AGENDA

Meeting Type:	B
Date	04-13-1992
SUBJECT	

City of Charlotte, City Clerk's Office

Council Briefing 4/13/92

CONV. CENTER ART
PLAZA/CENTRAL PAVERS

Mayor ✓ X
Campbell - Came in at 6:20 pm
Cloidfelter ✓ X
Hammond ✓ X
McCrory ✓ X
Majeed ✓ X
Margum ✓ X
Martin ✓ X
Patterson ✓ X
Reid ✓ X
Scarborough ✓ X
Wheeler ✓ X

5:25 p.m.

Vinroot
Johnny Harris
Virginia Bush
Jon Ventulette
Johnny Harris
Vinroot
Patterson
Vinroot
White #2 Central/Plaza Pavers

Dave Howard
Dick Williams
Mangum
Williams
Hammond
Williams
Martin
Howard
Martin
Howard
Martin
Howard
Martin
Williams
Martin
Williams
Clodfelter
Howard
Clodfelter
Howard
Mangum
Williams
Majeed
Howard
Vinroot

by County today

Majeed
Vinroot
Morgan
Clodfelter
Reid
Underhill
Reid
Underhill
Hammond
Underhill
Hammond
Vinroot
Reid
Hammond
Morgan
Vinroot
McCrory
Martin
Morgan
Vinroot - Manager & Attorney's Rec'ms
Morgan
Reid
Underhill

Vinroot First opportunity in May -

Clodfelter
Vinroot
Wheeler
Vinroot
White
Hammond #5 ~~#~~ APPT.
Demolish ~~pub~~ commercial buildings

McCrory
Scarbough
McCrory
Vinroot

#6- 2ND BULLET PG. 4
Clodfelter 29B, C, D, E & F
Vinroot
Reid
Alexander
Reid
Alexander
~~[illegible]~~ Reid
White
Alexander

Reid
Alexander
Reed
Vernot
Reed
Borgsdorf
Reed
Borgsdorf
Reed
Borgsdorf
Vernot
Scarborough

N C League - 8th District Meeting
4-6:00 pm — 4-30-92 - Spartanburg

Reed - Cherry
Vernot
Borgsdorf
Patterson
Borgsdorf
Mangum
Borgsdorf
Mangum
Borgsdorf
Mangum
Borgsdorf
Mangum

Bergeret.
Morgen
Bergeret.
Martin
Bergeret
Verrot.

Adjourn 6 30 Pm

City Council Meeting 4/13/92

Mayor ✓
Campbell ✓
Cloidfelter ✓
Hammond
McCrory
Majeed
Mangum
Martin
Patterson
Reid
Scarborough
Wheeler

6:35 p.m.

Vinroot
Larry Coffey - Introduction of visitors from Wrotzclaw, Poland
Vinroot - Proclamations
Mahlon Adams
Vinroot
Hammond
Vinroot
McCrory

Hammond
Winroot
Reid
McCrory - February Youths of the Month
Hammond - March Youths of the Month
Reid - April Youths of the Month
Winroot
Jim Price
Jim Warner
Marcia Norman
Lamar Brown
Vivian Brown
Winston Brown
Ron Primeau
Martin
Primeau
Winroot
Cullie Tarleton
McCrory
Alexander
Tarleton
Winroot
McCrory
Rev. James Barnette
Martin

Barnette
Reed
Barnette
Reed
Majeed
McCrory
Vinroot

7.30

7:30

Invocation - Rev. Jay Stoff

#2 Hammond / Wheeler - App. Minutes
Unan.

#3 Consent - Pull 29 B, C, D, E, + F
McCrory / Wheeler - App Rest - Unan.

#29 B, C, D, E, + F
Chadwell / Hammond - defer all to
4/27 - Report from staff - Unan.

#4 White
Scarborough / Patterson Approve
+ Consider N.C. Artists
Martin
White
Martin
Majeed
Scarborough
White
Campbell
White
Campbell
Mangum
Reid

Hammond
Scarborough - Amend motion to
showcase N.C Artists
McCrory
Subst. McCrory/Campbell - deny
Viniot & ~~see if someone~~ try to use private
Martin sector
Wheeler
Pitts
Wheeler
VOTE - Subst Deny No - Morgan Pitt, Scar
Hammond
Yes Campbell, Reid, McCrory, Martin, Wheeler,
#5 - Coalfield, Majed
Allen Wells
Doug Indell
Morgan
Morgan/Scarborough Overide Vote
Viniot
Wheeler -
Reid
White
Reid
Wheeler - Never be 4 lane according to CDOT
Reid - 1 lower to 30MPH stop light or 4-W
sidewalks on both sides lit one place

Vinroot put on a minor st agenda
Reid
Patterson/Scarborough put on a minute on st
Hammond Let staff come back with
McCrory suggestions to lessen impact
Patterson
Vinroot
~~VOTE~~
Reid - Staff will put on later agenda
White
Martin
Reid
VOTE - YES Mangum, Nagel, Scarborough, Martin
NO

#6 Vinroot
Syfert - Joe Stowe here to answer questions
Martin/Patterson Move Cherry up now #13

#13 Jim Lewelle
Dennis Rash
Scarborough
Scarb. - 3rd/Clearfield Rep. as recommended

Morgan
McCrory
Lowell
Martin
Majeed
Reid
Lowell
Borndorf
McCrory
Borndorf
Reid
Campbell
White
Clodfelter

Carried
10-1

VOTE-NO - Campbell -

#6
Clodfelter / Scarborough offer indigent policy for now - unan.
Jim Patterson
Morgan - address 1%
Joe Stowe
Majeed
Scarborough
Majeed

McCrory
Underhill - believe City has right to do this
McCrory
Underhill
Martin
Stowe
Martin
Stowe
Clodfelter
Stowe
Clodfelter
Underhill
Clodfelter
Vinroot
Stowe
Vinroot
Reid
Stowe
Reid
Stowe
Hammond
Clodfelter
Majeed/Reid

Go back to CMUD Zoning committee & adjust

Bill Manager / Hammond - Approve
Campbell
Stowe
Campbell
Stowe
Campbell
Stowe

Majed
Martin
1st VOTE - to approve YES Mangum, Hammond
Scarborough, Clodfelter

NO

Original - VOTE - Committee come back
~~Sep~~ NO Mangum, Hammond,
Scarborough

Martin
Bingdorf Committee mts 4/16
White
Campbell
White
Campbell
Hammond -
Venroot

Rec. 22 - 9:05
Recess 9:10

#7 Venroot
McCrory
McCrory/
Hammond accept 1-4 defer #5
McCrory
Hammond/Mangum approve 1-4 + defer #5
Vinson

Reid
McCrory
Reid
Seifert
Reid 1-15 Sub. Motion to make 120 P.O. priority
Underhill
Scarborough - VOTE SEPARATELY
Virsot
Martin
Patterson
McCrory
Majeed
McCrory
Campbell
Scarborough
Virsot
Vote #1 Unan.

#2 -
No - Scarborough

#3 -
No - Campbell, Scarborough

#4
No Scarborough

ITEM #5 -
Pattison / Wheeler
Defer 30 days

McCrory
Vin
VOTE Unan.
Majed
Reid / Wheeler - Make hiring
120 Police Officers our
No. 1 Priority -
VOTE - YES - Reid, McCrory
Wheeler
Unroot Will come in budget
#8 Morgan / McCrory
Nell Walz
Sarah Duncan
Campbell
Duncan
Campbell
Scarborough
McCrory
Campbell / Scarborough
No - McCrory, Morgan
McCrory

#9 Hanna & Patterson

Reed
Syfert
Reed
Syfert
Reid
Syfert
Reid
Syfert
Reid - How many would we have to replace? Eliminate Fire + Police, must be replaced
Syfert
Reid
White
Syfert
Reid
Syfert
Martin
Syfert
Martin
Wheeler
Syfert
Wheeler

Mangum
Seifert
McCrory
McCrory
Vernon
White
Mangum

VOTE - NO - Reid, White

Clodfelter / Lassiter do #15 now

#15 Clodfelter / Patterson App

VOTE - NO Mangum, McCrory

#10 Mangum / Clodfelter

McCrory	No
White	No
Seymour -	No
Reid	
Seifert	- $10,000
White -	Profits from Parking
Reid	
White	
Reid Yes $1.5	
Vernon	
Reid	

Martin
VOTE - YES Scarborough, Reid, Clodfelter

Carried 6-5 Marzen, No Hammond, Wheeler, Majeed
McCrory, Martin

#11 Marzen / Pattison Opp.
Scarborough
White
Hammond
Scarborough
Hammond
VOTE - No - Scarborough

#12 Marzen / Clodfelter
VOTE - Unan

#14 Clodfelter / Wheeler
VOTE - Unan

#16 Marzen / Wheeler
Vote Unan

#17 Marzen / Wheeler
Clodfelter
Bergsdorf

Reid
Borgsdorf
Reid
Borgsdorf
VOTE - Unan

#18 Morgan/Wheeler approve
Clodfelter
Syfert
Clodfelter
Scarborough
White
VOTE - Unan

See next page for
Boards + Commissions

19 - Boards & Comm. Nominations

1- Auditorium - Coliseum - Conv. Ctr. Auth.

Mangum / Wheeler Reappoint Ashendorf

Unan.

Isaac Heard, Sr - by Majeed

~~William~~ Jerry Thorne by Mangum

Mohammed Jenatian - by Clodfelter

Etta Vaughan by Wheeler

Patrick Diamond by Martin

Bill Dukes by McCrory

~~Etta Mae~~ Graeme Keith - by Hammond

Bill Treadaway by Reid

Lee Morris by Scarborough

Joe Tronco by Patterson

Scarborough / Martin - Else Non - Unan

2- Certified Dev.

<u>Private Lending Institution</u> Category

Steven Wangerin by Mangum

Derrick Knox by Majeed

Michael Lincoln by Wheeler

Dean Noble by McCrory

Beth Brown by Patterson

Patterson / Scarborough - Else Non - Unan.

General Citizen

William Potts by Mangum
Jim Patterson by Hammond
Tony Presley by Patterson
Bobby Drakeford by Campbell
Danny Fesmire by Reid
Patterson / Scarborough - Close Nom
Unan.

3- Civil Service Board

Jackie Faulkner by Majied
Roy House by Mangum
Wells Van Pelt by Wheeler
Marvin Smith by Martin
William Jones by Reid
Patterson
~~Hammond~~ / Scarborough Close Nom.
Unan.

4- Clean City Committee

Patterson / Reid - Reappoint Spegal,
Elder & Wall - Unan.

5- Historic District Commission

Scarborough / Patterson - Reappoint
Tarleton, Pfahl & Warren
Unan

6- Historic Landmarks Commission

Charlie Williams by Majeed withdrew his name on 4/15

James Van Orsdel by Mangum

Roger Dahnert - by Closfelter

John Ketner by Wheeler

Jo Lemmonds by Hammond

Richard Welch by Reid

Dr. Anna Strasola by Patterson

Chris Timmers by Campbell

~~[illegible] Else Hon. - Unan~~

Campbell/Reid Else Hon. - Unan

7- Housing Authority

Marnita S Perry by Majeed withdrew name on 4/15

Macco Mayo by Closfelter

David Bailey by Wheeler

Wilford Neal by Martin

Dean Noble by Hammond

Rodney Ham by Reid

Loy Matthews by Patterson

James Middlebrooks by Campbell

Scarborough/Patterson Else Hon - Unan

8 - Parks Advisory Committee
Hammond/Scarborough - Defer until
Consolidation is settled
~~[illegible]~~ No - Clodfelter

9 - Planning Commission
Mangum/Patterson reappoint
Thomas O'Brien + Isaac Heard, Jr
Unan.

Nominations -
Bernie Johnson by Scarborough
Bob Overholtz by Cantrell
Mary Smith by Patterson
Richard Sahlie by Reid
Mahlon Adams by Hammond
Susan Pfahl by Clodfelter
Jerry McMurray by Mangum

Hammond/Mangum Close Nom Unan

10 - Sister Cities
Patterson/Scarborough reappoint
Spreng, Lebold, Durrell, Crossland,
Lockaby

Sister Cities - continued

nominations —

Priscilla Walters by Patterson
Richard Welch by Hammond
Bob Overholtz by Campbell
Charlie Winn by McCrory
James Middlebrooks by Wheeler
William Wortman by Wheeler
Leonard Springs by Martin
George Dorsey by Clodfelter
Suzanne Harter by Margum
Rev. William Worsley by Mazeed

Scarborough / McCrory else Non - unan

11- Spirit Square

Hammond / Scarborough - reappoint
Twombly - unan.

nominations -

I Hilliard Staton by Campbell
Lenny Springs by Scarborough

Margum / Clodfelter - Else Non.
Unan

12- Tree Advisory
Steve Mitchener by Wheeler
Shea Merritt by Patterson
Bruce Brodt by Reed
Douglas Goldstein by Hammond
Eric Solow by Cloodfelter
Andrew Baenger by Mangum
Keith Johnson by Majeed

Mangum/~~[illegible]~~ Martin - Close Nom
Unan

Tom Kalen - Rec Aud - Cols. - Cons Ctee.
Auth

Mangum/Hammond
Adjourn 10:35 p.m.

MAYOR'S SCHEDULE
April 13, 1992

6:30 p.m. CITIZENS' HEARING

1. Recognize Larry Coffee, Coordinator of the Charlotte/Wroclaw Program.

2. **PROCLAMATION-** To be presented to Jack Bullard, proclaiming April, 1992 as Fair Housing Month.

3. **PROCLAMATION-** Proclaiming April 12-18, 1992 as **BOYS AND GIRLS CLUB WEEK.**

4. Mahlon Adams, 3346 Willow Oak Road - 523-0664 - Recognition

5. Recognize Youths of the Month for February, March and April

February Gus Pappsa - Myers Park and Anh Thi Hoang - West Charlotte
March Patrick C. Polking - Charlotte Catholic and Angela Williams, Charlotte Country Day.
April David Brown - South Mecklenburg and Ann Foxx - West Charlotte.

6. Jim Grice, 1540 Bear Mountain Road - 393-5873 - Chief Stone's improper use of Police Force.

7. Jim Warner, Jr., P. O. Box 18202 - 344-9482 - City Police Department

8. Marcia Norman, 5900 Quail Hollow Road - 553-6284 - Pine Valley Community.

9. Ron Primeau, 105 Shady Oak Trail - 552-5697 - Temporary Homeless Shelter, Alpha Amega Center, 200 Tuckaseegee Road.

10. Cullie Tarleton - 552-8200 - Charlotte-Mecklenburg Drug & Alcohol Commission.

11 Rev. James Barnette, 1335 Dean Street - 333-6471 - Crusade

7:00 P.M. Meeting

1. Invocation by Rev. Jay Shoff of Plaza Church of the Nazarene.

2. Announcements

Wednesday, April 15	4:00 p.m., City Council Personnel & Finance Committee - CMGC Room 270
Monday, April 20	3:00 p.m., City Council Community Development and Housing Committee - CMGC Rooms 270-271.

3. The following requests to speak to agenda items have been received:

(a) Agenda Item No. 5 - Park Road Barricade

(1) Allen Wells, 236 Hunter Lane - 372-2658

(2) Doug Tindel, 11318 Treebark Drive, Pineville - 364-4251 Ext. 4404.

