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Anthony Foxx
Patsy Kinsey

John W. Lassiter
Don Lochman
James Mitchell, Jr.
Patrick Mumford
Warren F. Turner

CITY COUNCIL MEETING

Monday, September 10, 2007

In addition to the previously advertised public hearing items, Key Businesses have asked that the time sensitive items listed below not be deferred.

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CITY COUNCIL AGENDA

Monday, September 10, 2007

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3:00 P.M. CITY ATTORNEY'S EVALUATION ROOM 280

5:00 P.M. DINNER BRIEFING CONFERENCE CENTER

1. Mayor & Council Consent Item Questions

Resource: Curt Walton, City Manager

Time: 5 minutes

Synopsis

- Mayor and Council may ask questions about Consent I and Consent II agenda items. Staff will address as many questions as possible at the end of the dinner meeting.

2. Payment in Lieu of Taxes (PILOT) for Mixed Income Affordable Housing Developments

Resources: Charles Woodyard, Charlotte Housing Authority
Stanley Watkins, Neighborhood Development
Richard Woodcock, Neighborhood Development

Time: 15 Minutes

Synopsis

- Local housing authorities are exempt from paying property taxes, however, the U. S. Department of Housing and Urban Development (HUD) requires housing authorities to enter into PILOT agreements to partially offset the cost of public housing expenses.
- PILOTs are local agreements where the Charlotte Housing Authority (CHA) pays 10 percent of the shelter rent (total rents minus utilities) for housing development properties that it owns, instead of paying property taxes. These agreements are authorized by the North Carolina General Statutes.
- Over the past five years the CHA has partnered with Limited Liability Corporations (LLCs) to take advantage of tax credits to develop mixed income affordable housing developments. These developments include First Ward Place, the Park at Oaklawn and Arbor Glen. As the CHA was a partner, all the parties to the agreements believed that PILOTs would apply instead of the payment of property taxes.
- Recently the County Attorney has determined that the LLCs that own the project buildings are not tax exempt entities and must pay back property taxes.

- The development budgets for these projects were not structured to include the extra expense. The payment of the back taxes (\$1.9 million) puts the low income units in jeopardy.
- The CHA approached the City to request help to restore the financial stability of the developments to the original terms, which did not include property tax payments.
- The City Manager referred this item to the Housing and Neighborhood Development Committee.
- In its meeting on August 29, 2007 the Housing and Neighborhood Development Committee unanimously approved grants for Mixed Income Affordable Housing Developments. These grants represent back property taxes are owed by the Limited Liability Corporations (LLCs) that own the buildings. The LLCs will pay the property taxes owed at the same time they receive the grants. There is no net effect on the City budget.

Future Action

- On Monday September 10, 2007 City Council will be asked to approve a budget ordinance and authorize the grants to the LLCs to cover back taxes for an amount not to exceed \$744,225.
- City Council is also requested to direct staff to initiate a process to develop an alternative agreement to address PILOT like payments for mixed income affordable housing developments for the future.

3. Technical Coordinating Committee Recommendation for Monroe Bypass and Connector Toll Project

Resource: Andy Grzyski, Transportation

Time: 15 minutes

Synopsis

- The Mecklenburg-Union Metropolitan Planning Organization (MUMPO) has been asked by the North Carolina Turnpike Authority to make a decision regarding tolling options on the Monroe Bypass/Connector.
- Option 1 involves tolling both the Monroe Bypass and the Connector. Option 2 involves tolling the Monroe Connector but not the Monroe Bypass.
- Option 1 would fully fund both projects and allow the Bypass to open in 2012 and the Connector to open in 2013.
- Option 2 would not raise enough revenue to fund the construction of the Connector, thus requiring an additional \$109 million in TIP funding. This would delay the opening of the Connector project until 2015 at the earliest.
- The Technical Coordinating Committee (TCC) is expected to vote on the issue at its September 6th meeting.
- City staff will forward information on the TCC discussion and a recommendation on how to direct City Council's MUMPO representative's vote in the Friday, September 7th Council-Manager Memorandum.
- An item to formally direct City Council's MUMPO representative is included in this agenda, item 10, page 11.

4. Answers to Mayor & Council Consent Item Questions

Resource: Curt Walton, City Manager's Office

Time: 10 minutes

Synopsis

- Staff responses to questions from the beginning of the dinner meeting.

**7:00 P.M. AWARDS AND RECOGNITIONS
MEETING CHAMBER**

CONSENT

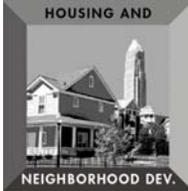
- 5. Consent agenda items 12 through 26 may be considered in one motion except those items removed by a Council member. Items are removed by notifying the City Clerk before the meeting.**

POLICY

6. City Manager's Report

- Functional Consolidation of the City/County Fleet Management

7. Payments In Lieu of Taxes (PILOT) for Mixed Income Affordable Housing Developments



- Action:** Approve the Housing and Neighborhood Development Committee recommendation to:
- A. Make grants to five mixed income affordable housing developments in a total amount not to exceed \$744,727,
 - B. Direct staff to establish a study committee to develop an alternative agreement for addressing mixed income affordable housing developments owned by private, for-profit entities, and
 - C. Adopt a budget ordinance appropriating \$744,727.

