festival that's going to be on Saturday, September 6<sup>th</sup>, from 10 am to 4 pm at the Hidden Valley Elementary School, 5100 Snow White Lane here in Charlotte. It's that big festival, annual celebration there. We're expecting a big crowd out there so you are all invited to attend that. Also, we're having an important meeting, a couple of meetings tomorrow; one meeting that's going to be at the University City Library discussing, giving information on changes to the route 11 CATS bus service that's going to be adjusted coming up soon because of the Blue Line Extension construction and bridge closing and construction there. That's going to be from 5:30 to 7:30 at the University City Library and then that next day on August 27<sup>th</sup> they're having the same meeting at the Sugar Creek Library on Tryon Street discussing those. Finally, tomorrow also we having the Rocky River Road West Streetscape Meeting tomorrow, 6 o'clock at Newell

Presbyterian where there will be going over some infrastructure projects associated with that corridor of roads so lots of things are happening in Northeast Charlotte, District 4 and ya'll should just come on out and take advantage of some of these activities.

**Councilmember Smith** said I just want to thank staff. District 6 has had a flurry of constituents service needs in the past few weeks while we haven't been meeting staff has been hard at work helping me meet constituent needs so thank you very much for your help on behalf of District 6.

**Councilmember Mayfield** said in case anyone does not know that we are in the process of celebrating Women's Equality Day. That will be held tomorrow in two separate events at 11 am at the Disc Plaza on the corner of Trade and Tryon there will be a proclamation read on behalf of Mayor Clodfelter as well as a proclamation read on behalf of Commissioner Fuller. There will also be another event tomorrow evening celebrating Women's Equality Day and women's right to vote and the passage of the 19<sup>th</sup> Amendment. This is sponsored by the League of Women Voters and it will be at the Midwood International and Cultural Center which is located at 1817 Central Avenue and that will be starting tomorrow at 6:30 p.m. again at Midwood International and Cultural Center, 1817 Central Avenue so you have two opportunities to come out and support. If you come at Noon feel free to dress as a suffragette which means 90 degree heat with a nice big hat and a long dress so come on out and join us. Support the women in your life.

Mr. Barnes said I would be remiss, Mr. Howard, David you did remind me. I forgot about my son. I would be remiss if I did not congratulate my son on beginning second grade today.

Mayor Clodfelter said that completes our agenda.

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#### CLOSED SESSION

Motion was made by Councilmember Barnes, seconded by Councilmember Mayfield, and carried unanimously to go into closed session pursuant to NCGS 143-318.11(a)(3) to consult with attorneys employed or retained by the City in order to preserve the attorney-client privilege and to consider and give instructions to the attorneys concerning the handling or settlement of the Georgia Ferrell as Administrator of The Estate of Jonathan A.P. Ferrell vs City of Charlotte, Mecklenburg County and Randall W. Kerrick.

The open meeting was recessed at 8:27 p.m.



Emily Kunze, Deputy City Clerk

Length of Meeting: 3 Hour and 17 minutes  
Minutes Completed: September 16, 2014