#6

(b) Agenda Item No. 8 - Transportation - Express Bus Service

(1) Sarah Duncan, 6634 Wilgrove-Mint Hill Road - 378-8881

(2) Nell ~~Wez~~ WALZ, 5815 Tynwald Lane - 383-5377

(c) Agenda Item No. 13 - Cherry Community

(1) Jim Leavelle, 1 NCNB Plaza - 386-5187

(2) Dennis Rash, 1 NCNB Plaza - 386-8054

(d) Agenda Item No. 14 - Innovative Housing - McMullen Wood

(1) Jud Little, Crosland Properties - 529-6098

(2) John Alquist, 7931 Charter Oak Lane - 543-4676

(e) Agenda Item No. 19-1 - Nominations - Auditorium-Coliseum-Convention Center

(1) Tom Kalin, 3000 East Independence Boulevard - 377-1501

ITEM #10 CULLIE TARLTON, 3120 9TH ST.,

#6 Water + Sewer Extension Policy
(1) James M. Patterson, Jr 2516 Selwyn Ave., 28209
377-3900

CHARLOTTE

Meetings in April '92

APRIL 1 - 3

1, Wednesday

8 30 a m — CIVIL SERVICE BOARD - CMGC, 7th Floor Conference Room

9 30 a m — CIVIL SERVICE BOARD/Hearing - CMGC, Meeting Chamber Conference Room

4 00 p m — CITY COUNCIL PERSONNEL & FINANCE COMMITTEE - CMGC, Room 119

2, Thursday

9 00 a m — TAXICAB REVIEW BOARD/Hearing - Law Enforcement Center, 3rd Floor Conference Room

10 00 a m — PARADE PERMIT COMMITTEE - CMGC, Dept of Transportation, 6th Floor Conference Room

4 00 p m — CITY COUNCIL TRANSPORTATION COMMITTEE - CMGC, Room 270

THE WEEK OF APRIL 6 - 10

6, Monday

7 30 a m — VISION INITIATING COMMITTEE BREAKFAST (Mayor Vinroot, Commission Chair Rod Autrey & Others) - CMGC, 15th Floor Small Conference Room

12 00 Noon — PLANNING COMMISSION/Work Session - CMGC, 8th Floor Conference Room

1 30 p m — PLANNING COMMISSION/Planning Committee - CMGC, 8th Floor Conference Room

5 00 p m — CITY COUNCIL WORKSHOP - CMGC, Conference Center

8, Wednesday

8 00 a m — CLEAN CITY COMMITTEE - CMGC, Room 270

3 00 p m — HISTORIC DISTRICT COMMISSION - CMGC, 8th Floor Conference Room

4 30 p m — CITIZENS CABLE OVERSIGHT COMMITTEE - CMGC, 7th Floor Conference Room

5 00 p m — CHARLOTTE-MECKLENBURG ART COMMISSION/Latta Park Equestrian Center Ad Hoc Art Advisory Committee - CMGC, 8th Floor Conference Room

9, Thursday

2 00 p m — ADVISORY ENERGY COMMISSION - CMGC, Room 119

4 30 p m — CHARLOTTE-MECKLENBURG ART COMMISSION/Criminal Courts/Civil Courts Renovations Ad Hoc Art Advisory Committee - CMGC, 8th Floor Conference Room

10, Friday

12 00 Noon — CONVENTION CENTER GROUNDBREAKING CEREMONY - Convention Center Site, Brevard St near Second St

THE WEEK OF APRIL 13 - 17

13, Monday

12 15 p m — PLANNING COMMISSION/COUNTY COMMISSION - CMGC, Meeting Chamber Conference Room

4 00 p m — CITY COUNCIL COMMUNICATIONS COMMITTEE - CMGC, Second Floor, Public Service & Information Dept Conference Room

5 00 p m — COUNCIL/MANAGER DINNER - CMGC, Conference Center

6 30 p m — CITIZENS HEARING - CMGC,, Meeting Chamber (Televised Live on Cable Channel 32)

7 00 p m — CITY COUNCIL MEETING - CMGC, Meeting Chamber (Televised Live on Cable Channel 32)

7 00 p m — HISTORIC LANDMARKS COMMISSION - Law Bldg , 730 E Trade St , Suite 100

(CONTINUED ON BACK)

Public Service And Information Department

600 East Fourth Street

Charlotte NC 28202 2861

704/336-2395

THE WEEK OF April 13 - 17 (Continued)

14, Tuesday

4 00 p m — **AIRPORT ADVISORY COMMITTEE/Workshop** - Charlotte-Douglas International Airport, Main Terminal, Conference A

4 30 p m — **COMMUNITY RELATIONS COMMITTEE** - CMGC, Conference Center

15, Wednesday

6 00 p m — **YOUTH INVOLVEMENT COUNCIL** - CMGC, Conference Center

16, Thursday

2 00 p m — **CMUD ADVISORY COMMITTEE** - Utility Dept , 5100 Brookshire Blvd

4 00 p m — **CHARLOTTE-MECKLENBURG ART COMMISSION/Executive Committee** - CMGC, 8th Floor Conference Room

7 30 p m — **CHARLOTTE TREE ADVISORY COMMISSION** - CMGC, Room 270

THE WEEK OF APRIL 20 - 24

20, Monday

4 00 p m — **PLANNING COMMISSION/Executive Committee** - CMGC, 8th Floor Conference Room

5 00 p m — **COUNCIL/MANAGER DINNER** - CMGC, Meeting Chamber Conference Room

6 00 p m — **CITY COUNCIL MEETING/Zoning Hearings** - CMGC, Meeting Chamber

21, Tuesday

2 00 p m — **HOUSING AUTHORITY** - Administrative Office, 1301 South Boulevard

6 00 p m — **CHARLOTTE ADVISORY PARKS COMMITTEE** - CMGC, Conference Center

6 00 p m — **STORM WATER TASK FORCE** - CMGC, Meeting Chamber Conference Room

23, Thursday

4 30 p m — **CHARLOTTE TRANSIT ADVISORY COMMITTEE** - Charlotte Transit, 901 N Davidson Street

24, Friday

7 30 a m — **PLANNING COMMISSION/Planning Liaison Committee** - CMGC, 8th Floor Conference Room

APRIL 27 - 30

27, Monday

4 30 p m — **PLANNING COMMISSION/Zoning Committee** - CMGC, 8th Floor Conference Room

5 00 p m — **COUNCIL/MANAGER DINNER** - CMGC, Conference Center

6 30 p m — **CITIZENS HEARING** - CMGC, Meeting Chamber (Televised Live on Cable Channel 32)

7 00 p m — **CITY COUNCIL MEETING** - CMGC, Meeting Chamber (Televised Live on Cable Channel 32)

28, Tuesday

1 00 p m — **CITY ZONING BOARD OF ADJUSTMENT** - Hal Marshall Center, 700 N Tryon St , Building Standards Training Room

29, Wednesday

7 45 a m — **PRIVATE INDUSTRY COUNCIL** - CMGC, Rooms 270-271

9 00 a m — **AUDITORIUM-COLISEUM-CONVENTION CENTER AUTHORITY** - 2940 First Union Center

6 00 p m — **YOUTH INVOLVEMENT COUNCIL** - CMGC, Conference Center

30, Thursday

7 30 a m — **FIREFIGHTERS RETIREMENT BOARD** - 428 E Fourth St , Suite 205

5 00 p m — **CHARLOTTE-MECKLENBURG ART COMMISSION** - CMGC, 8th Floor Conference Room

These organizations will not meet in April:
Div of Insurance & Risk Management

April 13, 1992 City Council Agenda
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CHARLOTTE

Mayor Richard Vinroot *Mayor Pro Tem Ann Hammond*

Stan Campbell *Hoyle H Martin*
Daniel G Clodfelter *Cyndee Patterson*
Patrick McCrory *Don D Reid*
Nasif Rashad Majeed *Ella Butler Scarborough*
Thomas A Mangum *Lynn M Wheeler*

Council Agenda

Monday, April 13, 1992

5:00 p.m. - Council-Manager Dinner
- Convention Center art presentation
- Plaza/Central intersection pavers

6:30 p.m. - Citizens Hearing
7:00 p.m. - Council Meeting

ITEM NO.

1. Invocation by Rev. Jay Shoff of Plaza Church of the Nazarene.

2. Consider approval of minutes of February 24 Briefing and Regular Meeting, March 2 Workshop, March 16 Zoning Meeting, March 23 Briefing and Regular Meeting and April 6 Workshop.

VOTE ON CONSENT ITEMS

3. Agenda items 20 through 29 may be considered in one motion except for those items removed from the consent agenda as a result of a Council member making such a request of the City Clerk prior to the meeting.

Staff Resource: Pam Syfert

POLICY

4. Recommend approval of $85,000 to be budgeted for the design of an artwork concept at the new Convention Center, and authorize the selection of an artist/artists to develop the concept.

Staff Resource: Del Borgsdorf

Council Action: It is requested that Council approve $85,000 to be designated for the design of an art concept for the new Convention Center, and authorize the selection of an artist/artists to develop the concept.

Convention Center Art: On July 22, 1991, Council directed staff to hold off on expenditures for the Convention Center artwork until the Art Commission reviews the 1% art resolution, and presents suggested resolution changes to Council. $850,000 is currently in the project budget for this resolution requirement.

- The Convention Center Citizens Design Review Committee and the architect have designated specific areas in the Convention Center building design that could be aesthetically enhanced with the inclusion of art.

- A subcommittee of the Design Review Committee, the architect and staff have worked with the Art Commission's Executive Board. The Design Review Committee, the Art Commission and the architect concur in recommending that a portion of the money set aside in accordance with the 1% art resolution be budgeted for funding the process of selecting an artist/artists to develop an art concept plan for the designated areas at the New Convention Center.

- It is their intent to have the artwork integrated with the building design so that the artwork and design complement each other.

- Once the concept is developed and reviewed by the Design Review Committee, the architect and the Art Commission, Council will be asked to approve the concept and the final budget for the construction and inclusion of the art in the designated areas.

Scarborough/Patterson approve + consider NC artists

Substitution to Denis Martin, Mizada, Campbell, Wheeler, Clodfelter, McCrory, Patterson, Hammond, Margum

YES - Red 7-4 No Scarborough,

Eng.

Manzum/Scarborough
RCA 5.
Override Veto
Failed 7-4
YES: Manzum, Reed, Martin, Scarborough

CDOT

5. Consider placing a barricade on Park Road within Charlotte's city limits to permanently block this thoroughfare's connection to Carolina Place Parkway.

Staff Resource: Julie Burch

This action was approved by Council on March 23 but vetoed by the Mayor. The vetoed action was placed on the April 6 workshop agenda but deferred to the April 13 meeting.

The agenda item is attached.

Attachment No. 1

Clodfelter/Hammond
Defer indefinit policy
unan
Moved/Reed
Do back to review committee
Carried 8-3
No-Manzum, Hammond, Scarborough

6. Recommend approval of revised Charlotte-Mecklenburg Utility Department (CMUD) Water And Sewer Extension Policy, adoption of an ordinance amending Chapter 23 of the City Code, and amendment to the CMUD water and sewer rate methodology.

Staff Resource: Julie Burch

Council Action

Council is requested to approve the revised CMUD Water and Sewer Extension Policy.

- Amendments to the City Code and the rate methodology are also required because of revisions within the extension policy.
- The effective date of the policy will be July 1, 1992.

Revised Policy

CMUD has revised the extension policy as a result of recommendations made by the CMUD Review Committee, concerns that water and sewer connection costs were too high, and that the current policy was no longer meeting the needs of the community. Attached is an update on the highlights of the proposed policy and how concerns from the community have been addressed. (This material was sent to Council in the April 3, 1992 Council-Manager memorandum.)

- The revised policy, copy attached, provides for implementation of a street main extension program to extend water and sewer mains along existing streets to existing housing.

Sulist Manzum/Hammond
Approve - Failed 7-4
YES Manzum, Hammond
Scarborough, Clodfelter

CMUD

- The policy also provides for elimination of the tapping privilege fee and establishing a capacity charge. The capacity charge is based on the value of the capacity of the water and sewer treatment and conveyance systems exclusive of street mains. This change will be calculated each year and varies according to the relative capacity of each size service.

- The revised policy also changes the indigent policy by:

  1) The eligibility criteria is changed to income less than 80% of median.
  2) Removes restriction to health hazards only.
  3) Extends payment options to lien on property or 10 year term 0% interest.

- CMUD has addressed concerns from commercial customers by reformulating the capacity charge calculation for larger size meters. The calculation is now based on an equivalent domestic and fire line instead of solely domestic capacity.

Code Amendment

The proposed City Code amendment is to change the definition of 3/4" and 1" water service connections.

- Currently, the Code defines these connections to include a cut off valve located at the property line. This valve is routinely removed when a plumber connects the private plumbing. In new development, this valve and the piping from the meter to the valve are the source of many problems.

- The new extension policy and the proposed code amendment eliminate the requirement for this valve. The property owner would be allowed to use the curb cut off within the water meter box to turn off the water in the case of an emergency.

Rate Methodology

The amendment to the water and sewer rate methodology is to eliminate the tapping privilege fee and establish the capacity charge.

Public Input

Mecklenburg County and the other Mecklenburg towns have been given the opportunity to review and comment on the policy. None of these have commented.

- CMUD presented the revised policy to the Home Builders Association of Charlotte Land Development Council, the CMUD-Developer Liaison Committee, and to a number of other individuals and developers who have expressed interest or have inquired. The policy has also received news media attention.

- A public hearing was held jointly by Council and the CMUD Advisory Committee on February 10, 1992. Comments from this hearing were addressed by CMUD in a memo to the CMUD Advisory Committee dated February 17, 1992 (copy attached).

- CMUD discussed the proposed policy and particularly the capacity charge concept with the accounting firm Ernst & Young. This firm has been heavily involved with CMUD's extension policy since the 1970's and was the author of the rate methodology currently in use. Their comments were supportive of the policy and the capacity charge implementation.

CMUD Advisory Committee

The CMUD Advisory Committee voted 4 - 2 to approve the revised extension policy on February 20 with the condition that CMUD staff review the capacity charge concepts and present more information on that aspect at their March meeting. At the March meeting, the committee voted 6 - 1 to support the CMUD staff recommendation on the capacity charge approach.

- The committee's motion to approve included a comment to be directed to Council that if Council felt that an increase in water and sewer rates was acceptable in lieu of the capacity charge, then the advisory committee would agree that was a reasonable approach.

However, the advisory committee would not recommend this alternative if this rate increase would result in a reluctance to approve other rate increases to support the Capital Improvement Program due to the cumulative rate increase becoming too high. The advisory committee feels that it is important that CMUD continue an aggressive Capital Program and that funds are identified to make this possible.

- A rate increase between 1% and 2% would be required to generate revenue equivalent to that projected from the capacity charge. Council is reminded that the street main extension program requires a 2% rate increase per year for the next five years and that the Capital Program is projected to require a 5% - 7% increase per year for the next five years or beyond.

- CMUD's recommendation is that all new customers should pay a share of the costs required to provide the treatment capacity, the sewer outfalls, lift stations, water transmission mains, and storage facilities which have been provided to accommodate new customers.

- With the capacity charge in place, CMUD's costs to establish new service are in line compared to cities in this area which have substantial water and sewer systems. Many of the smaller communities do not have water or sewer systems with enough capacity to support extensive new development or new industry.

Funding: Resources required to implement the revised policy will be addressed in the FY93 Budget.

Clearances: The CMUD Director, Finance Director, and Internal Consulting recommend approval of this action.

Attachment No. 2

7. Recommend approval of recommendations of the Council's Public Safety Committee on anti-crime proposals.

Staff Resource: Pam Syfert

Public Safety Committee: At its March 25 meeting, the Public Safety Committee discussed a number of strategies to reduce crime. The following are its recommendations and requests to Council.

Recommendation (1) Request approval of two additions to the City's legislative package:

(a) Expand the definition of on-duty police officers to include officers performing police related duties in an off-duty employment capacity.

(b) Support legislation which classifies robberies committed with fake guns or real guns that are unloaded or malfunctioning as armed robbery instead of the current classification of common law robbery.

(The additions were approved at the April 6 workshop.)

Hammond/Mangum app. 1-4

#1 - Unan.

Recommendation (2) Request Council approval to hold discussions with the Housing Authority regarding the implementation of Learnfare or a similar program.

Learnfare is a program under which benefits are withheld from parents who do not take appropriate responsibility for their children including keeping them in school. The Public Safety Committee requests Council approval to enter into preliminary discussions with the Housing Authority regarding the feasibility of such a program in Charlotte.

#2 No Scarborough

Manager

Recommendation (3) Request Council approval to pursue a program to keep youth off the streets during late evening hours.

#3 - No - Campbell, Scarborough

The Public Safety Committee remains interested in keeping youth under the age of sixteen off the streets during the late evening hours in hopes of reducing the chances they will become either the victims or perpetrators of crime. While there may be both legal and enforcement problems in establishing a curfew, the Police Chief has suggested that the Police Department attempt to develop a program, using existing laws, that accomplishes the committee's goals without actually establishing a curfew. The committee asks that Council give its approval to develop this program.

Recommendation (4) Request Council approval to set up a joint luncheon with the County Commissioners and the School Board to discuss the following five issues:

#4 - No Scarborough

(a) coordination of a response to the requests made by the Criminal Justice Commission
(b) use of School Resource Officers
(c) seeking laws to make parents responsible when their children bring weapons to school
(d) development of a program to reduce truancy
(e) development of a boot camp for first offenders

Recommendation (5) Recommendations regarding abandoned buildings in commercial areas. The Public Safety Committee asked staff to bring forward ways to begin code enforcement of abandoned buildings in the Central business district.

#5 Patterson/Wheeler Defer 30 days Urban.

(a) Council has the necessary ordinances in place to enact code enforcement of abandoned commercial structures if they meet the following criteria:

- The structure is attracting rodents.
- The structure has conditions creating a fire hazard.
- The structure has conditions that pose a dangerous threat to children.
- The structure is being used by vagrants.

(b) Council can direct that the Central Business District be added as a high priority area for code enforcement of abandoned commercial buildings. Currently the 21 census tracts with the most deteriorated housing are the high priority areas for code enforcement of abandoned commercial structures. The impact on Community Development workload of adding the CBD is difficult to determine, but would be closely monitored.

(c) If code enforcement in the Central Business District results in an Order to Demolish, the City's up-front costs could be higher than what is currently budgeted. Abandoned commercial structures are more costly to demolish. A supplement appropriation for demolition may be required. Those costs are recovered through liens on the property.

Attachment No. 3

8. Recommend re-affirmation of Council's November 25, 1991 decision to reduce Charlotte Transit express service on May 4, 1992 as recommended by the Transportation Committee.

Staff Resource: Pam Syfert

Council Action

At the March 23, 1992 Council meeting, several express bus riders protested the elimination of express routes scheduled for May 4, 1992. Council's Transportation Committee met on April 2, 1992 to review the decision to reduce the express routes listed below.

Council is requested to approve the Transportation Committee's recommendation to reduce selected express service and to re-affirm their own November 25, 1991 action.