Committee Chair: Susan Burgess

Staff Resources: Charles Woodyard, Charlotte Housing Authority
Stanley Watkins, Neighborhood Development
Richard Woodcock, Neighborhood Development

Policy

The City's FY2006-2010 Consolidated Plan was approved by City Council on June 13, 2005. The Plan identified the need for affordable, safe and decent housing for low and moderate-income families. The Plan reaffirmed the three basic goals of the City's Housing Policy:

- preserve the existing housing stock
- expand the supply of affordable housing
- support family self-sufficiency initiatives

Explanation

- PILOTs are agreements between City/County governments and other units of government or non-profit corporations. The agreements offer compensation to City/County governments for tax-exempt property owned by the other units of government or non-profit corporations. These agreements are authorized by the North Carolina General Statutes.
- The City of Charlotte and Mecklenburg County has had a PIOLT agreement with the Charlotte Housing Authority (CHA) for many years, under which the CHA pays 10% of the shelter rent (total rents minus utilities) for housing development properties instead of paying property taxes.

- Local Housing Authorities are tax-exempt organizations. However, the U. S. Department of Housing and Urban Development (HUD) requires housing authorities to enter into PILOT agreements to partially offset the cost of public housing expenses.
- CHA’s development agreements for First Ward Place, the Park at Oaklawn and Arbor Glen Phases 1, 2 and 3 included provisions that allowed the payment of PILOTs instead of the payment of property taxes. However, the developments are owned by a Limited Liability Company (“LLC”), a private for profit entity and not by the CHA. CHA owns the land and ground leases the buildings to the LLC. This resulted in an oversight in the billing and payment of taxes on these mixed income developments. It has recently been determined that the LLCs, as owners of the projects, can not be exempt from the payment of property taxes. The oversight was a combination of the County Tax Office’s lack of understanding that these developments were not fully owned by the CHA and the belief by the private, for-profit entities that they had valid PILOT agreements.
- The CHA contacted the City and Mecklenburg County to help bring an equitable resolution to the back taxes problem. The proposals to this action are in response to their requests.
- A grant which represents the amount owed for back taxes is now required because the City and County entered into PILOT agreements for five developments where CHA is a partner, but not the owner as required by State law. As noted above each of the five developments is owned by a private, for profit entity, which is a requirement of the Low Income Housing Tax Credits financing these developments have received.
- For the past five years here are the back taxes owed to the City and County and PILOT payments made by the LLCs:

Development	Phase/Management Member	Taxes Owed	City Taxes Owed	County Taxes Owed	PILOT Payments
First Ward Place	Phase I & II / Cascade First Ward, LLC	\$847,944	\$321,484	\$526,460	\$416,917
Arbor Glen	Phase I/Crosland & CHA	\$381,059	\$141,954	\$239,105	\$133,231
	Phase II/Crosland & Horizon	\$184,830	\$68,279	\$116,551	\$16,539
	Phase III/Crosland & Horizon	\$34,754	\$13,152	\$21,602	---
Park At Oaklawn	Crosland, CHA & Housing Partnership	\$539,356	\$199,858	\$339,498	\$77,077
Total		\$1,987,943	\$744,727	\$1,243,216	\$643,764

See the attached Chart 1 for more detailed information.

- The grants are necessary to help the developments maintain their financial integrity. The operating pro-formas of these developments assumed the payment of a PILOT.

- Upon City Council approval of the grant, the development entities will pay the back taxes to the County (as they serve as our tax collector) and then the City will grant back an amount equal to the City's portion of the back taxes.
- Mecklenburg County has also been part of these affordable housing agreements and will consider similar grant measures after the City Council's action.
- City staff recommends the establishment of a study committee because this will be a continuing issue for the developments owing back taxes and future developments whose financings assume a PILOT agreement.
- Staff has identified 10 housing developments in various stages of completion that are relying on PILOT agreements to maintain their financial integrity (See Chart 2). Also, staff is providing information for several mixed income affordable housing developments do not depend on PILOT agreements and pay City and County taxes due the way their financing was structured (See Chart 3).
- At City Council's direction City staff will establish a study committee comprised of industry representatives, City and County staff and legal representatives to explore development of a workable agreement that meets the needs of all affordable housing developers and report back to the City and County in 120 days.

Committee Action:

- The City Manager referred this item to the Housing and Neighborhood Development Committee.
- The Housing and Neighborhood Development Committee passed the staff recommendations A and B unanimously (Council members Burgess, Lochman and Mumford) at its August 29, 2007 meeting. The Committee discussed how this situation occurred, whether the private developers are potentially advantaged by this transaction and how the City addresses this issue going forward because PILOT payments are factored into the development's operating expenses.

Funding

The budget ordinance estimates revenues of \$744,727 in property tax payments from mixed income affordable housing developments and provides for appropriation of these revenues. The appropriation will be expended by granting the developers of the mixed income developments full reimbursement of the property taxes. There is no net impact to the City budget.

Attachment 1

Budget Ordinance

Chart 1 Limited Liability Housing Projects that Paid PILOTs

Chart 2 New Projects That Included PILOTs

Chart 3 Assisted Housing Projects that Pay Property Tax

8. Mayor and Council Annual Retreat Process

Action: Consider modifications to the annual retreat process relative to policy development and logistics

Staff Resource: Curt Walton, City Manager

Background

- The Mayor, Council and key staff have used an annual retreat process for many years to confirm focus area plans, develop yearly priorities and discuss the City's overall financial position.
- A Retreat Planning Committee has traditionally been appointed by the Mayor in November/December to begin planning the annual retreat in January/February. It is felt that the actions outlined below will strengthen the work of the Retreat Planning Committee and enhance the results of the annual retreat.
- Traditionally, retreats in even calendar years have been held at out-of-town locations and at in-town locations during odd calendar years.

Explanation

- It is recommended that the Mayor and City Council consider changes to the logistical and policy development components of annual retreats.
- The changes are recommended for the following reasons:
 - Provide as much advanced planning as possible for annual retreats
 - Allow the Mayor and Council members the maximum time to consider focus areas and to determine priorities
 - Provide the Mayor and Council with the most in-depth financial overview as possible
 - Secure the best possible locations for annual retreats
 - Secure the best possible facilitators for annual retreats
 - Reduce the facility costs of retreats by making location decisions earlier and interjecting competition into the negotiation process for facilities and facilitators
- Recommendations for change fall into two categories: Policy Development and Logistics

Policy Development Recommendations

1. Continue development and review of Council focus areas at the annual retreat.

The recommended process for focus areas would be:

- a. Staff presentation of the draft focus area plans to the appropriate Council committee in January.
- b. Introduction of the focus area topic by the appropriate committee chair at the annual retreat, followed by staff presentation and Council discussion of the draft focus area plans.
- c. Referral of the draft focus area plans back to Committee following the retreat, with subsequent Committee recommendation.
- d. All focus area plans come back with a Committee recommendation to a business meeting agenda in March for review and approval.

2. Continue identification of Council priorities at the annual retreat under a new format.
 - a. The facilitator would meet individually with the Mayor and Council members in December and January to determine the priority issues.
 - b. The facilitator would compile priority issues for presentation and discussion at the annual retreat.
 - c. At the retreat, the Mayor and City Council would narrow those priority issues and/or initiatives to a small number, preferably 3, and state those as the City's priorities. It is recommended that the 3 priorities not be a restatement of the focus areas, but rather specific issues or initiatives around which the Mayor and Council want to ensure action over the next two years. This is more in keeping with how priorities were established in the 1990's (when there were priorities such as the vintage trolley, the Eastside strategy plan, the Westside strategy plan, criminal courts expansion, etc.). However, priorities in any given year grew to ten or more by 1999, which is when priorities as a sub-set of focus areas emerged. Neither the financial nor the staff resources were available then or are available now to make significant progress on that many initiatives.
 - d. The priorities identified at the retreat would be placed on a regular business agenda in March for review and approval. Priority implementation plans would be presented as part of the Manager's Recommended Budget in May.
3. Continue use of the retreat planning committee.
 - a. The committee has traditionally been appointed by the Mayor and includes the Mayor and three Council members.
 - b. The committee has traditionally selected the facilitator and the location, and develops the retreat agenda.
 - c. Staff requests that use of a retreat planning committee continue and that this committee be appointed as early in November as possible.

Logistical Recommendations

1. Establish the annual retreat date for 2008 as January 30-February 1, with 2:00 pm Wednesday through noon on Friday as the targeted time frame.
2. Beginning in 2009, establish the annual retreat date as the first Wednesday, Thursday and Friday in February of each year, with 2:00 pm Wednesday through noon on Friday as the targeted time frame. Establishing a common date will allow the staff to bring the retreat planning committee options for both facilitators and locations at better negotiated prices. It will also allow the dates to be posted on the Council calendar earlier to avoid scheduling conflicts with other community events.
3. Formalize the practice of even-year retreats being out-of-town and odd-year retreats being in-town. Establishing this as the approved practice facilitates identification of potential retreat locations earlier, which reduces the cost and expands availability. At the September 4 Workshop, Council discussed the advantages and disadvantages of in-town versus out-of-town retreats.

BUSINESS

9. Designation of Urban Progress Zone

Action: Adopt a resolution requesting the North Carolina Department of Commerce to designate an Urban Progress Zone in Charlotte pursuant to NCGS 143B-437.09(a).

Staff Resource: Brad Richardson, Economic Development Office

Policy

Support the development of an economic environment that attracts new businesses, retains existing businesses and offers a diverse economic mix.