Margaret McCrory App + Reaffirm

Sulst Campbell/Scarborough Keep routes + eliminate reverse direction service on any express trip not carrying 5 passengers

Carries 9-2 No Margaret McCrory

CDOT

	Annual Savings
• Eliminate Route 41X Pineville Express	$63,500
• Eliminate Route 54X Harris Blvd. Express	53,600
• Eliminate reverse direction service on any express trip not carrying 5 passengers	80,000
• Eliminate Route 53X Lawyers Road Express; however, extend Route 40X Albemarle Road Express to Mint Hill four trips daily	80,000
• Eliminate Route 52X Uptown Connection; however, re-route 45X Carmel Road Express to serve affected riders	59,670
Total	$336,770

Charlotte Transit management and Council's Transportation Committee discussed the process that targeted certain express routes for elimination. Attachment 1 summarizes service productivity by type of service while Attachment 2 lists ridership and cost recovery for each Charlotte Transit express route. Following this review, Council's Transportation Committee, by a 2-1 vote, re-affirmed the earlier decision to reduce this express service, effective May 4.

Background

On November 25, 1991, City Council approved the recommendation of Council's Transportation Committee to reduce Charlotte Transit express service and to schedule a workshop for further discussion of the need for new revenue sources for public transportation operation. A Council workshop was held on January 6, 1992, and the issue of how much transit service is appropriate for the community and how should the service be financed was referred to Council's Transportation Committee for a recommendation by Fall 1992.

Attachment No. 4

ITEM NO.

9. Recommend approval to implement a voluntary retirement incentive program.

Staff Resource: Pam Syfert

Council Action: Council is requested to approve implementation of a one-time voluntary retirement incentive program for employees eligible for early or service retirement. The proposed program has been reviewed by the Personnel and Finance Committee, but was not voted upon by the Committee

- Implementation of this program will result in savings to the City and taxpayers. Employees may retire earlier than they might have intended.
- The vacancies created by the early retirements will help the City's rightsizing program.

Voluntary Retirement Incentive Program: Details of the program:

- Due to legal reasons,the program must be voluntary (employees may not be forced to participate) and employees must separate from active service.
- Eligibility includes any City employee who is a member of the North Carolina Local Governmental Employees' Retirement System or the Charlotte Firefighter's Retirement System who is eligible for service or early retirement as set forth under the provisions of the Retirement System.
- Incentive: Any employee who retires on or after July 1, 1992 and prior to January 1, 1993 who is granted a monthly retirement allowance will receive:
  - A one-time cash payment which is the greater of 50% of annual salary or $15,000.
  - Continuation of medical insurance in accordance with the policy provisions in effect as of their retirement date.
  - Continuation of group term life insurance up to one year from their retirement date.

Motion/Second Patterson/Lemmond approved 9-2 No Red, Wheeler

Human Resources

- Employees retiring under the program who elect to defer their retirement date after January 1, 1993 will not be eligible to receive continuation of medical insurance as a retiree or continuation of group term life insurance.

- Eligible employees will have 60 days from April 15, 1992 to submit a request to retire under the program. The effective date of retirement must occur on or after July 1, 1992 and prior to January 1, 1993 and be approved by the department head.

- The department commits to maintain the vacancy for the position vacated or another position as near the same classification level as possible for six months, with a goal of maintaining the vacancy for one year or eliminating the position. Exceptions to maintaining the vacancy pursuant to this commitment will require review and approval by the City Manager, on a case-by-case basis.

- Additional information will be sent in the Friday, April 10, 1992 Council-Manager memorandum.

Funding: The cost of the proposed program will be funded from the FY93 salaries allotted for the positions being vacated.

#3307 X #4 Ord. B-40 p. 397

10. Recommend approval of the Drug and Alcohol Commission's anti-drug advertising campaign and adopt a budget ordinance transferring $10,000 in FY92 Council Contingency to fund part of the City's share of this campaign.

Staff Resource: Tom Flynn

Council Action: Council is requested to approve this action in order to provide a part of the City's share of funds for the Drug and Alcohol Commission's anti-drug advertising campaign. Council would consider funding the remaining $40,000 of the City's share during FY93 budget deliberations.

This is a multi-year campaign using donated creative work and donated space from the media. City funds would be used to produce the TV, radio and print advertisements.

Morgan/Cloaifelter App.

6-5

No-Hammond, Campbell, Mayed, McCrory, Martin

Manager

The campaign will focus on three areas:

- Create awareness that severe drug and alcohol problems exist all over Mecklenburg County.
- Promote Drug Education Center's Drug Hotline.
- Emphasize the danger and effects of alcohol.

A summary of the campaign is attached.

Funding: The Drug and Alcohol Commission needs $10,000 to begin the campaign in May 1992. This action appropriates $10,000 from FY92 Council Contingency. Council would consider the remaining $40,000 during FY93 budget deliberations.

If Council approves this appropriation and the Focus 2010 appropriation (consent agenda), there will be $7,000 remaining in Council Contingency.

Using assets forfeiture funds for this purpose is not an option. The U.S. Attorney's Office has raised "serious legal questions" about use of assets forfeiture funds for this purpose. They are concerned that this is a pass-through of funds to a non-law enforcement agency, and pass-throughs are not allowed with asset forfeiture funds. Also, while asset forfeiture funds can be used for drug abuse education, the educational program must be operated by the Police Department (i.e., DARE Program). Attached is the letter from the U.S. Attorney's Office stating this position.

Mecklenburg County originally funded their share of this program from asset forfeiture funds. The U.S. Attorney has now advised the County of their opinion on the use of asset forfeiture funds for the anti-drug media campaign.

Background

In January 1991, Cullie Tarleton, Charlotte-Mecklenburg Drug and Alcohol Commission Chair, presented the proposed anti-drug media campaign to City Council. He requested that the City fund $50,000 for this campaign. The County has already agreed to fund $50,000 for this campaign. At that time, City Council directed staff to bring this back for Council's approval with a funding source.

The Drug and Alcohol Commission is scheduled to begin this campaign in early May. The Drug and Alcohol Commission wants the City to participate and needs some of the City's funding in order to begin the campaign in May.

Attachment No. 5

Res. #11 B 29 p-23

11. Recommend approval to submit a proposal to the N.C. Air Cargo Airport Authority and adopt a resolution strongly urging the Authority to consider Charlotte/Douglas International Airport as the site for the N.C. Global Transpark.

Staff Resource: Del Borgsdorf

Council Action

This request is for Council to:

1. Authorize submission of the proposal to the N.C. Air Cargo Airport Authority.

2. Adopt a resolution strongly urging the N.C. Air Cargo Airport Authority to consider Charlotte/Douglas International Airport as the site for the N.C. Global Transpark.

Global Air Cargo Complex

During the last 16 months, the State of North Carolina has been considering the development of a global air cargo industrial complex:

Concept

In 1990, Dr. John D. Kasarda, Director of the Kenan-Flagler Center at UNC-Chapel Hill, published a paper proposing the creation of a global air cargo industrial complex in North Carolina.

Study

In February 1991, the N.C. Department of Transportation commissioned a study to examine more fully the global air cargo concept in relation to an overall N.C. air cargo system plan.

Request for Proposals

On February 11, 1992, the consultant issued the completed study and the N.C. Air Cargo Airport Authority released a Request for Proposals for potential sites for the N.C. Global Transpark.

Econ Dev.

City's Intent
On February 21, 1992, the City registered its intent to submit a proposal, and asked that the due date be extended from the April 17 deadline to allow more time to study the impact of the Global Transpark on the individual sites. The State denied this request.

Council's Authorization
On March 2, 1992, Council authorized City staff to prepare a proposal to locate the Global Transpark at Charlotte/Douglas International Airport.

Airport Advisory Committee
On April 3, 1992, the Airport Advisory Committee's Air Cargo Subcommittee approved the proposal's concept. The full committee will meet on April 13 to hear the subcommittee's report and then be asked to approve the concept.

Proposal Complete
March 3 - April 16. City and Chamber staff are working together to prepare, print and deliver the proposal by the April 17 due date.

Charlotte's Proposal

The goal of the City's proposal is to ensure that Charlotte/Douglas International Airport and the surrounding areas are included on the State's short list of candidates for the Global Transpark. The proposal includes information on the site, including three key areas:

1. Available Land
The City's proposal identifies significant available acreage to support the Global Transpark. Five sites are identified at Charlotte/Douglas International Airport for the Central Cargo Complex of the Global Transpark, one of which is an interim site to provide for immediate operations. For other Global Transpark activities, the proposal identifies 600+/- acres south of the airport that are available for manufacturing, industrial, and distribution development.

This land is currently owned by the airport or being acquired through the airport's Noise Compatibility Program. The Federal funding that supports the acquisition of this property allows the airport to consider the employment needs of the community and region as a factor in the redevelopment. An additional 10,000 acres appropriately zoned in the immediate airport area have also been identified as appropriate to support air cargo related development.

2. Existing Infrastructure
Because of the capacity and quality of Charlotte's existing infrastructure and support services, the selection of Charlotte would minimize the initial financial investment required and shorten the time needed for the Global Transpark to become operational. Our existing infrastructure offers easy access to the interstate system and rail lines. Utility capacity is also available. Police, fire, and emergency medical services required to support the largest airport in the Carolinas could be expanded as required by the development of the Global Transpark.

3. Financing Options
There are two options:

a. The City could build the Central Cargo Complex, financing it with revenue bonds when there is significant demand.

b. The City could provide up to 40 acres of rent-free land on which the State could build the Central Cargo Complex.

Funding: No funds requested.

Clearances: Economic Development, Aviation.

Margaret Clodfelter
Unan.

12. Accept annual report of the Board of Trustees of the Charlotte Firefighters' Retirement System.

Staff Resource: Pam Syfert

Council Action: Council is requested to accept the attached annual report from the Board of Trustees of the Charlotte Firefighters' Retirement System (CFRS) for the fiscal year ended June 30, 1991, pursuant to Section 45 of the Retirement Act.

Staff has reviewed the report and found it to be in order.

Attachment No. 6

Board of Trustees CFRS

BUSINESS

13. Recommend: (A) approve a loan payoff agreement between the Cherry Community Organization (CCO), NationsBank of North Carolina, NationsBank Community Development Corporation and the City, (B) authorize the City Manager to execute the Loan Payoff Agreement and to take the necessary actions to consummate the payoff of the City loans and (C) authorize the City Manager to enter into a management agreement with a property manager to manage rental units in the Cherry neighborhood until NationsBank purchases them.

Scarborough | Clodfelter
App as recommended
Carried 10-1
No - Campbell

Staff Resource: Del Borgsdorf

Council Action: City Council is requested to approve a loan payoff agreement, which is a multi-party agreement, between the Cherry Community Organization (CCO), NationsBank, NationsBank Community Development Corporation and the City.

- The agreement outlines the roles necessary to resolve the CCO's total debt to the City of $1,180,952.

- The CCO and the City stipulate that as of the date of this agreement the total debt owed to the City by the CCO for loans previously made is $1,180,952 which is inclusive of all principal, interest, fees, charges, taxes, assessments, fines and all other financial obligations of any nature owed to the City by CCO.

CD

- The loan payoff agreement is attached as Exhibit A.

The summary of the payoff is as follows:

Stipulated Debt Owed by CCO:		$1,180,952
Less:		
Reduction by City:		
(1) Accrued interest & late charges	$ 97,002	
(2) Credit for property taxes paid	143,410	
		- 240,412

CCO Conveyance of Land to the City:

	Tax Code	Tax Value
(1) 1515 Luther St.	125-114-04	$ 33,010
(2) 1605 Luther St.	125-115-03	39,350
(3) 1615 Luther St.	125-115-04	119,020
(4) 1715 Luther St.	125-232-03	4,000
(5) 1801 Luther St.	125-232-04	4,000
(6) 1901 Baxter St.	125-233-01	89,610
(7) 1900,02,03,06,08,10, 12,14 & 16 Baxter	125-243-29	123,910
(8) 1726 Avant	125-243-33	28,000
(9) 231 Independence	125-223-02	251,800
		- 692,700
Adjusted Balance Due City:		$ 247,840
Less:		
Proposed Lender Line/Credit Proceeds to City from CCO		- 247,840
Final Adjusted Balance Due City:		-0-

Loan Payoff

An explanation of the loan payoff agreement summary is attached. The major provisions of the multi-party agreement are listed by each entity and are also attached.

City Manager Authorization

City Council is requested to authorize the City Manager to execute the loan payoff agreement and to take the necessary actions to consummate the payoff of the City loans.

- This will assist staff in expediting the loan payoff agreement and avoiding the need to bring any actions associated with the payoff legal documents back to City Council for approval.

- It is further requested that the City Manager be authorized to enter into a management contract with a property manager to operate the rental units and vacant properties conveyed to the City from the CCO until NationsBank purchases the property from the City.

A summary of the occupancy status of the property is as follows:

Tax Parcel	Type	Occupancy Status
1. 125-114-04	4 Duplex Units	1 occupied
2. 125-115-03	2 Duplex Units	1 occupied
3. 125-115-04	4 Duplex Units	0 occupied
4. 125-232-03	Vacant Lot	
5. 125-232-04	Vacant Lot	
6. 125-233-01	3 Single-Family Units	2 occupied
7. 125-243-29	8 Duplex Units	3 occupied
	2 Single-Family units	2 occupied
8. 125-243-33	Vacant Lot	
9. 125-223-02	2 Duplex Units	0 occupied
	5 Single-Family Units	5 occupied

Summary:

20 Duplex Units - 5 occupied
10 Single Family Units - 9 Occupied
3 Vacant Lots

Why is the City doing this?
On October 28, 1991, City Council directed City staff to discuss and bring back a takeout plan with NationsBank for the City mortgage debt which would sever all ties with the CCO but would continue to provide overall City support to the Cherry neighborhood.

The CCO, NationsBank and City staff have developed a Loan Payoff Agreement which will accomplish the objectives established by City Council.

What are Council's options?

1. Approve the loan payoff agreement, authorize the City Manager to enter into an agreement with a property manager and give the City Manager discretion to execute the loan payoff agreement.

2. Direct staff to renegotiate the agreement with specific direction from Council on suggested modifications.

3. Refer the action requested to the CD & Housing Committee to make a recommendation to the full Council.

4. Seek the foreclosure of the indebtedness.

How much will this cost?

The loan payoff agreement provides for a process of paying off the City indebtedness. As part of that process, the following costs will be paid by the City:

Grant to CCO for maintenance, repair and captial improvements to the remaining CCO property	$247,840
Cost of relocation (estimate)	49,000
Cost of survey and rezoning	21,500
Total Cost to City	$318,340

It is not known at this time what costs are related to the CCO conveyance of nine tax parcels at tax value to the City in comparison to the price that the parcels will be conveyed through negotiated sale to NationsBank. However, there will possibly be a difference between the tax value and the appraised value. At a minimum, through negotiated sale, NationsBank would have to acquire the property from the City at the appraised value. Therefore, we will not know how much money will be available from the sale proceeds to be used for second mortgage financing related to the new housing development until the negotiated sale between the City and NationsBank has been consummated.

The cost to the City does not impact any budgeted items. However, the Loan Payoff Agreement with the CCO will reduce the Community Development Department's program income annually.

What is citizen input on this issue?

The Cherry Community Organization has approved the actions incumbent upon the CCO.

Background:
See Attachment

Clearances: Cherry Community Organization, NationsBank and the City Legal and Community Development Departments.

Attachment No. 7

14. Recommend: (A) approve the continuation of the Innovative Housing Committee's Request for Proposal (RFP) process for the McMullen Wood development and (B) approve, at the request of the developer, Crosland Properties, an exemption to the 60-day neighborhood review period to an accumulated 34-day period of initial contact of the neighborhood groups.

Staff Resource: Del Borgsdorf

Council Action: City Council is requested to: (A) approve the continuation of the Innovative Housing Committee's Request for Proposal (RFP) process for the McMullen Wood development and (B) approve, at the request of the developer, Crosland Properties, an exemption, to the 60-day neighborhood review period to an accumulated 34-day period of initial contact of the neighborhood groups.

Crosland Proposal: Crosland Properties has presented a proposal for the development of a 55-unit affordable housing development. The proposed location is Walsh Boulevard near the intersection of Johnston Road and Highway 51 in south Charlotte.

- The proposal requires a mortgage loan commitment from the City of Charlotte which is a prerequisite for seeking a tax credit allocation and a North Carolina Energy Trust Fund commitment.

Complete RFP Urban

CD

- The next submission deadline to apply for tax credits is April 30, 1992 followed by a May 15, 1992 deadline for submission of a North Carolina Energy Trust Fund loan.

- The North Carolina Energy Trust Fund deadline is expected to be the last submission opportunity for a $300,000 projected source of funds for this project in 1992.

- The developer is requesting to move quickly through the City's review process so that if City Council decides to support McMullen Wood with a mortgage loan commitment these other sources of funds will still be available.

RFP Process

On June 11, 1990 City Council approved a revised RFP process for reviewing Innovative Housing proposals to develop affordable housing units using Innovative Housing funds as shown in Exhibit 1. Listed in the Background section is Council's approved RFP process and time periods associated with each step. Also, an explanation of each step as it applies to the McMullen Wood development is given.

The Innovative Housing Committee met on March 27, 1992, reviewed the proposal for compliance and recommended the proposal to City Council for their decision to continue in the RFP process.

Why is the City doing this?