Explanation

- In July 2006 the NC General Assembly passed legislation that created a new tax credit program, Article 3J Credits, which replaced the William S. Lee Tax Credit Act.
- The Article 3J Credits also replaced the State Development Zone with Urban Progress Zones (UPZ).
- Projects located within these zones receive enhanced Article 3J Credits. These are credits against a company's State corporate tax liability.
- The role of City Council is to request the Secretary of Commerce to designate the zone (see attached map). The program is administered by the North Carolina Department of Commerce. No City funding is involved.
- The City and Charlotte Chamber worked together to develop the proposed zone to maximize the UPZ benefits for Charlotte.
- Under the legislation, areas designated as UPZ's cannot exceed 15% of the City's area. This constraining factor, along with specific guidelines for drawing a UPZ resulted in a much smaller and more focused zone.
- The proposed zone generally extends from the Center City southwest to Beam Road and west to the airport. It follows I-85 on the north (with the exception of two census tracts) and as far east as Eastway Drive and The Plaza.
- Every census tract and census block group that composes the zone must meet at least one of the following conditions:
 - Have more than twenty percent (20%) of its population below the poverty level according to the most recent federal decennial census.
 - Be an adjacent census tract or block group in which at least fifty percent (50%) of the area is zoned as nonresidential. No more than thirty-five percent (35%) of the area of a zone may consist of census tracts or census block groups that satisfy this condition only.
 - Have experienced a major plant closing and layoff within the past 10 years resulting in a layoff of at least 3,000 employees or 7% of the municipality's population laid off (whichever is greater).
- A list of the types of eligible businesses and the types of incentives available to them is attached.

- Article 3J Credits became effective on January 1, 2007; however, staff delayed requesting the UPZ designation until the N.C. General Assembly corrected some technical flaws in the UPZ language.
- There is currently at least one active business recruitment project that is awaiting our designation of a UPZ before making their final site decision.

Attachment 2

Resolution

Urban Progress Zone Map

Article 3J Tax Credits Summary Sheet

10. Monroe Bypass and Connector

Action: Receive the recommendation of the Technical Coordinating Committee (TCC) and direct the vote of the City of Charlotte MUMPO Representative related to the Monroe Bypass and Connector projects.

Staff Resource: Andy Grzynski, Transportation

Explanation

- The Mecklenburg-Union Metropolitan Planning Organization (MUMPO) has been asked by the North Carolina Turnpike Authority to make a decision regarding tolling options on the Monroe Bypass/Connector.
- Option 1 involves tolling both the Monroe Bypass and the Connector. Option 2 involves tolling the Monroe Connector but not the Monroe Bypass.
- Option 1 would fully fund both projects and allow the Bypass to open in 2012 and the Connector to open in 2013.
- Option 2 would not raise enough revenue to fund the construction of the Connector, thus requiring an additional \$109 million in TIP funding. This would delay the opening of the Connector project until 2015 at the earliest.
- The municipalities along the corridor have voted to support Option 1 and tolling both the Monroe Bypass and the Connector in order to keep the projects on schedule.
- The Technical Coordinating Committee (TCC) is expected to vote on the issue at its September 6th meeting.
- City staff will forward information on the TCC discussion and a recommendation on how to direct City Council's MUMPO representative's vote in the Friday, September 7th Council-Manager Memorandum.
- Councilmember Mumford is the City Council's representative on the MUMPO.
- The MUMPO Board is expected to address this issue at its September 19th meeting.

Attachment 3

Map

11. Mayor and Council Topics

Council members may share information and raise topics for discussion.

Introduction to CONSENT

The consent portion of the agenda is divided into two sections: Consent I and Consent II.

Consent I consists of routine items that have been approved in the budget, are low bid and comply with Small Business Opportunity Program Policy.

Consent II consists of routine items that have also been approved in the budget, but require additional explanation.

The City's Small Business Opportunity (SBO) Program's purpose is to enhance competition and opportunity in City contracting with small businesses in the Charlotte metropolitan statistical area. Participation of small business enterprises (SBE) is noted where applicable. Contracts recommended for award as of March 1, 2003 comply with the provisions of the SBO program policy for SBE outreach and utilization. Professional service contracts recommended for award as of August 1, 2003 comply with the provisions of the SBO program policy for SBE outreach and utilization.

Disadvantaged Business Enterprise (DBE) is a federal program primarily used for Aviation and Transit.

Contractors and Consultants

All contractor and consultant selections follow the Council approved process unless described otherwise.

CONSENT I

12. Various Bids

- A. Traffic Signal Fiber Optic Cable and Conduit Construction on Mallard Creek Church Road, North Tryon Street and Prosperity Church Road** **CDOT**

Resource: Jeff McSwain

Action

Award the low bid of \$317,340.83 by Whiting Construction Company, Inc. of Troutman, North Carolina. This project includes the installation of aerial and underground fiber optic facilities at various locations along Mallard Creek Road, North Tryon Street and Prosperity Church Road.

Disadvantaged Business Enterprise

Established DBE Goal: 3%

Committed DBE Goal: 5.02%

Whiting Construction Co. Inc. has exceeded the established DBE goal.

They have committed 5.02% (\$13,839.00) of the total contract amount to the following certified DBE firm: CODE LLC.