There are 6,145 persons on the Housing Authority's waiting list. The McMullen Wood proposal of a 55-unit affordable housing development will assist the City in meeting its housing objectives to provide affordable housing for lower income families. Additionally, with this project being in a priority area, it should assist the School Board in accomplishing its objective of maintaining racially balanced schools.

What are Council's options?
City Council has the following options:

1. Approve the continuation of the Innovative Housing Committee's Request for Proposal (RFP) process for the McMullen Wood development and approve, at the request of the developer, Crosland Properties, an exemption to the 60-day neighborhood review period to an accumulated 34-day period of initial contact of the neighborhood groups.

2. Approve the continuation of the process without approving the modification to the 60-day neighborhood review period. (If this option is chosen, the developer would not have sufficient time, after an additional 60 days for the neighborhood review period, to meet the May 15, 1992 application deadline for North Carolina Energy Trust Funds. Therefore, the developer would likely request an additional $300,000 from the City of Charlotte Innovative Housing Fund. However, there will be other funding cycles available for the tax credit allocation in 1992.)

3. Disapprove the continuation of the process. (If this option is chosen, the McMullen Wood Development would not be constructed and 55 units for families at 40% or less of the medium income would lose the opportunity for safe and affordable housing).

How much will this cost?
At this point City Council is only being asked to approve the continuation of the RFP process with a shortened neighborhood review period, and not the approval of the proposal.

What is citizen input on this issue?
Due to the developer's familiarity with the RFP process, as soon as the land was secured and their proposal was finalized, it was submitted to neighborhood representatives. The developer was aware that the May 15, 1992 deadline for the needed $300,000 in North Carolina Energy Trust Funds would not allow for a delay in neighborhood input; therefore, this process began before the proposal was submitted to the City.

The first neighborhood contact was on March 25, 1992 via phone contact with various neighborhood representatives. The first neighborhood meeting was held on April 1, 1992 at the home of Mr. Paul Frye, President of the Sturnbridge Homeowners Association. Sturnbridge is the closet subdivision to the proposed development's location (see attached map). Other organizations present at the neighborhood meeting were the Carmel Coalition, represented by Mr. George Maloomian, Carmel Station Subdivision, represented by Mr. Ken Bednar and the Montibello Subdivision, represented by Ms. Laurie McKay.

Additionally, the developer met with Mr. Lee Ritter (who opposed the 1990 Carmel Road Innovative Housing development) on March 31, 1992 and Mr. Eugene Morrison of the Park Crossing Homeowners Association on March 27, 1992. Both were given a tour of Summerfield, which is Crosland Properties' recently completed Innovative Housing development and is identical to the proposed McMullen Woods development.

At this point, the neighborhood representatives have indicated an appreciation for advance notice of the proposed development; and, according to the developer, there have been no negative responses. (See Exhibit 1 for additional details on neighborhood input).

Background:
See Attachment

Funding: None at present. Potentially, Community Development Block Grant - Acquisition funds and Innovative Housing funds.

Clearances: Innovative Housing Committee, Planning Commission, Charlotte-Mecklenburg Schools and the Community Development Development.

Attachment No. 8

15. Recommend: (A) approve a loan agreement to Glenn and Carolyn McLaughlin for $61,712 to repair their house at 1929 Woodcrest Avenue and approve an exemption to the Rehabilitation Loan Program which requires that borrowers earn 80% or less of the median income; (B) approve an escrow agreement between the City, the law firm of Ferguson, Stein, Watt, Wallas, Adkins & Gresham and Glenn and Carolyn McLaughlin for the administration of the loan funds; and (C) authorize the City Manager to rescind the previously approved In Rem demolition ordinance if Mr. and Mrs. McLaughlin sign the loan documents within 30 days of this Council action and complete the repairs within 120 days of loan closing or authorize the City Manager to implement the In Rem demolition ordinance if Mr. and McLaughlin do not comply with the loan and escrow agreements.

Cadpelter/Patterson
app
9-2
No - Morgan, McCrory

Staff Resource: Del Borgsdorf

Council Action City Council is requested to: (A) approve a loan agreement to Glenn and Carolyn McLaughlin for $61,712 to repair their house at 1929 Woodcrest Avenue and an exemption to the Rehabilitation Loan Program which requires that borrowers earn 80% or less of median income, (B) approve an escrow agreement between the City, the law firm of Ferguson, Stein, Watt, Wallas, Adkins & Gresham and Glenn and Carolyn McLaughlin for the administration of the loan funds, and (C) authorize the City Manager to rescind the previously approved In Rem demolition ordinance for 1929 Woodcrest Avenue if Mr. and Mrs. McLaughlin sign the loan documents within 30 days of this Council Action and complete the repairs within 120 days of loan closing or authorize the City Manager to implement the In Rem demolition ordinance if Mr. and Mrs. McLaughlin do not comply with the loan and escrow agreements.

Information Why is the City doing this?
At the January 13, 1992 Council meeting, City Council gave Mr. and Mrs. McLaughlin until March 1, 1992 to present a plan and financing alternative to repair their property. In order to assist the McLaughlins, Community Development staff suggested several financial resources which they could pursue and met with Luke Largess, their attorney, to discuss their alternatives. On March 13, 1992 a letter was received from Luke Largess, Glenn and Carolyn McLaughlin and the proposed contractor, Frank Benner, which served as an application for funds to rehabilitate the

CD

McLaughlin's house at 1929 Woodcrest Avenue. Mr. and Mrs. McLaughlin applied for a $50,000 loan from Wachovia Bank and were not approved. The City will serve as a "banker of last resort" for the McLaughlins in order for them to secure the funds necessary to repair their house and to bring it into compliance with the minimum Housing Code.

What are Council's options?

1. Approve actions stated above.
2. Reject the McLaughlin's plan to repair their house and the financing option and proceed to implement the In Rem demolition ordinance.

How much will this cost?

The loan to Mr. and Mrs. McLaughlin will be for $61,712 at 3% interest for a period of 30 years with monthly payments of $260.43. The breakdown of the loan is as follows:

Rehabilitation Cost	$57,000
Attorney Fee for Loan Administration	2,280
Delinquent Real Estate and Personal Taxes	1,491
Closing Costs and Escrow Account for Taxes and Insurance	941
Total Loan Amount	$61,712

The McLaughlins have been working with their attorney and have signed the proposed plan as shown as Exhibit A.

Background:

See Attachment

Clearances: The loan package has been approved by the Community Development Department. Based on a review of Benner Construction Company's work, Community Development Department staff has determined that the company is capable of performing this work.

Attachment No. 9

16. The following bid for auctioneer services was deferred at the March 23, 1992 Council meeting.

Auctioneer Services City-County Purchasing

Recommendation: It is the recommendation of the Auctioneer Services Review Committee, Purchasing Director and the City Manager to award a contract for Auctioneer Services to the most responsive proposer, Wayne Evans Auction Company, Columbus, Georgia, for Proposal # 1 for a two year period.

Morgan Wheeler Approved

Bid Summary:

Proposal #1 includes Fidelity Bond:

	Rank	Commission Rate
Wayne Evans Auction Co., Columbus, GA	1	6.95%
Lawing Auction Co., Charlotte, NC	2	5.89%
Godley Auction Co., Charlotte, NC	3	6.50%

Proposal #2 excludes Fidelity Bond. City Collects Revenue and Assumes Responsibility for Monies.

Wayne Evans Auction Co., Columbus, GA	1	6.85%
Stone Auction Co., Bailey, NC	2	4.65%
Lawing Auction Co., Charlotte, NC	3	5.75%
King Auction Co., Fletcher, NC	4	9.50%

Project Description: To coordinate and conduct auctions for the City, County and all other government entities within Mecklenburg County to dispose of surplus, obsolete and/or worn vehicles and equipment.

Wayne Evans Auction Company has been in the auction business for 30-plus years and has specialized in municipal auction sales for the past decade, conducting 62 major sales ($500,000 and over) in the past five years. Excellent references were received from the City of Atlanta, the City of Tallahassee, Florida and Monroe County, Alabama.

Purchasing

Based on previous sales amounts, commissions will exceed $50,000 over the duration of this contract period.

Request for Proposals (RFP) for auctioneer services were received on Friday, February 28, 1992.

- An Auctioneer Services Review Committee headed by the Purchasing Department (with representatives from County Internal Audit and Equipment Services) reviewed and ranked each proposal based upon pre-established criteria as outlined in the RFP.

- Criteria included 1) qualifications and experience, 2) proposed services meeting the City's need and requirements and 3) fees for proposed services.

- As a potential cost savings measure for the City, County and School Board, this year's RFP included a unique feature which allowed each proposer to submit a commission rate including the cost of a fidelity bond (Proposal # 1) and a commission rate excluding the cost of a fidelity bond (Proposal # 2).

- Under Proposal # 2, the City would provide staff to collect auction proceeds on the day of the sale and avoid the expense of the fidelity bond.

- The savings between Proposal #1 and Proposal #2 is $500.00. Based on this and the other findings of the Auction Review Committee, it is recommended that Wayne Evans be awarded a contract for Auctioneer Services for Proposal #1.

- Detailed information on the Wayne Evans Auction Company proposal is attached.

M/WBE Status: RFP's were mailed to one known certified WBE and one known MBE, without response; one proposal was received from a stated WBE. Four of the five companies submitting proposals agreed to subcontract in the areas of concessions and towing services.

Attachment No. 10

17. Recommend approval of the FY'93 Job Training Plan funded by the Job Training Partnership Act (JTPA) through the North Carolina Division of Employment and Training in the amount of $2,252,040 in Titles II-A, II-B, III and Workers Training Trust funds for programs to be operated from July 1, 1992 to June 30, 1993 to serve 1,164 economically disadvantaged residents of Mecklenburg County.

Staff Resource: Del Borgsdorf

Annual Job Training Plan

The Private Industry Council (PIC) has the responsibility under Federal JTPA legislation to identify and address employment and training needs in Mecklenburg County.

- The Annual Job Training Plan constitutes a blueprint of programs and activities to be provided to low-income residents of Charlotte and Mecklenburg County during FY'93.

- City Council is requested to review and approve the plan, which has been approved by the Private Industry Council, before submission to the North Carolina Division of Employment and Training in Raleigh. Both the PIC and Council must approve the plan before submission.

- After State approval is received, contracts for program implementation will be submitted to Council for approval in June in order to begin program operations by July 1, 1992.

Manager | White app. unan.

The Plan

The Job Training Plan is a comprehensive program that outlines job training services and summer work experience for approximately 1,164 economically disadvantaged residents of Mecklenburg County during FY'93.

- Targeted population groups for program enrollment include high school dropouts, welfare recipients, youth, handicapped and older individuals, and dislocated workers.

- The goal of the Job Training Partnership Act (JTPA) is to provide these individuals with the skills necessary to enter the labor force and maintain productive employment.

Emp. & Training

The proposed programs and activities to accomplish this are attached.

Cost The total projected cost for the FY93 JTPA program is $2,252,040. Supplemental City funding will be discussed during the budget process.

Funding: All funding associated with the Job Training Plan is allocated through the Job Training Partnership Act Title II-A, II-B, III and Worker Training Trust Fund grants from the North Carolina Division of Employment and Training.

Private Industry Council The Private Industry Council (PIC) consists of 18 volunteers, at least half of whom are executives from the private sector. Other members include representatives from public educational agencies, organized labor, community based organizations, economic development agencies, public employment services, and public officials. Members of the PIC, appointed by the Mayor, have as their function the provision of policy guidance and oversight with respect to employment and training activities included in the job training plan. The PIC works in partnership with the local government unit, which in Mecklenburg County, is the City of Charlotte.

Attachment No. 11

B-29 p-25
Res. #12
Ord. #5
#3308-X
B 40
p-398

18. Recommend adoption of a resolution approving applications with the Federal Transit Administration (FTA) and the North Carolina Department of Transportation (NCDOT) for $1,125,000 to complete systems planning for the light rail corridor, and adoption of a budget ordinance appropriating these funds.

Margaret Wheeler
app.
Uman.

Staff Resource: Julie Burch

Light Rail Congress earmarked $1 million for Charlotte under the Intermodal Surface Transportation Efficiency Act of 1991 to complete systems planning and alternatives analysis for a priority light rail corridor in the Charlotte metropolitan area.

- Phase I of the study, the transitional systems study, will validate Charlotte's travel simulation models, establish corridor priorities, and identify which corridor--if any--should be advanced for further study. Light rail or busways/high occupancy vehicle facilities are the focus of the study.

CDOT

- Phase II (dependent upon the results of Phase I) will be the preparation of an alternatives analysis and Draft Environmental Impact Statement. Alternatives will be evaluated and the City and local adjacent jurisdictions will be assisted in selecting the locally preferred alternative. A corridor development plan will be produced, and a public hearing will be held regarding the environmental impact.

Background: On April 22, 1991, Council unanimously approved submission of a request for earmarking of funds in the Federal transportation legislation under consideration by Congress.

- Charlotte's request was for $43 million for capital assistance for start-up of commuter rail service between Rock Hill and Charlotte and $6 million in Federal operating assistance to operate the rail service for three years.

- The City also requested $1 million to continue light rail transit planning activities.

- The Mass Transit Partnership will serve as a citizens advisory committee for the City by reviewing documents and providing advice as needed.

Funding:

FTA:	$1,000,000
NCDOT:	125,000
Total Grants	$1,125,000
City Share	125,000
Total Project Cost	$1,250,000

The City's ten percent local share ($125,000) has been budgeted in the Capital Improvement Program, Light Rail Study Capital Account.

Clearances: City attorney has approved resolution as to form, and Grant Review Committee concurs in this request.

NOMINATIONS

19. A. Nominations for Appointment to Boards, Commissions and Committees

Councilmembers will make their nominations after which they will hand their nomination forms to the City Clerk. In the event there is only one person nominated for any one position, Council may make that appointment at this meeting.

Due to the large number of applicants for these positions, the applications have been bound separately.

1. Auditorium-Coliseum-Convention Center Authority - Two appointments beginning April 25, 1992. Mr. William Ashendorf is eligible for reappointment. Mr. William C. Covington is not eligible for reappointment. Terms are for three years.

2. Certified Development Corporation - Two appointments beginning April 30, 1992. One appointment is for Mr. Titus Ivory who is not eligible for reappointment. This position should be in the PRIVATE LENDING INSTITUTIONS category. One appointment is for an unexpired term to fill Mr. Martin T. Cloran's position which will expire April 30, 1993. Mr. Cloran has resigned. Terms are for three years.

3. Civil Service Board- One appointment beginning May 15, 1992. Mr. Regan Miller is eligible for reappointment but does not wish to be reappointed. Terms are for three years.

4. Clean City Committee - Three appointments beginning June 30, 1992. Mr. John S. Spegal, Ms. Theresea Elder and Mr. John F. Wall are eligible for reappointment. Terms are for three years.

5. Historic District Commission - Three appointments beginning June 30, 1992. Ms. Sylvia Tarlton, Mr. Kevin Pfahl and Mr. George C. Warren are eligible for reappointment. Terms are for three years.

6. Historic Landmarks Commission - One appointment for an unexpired term to fill Mr. Daniel W. Desmond's position, which will expire July 16, 1993. Mr. Desmond has resigned. Regular terms are for three years.

7. Housing Authority - One appointment for an unexpired term to fill Rev. Phillip M. Davis' position which will expire December 17, 1994. Mr. Davis has resigned. Regular terms are for three years.

8. Parks Advisory Committee - Three appointments beginning June 1, 1992. Mr. Robert S. Lilien and Ms. Janet N. Monahan are not eligible for reappointment. Mr. William H. Sturges is eligible for reappointment. Terms are for three years.

9. Planning Commission - Three appointments beginning June 30, 1992. Mr. Thomas R. O'Brien and Mr. Issac Heard, Jr. are eligible for reappointment. Mr. Timothy Mead is not eligible for reappointment. Terms are for three years.

10. Sister Cities Committee - Eight appointments beginning April 5, 1992. Mr. Dwight S. Spreng, Ms. Susan Lebold, Ms. Glenda B. Durell, Ms. Linda N. Crossland, and Ms. Sidney R. Lockaby are eligible for reappointment. Mr. Robert M. Bryan, Mr. Jerald L. Melberg, and Mr. Douglas M. Martin are not eligible for reappointment. Terms are for two years.

11. Spirit Square Board of Directors - Two appointments beginning June 30, 1992. Ms. Cyndee Patterson and Mr. Julian B. Twombly are eligible for reappointment. Ms. Patterson's appointment does not have to be a City Councilmember. Terms are for three years.

12. Tree Advisory Commission - One appointment for an unexpired term to fill Ms. Patricia Hayden's position which will expire December 13, 1993. Ms. Hayden has resigned. Regular terms are for three years.

CONSENT

BUDGET ORDINANCE

Ord. #1
#3304-X
B-40
P 393

20. Recommend adoption of a budget ordinance appropriating $100,000 for FOCUS 2010.

Pull 29B, C, D, E + F
Clodfelter / Hammond
Defer 29B, C, D, E + F
to 4/27 with report
from staff
McCrory / Wheeler
approve rest
unan.

Budget + Eval

FOCUS 2010

On March 23, Council discussed and approved the proposed plan for FOCUS 2010.

The funding plan outlined below and included on page 10 of the attachment, details the City's and other agency contributions.