CONSENT II

13. Fire Apparatus Rescue Equipment

- Action:**
- A. Approve the purchase of rescue equipment without competitive bidding, as authorized by the sole source purchasing exemption of G.S. 143-129 (e) (6), and**
 - B. Approve a contract with Phoenix Rescue Equipment for the purchase of rescue equipment in the amount of \$191,415.**

Staff Resource: Rich Granger, Fire

Sole Source Exception

- G.S. 143-129 (e)(6) provides that formal bidding requirements do not apply when:
 1. Performance or price competition are not available;
 2. A needed product is available from only one source or supply; or
 3. Standardization or compatibility is the overriding consideration.
- Sole sourcing is necessary since the equipment must be interchangeable and compatible with the hydraulic rescue equipment used by other apparatus.
- Purchases made under the sole source exemption require City Council approval.

Explanation

- The Fire Department has 14 ladder companies and two rescue companies which are equipped to provide technical rescue services. The current extraction equipment used by Charlotte Fire Department was purchased in 1991 and has exceeded its useful life. Automotive design changes over the years have made it increasingly difficult to use this equipment on newer vehicles.
- Grant funds will be used to purchase two comprehensive sets of hydraulic rescue equipment which will include panel cutters, spreaders, rams and pumps to be used by the two rescue companies.
- Additionally, 20 sets of combination cutters will be purchased and assigned to the ladder companies and will provide a sufficient supply of spares to be used while repairing and maintaining the assigned units.

Small Business Opportunity

Pursuant to Section 2.21 of the Program Policy regarding purchases without competitive bidding, this contract is exempt from the SBO Program.

Funding

Public Safety Grants Fund and Fire Department operating budget

14. Fire Station 40 Harrisburg Road Design Services

Action: Approve a contract with ADW Architects, P.A. in the amount of \$183,129 for design and construction administration of Fire Station 40 on Harrisburg Road.

Staff Resources: Bruce Miller, Engineering and Property Management
Jon Hannan, Charlotte Fire Department

Explanation

- Fire Station 40 will be an approximately 11,155 square foot, three-bay facility located at 9720 Harrisburg Road to provide service to the Hood Road area of northeast Mecklenburg County, following its eventual annexation into the City.
- The property is located in an unincorporated area within Charlotte's extraterritorial jurisdiction (ETJ).
- The site is strategically located to provide fire protection following future annexation of this area that cannot be reasonably served from existing CFD stations.
- In June, Council approved the Hood Road area as one of eight areas to be studied for possible June 30, 2009 Annexation.
- Fire services will need to be provided on the effective annexation date.
- Construction of this facility will avoid the need for a temporary fire facility, in the event that in 2008 portions of the Hood Road area qualify (and are approved by Council) for annexation.
- Temporary facilities are usually required if design services aren't contracted for until after Council approves annexation of areas to be served by the new stations.
- Other fire stations may be needed in connection with the 2009 annexation, but this is the only future station site the City owns within a 2009 annexation study area
- ADW Architects, P.A was selected pursuant to a Council approved qualifications-based selection process performed in accordance with NC State General Statutes.

Small Business Opportunity

Pursuant to the SBO Program Policy for professional services contracts, the City negotiated a Committed SBE goal with the successful proposer. ADW Architects, PA committed 10.65% (\$19,498) of the total contract amount to the following SBE firm: Charlotte Engineers, LLP.

Funding

Facility Investments Capital Investment Plan

Attachment 4

Map

15. Accela Land Development System

Action: Authorize the City Manager to approve an amendment in an amount not to exceed \$142,272 with Accela, Inc. for annual maintenance and hosting services for the City's Land Development Permit Information software.

Staff Resource: David Weekly, Engineering and Property Management

Explanation

- Accela Automation is a web-based system used to store, track and report land development permit and enforcement activity.
- This amendment provides funding for first year web-hosting services and annual maintenance to ensure that the software is continuously available for use.
- Funding for the amendment is included in E&PM Land Development Services' operating budget which is funded by permit fees.
- The go-live date for the implementation of Accela Automation is October 29, 2007.
- During the implementation phase staff finalized the scope for annual maintenance services, and determined it was more economical to contract for maintenance services.

Background

- On April 10, 2006 Council approved the original contract for \$614,740 which includes software licensing, installation and professional services for implementation. The funding source for the original contract is the continuation of the 10% surcharge on permit fees, initiated in 1999 with the implementation of KIVA, the current permitting system.
- The Subdivision Steering Committee, made up of developers, builders and designers, are in support of the upgrade and funding through the 10% surcharge.
- Accela Automation meets the City's business system requirements and will provide more seamless customer service for land development permitting. Enhancements include wireless inspection services, on-line submittal of applications and payments by our customers, instant notifications of permit status to our customers and GIS applications (tying the permit with a physical location on a map that can be viewed internally by staff and externally by citizens).
- As part the deliverables, Accela will provide a two-way interface with the County's system as it relates to the placement and release of holds for building permits and issuance of certificates of occupancy.

Small Business Opportunity

All additional work will be performed by the current consultant, Accela, Inc., and their existing sub-consultants. Pursuant to Section 5, no goal was established because sub-consulting opportunities are not anticipated.

Funding

Engineering and Property Management operating budget

16. United States Geological Survey 2007-2008 Cooperative Agreement

Action: Approve the 2007-2008 Cooperative Program Agreement in the amount of \$314,650 with the United States Geological Survey (USGS) for storm water data collection activities.

Staff Resources: Tom Calhoun, Engineering and Property Management
Keri Shearer, Engineering and Property Management

Explanation

- The agreement is used to maintain the rainfall and stream flow gage system.
- The rainfall and stream flow gage system consists of 74 rain and 50 stream gages covering the Mecklenburg County Region.
- Data from the gage system is used to:
 - Determine flood-prone areas
 - Review impacts of rain events
 - Determine long-term trends
 - Aid in water-quality investigations
 - Assist in the design of drainage infrastructure
- This agreement also maintains the Flood Information and Notification System (FINS), an integral part of the gage system. FINS is used to notify emergency personnel of potential threats to life and property.
- This agreement leverages City funds with USGS funds. Total cost is \$568,000. The City's share is \$314,650. USGS will pay the remainder of the cost.
- Mecklenburg County has a similar agreement with USGS. Total cost of that contract is \$431,500. The County's share is \$251,050. USGS will pay the remainder of the cost.

Contract History

Since 1961, the City of Charlotte and Mecklenburg County have worked with the USGS, gathering rainfall and stream flow information through a cooperative, cost-sharing program.

Funding

Storm Water operating budget

17. Engineering Services for Stream Restoration

- Action:**
- A. Approve a contract with URS Corporation – North Carolina in the amount of \$810,000 for stream restoration engineering services, and**
 - B. Approve a contract with HDR Engineering, Inc. of the Carolinas in the amount of \$675,000 for stream restoration engineering services.**

Staff Resource: Tim Richards, Engineering and Property Management

Stream Restoration

- Stream restoration is the process of converting a degraded, eroding stream corridor to a stable condition.
- The Clean Water Act often requires public projects to mitigate impacts to streams and wetlands by restoring similar features elsewhere.
- Stream restoration projects generate mitigation credits that can be used to offset stream and wetland impacts on public projects.
- In 2004, the City of Charlotte established a Stream and Wetland Mitigation Bank to hold mitigation credits that can be used by City and County public projects.
- The Bank allows mitigation dollars to remain local rather than be paid to a statewide fund, so the benefits of restoration projects are realized in Charlotte's watersheds.
- Mitigation credits are currently sold by the "bank" to individual projects at a rate of \$232 per linear foot, which allows the Storm Water Program to recoup approximately 60% of the cost associated with restoring streams.
- Each of these restoration projects is located in areas that have been impacted by unmitigated storm water runoff and have been identified by the State as "impaired."

Contracts for Engineering Services

- These contracts with URS Corporation – North Carolina and HDR Engineering, Inc. of the Carolinas will provide engineering services for Hackers Branch Stream, Coliseum Creek, Coulwood Branch and potentially other stream and wetland restoration and water quality projects as needed.
- Work will include the preparation of feasibility studies as well as planning and design plans for small scale restoration projects for mitigation credit.
- These contracts will support the City's Stream and Wetland Mitigation Bank.

Small Business Opportunity

A. URS Corporation – North Carolina

Established SBE Goal: 6%

Committed SBE Goal: 6%

URS Corporation – North Carolina committed 6% (\$48,600) of the total contract amount to the following certified SBEs: Habitat Assessment & Restoration Program, Carolina Wetland Services, Joel E. Wood & Associates, LLC, Boyle Consulting, Capstone Civil Group, PA, Summit ECS and Sharpe Images.

B. HDR Engineering, Inc. of the Carolinas

Established SBE Goal: 6%

Committed SBE Goal: 6%

HDR Engineering, Inc. of the Carolinas committed 6% (\$40,500) of the total contract amount to the following certified SBEs: Habitat Assessment and Restoration Program, R. Joe Harris & Associates, PLLC, Joel E. Wood & Associates, LLC and On-Target Utility Locate Services.

Funding

Storm Water Capital Investment Plan

18. Geotechnical Testing Services

Action: Approve Amendment #1 with Terracon Consultants, Inc. (Terracon), in an amount not to exceed \$215,000 for geotechnical, construction materials testing and special inspection services.

Staff Resource: Bruce Miller, Engineering and Property Management

Explanation

- Terracon was selected pursuant to a Council approved qualifications-based selection process performed in accordance with NC State General Statutes.
- The City Manager approved the original contract with Terracon on April 3, 2006, in the amount of \$90,000.
- Per the original contract Terracon performed geotechnical, construction materials testing and special inspection services for various City projects such as Fire Stations, Maintenance Facilities, CMPD Facilities, and other miscellaneous building projects on an as-needed, task order basis. Hourly rates were similar to those typically charged for services of this type.
- This amendment will provide for a continuation of the work specified in the original contract and hourly rates for this amendment will remain consistent with the original rates.
- The total contract amount to date including Amendment #1 will be \$305,000.