Public Sector	
• Mecklenburg County	$ 25,000
• City of Charlotte	25,000
• Charlotte-Mecklenburg Schools	5,000
• Towns (Cornelius, Davidson, Huntersville, Mathews, Mint Hill and Pineville) @ $1,000 each	6,000
Private Sector	
• Business sponsorships 30 @ $1,000 each	30,000
• Requests for individual and organizational contributions	9,000
• Total Revenues	$100,000

Funding: The City's contribution of $25,000 is recommended from Council Contingency (balance: $42,000).

Attachment No. 12

B'29 Res. #1 Ord. #2 #B05 B70 P385

GRANT/BUDGET ORDINANCE

21. Recommend adoption of a resolution authorizing the submission of an environmental education grant request for the promotion of water conservation through creative landscaping, and adoption of a budget ordinance for $15,600.

Water Conservation Grant

The National Environmental Education Act (NEEA) of 1990 authorized grants to support projects related to environmental education and training. The Charlotte-Mecklenburg Utility Department (CMUD), proposes to submit an application for a grant to promote water conservation through creative landscaping.

- CMUD proposes to install a demonstration Xeriscape garden in a highly visible central location such as Marshall Park.
- A Xeriscape garden is a traditional landscape made water efficient and less chemical dependent.
- A Xeriscape task force, consisting of representatives from community groups, city/county agencies, landscape architects, and corporations will promote xeriscaping concepts using the demonstration garden.
- The long term environmental goal will be to reduce water waste and chemical contamination through gardening practices.
- The request will be for a Federal grant of $15,600; matching funds of $17,700 will be included in the FY93 operating budget as in-kind services.

CMUD

BID LIST

22. Recommend adoption of the bid list as shown. The following contract awards are all low bid and within budget estimate unless otherwise noted. Each project or purchase was authorized in the annual budget.

A. Traffic Signal Controllers D.O.T

Recommendation: By Purchasing Director and Director of Department of Transportation that the only bid received meeting specifications, Traconex, Inc., Santa Clara, California, in the amount of $58,840.00, be accepted for award of contract.

One other bid received not meeting specifications, Traffic Engineers Supply Corp., Alexandria, Virginia 22301, in the amount of $50,016.00.

Project Description: These are traffic signal controllers that are funded by municipal agreements with NC DOT and various CIP accounts. They are to be installed at new traffic signals and/or as an upgrade of existing installations. In many cases, equipment has already been installed from current inventory and must be replaced in order for completion of other City signal programs.

This proposed contract is for eight controllers with provisions for the purchase of eight additional units any time during a 12 month period from award of contract. These traffic signal controllers will be used as parts of coordinated signal systems to decrease stops and delays for all vehicular traffic.

Source of Funding: General Capital Improvement Program (six road project accounts).

Purchasing

B. Terminal Expansion Interim Conveyor Package — Airport

Recommendation: The Aviation Director recommends the low bid for the Interim Conveyor Package be awarded to Glidepath-USA in the amount of $577,365.00.

Project Description: This is the conveyor package for the $25 million project which will provide approximately 138,500 sq. ft. of new and renovated space in the main terminal building including new concession areas, new connectors to B & C Concourses with moving sidewalks and expanded baggage handling facilities.

This project was bid as two separate packages, interim package and final package. The interim package provides for installation of a baggage make-up carrousel and necessary conveyor connections, which will be utilized by USAir and Lufthansa during construction of the terminal expansion project and will become the primary international baggage system.

The final package is being analyzed and will be recommended for Council action at a later date. It provides the automated baggage system for USAir which will be available upon completion of the terminal expansion.

Purchasing

DBE M/WBE Status: The low bidder, Glidepath- USA was responsive to the DBE requirements of the project.

MBE - 4.8%
WBE - 0%

Source of Funding: Airport Terminal Capital (South Terminal Expansion - 1987 Revenue Bonds).

C. Mallard Creek Wastewater Treatment Plant - Phase II Improvements - General Construction - Section 1 — Charlotte-Mecklenburg Utility Department

Recommendation: Director, Charlotte-Mecklenburg Utility Department recommends that the low base bid and alternatives B1 and F by Christopher Construction Company of Columbus, Ohio in the amount of $5,824,930.00 be accepted for award of contract on a unit price basis.

Purchasing

Project Description: This project consists of additions and/or modifications to the Mallard Creek Wastewater Treatment Plant. Construction of this project will provide biological nutrient removal and solids handling facilities. The need for this project is based upon the projected growth in the area served by the plant.

M/WBE Status: The contractor has complied with the requirements of the M/WBE program.

CMUD's project M/WBE Goals:
MBE - 8% WBE - 4%
Christopher's Projected M/WBE Goals:
MBE - 3.4% WBE - 2.43%

Source of Funding: Water/Sewer Capital Improvement Program - Mallard Creek Wastewater Treatment Plant Additions-Phase II.

Estimated Cost:	$5,620,135.20
Low Bid:	5,824,930.00
Difference:	($ 204,794.80)

This overrun is offset by savings in the electrical and mechanical contracts listed below.

D. Mallard Creek Wastewater Treatment Plant - Phase II Improvements - Electrical Work - Section 2 — Charlotte-Mecklenburg Utility Department

Recommendation: Director, Charlotte-Mecklenburg Utility Department recommends that the low base bid and alternatives B1 and F by Ind-Com Electrical Company of Charlotte, North Carolina in the amount of $869,214.92 be accepted for award of contract on a lump price basis.

M/WBE Status: The contractor has complied with the requirements of the M/WBE program. Ind-Com has the capability to perform and normally performs all elements of the work with their own work forces.

Source of Funding: Water/Sewer Capital Improvement Program-Mallard Creek Wastewater Treatment Plant Additions - Phase II.

Estimated Cost:	$1,313,668.00	
Low Bid:	869,214.92	
Difference:	$ 444,453.08	(34%)

Purchasing

E. Mallard Creek Wastewater Treatment Plant - Phase II Improvements - Mechanical Work - Section 3 — Charlotte-Mecklenburg Utility Department

Recommendation: Director, Charlotte-Mecklenburg Utility Department recommends that the low base bid and alternatives B1 and F by Tri-Meck Mechanical of Charlotte, North Carolina in the amount of $241,794.90 be accepted for award of contract on a lump price basis.

M/WBE Status: The contractor has complied with the requirements of the M/WBE program. Tri-Meck has the capability to perform and normally performs all elements of the work with their own work forces.

Source of Funding: Water/Sewer Capital Improvement Program - Mallard Creek Wastewater Treatment Plant Additions-Phase II.

Estimated Cost:	$294,900.00	
Low Bid:	241,794.90	
Difference:	$ 53,105.10	(18%)

Purchasing

CHANGE ORDER

23. Recommend approval of Change order No. 1 to the contract for AIP-13 Airfield Improvements for $63,996.65.

Change Order

Contract: AIP-13 Airfield Improvements
Contractor: Southern Roadbuilders Co., Inc.
Date of Award: September 24, 1990
Original Contract Amount: $4,517,513.94
Change Order No. 1: $63,996.65
New Contract Amount: $4,581,510.59

This change order is required because of the need for 28,670 cubic yards of muck excavation due to unforeseen conditions and because final quantities are adjusted to reflect actual field measurements of completed work. The contract was bid on a unit price basis with estimated quantities.

Funding: Airport Capital Improvement Program.

Clearances: The engineer, Espey, Huston & Associates, and the project manager concur in this change order.

aviation

CONTRACT AMENDMENT

24. Recommend approval of an amendment to the FY92 contract between the City of Charlotte and Central Piedmont Community College. This amendment increases the contract by $127,162, to be funded through a State Worker Training Trust Fund grant, in order to cover increased tuition costs.

CPCC Contract: On June 24, 1991, City Council approved a contract between the City of Charlotte and Central Piedmont Community College (CPCC) to provide 455 training slots for low-income participants enrolled in the City's occupational skills and basic education programs at a cost of $284,016.00. Subsequently, tuition costs at CPCC increased by approximately 55%.

Council Action: Council is requested to approve this contract amendment which provides additional funding to maintain current service levels by increasing the amount of the contract from $284,016 to $411,178. This amendment will enable current participants to remain enrolled throughout FY92.

Emp & Training

Funding: Funds for this amendment are available due to the receipt of a Worker Training Trust Fund grant from the North Carolina Division of Employment and Training.

Clearances: This contractual amendment has been reviewed and approved by the Private Industry Council, the Budget and Evaluation Department, the Legal Department, and Central Piedmont Community College.

25. Recommend approval of an amendment of professional services contract with Loeffler Ketchum Mountjoy to enable direct payment to media for Charlotte Transit and alternative transportation programs.

Council Action: This contract amendment is a bookkeeping action that does not change the contract with Loeffler or media cost, but will yield savings in City staff time and overhead. The action is to amend the current professional services contract with Loeffler Ketchum Mountjoy so that Loeffler pays the media invoices rather than the City processing the invoices for payment. Loeffler's contract will be increased by the amount of the media budget remaining for FY92.

CDOT

Details

As part of an arrangement to reduce advertising expenses, this fiscal year the Department of Transportation reduced professional services and assumed responsibility for payment of the media for advertising/promoting Charlotte Transit and carpool, vanpool programs.

- With the transit changes planned, the arrival of new vans, the events planned for National Transportation Week, and the fluctuations of the cost and value of the different media, the direct payment to so many vendors and contractors by City staff has become cumbersome.

- As in prior years, Council now is asked to include the balance of the fiscal year's media budget, $155,000, in the City's contract with Loeffler, which will pay the media after authorization by staff.

- Loeffler does not receive any commission for media purchases, and their current contract includes placement and certification of the invoices for the media.

Alternatives:
Continue the current arrangement with City paying media vendors directly. This will require individual contracts with each vendor (newspaper, radio or TV station, etc.) and will increase significantly staff time and overhead cost.

Clearances: The Department of Transportation, the Purchasing Department, the Finance Department and the City Attorney concur in this request.

CONTRACT RENEWAL

26. Recommend a one-year renewal of a contract with Budd Services to continue custodial services at the Charlotte Mecklenburg Government Center and City Hall in the amount of $163,500 per year.

Custodial Services: On March 25, 1991 City Council awarded a contract to Budd Services for $240,459.50 to provide custodial services at the Charlotte Mecklenburg Government Center and City Hall. Through further negotiations the contract was reduced to $163,500. Under the contractual terms, this contract can be renewed on an annual basis for two additional years.

Budd Services has provided satisfactory custodial services in accordance with the contract specifications and performance requirements during the current contract period which began April 15, 1991 and will end April 14, 1992.

The contract amount has been negotiated to remain at $163,500 for the second year.

Gen Serv.

Funding: General Services Department Operating Budget.

Clearances: General Services Department and Budget & Evaluation Department.

CITY CODE AMENDMENT

Ord. #3 #3306 B-40 p 396

27. Recommend adoption of an ordinance to amend Chapter 13 of the City Code to conform to changes made by the North Carolina General Assembly concerning rates for certain classifications of business and to allow for licensing of special activities like dance and karate schools.

Council Action: From time to time the General Assembly changes the rates or classifications of business covered by the City's Business Privilege License Tax (BPLT) ordinance. The City is required to amend its code to conform to the changes since its Charter is derived from a grant of State authority.

Finance

Two sections are amended.

- In section (241) two laundry classifications are combined into one and the per laundry vehicle charge, not otherwise covered, is lowered from $200 to $100.

- In section (308) "Dry Cleaning", the vehicle charge is lowered from $200 to $100.

The third requested change is made by the County License Tax Division to license certain special activity or trade schools that are engaged in the business of teaching things like karate, dance or a technical skill (driving a commercial truck). This amendment is to section (331) which involves the licensing of persons engaged in performing services where no goods, wares or merchandise are sold.

Funding: The total impact of the changes is expected to be minimal in terms of gain or loss.

Public Input: Items (308) and (241) are local mandatory response to State action. Item (331) has had no input from the public at large.

Clearances: Legal and Finance Departments

TAX REFUND

28. Recommend adoption of a resolution authorizing the refund of certain taxes assessed through clerical or assessor error in the amount of $63,244.10.

Finance

PROPERTY TRANSACTIONS

29. Recommend approval of the following property transactions and adoption of the condemnation resolutions.

A. Project: Park/Johnston Road Widening, Phase II, Seg. IV
Owner(s): Jimmie Pourlos and wife Ronnie R. Pourlos
Property Address: 8525 South Boulevard
Parcel Number: 507
Property to be acquired: 156 square feet (0.0036 acres) plus 3,894 square feet (0.0894 acres) temporary construction easement
Improvements: Landscaping, flowering trees, signage
Price: $11,700
Remarks:
Estimated Fair Market Value Before Taking = $ 1,715,900
Estimated Fair Market Value After Taking = $ 1,704,200
Difference Between Before and After Value = $ 11,700
ZONED: B-2 USE: Automobile Sales Facility
TAX CODE: 173-231-04 TAX VALUE: $ 1,728,950

R.E.

29B, C, D, E + F Deferred to 4/27 with report from staff

B. Project: Monroe/Eastway/Wendover Drive Intersection Improvements
Owner(s): Martha Noles Yandle
Property Address: 4228 Eastway Drive
Parcel Number: 39
Property to be acquired: 14,916 square feet (0.34 acres) total acquisition
Improvements: One story brick dwelling, attached from garage
Price: $61,000
Remarks: For the acquisition of the entire property and all improvements located thereon.

ZONED: R-9 USE: Residential

TAX CODE: 159-051-07 TAX VALUE: $ 60,460

R.E.

Referred to 4/27

R.E.

C. Project: Monroe/Eastway/Wendover Drive Intersection Improvements
Owner(s): Marjorie C. Clontz
Property Address: 4200 Eastway Drive
Parcel Number: 43
Property to be acquired: 6,976 square feet (0.16 acres) total taking
Improvements: 799 sq.ft. one story single family dwelling and all improvements located thereon.
Price: $46,500
Remarks: Estimated Fair Market Value of the entire property and improvements by independent appraisal is $46,500

ZONED: R-9 MF USE: Residential

TAX CODE: 159-051-11 TAX VALUE: $ 43,770

Referred to 4/27

R.E.

D. Project: Monroe/Eastway/Wendover Drive Intersection Improvements
Owner(s): Pauline K. Nelson
Property Address: 4110 Eastway Drive
Parcel Number: 46
Property to be acquired: 9,583 square feet (0.220 acres) total taking
Improvements: One story brick single family residence
Price: $44,500
Remarks: For the acquisition of the entire property and all improvements located thereon.

ZONED: R-9 MF USE: Residential
TAX CODE: 159-063-08 TAX VALUE: $ 42,010

Deferred to 4/27

R E.

E. Project: Monroe/Eastway/Wendover Drive Intersection Improvements
Owner(s): C. Paisley Gordon & Stewart H. Gordon
Property Address: 4300 Eastway Drive
Parcel Number: 38
Property to be acquired: 15,128 square feet (0.347 acres) total taking
Improvements: One story duplex brick dwelling and frame garage
Price: $74,000
Remarks: For the acquisition of the entire property and all improvements located thereon

ZONED: R-9 USE: Residential

TAX CODE: 159-051-06 TAX VALUE: $ 20,290

Deferred to 4/27

R E.

F. Project: Monroe/Eastway/Wendover Drive Intersection Improvements
Owner(s): Karen D. Blount
Property Address: 4208 Eastway Drive
Parcel Number: 42
Property to be acquired: 7,405.20 square feet (0.170 ac) total taking
Improvements: 1,152 sq. ft. one-story single family dwelling
Price: $45,000
Remarks: For the acquisition of the entire property and all improvements located thereon.

ZONED: R-9 USE: Residential

TAX CODE: 159-051-10 TAX VALUE: $ 47,729

G. Project: Paw Creek Parallel Outfall
Owner(s): Jim Colbert Golf of Charlotte, Inc.
Property Address: 7942 Pawtuckett Road
Parcel Number: 8
Property to be acquired: 105,757.80 sq. ft. (2,428 ac) permanent sanitary sewer easement, plus 30,875 sq. ft. (0.7087 ac) of temporary construction easement.
Improvements: Landscaped fairways, tee boxes, trees and asphalt cart paths
Price: $52,500
Remarks: The $52,500 purchase price is total compensation for the needed easements and damages occurring to the golf course. All remedial work beyond restoration of the property back to original configuration is the responsibility of the property owner. Recommended acquisition amount by independent appraisal is $52,500

R.E.

ZONED: R-9 USE: Golf Course

TAX CODE: 055-181-08 TAX VALUE: 1,243,150

H. Project: Law Enforcement Center Site
Owner(s): Heirs of J. C. Hardin - Richard C. Porter, J. T. Mays and Anne Robinson Murphy
Property Address: 610 East Fifth Street
Parcel Number: 3
Property to be acquired: Total Property Acquisition = 4,335 sq.ft.
Improvements: None
Price: $200,000
Remarks: The property is used as a parking lot. It was appraised as part of an assemblage of other parcels for the Law Enforcement Center. Consequently, the market value would differ from the tax value. The appraisal of the entire block constitutes a unity of value for a single use. Therefore, all property owners receive a proportional share of the proceeds established by two independent appraisers.

ZONED: B-2 USE: Parking

TAX CODE: 080-083-07 TAX VALUE: $33,600

R.E.

Attached is information sent to Council in the April 1, 1992 Council-Manager memorandum.

Attachment No. 13

I. Project: Park/Johnston Road Widening, Ph. II, Segment IV
Owner(s): Metropolitan Life Insurance Company
Property Address: 8625 Winter Oaks Lane
Parcel Number: 512
Property to be acquired: 2,846 sq. ft. (0.065 ac.) plus Temporary Construction Easement 12,661 sq. ft. (0.2907 ac.)
Improvements: Landscaping, shade trees, lawn, signage, paved entranceway, landscaped entrance median w/concrete curbs
Price: $17,500
Remarks:

Estimated Fair Market Value Before Taking	=	$ 923,400
Estimated Fair Market Value After Taking	=	$ 905,900
Difference Between Before and After Value	=	$ 17,500

ZONED: R-9MF USE: Multifamily

TAX CODE: 173-241-03 TAX VALUE: 1,882,800

R E

J. Project: Lawyers Road Minor Widening
Owner(s): TOC Retail, Inc.
Property Address: 7008 Lawyers Road
Parcel Number: 1
Property to be acquired: 1,004 sq. ft. (0.0231 ac.) plus 1,850 sq. ft. (0.0425 ac.) of Temporary Construction Easement
Improvements: Commercial sign, commercial lights, shrubs
Price: $17,500
Remarks:

Estimated Fair Market Value Before Taking	=	$ 511,800
Estimated Fair Market Value After Taking	=	$ 494,300
Difference Between Before and After Value	=	$ 17,500

ZONED: B-2 USE: Retail Store & Gas Pumps

TAX CODE: 109-182-03 TAX VALUE: $290,310

R.E.

K. Project:F.A.R. Part 150 land Acquisition Program - Residential Purchase
Owner(s): Bobby B. Kelly and wife, Irene
Property Address: 6410 Teresa Avenue
Charlotte, N. C. 28214
Property to be acquired: .815 acres
Improvements: 3 bedroom, 1 bath, ranch
Tax Value: $62,080.00 Purchase Price: $79,000.00
Remarks: Purchase price was determined by an independent appraiser and a review by a second appraiser. Each appraisal takes into consideration specific quality and quantity of the house. The Tax Department has lowered the evaluations in Moores Park due to "economic obsolescence" (proximity to the Airport). Residential property acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act 1970. Owners eligible for relocation benefits. Acquisition and relocation costs eligible for Federal Aviation Administration reimbursement.

Aviation

L. Project:F.A.R. Part 150 land Acquisition Program - Residential Purchase
Owner(s): Joan Biggers
Property Address: 6312 Teresa Avenue
Charlotte, N. C. 28214
Property to be acquired: .442 acres
Improvements: 3 bedroom, 1 bath, ranch
Tax Value: $52,120.00 Purchase Price: $67,000.00
Remarks: Purchase price was determined by an independent appraiser and a review by a second appraiser. Each appraisal takes into consideration specific quality and quantity of the house. The Tax Department has lowered the evaluations in Moores Park due to "economic obsolescence" (proximity to the Airport). Residential property acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act 1970. Owners eligible for relocation benefits. Acquisition and relocation costs eligible for Federal Aviation Administration reimbursement.

Aviation

M. Project:F.A.R. Part 150 land Acquisition Program - Residential Purchase
Owner(s): Richard Q. Stillwell and wife, Eloise
Property Address: 7515 Whippoorwill Drive
Charlotte, N. C. 28217
Property to be acquired: 1.108 acres
Improvements: 3 bedrooms, 2 bath, ranch
Tax Value: $85,650.00 Purchase Price: $105,000.00

Aviation

Remarks: Purchase price was determined by an independent appraiser and a review by a second appraiser. Each appraisal takes into consideration specific quality and quantity of the house. Residential property acquired per Federal Guidelines 49 CFR Part 24 of the Uniform Acquisition and Relocation Act 1970. Owners eligible for relocation benefits. Acquisition and relocation costs eligible for Federal Aviation Administration reimbursement.

Res. #3
B-29
P-7

CONDEMNATIONS

N. Project: Park/Johnston Road Widening, Ph. II, Segment IV
Owner(s): H.R. Auton and wife, Adrienne Auton and any other parties in interest
Property Address: 8628 South Boulevard
Property to be condemned: 11,174 sq. ft. (0.257 ac)
Improvements: Chain link fence, light standards, paved driveway entrance, graveled parking lot, concrete sidewalk, flowering shade trees, underground sprinkler systems, signage
Price: $98,600
Reason for condemnation: Owner insists City acquire the entire parcel. City has declined to accept owner's offer because appraisal shows a high residual value after the taking. Condemnation is recommended to prevent delay in construction schedule.

Parcel Area	52,747 sq. ft. (1.2109 ac.)
Fee Simple	6,424 sq. ft. (0.1475 ac.)
Down-Guy Easement	210 sq. ft. (0.0048 ac.)
Drainage Easement	320 sq. ft. (0.0073 ac.)
Temporary Const Easement	4,220 sq. ft. (0.0969 ac.)
Area Remaining	41,573 sq. ft. (0.9544 ac.)

ZONED: I-2 USE: Business - Used Car Lot

TAX CODE: 205-161-10 TAX VALUE: $ 213,570

RE.

Rec. #4 B 29 P 9

O. Project: Sanitary Sewer to Dixon Branch Outfall
Owner(s): Daniel J. McAuley c/o Mrs. Olin C. McAuley and any other parties in interest
Property Address: 8.41 acres off Vance Road
Property to be condemned: 14,528.18 sq. ft (0.333 ac)
Improvements: None
Price: $1,200
Reason for condemnation: All contact has been with Mr. Stafford Peebler, attorney for Mrs. McAuley. He has requested information but has yet to give a counter offer after numerous contacts have been made. Acquisition price as determined by an independent appraiser: $ 1,200.

Total Area:	366,339.60 S.F.(8.410 ac.)
Perm S/S (20') Easement Area:	9,685.45 S.F.(0.222 ac.)
Temporary Const Easement X:	2,545.52 S.F.(0.058 ac.)
Temporary Const Easement Y:	2,297.21 S.F.(0.053 ac.)
Area Remaining:	351,811.42 S.F.(0.076 ac.)

R.E.

ZONED: R-15 USE: Vacant
TAX CODE: 025-103-04 TAX VALUE: $ 38,680

Rec. #5 B 29 P. 11

P. Project: Sanitary Sewer to Dixon Branch Outfall
Owner(s): June M. Green and Sylvia M. Smith and any other parties in interest
Property Address: 56.47 acres off Vance Road
Property to be condemned: 47,589.09 sq .ft. (1.092 ac.)
Improvements: None
Price: $4,000
Reason for condemnation: Mr. Green and Mrs. Smith have trouble accepting our value of the easement. They live in Gainsville, FL and they stated that they are waiting on information from an attorney. After numerous contacts with the property owners, they say that they have not been advised by their attorney and are unable to commit to a settlement. Acquisition price as determined by an independent appraiser: $4,000.

Total Area	2,459,833.20 S.F.(56.470 ac.)
Permanent S/S (20') Easement:	31,726.40 S.F. (0.728 ac.)
Temporary Const Easement X:	8,114.75 S.F. (0.186 ac.)
Temporary Const Easement Y:	7,748.28 S.F. (0.178 ac.)
Area Remaining:	2,412,244.11 S.F.(55.377 ac.)

R.E.

ZONED: R-15 USE: Residential

TAX CODE: 025-107-01 TAX VALUE: $ 254,050

Rep. #4 B 29 p. 13

Q. Project: Sanitary Sewer to Dixon Branch Outfall
Owner(s): Metrolina Properties LTD Partnership and any other parties in interest
Property Address: 230.3 acres off Alexander Road
Property to be condemned: 44,845.65 sq. ft (1.029 ac)
Improvements: None
Price: $7,650
Reason for condemnation: Mr. Ronald Withrow feels that the offer is not enough. He also plans to build a road as part of the development of that area but does not know where he will put it. He and CMUD are trying to work that out. Acquisition price as determined by an independent appraiser: $7,650.

Total Area:	10,059,188.91 S.F.(230.927 ac)
Permanent S/S 20' Easement:	29,841.74 S.F.(0.685 ac)
Temporary Const. Easement X:	7,492.53 S.F.(0.172 ac)
Temporary Const. Easement Y:	7,511.38 S.F.(0.172 ac)
Area Remaining:	10,014,343.26 S.F.(229.897 ac)

RE.

ZONED: B15-CD USE: Residential

TAX CODE: 025-081-12 TAX VALUE: $ 2,556,540

#7 Rep. B-29 p-15

R. Project: Sanitary Sewer to Dixon Branch Outfall
Owner(s): Paul Howard Gale, II and wife Gail E. Gale and any other parties in interest
Property Address: 9516 Point O'Woods Drive
Property to be condemned: 7,473.36 sq .ft. (0.171 ac.)
Improvements: None
Price: $1,000
Reason for condemnation: Mr. Gale, II feels that the sewer right of way is worth at least $10,000. He feels our offer is inadequate. He also wants the "ingress, egress and regress" clause taken out of the agreement. Acquisition price as determined by an independent appraiser: $1,000.

Total Area	394,047.37 S.F.(9.046 ac.)
Permanent S/S (20') Easement:	4,982.24 S.F.(0.114 ac.)
Temporary Const Easement X:	1,226.07 S.F.(0.028 ac.)
Temporary Const Easement Y:	1,265.05 S.F.(0.029 ac.)
Area Remaining:	386,574.01 S.F.(8.875 ac.)

RE.

ZONED: R-15 USE: Residential

TAX CODE: 025-105-31 TAX VALUE: $ 222,340

#8 Rec. 29 B, P. 17

S. Project: Sanitary Sewer to Dixon Branch Outfall
Owner(s): Paul Howard Gale, II and wife Gail E. Gale and any other parties in interest
Property Address: 9516 Point O'Woods Drive
Property to be condemned: 17,435.97 sq. ft (0.401 ac)
Improvements: None
Price: $900
Reason for condemnation: Mr. Gale, II feels that our offer is too low. A counter offer was not obtained since Mr. Gale's counter offer for another parcel included this parcel. He would not give a breakdown for each parcel. Acquisition price as determined by an independent appraiser: $900.

Total Area:	226,504.52 S.F.(5.200 ac)
Permanent S/S 20' Easement:	10,707.93 S.F.(0.246 ac)
Temporary Const. Easement X:	2,375.89 S.F.(0.055 ac)
Temporary Const. Easement Y:	94.91 S.F.(0.002 ac)
Temporary Const. Easement Z:	4,257.24 S.F.(0.098 ac)
Area Remaining:	209,068.55 S.F.(4.799 ac)

R.E.

ZONED: B-15 USE: Vacant

TAX CODE: 025-105-36 TAX VALUE: $ 42,020

#9 Rec. 29 B, P. 17

T. Project: Sanitary Sewer to Dixon Branch Outfall
Owner(s): Paul Howard Gale, III and wife Susan J. Gale and any other parties in interest
Property Address: 9520 Point O'Woods Drive
Property to be condemned: 18,457.95 sq .ft. (0.424 ac.)
Improvements: None
Price: $1,100
Reason for condemnation: Mr. Gale, III refuses to sell the right of way because he feels he should get compensation equalling five sewer line connections which equates to $2,700. He also wants to put up a foot bridge across the easement and have CMUD be responsible for the removal and restoration if they have to repair the pipe in that area. Acquisition price as determined by an independent appraiser: $1,100.

Total Area	276,867.36 S.F.(6.356 ac.)
Permanent S/S (20') Easement:	12,305.30 S.F.(0.283 ac.)
Temporary Const Easement X:	3,019.14 S.F.(0.069 ac.)
Temporary Const Easement Y:	3,133.51 S.F.(0.072 ac.)
Area Remaining:	258,409.41 S.F.(5.930 ac.)

R.E.

ZONED: R-15 USE: Residential
TAX CODE: 025-105-35 TAX VALUE: $ 155,550

Rec. #10
B 29
P-21

U. Project: Paw Creek Parallel Outfall
Owner(s): Trustees of Moores Chapel Methodist Church and any other parties in interest
Property Address: 10601 Moores Chapel Road
Property to be condemned: 2,482.92 sq. ft (0.057 ac)
Improvements: Seeded Lawn
Price: $500
Reason for condemnation: Acquisition of the needed easement requires unanimous agreement among eight church trustees. Several trustees oppose the installation of the sewer line, claiming it can be located off the property. City staff review has confirmed with the church that the line must be installed as designed. Compensation amount by independent appraisal is $500.

Total Area:	158,732.64 S.F.(3.644 ac)
Area in right of way:	27,878.40 S.F.(0.640 ac)
Net Area:	130,854.24 S.F.(3.004 ac)
Area to be acquired:	2,482.92 S.F.(0.057 ac)
Area Remaining:	128,371.32 S.F.(2.947 ac)

R E.

ZONED: R-12 USE: Church

TAX CODE: 053-143-11 TAX VALUE: $ 1,070,950

Consider placing a barricade on Park Road within Charlotte's city limits to permanently block this thoroughfare's connection to Carolina Place Parkway.

Staff Resource: Julie Burch

Park Road Extension

Park Road Extension is a proposed extension of Park Road from its current end near Kingfisher Drive to Carolina Place Parkway south of Pineville. This minor thoroughfare between NC 51 and US 521 was added to the Thoroughfare Plan in 1986.

- On July 20, 1988, the Metropolitan Planning Organization (MPO) approved a realignment of Park Road Extension so that it intersected with Carolina Place Parkway rather than US 521.

- On February 19, 1992, the MPO voted to keep Park Road Extension on the Thoroughfare Plan as a minor thoroughfare as recommended by the Technical Coordinating Committee (TCC). The City of Charlotte had requested, in January 1992, MPO consideration of removal of Park Road Extension (NC 51 to Carolina Place Parkway) from the Thoroughfare Plan. (See attached map.)

Council Action

Several Councilmembers have requested that Council consider permanently barricading Park Road south of Kingfisher Drive to prevent the thoroughfare's connection to Carolina Place Parkway.

- The North Carolina Department of Transportation (NCDOT), as part of Southern Outer Loop construction, will build a bridge for Park Road to span the freeway. Along with the bridge, NCDOT will construct approximately 1100 feet of Park Road, beginning about 75 feet south of Kingfisher and ending almost 750 feet south of the Outer Loop bridge. NCDOT is scheduled to bid this entire project (bridge and Park Road) in May 1992.

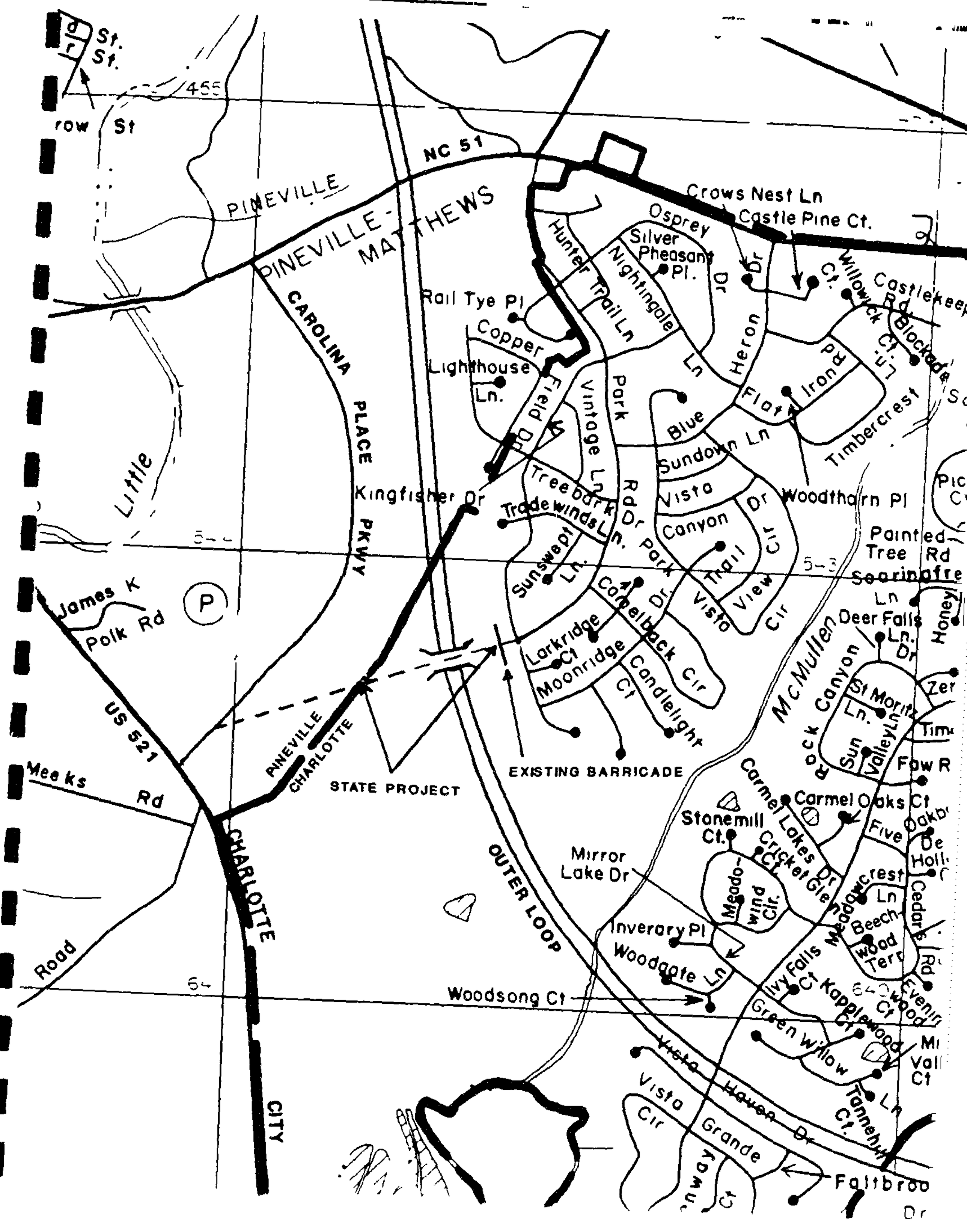
- The remaining segment of Park Road Extension (south of the Outer Loop to Carolina Place Parkway) will be constructed by the private sector.