Small Business Opportunity

All additional work involved in this Amendment will be performed by the Consultant, Terracon Consultants, Inc., and their existing sub-consultants. Terracon Consultants, Inc. committed 5% (\$10,750) of the amendment to the following certified SBE: Joel E. Wood & Associates, PLLC. This amendment complies with Section 10.3 of the SBO Program Policy.

Funding

Transportation and Facility Investments Capital Investment Plans

19. Raw Water Reservoirs Improvements at Franklin Water Treatment Plant

Action: Approve a professional services agreement for \$1,949,830 with Hazen and Sawyer, P.C. for final design, permitting and construction administration services for improvements to the reservoirs at Franklin Water Treatment Plant.

Staff Resource: Doug Bean, Utilities

Background

- Water capacity demands in the system have increased and the service capacity of existing infrastructure is limited.
- The 2 oldest existing reservoirs, which are 50 to 75 years old, with an effective 60 million gallon per day capacity, are no longer capable of supplying the necessary volume of raw water to the Franklin Water Treatment Plant for the production of finished water.
- The reservoirs are experiencing seepage and erosion problems along the southeastern embankment.
- The new reservoir to be constructed will have an approximate volume of 250 - 300 million gallons.
- The new reservoir will be capable of supplying the necessary raw water capacity to the Franklin Water Treatment Plant for the production of finished water to supply the distribution system.

Explanation

- The agreement with Hazen and Sawyer will provide for final design and construction administration for a new reservoir to be constructed within the footprint of the 2 older outdated reservoirs.
- Hazen and Sawyer were selected using the City Council approved qualifications-based selection process.

Small Business Opportunity

Established SBE Goal: 5%

Committed SBE Goal: 5.2%

Hazen and Sawyer met the goal and have committed \$101,500 to the following SBE firms: Hinde Engineering, Inc., On Target Utility Locate Services, Richa Graphics and Capstone Civil Group.

Funding

Water and Sewer Capital Investment Plan

20. Midwest Airlines Operating Agreement

Action: Approve an agreement permitting Midwest Airlines, Inc. to operate at the Airport.

Staff Resource: Jerry Orr, Aviation

Explanation

- Midwest Airlines, Inc. is to begin service from Charlotte as Midwest Connect on September 15, 2007 with two daily round-trip flights to Milwaukee.
- The airline will be permitted to operate under the same terms and for the same rates as other similar carriers at the Airport.
- Midwest will pay landing fees, jet bridge/gate usage fees and office rent. The annual fees paid by Midwest are anticipated to be above \$65,000.

21. Harlee Avenue On-Ramp Design

Action: Approve a contract with Earthtech of North Carolina in the amount of \$108,780 for the design and bidding services for an on-ramp from Josh Birmingham Parkway to Harlee Avenue.

Staff Resource: Jerry Orr, Aviation

Explanation

- Since 1999, the Airport has constructed three employee parking lots and a public parking overflow lot totaling 6,600 spaces between Josh Birmingham Parkway and Harlee Avenue.
- The next parking deck (4,000 spaces) is scheduled to begin construction this winter at the corner of Wilkinson Boulevard and Harlee Avenue.
- In 2005, several Aviation Department divisions were relocated to an existing building at the corner of Wilkinson Boulevard and Harlee Avenue.
- In 2007, the Airport constructed an on-ramp from Harlee Avenue to Josh Birmingham Parkway to facilitate traffic movement from Wilkinson/Harlee to the terminal.
- This contract will provide the design, bid document and NCDOT approval to construct a second ramp to provide access from Josh Birmingham Parkway to Harlee/Wilkinson.
- This contract will be funded from proceeds of the 2004 General Airport Revenue Bonds, the debt service of which is paid from Passenger Facility Charge (PFC) revenue.

Small Business Opportunity

Established SBE Goal: 3%

Committed SBE Goal: 3%

Earthtech met the goal and committed 3% (\$3,263) to the following SBE firm: Richa Graphics.

Funding

Aviation Capital Investment Plan

22. Airport Taxiway LED Fixtures

Action: **A. Approve the purchase of taxiway in-pavement lighting fixtures from Siemens Airfield Solutions in the amount of \$523,264.86, and**

B. Adopt a budget ordinance appropriating \$523,265 of Airport Discretionary Fund Balance to be repaid from the proceeds of future General Airport Revenue Bonds.

Staff Resource: Jerry Orr, Aviation

Explanation

- The request is for approval to purchase 1,050 taxiway centerline fixtures. The fixtures house various colored lamps used for surface guidance and direction of aircraft.
- The formal invitation to bid was conducted by the City of Charlotte's Procurement Services Division on August 10, 2007. The only bidder was Siemens Airfield Solutions, Inc. There are only three FAA approved suppliers.
- The existing components are 30 years old and maintenance intensive due to normal deterioration.
- Although the primary reason for the replacement of the existing fixtures is for safety and operations, the Airport will also reap significant savings with the new fixtures due to energy cost reductions and maintenance parts expenditures.
- This expenditure is for hardware only. Airport staff will install the new fixtures.
- The permanent source of funding for this purchase will be General Airport Revenue Bonds, the debt service of which will be paid from Passenger Facility Charge (PFC) revenue.