- Council has previously approved blocking, completely or partially, residential streets in response to neighborhood concerns about through traffic. Examples include Colony and Reddman Roads.

- If Council approves a permanent barricade on this thoroughfare, the Charlotte Department of Transportation (CDOT) will coordinate signage, etc. with NCDOT and the Town of Pineville to inform motorists that the road is not a through street.

- If Council decides to barricade Park Road, the NCDOT could decide to add this roadway to the State system. NCDOT then could remove the barricade

- Planning staff remains opposed to Park Road Extension's connection to Carolina Place Parkway.


NC 51
PINEVILLE
PINEVILLE-MATTHEWS
CAROLINA
PLACE
PKWY
Little
Crows Nest Ln
Castle Pine Ct.
Osprey
Silver Pheasant Pl.
Hunter Trail Ln
Nightingale
Rail Tye Pl
Copper
Lighthouse Ln.
Heron
Willowick Ct.
Castlekeep
Blockade
Iron Rd
Flat
Timbercrest
Blue
Sundown Ln
Vista
Canyon
Trail
Cir
View
Woodthorn Pl
Painted Tree Rd
Kingfisher Dr
Tradewinds Ln.
Treebark
Vintage Ln
Park
Sunswept Ln.
Carpelback Dr.
Lorkridge Ct
Moonridge Ct
Candlelight Cir
Deer Falls Ln.
McMullen
Rock Canyon
St Moritz Ln.
Sun Valley Ln
James K Polk Rd
US 521
Meeks Rd
PINEVILLE
CHARLOTTE
STATE PROJECT
EXISTING BARRICADE
Carmel Oaks Ct
Stonemill Ct.
Carmel Lakes Dr
Cricket Glen
Five
Mirror Lake Dr
OUTER LOOP
Meadowcrest Ln
Beech Wood Terr
Cedars Rd
Inverary Pl
Woodgate Ln
Ivy Falls Ct
Kapplewood Ct
Green Willow
Tannehill Ct.
Vista Cir
Vista Grande
Vista Haven Dr
Yawn Ct
Faltbrod Dr
Woodsong Ct
CHARLOTTE
CITY
Road
row St
St.
455
54
5-4
5-3

Proposed CMUD Extension Policy Revisions
Highlights
April 3, 1992

- The new policy details a street main extension program which provides for CMUD funding of water and sewer mains up to 1000' in length to serve existing residential dwellings. Funding for this program is from bonds approved by voters in November 1991.

- The tapping privilege fee is eliminated. This fee is currently $1178 for sewer and $560 for water connections. It is now charged to new customers who connect to existing water or sewer mains. It is not charged to new homes in new development. This fee generates approximately $1.0 - 1.5 million per year in revenue.

- The Indigent Policy is broadened. The new policy will provide zero interest financing over a 10 year term for water and/or sewer connection charges for customers who earn less than 80% of the median income for this area. In lieu of financing, a lien may be placed against the property. The old policy provided only for a five year term on the loan, required that the applicant be declared indigent or a senior citizen in need of assistance, and was only available for documented health hazard situations. The old policy does not provide for a lien in lieu of payment and required a 10% "down payment" of the connection fees. Under the old policy, service is required to be terminated if the customer does not make the loan payments. This policy is broadened to address concerns of the community over the affordability of water and sewer service to low income residents.

- A capacity charge is established. The capacity charge will be charged to all new customers. The purpose is to recover a portion of the costs of the treatment plants, major water transmission mains, sewer outfalls, pumping stations and storage facilities that have been built to provide capacity for new development and new customers. It is calculated based on the book value of the system and the capacity of the system. The capacity charge is pro-rated for larger services based on the relative capacity of the meter to a residential meter.

- The capacity charge has been the target of some criticism. Two of the significant points have been 1) that the new charge will have a detrimental effect on affordable housing and 2) that the charge is unfair to larger customers. CMUD has responded to all of the issues voiced at the February 10 Public Hearing and in subsequent letters. A copy of this response is attached. In summary, the capacity charge will marginally add to the cost of a new home. However, the benefit to the community as a whole will be that <u>the cost of service to all customers, including those who are financially not able to even consider the luxury of a new home, will be lower</u>.

  For the larger customers, CMUD has re-examined the method of pro-rating the capacity charge. The result was a method that acknowledges that much of the capacity of large services is for fire protection. This method results in a lower cost than originally proposed for meters larger than 4". It also eliminates the difference in the cost of a large compound meter which provides both domestic and fire service and the cost of separate domestic and fire service meters.

- Some individuals favor an increase in the water/sewer billing rates in lieu of the capacity charge. CMUD recommends against this alternative due to the cumulative effect on the rates of the street main extension program, the aggressive capital improvement program, and this alternative. The capacity charge is projected to generate approximately $1.4 million in revenue per year. This would require a rate increase of around 2%. The street main program bonds require a 2% per year increase for the next 5 years. The capital budget requires a 5-7% increase per year for the next 5 years. The resulting total rate increase would be 9-11% per year. CMUD feels that rate increases of this magnitude would have more detrimental effect on existing and potential customers than the one time capacity charge for new customers.

Attachment:

1. Response to Public Hearing Comments - Presented to CMUD Advisory Committee February 17, 1992

Attachment No. 1

AMENDING CHAPTER 23

ORDINANCE _____

AN ORDINANCE AMENDING CHAPTER 23 OF THE CITY CODE ENTITLED "WATER, SEWER AND SEWAGE DISPOSAL TO ALLOW IMPLEMENTATION OF A PROPOSED EXTENSION POLICY.

BE IT ORDAINED by the City Council of the City of Charlotte, North Carolina that"

Section 1. Section 23-1 "Definitions" shall be amended by deleting in its entirety the definition of "Complete service connection" and inserting the following in its place:

> "Complete service connection. A 3/4" or 1" water service connection consists of the connection to a public water main of a service line, a meter yoke, a meter box, required appurtenances, and a stubbed out connection point for connection of the applicant's private plumbing system. Water service connections larger than 1" consist of the connection to a public water main of a service line, a meter box or vault, piping to the property line, a valve at the property line, and other required appurtenances."

Section 2. Chapter 23 shall be amended by adding a new section to read as follows:

> "Sec. 23-12. Capacity charge.
>
> Each applicant for water or sewer service shall pay the applicable capacity charge for the type and size of service connection requested. The capacity charge sha l be arrived at in accordance with the water and sewer rate methodology documents as set forth in the schedule of current rates, fees and charges."

Section 3. Section 23-83 shall be amended by deleting subsection (a) in its entirety, and substituting the following in its place:

> "(a) The charges for making service connections of sizes four (4) inches or smaller shall be arrived at in accordance with the water and sewer rate methodology set forth in the "Water and Sanitary Sewer Cost of Service and Rate Structure

Study for the Charlotte-Mecklenburg Utility Department," dated June, 1977, as amended, by the "Water and Sewer Study Recommended Cost Determination Modifications," dated November 18, 1977 and as further amended by the "Second Amendment to the Water and Sewer Rate Methodology Documents," dated April 13, 1992, on file with the city clerk. The above documents shall be referred to as the "water and sewer rate methodology documents." Such rates, fees and charges as are set forth in the water and sewer rate methodology documents and any modifications thereto are referred to as the "schedule of current rates, fees and charges" in this chapter. The charges for making partial service connections 3/4-inch size shall be calculated and applied in the same manner."

Section 4. Section 23-83 shall be amended by deleting subsection (d) in its entirety, and substituting the following in its place:

> "(d) The applicant or customer shall not operate or disturb any part of the water service other than to turn off water to the premises in the case of an emergency by operating the curb turn-off within the meter box if the service is 1" or smaller of by operating the property line cut-off valve on larger services. All fixtures within the owner's premises must be kept in repair by the customer or property owner."

Section 5. Section 23-84 shall be amended by deleting the words "but not including, the property line cut-off valve" on the fourth line of the section, and substituting in lieu thereof the words "and including the meter yoke assembly."

Section 6. Section 23-87 shall be amended by deleting subsection (a) in its entirety, and substituting in lieu thereof the following:

> "(a) At each complete service connection larger than 1", a cut-off valve will be placed at the property line or right of way line. This valve will be furnished as part of the meter installation and is to be under the control of the owner of tenant. This valve is to be used in case of a break, or other necessity, whereby pipes to be repaired can be cut off without using the CMUD cut-off valve located in the meter box or meter vault. This is not intended to take the place of the ordinary stop and waste valve located within the premises for the purpose of draining the pipes to prevent damage from freezing."

Section 7. Section 23-88 shall be deleted in its entirety and the following substituted in its place:

"Interference with the water distribution system prohibited; exception.

It shall be unlawful for any unauthorized person to operate or damage by interference and/or tampering, the valves on the street mains or any part of the water distrbution system. Plumbers or property owners may, in case of an emergency, shut off water at the curb cut-off valve."

Section 8. This ordinance shall become effective on July 1, 1992.

Approved as to form:

By City Attorney

Attachment No. 2

APRIL 13, 1992

SECOND AMENDMENT TO THE

WATER AND SEWER RATE METHODOLOGY DOCUMENTS

This is the Second Amendment to the "Water and Sanitary sewer Cost of Service And Rate Structure Study for the Charlotte-Mecklenburg Utility Department (CMUD)", Dated June 1977, as amended.

The Water and Sanitary Sewer cost of Service and Rate Structure Study for the Charlotte-Mecklenburg Utility Department is amended to add the following description and method of calculation for a Capacity Charge. The Capacity Charge is applicable to all customers applying for new water or sewer services.

The Capacity Charge is to recover from new customers a portion of the incremental cost of providing capacity in the treatment facilities, transmission mains, major outfalls and sewer trunks which have been constructed to allow for new development and expansion of the system. This charge is calculated each year based on the actual book value for these facilities as shown in the City's General Ledger and the system treatment capacity reflected in that value. Dividing the book value by the system treatment capacity yields a system cost per gallon per day. This cost per gallon is multiplied by the average daily consumption of residential customers to obtain the capacity charge for water and sewer separately for customers with 3/4" water services. This charge is then multiplied by the relative capacity of other meter sizes to determine the capacity charge for other size meters. The sewer charge is also based on the relative capacity of the water meter. Wastewater only customers will pay a capacity charge based on the capacity of their private water supply, except that all single family residential wastewater only customers will pay the same capacity charge as a 3/4" meter customer.

Revenue generated by the capacity charge will be used to retire capital debt.

Attachment NO. 3

CHARLOTTE-MECKLENBURG UTILITY DEPARTMENT

CMUD

CMUD WATER AND SEWER EXTENSION POLICY

APRIL 13, 1992

CMUD
5100 Brookshire Boulevard
Charlotte North Carolina
28216
(704) 399 2221

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CMUD
5100 Brookshire Boulevard
Charlotte North Carolina
28216
(704) 399 2221

I. PURPOSE

The purpose of this policy is to establish the method to be used for the orderly and financially sound extension of the public water and sewer system This policy is applicable to the entire CMUD service area.

II. FACILITIES PROVIDED BY CMUD

The CMUD will provide certain basic components of the water and sewer system. These components include treatment facilities, water pumping stations, major and/or regional wastewater lift stations, water storage tanks, wastewater interceptor and trunk mains, and major water transmission mains. These facilities will be constructed and/or improved according to a Capital Improvements Program (CIP) which is reviewed and approved annually.

Water or sewer service will not be extended to property located beyond Mecklenburg County without the express approval of the Director of CMUD. CMUD is under no obligation to provide water or sewer service to property outside Mecklenburg County, except as expressly approved. CMUD may refuse to extend services to property located outside Mecklenburg County or may choose to provide water or sewer services to such property under such terms and conditions as may be approved by the Director of CMUD.

III. EXTENSION OF SERVICE REQUIRED BY ANNEXATION

All cities or towns must meet certain service requirements for newly annexed areas as prescribed by state law Since CMUD is a part of Charlotte city government, Charlotte is required to provide water and sewer facilities to newly annexed areas to provide the same level of service that is available to the remainder of the City

The service level provided to the City of Charlotte is that of basic fire protection and installation of interceptor, trunk sewer mains, or common force mains required to extend sewer service to each publicly dedicated street Street main extensions are not provided as part of the basic level of service

IV. PROGRAMS FOR EXTENSION OF SERVICE

A. General Provisions

Upon completion and final acceptance by CMUD of all facilities constructed under this policy, such facilities ll become the property of the City of Charlotte and the City of Charlotte will be respo ~ible for their operation and maintenance

CMUD funds are not to be used for construction of any facility which does not offer the reasonable expectation of being feasible unless such facility is required to fulfill regulatory statutes or to maintain service to existing customers Feasible means that the construction of the facility is expected to cause generation of revenue, service level improvement, or environmental benefits which are in a favorable proportion to the total cost of the project All construction of water and sewer facilities must be done by utility contractors licensed in North Carolina and approved by CMUD or by CMUD forces

All contracts for extension of mains are subject to approval by Charlotte City Council or by the Charlotte City Manager where allowed by law. All extensions are regulated by State and/or Federal agencies and are subject to their review, approval, and permit issuance.

The size, depth, and location of the mains extended will be determined or approved by CMUD based on prevailing standards and normal service requirements. In the event facilities designed in this manner will not satisfy the applicant's needs the applicant may withdraw the application If the application is withdrawn, the applicant forfeits costs incurred by CMUD to that time

CMUD's policy is to provide sewer mains that are capable of serving the ground floor of most buildings when the ground floor is approximately at street level and where the distance from the structure to the street, topography, other utilities, structures, natural features or other conditions do not make gravity service unfeasible CMUD does not guarantee that any customer, and particularly customers who have basements or buildings substantially lower than the street, can be served without pumping by the property owner.

CMUD's intent is to construct mains sized to provide long term service as described in the CIP If an extension is requested which conflicts with or is in the same location as a project identified in the CIP or needs assessment, CMUD shall decide whether to extend the facility as described in the CIP/Needs Assessment or a smaller or temporary main The decision shall be made with the following considerations:

Funding availability from other sources
Impact of expenditure on appropriated funds for this program
Physical space and/or constraints of installation
Quality of service
Time required to provide requested service
Other considerations unique to the circumstances

Any facilities which are installed that are smaller than identified in the CIP or the Needs Assessment or that are smaller than required for long term service shall be funded solely by the applicant with no opportunity or consideration for reimbursement.

The applicant must complete an application for service and pay all applicable charges at the time an extension of the system is requested except when the extension is being made exclusively under the provisions of a Reimbursable Program or is being donated to CMUD An applicant for an extension may not cancel an application for service or extension request once the applicable fees have been paid Neither connection fees, capacity charges, nor the applicant's share of 50/50 extensions are refundable

B. Reimbursable Program

Capital facilities which are normally provided by CMUD (described in section II) but are not in place may be financed by a customer in order to expedite the construction of such facilities Upon completion and final acceptance of the facility, the customer will be reimbursed for eligible costs of the project according to the procedures and schedules described below

If a customer wishes to expedite a project which is included in the Charlotte City Council approved Capital Improvement Program (CIP), a 5-Year Reimbursement Program is available. If a customer wishes to expedite construction of facilities which are not included in the CIP but which would normally be provided by CMUD, a 15-Year Reimbursement Program is available To utilize either of these programs, the customer is required to enter into a contract with the City of Charlotte This contract provides that CMUD will design, either with staff or by consultant, the requested facility, acquire any necessary rights of way and permits and construct the facility either with city staff or through public bids in accordance with North Carolina General Statutes. The customer is required to pay a deposit at the time he or she executes the contract The deposit amount should be sufficient to pay the cost of design and right of way acquisition and shall be established by CMUD When the construction cost is determined, either from bidding or CMUD work order, the customer is required to make available to CMUD the balance of funds to construct the project. The customer may make cash payment to CMUD or utilize an approved letter of credit (See section VI).