Small Business Opportunity

Pursuant to Section 5 of the SBO Program, no SBO utilization goal was set for this contract as subcontracting is not anticipated.

Funding

Aviation Capital Investment Plan

Attachment 5

Budget Ordinance

23. Airport Janitorial Services Contract Extension

Action: **Approve a one-year contract extension to Gali Services Industries, Inc. of Bethesda, MD estimated at \$4,800,000 based on unit costs to provide janitorial services at the Airport.**

Staff Resource: Jerry Orr, Aviation

Explanation

- On November 22, 2004, Gali Services Industries, Inc. was awarded a three year contract with two, one-year extensions to provide janitorial services at the Airport.
- On March 26, 2007, Council approved a contract amendment for providing restroom attendants.
- This is the first of two, one-year contract extension options for the City.
- Under this contract, the contractor is responsible for providing all personnel management, supervision, equipment and janitorial supplies necessary to perform cleaning tasks. The areas at the Airport cleaned under this contract are:
 - Airport Main Terminal
 - Concourses A, B, C, D and E
 - Federal Inspection Services
 - The Old Terminal
 - Airfield Maintenance
 - Building Maintenance
 - Taxi Hold Building
 - Taxi stands
 - Parking offices and various parking related facilities (toll booths, parking deck elevators)
- The contract identifies cleaning specifications that describe performance standards and number of cleaners required per shift and equipment. The Airport is satisfied with GSI's performance.
- Payment for personnel is at a fixed bid rate per worker and payment for consumables is at unit cost per passenger passing through the airport. Payment for equipment is also specified in the contract.
- Project work will be assigned by the Airport Janitorial Manager (1 of 2 City employees supervising the janitorial effort) as needed and is paid at a bid unit cost for labor, materials and equipment. All outlying facilities are subcontracted to a SBE janitorial supplier for a flat rate per building.
- The extension will remain at the same unit cost as the original contract.

Small Business Opportunity

All additional work involved in this contract extension will be performed by the current Prime contractor, and their existing subcontractor. This extension complies with Section 13.1 of the SBO Policy.

Funding

Aviation operating budget

24. Mesa Hangar Design

Action: **A. Approve a contract to Pease Associates of North Carolina in the amount of \$179,000 for design and bidding services for a maintenance hangar, and**

B. Adopt a budget ordinance appropriating \$210,000 from the Airport Excluded Centers Fund Balance.

Staff Resource: Jerry Orr, Aviation

Explanation

- Mesa Airlines currently conducts aircraft maintenance operations in a hangar located on Wallace Neel Road. The hangar must be removed for the construction of the Third Parallel Runway.
- This contract will design a 24,000 square foot maintenance hangar and an additional 6,000 square foot of office/storage space for use by Mesa Airlines.
- Mesa currently employs approximately 84 people in its Charlotte operation.
- The new hangar will be located adjacent to the US Airways Line Maintenance Hangar on Express Drive and is expected to cost approximately \$4 million.
- This contract will be funded by Airport reserves, to be repaid from future lease payments.
- The additional \$31,000 appropriation funds a survey and sub-surface soil investigation.

Small Business Opportunity

Pursuant to Section 5 of the SBO Program, no SBO utilization goal was set for this project.

Funding

Aviation Capital Investment Plan

Attachment 6

Budget Ordinance

25. Property Transactions

Action: **Approve the following property acquisitions (A) and adopt the condemnation resolutions (B).**

NOTE: Condemnation Resolutions are on file in the City Clerk's Office.

Acquisitions

- A. Project:** Briar Creek Relief Sewer Phase I, Parcel # 28
Owner(s): Mecklenburg County Board Of Education aka
Charlotte Mecklenburg Board Of Education

Property Address: 2400 Colony Road
Property to be acquired: 41,503 sq. ft. (.953 ac.) in Permanent Subterranean Easement
Improvements: None
Landscaping: None
Purchase Price: \$20,420
Remarks: Compensation was established by an independent, certified appraisal and appraisal review.
Zoned: R-3
Use: School - Public
Tax Code: 175-071-02
Total Parcel Tax Value: \$24,847,900

Condemnations

- B. Project:** Bryant Farms Road Sidewalk, Parcel # 8 and 8.1
Owner(s): Elizabeth Townes Homeowners Association And Any Other Parties Of Interest
Property Address: Houston Ridge Road
Property to be acquired: Total Combined Area of 485 sq. ft. (.011 ac.) of Sidewalk and Utility Easement, plus Temporary Construction Easement
Improvements: None
Landscaping: None
Purchase Price: \$250
Remarks: Compensation was established by an independent, certified appraisal and an appraisal review. City staff has yet to reach a negotiated settlement with the property owner.
Zoned: R-12MF
Use: Town House Common Area
Tax Code: 229-043-99 and 229-042-99
Total Parcel Tax Value: \$0

26. Meeting Minutes

Action: Approve the titles, motions and votes reflected in the Clerk's record as the minutes of:
 - July 23, 2007 Business Meeting