Under the 5-Year Reimbursement Program, the contracting customer is reimbursed all of the eligible funds he has deposited for the project. The amount reimbursed will not include any interest, carrying charges, financing costs, or other funds other than the actual face value amounts deposited by the customer The customer will receive 20% of the eligible deposited amount in each of five annual payments. The first annual payment will be made one year from the date CMUD accepts the total project as complete and available for activation

The customer will be required to pay any acreage fees which are applicable, including those resulting from his project. Acreage fees are not eligible for reimbursement

Under the 15-Year Reimbursement Program the contracting customer is not guaranteed total reimbursement of eligible deposited funds The reimbursement payments are made annually beginning one year from the date CMUD activates the total project The CMUD activation date begins the 15 year reimbursement period The amount of each annual reimbursement payment will be the sum of collected acreage fees attributable to the project and 35% of sewer or water user fees which result directly from the project and are collected that year The acreage fee is equal to the total actual cost of the project divided by the area which CMUD expressly designates at the time the contract is established to be ultimately tributary to the line Acreage fees are applicable only to wastewater facilities See section VII B of this document for information on application of acreage fees to wastewater lift stations

User fees are the periodic charges to customers for actual service received User fees do not include connectic charges or other one-time charges which are made in order to establish service Rei ursable user fees on water mains will be based only on customers who have service connections directly off the main extended under the 15-Year reimbursement program and customers on donated mains which connect to that main If the reimbursable main is extended through any method other than donation, user fees from the new extension will not be reimbursed to the original customer If donated mains connect a reimbursable water main to an existing main, CMUD will determine the area on which to base user fee reimbursement based on an engineering judgement of the water flow direction under normal circumstances Reimbursable user fees on sewer mains will be based on service connections directly to the reimbursable main and on service connections

on donated sewer mains which connect to that main If the reimbursable main is extended through any method other than donation, user fees from the new extension will not be reimbursed to the original customer. Annual payments to the customer will continue for 15 years or until the actual eligible face value amount deposited by the customer has been repaid, whichever occurs first

C. Street Main Extension Program

This program provides for CMUD funded extension of water and sewer mains along streets to serve existing residential dwellings. Application of this program is subject to availability of funds and other qualifications described below Applications are accepted and projects initiated on a first come, first served basis.

This program is applicable to water or sewer mains along existing, publicly maintained streets within the CMUD service area. Publicly maintained shall mean NC DOT SR numbered roads, NC or US numbered highways, or city streets which are eligible for Powell Bill Funds. In areas where there are existing utilities in streets which do not satisfy this definition and extensions are requested, CMUD shall decide how to proceed with each request based on the merits of each case.

This program is only available to renters or owners of residential dwellings It is not available to child-care facilities, retail establishments, medical buildings, churches, non-profit organizations, other governmental units, commercial buildings, industrial facilities, or any new construction or new development. If a renter is applying for an extension under this service, the renter must supply a notarized letter from the property owner agreeing to allow the renter to connect the property to the CMUD system.

Application must be made for service to an existing residential dwelling previously served by other water and/or sewer system and applicable fees paid Such system may be well, septic tank, community well, private water/sewer company, outhouse, reliance on neighbor's well, or other system which satisfies the intent of this provision Structures which are moved on to a new site such as mobile homes, pre fabricated buildings, or structures which are being relocated from another site do not constitute existing dwellings Homes which are not occupied or are not eligible for a certificate of occupancy for any reason other than lack of water or sanitary sewer service are not eligible for this program The CMUD Director shall have the authority to determine if the intent of this paragraph is met

The maximum length for extension of mains under this program is 1000 feet

To ensure fair and equ ible use of available funds, subsequent applications for extension of uncompleted mains w h will result in a total project greater than 1000' funded under this program will not be accepted until the originally requested main is available for use An applicant can apply for water and sewer extensions simultaneously provided that funds are available and all requirements are satisfied for each extension

In the event the applicant is determined to require an extension greater than 1000', the portion of the main in excess of the 1000' maximum can be offered under the 50/50 program provided that funds are available in that program and that the applicant meets all

requirements of both programs at the time application is made, including the applicants share of the 50/50 cost.

Extensions of mains greater than 1000' for documented public health hazards can be made in combination with this program, i e, This program can be combined with the health hazard program to increase the distance a main is extended to 2000' The first 1000' will be funded under the Health Hazard Elimination program See section IV-E

This program is applicable to low-pressure sewer systems only in zones designated by CMUD to be served in this manner where such systems are previously established

This program may be combined with 5-year or 15-year reimbursable programs provided that the applicant satisfies all requirements for both programs at the time of application This option requires the same applicant to apply for both programs simultaneously

Funding for this program shall come from the water/sewer rate structure. Revenues from user charges can be used to finance bond programs or to fund this program directly Charlotte City Council shall establish the funding level of this program annually with approval of the Capital Improvement Program.

In the event that the funds appropriated for any fiscal year are not adequate to satisfy the requests received by CMUD, City Council may, at its discretion, appropriate additional funds to this program If adequate funds are not available when an application is made for an extension, the customer will be offered any other available, funded, programs for which the required extension will qualify If no other programs are available, or if the customer declines to use another program, the customer will be required to reapply when/if additional funds are appropriated.

Funds from this program can be used for planning, design, inspection, construction, and any other necessary expense directly related to the administration and implementation of this program

If an extension requested under this program is of such a short length that mobilization costs are excessively high and/or the termination of the requested extension is not at an advantageous location, CMUD may at its discretion, continue the extension beyond the distance requested by the applicant Funding will be from this program

Procedures for initiating and utilizing this program are described in section VII below

D. 50/50 Extension Progr i

This program provides for shared funding of water and sewer street main extensions Under this program, CMUD will fund 50% of the cost of eligible extensions when one or more customers provide the other 50% Application of this program is subject to availability of funds and other qualifications described below

The basis for determining the project cost will be the average cost per foot actually incurred during the previous fiscal year for projects extended along streets

This program is applicable to water or sewer mains along existing, publicly maintained streets within the CMUD service area. Publicly maintained shall mean NC DOT SR numbered roads, NC or US numbered highways, or city streets which are eligible for Powell Bill Funds. In areas where there are existing utilities in streets which do not satisfy this definition and extensions are requested, CMUD shall decide how to proceed with each request based on the merits of each case.

An applicant can apply for water and sewer extensions simultaneously provided that funds are available and all requirements are met for each extension.

This program is applicable to low-pressure sewer systems only in zones designated by CMUD to be served in this manner where such systems are herein established.

This program may be combined with 5-year or 15-year reimbursable programs provided that the applicant satisfies all requirements for both programs at the time of application.

This program is available for the extension of mains requested by applicants which do not qualify under the provisions of the street main extension program or when funds are not available in that program The applicant is responsible for determining whether other property owners who could utilize the extension will participate in funding the applicant share. CMUD will not consider the application complete until funds sufficient to cover 50% of the estimated cost are received

Funding for this program shall come from the water/sewer rate structure Revenues from user charges can be used to finance bond programs or to fund this program directly Charlotte City Council shall establish the funding level of this program annually with approval of the Capital Improvement Program and/or operating budget

Each applicant is required to pay connection and capacity fees in addition to the applicant's share of the cost of the extension

Procedures for initiating and utilizing this program are described in Section VII below

E. **Extension Program to Eliminate Public Health Hazards**

This program provides for CMUD funding of water and sewer street main extensions for the purpose of providing access to public utilities when the system in place has failed and is resulting in a health risk to the occupant and/or the general public

This program is applicable to water or sewer mains along existing, publicly maintained streets within the CMUD service area Publicly maintained shall mean NC DOT SR numbered roads, NC or US numbered highways, or city streets which are eligible for Powell Bill Funds. In areas where there are existing utilities in streets which do not satisfy this definition and extensions are requested, CMUD shall decide how to proceed with each request based on the merits of each case

The applicant will be required to pay applicable connection fees and capacity charges at the time the extension request is made

The maximum length for extension of mains under this program is 1000 feet.

To ensure fair and equitable use of available funds, subsequent applications for extension of uncompleted mains which will result in a project greater than 1000' funded under this program will not be accepted until the originally requested main is available for use. An applicant can apply for water and sewer extensions simultaneously provided that funds are available and all requirements are met for each extension

This program is applicable to low-pressure sewer systems only in zones designated by CMUD to be served in this manner where such systems are previously established

This program may be combined with 5-year or 15-year reimbursable programs or other extension programs provided that the applicant satisfies all requirements for both programs at the time of application and pays all applicable fees.

This program is only available to existing residential dwellings

The applicant must furnish evidence from County Health officials that a health hazard exists in order to qualify for this program. Failure of mechanical equipment does not constitute a health hazard Dry wells or unused septic tanks do not constitute a health hazard. This program cannot be used for new construction or when a mobile home or other structure is moved onto a new site Homes which are not occupied or are not eligible for a certificate of occupancy for any reason other than lack of sanitary sewer service are not eligible for this program The CMUD Director shall have the authority to determine if the intent of this paragraph is met

Funding for this program shall come from the water/sewer rate structure Revenues from user charges can be used to finance bond programs or to fund this program directly Charlotte City Council shall establish the funding level of this program annually with approval of the Capital Improvement Program and/or operating budget

Procedures for initiating and utilizing this program are described in Section VII below

F. Applicant Funded Non-Reimbursable Extension Program

This program allows the applicant to fund 100% of the cost of water or sewer extensions which are to be constructed by CMUD forces or by contracts administered by CMUD This program is applicable to extensions which do not qualify for any other extension programs under this policy, if an applicant chooses this program in lieu of another, or in the event funds are not available from CMUD for other programs

This program is applicable to low-pressure sewer systems only in zones designated by CMUD to be served in this manner

Each applicant is required to pay connection and capacity charges in addition to the applicants cost of the extension

Procedures for initiating and utilizing this program are described in section VII below

G. Extension of Facilities by other Public Agencies

Any extensions requested by other City departments or by other governmental units within the CMUD service area may be (but are not required to be) processed within the same guidelines as though an individual customer had applied. Previously approved agreements with Mecklenburg County, Davidson, Cornelius, Huntersville, Pineville, Matthews, and Mint Hill created other financing options which these government's may utilize

H. Extension of Service For New Development

CMUD will not participate in the cost of street main extensions which are required strictly for subdivision of land All such projects will be financed wholly by the developer of the land CMUD will agree by contract to own and maintain water distribution and wastewater collection systems if these systems are designed and constructed in accordance with prevailing CMUD standards and specifications and if the existing CMUD system has adequate capacity to sustain the new development. Such contract agreements must be obtained prior to construction of the system

Capacity charges are required for each service installed

Under no circumstances shall construction begin prior to approval of the contract, issuance of all required permits, and proper notification of CMUD. Notification requirements are detailed in the contract

If the new development contains drainage patterns that will need to be utilized to provide sanitary sewer service to existing streets, roads, or other property, CMUD will require that the owner of the property being developed record permanent rights of ways for such facilities.

V. SERVICE CONNECTIONS

A. General Provisions

All customers desiring water or sewer service are required to make formal application for each service and to pay all applicable fees and/or charges at the time application is made.

Water services larger than 1-inch cannot be installed without payment of a meter deposit and an application to CMUD designating the party who is financially responsible for water used from that service

A 3/4" or 1" water se ice connection consists of the connection to a public water main of a service line, a meter box, and stubbed connection point for the applicant's private plumber to connect to Larger water service connections consist of the connection to a public water main of a service line, a meter box or vault, piping to the property line, and a valve at the property line

A sewer service (or lateral) connection consists of the connection to a public sewer main or manhole of a service line which is extended to the street right of way line or to the sewer

right of way line if the public sewer main is not at the street The applicant is responsible for connecting their private plumbing system at that point.

All water and sewer service connections shall be constructed in accordance with the code of the City of Charlotte and with all applicable building and plumbing codes.

Commercial, industrial, fire line, or irrigation services will be subject to requirements of the city and CMUD including industrial waste and/or backflow provisions

B. Fees/Charges

Customers applying for a new water or sewer service or extension are subject to one or more of the charges shown below

1. Connection Charge - This charge is based on the average actual cost incurred by CMUD to construct similar size service connections during the previous fiscal year

2. Capacity Charge - This charge is to recover from new customers a portion of the incremental cost of providing capacity in the treatment facilities, transmission mains, major outfalls and sewer trunks which have been constructed to allow for new development and expansion of the system This charge is calculated each year based on the actual book value for these facilities as shown in the City's General Ledger and the system treatment capacity reflected in that value. Dividing the book value by the system treatment capacity yields a system cost per gallon per day This cost per gallon is multiplied by the average daily consumption of residential customers to obtain the capacity charge for water and sewer separately for customers with 3/4" water services This charge is then multiplied by the relative capacity of other meter sizes to determine the capacity charge for other size meters The sewer charge is also based on the relative capacity of the water meter Wastewater only customers will pay a capacity charge based on the capacity of their private water supply, except that all single family, residential wastewater only customers will pay the same capacity charge as a 3/4" meter customer

3 Meter deposit - This is a security deposit which varies according to both water meter size and the nature of the customer (i e, restaurant, warehouse, etc) Meter deposits are not required of residential customers

4 Discounts available - If a customer applies for a water or sewer service in conjunction with a water or sewer extension and the service can be installed on the extension s it is constructed then the connection fee will be discounted 10% No discount o reductions apply to capacity charges CMUD will establish a time period prior to the beginning of construction during which other eligible customers may receive the 10% connection fee discount

5 Acreage fees - Acreage fees are not charged to an individual applying for service to a single, single-family residential dwelling on a lot of 1 acre or less Any other type of applicant will be required to pay any acreage fees if they are applicable to their site CMUD will determine and advise the applicant of the liability for acreage fees and such fees will be paid prior to the work being undertaken

CMUD will not pay acreage fees for any extensions which are made with CMUD funds, nor will acreage fees be assessed for costs of extensions funded solely with CMUD funds.

6 Sewer deposit - A sewer deposit is required when application is made for sewer only service; i e , the applicant receives water service from a private well, community water system, or source other than CMUD This is a security deposit similar to the meter deposit required for water service Sewer deposits are not required of residential customers

The following chart defines when each of the different charges are applicable:

TYPE SERVICE	CONNECTION FEE	CAPACITY FEE	DEPOSIT*
New service not installed as part of donated system	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application
New service installed by developer as part of donated system	No	Yes	Yes
Replacement service of same size	Yes Paid at time of application	No	No
Replacement service of larger size	Yes Paid at time of application	Partial - difference between sizes paid with application	Yes
Replacement service of smaller size	Yes Paid at time of application	No No refund of previous charges	No
Fire Line	Yes Paid at time of application	Yes Paid at time of application	Yes
Irrigation Service	Yes Paid at time of application	Yes Paid at time of application	Yes
Partial tap completion ("Paving tap")	Partial based on estimated cost to complete the tap	Yes Paid at time of application	Yes
Fire Hydrant Meter	No	No	Yes

* Note Deposits do not apply to residential customers

VI. LETTER OF CREDIT FOR REIMBURSABLE PROGRAM FINANCING

Customers who are utilizing reimbursable programs to expedite projects may use this financing method in lieu of cash payment to CMUD. This method can only be used for projects estimated to cost $100,000 or more. The customer may elect to render to the City a non-recourse, commercial letter of credit from a bank insured by the Federal Deposit Insurance Corporation and having full-service banking facilities in Mecklenburg County in lieu of advancing other funds sufficient to pay for the entire project Said letter of credit shall unequivocally guarantee payment by said bank to the City at such times and in such amounts as the City shall determine is reasonably necessary or convenient to have the necessary funds on hand for retainage and payments to any contractor awarded the contract to construct the extension requested by the Customer If such an alternative is selected by the Customer, the following conditions shall apply

(a) This financing alternative must be selected, including the designation of the bank to be used, at the time a Customer requests a contract with the City for an extension.

(b) A form provided by City must be used as the letter of credit, with a schedule of payment incorporated therein which is approved by the Director of CMUD. If the Customer proposes to use any variation of the form, the Customer will be required to pay the City's reasonable attorney fees in retaining experienced private counsel to review and advise the City and CMUD on the terms of the proposed letter of credit, and any related documents, and to recommend such changes, alterations or additions thereto as may be in the best interests of the City and CMUD The City shall have the sole discretion in the selection of said counsel The Customer shall be required to advance the estimate of such fees, as determined by the City, at the time this financing alternative is selected Any excess funds advanced by the Customer for attorney fees shall be refunded If the estimate of attorney fees is insufficient, the Customer shall advance the additional amount required prior to approval by the City of the extension contract The form and contents of a Customer-proposed letter of credit and any related documents shall be approved by the City Council and shall contain such provisions as the City Council shall determine to be necessary to protect the interests of the City and CMUD Said proposed letter of credit shall also incorporate a schedule of payment approved by the Director of CMUD If the Customer does not accept any changes required by the City Council and if the attached form is not acceptable to the Customer, the financing alternative set forth in this sub section shall no longer apply

(c) The City Manager is authorized to approve changes to the form letter of credit and to the estimated cost of projects qualifying for this alternative financing plan

(d) The Finance Director may refuse to accept a letter of credit from any bank that has refused or failed for any reason to honor a draft on any letter of credit issued to the City, or if the Finance Director determines in his/her sole and absolute discretion that it is not in the City's best interests to accept a letter of credit from such bank for any reason By seeking to use this alternative financing plan, a customer and any bank issuing or proposing to issue a letter of credit hereunder agree and acknowledge that acceptance of a letter of credit is within the City's sole and absolute discretion, no customer is entitled in any manner to use this alternative financing plan as a matter of right, and neither the City nor any

employee, officer or agent thereof shall be liable for any damage, loss, injury or claim of any kind whatsoever arising out of the City's failure or refusal to accept an issued or proposed letter of credit, regardless of the circumstances under which such failure or refusal occurs

VII. INITIATION/UTILIZATION OF EXTENSION PROGRAMS

A customer seeking to obtain water and/or sewer service must follow the procedure outlined below

1. Request study of availability of water/sewer from CMUD's Public Service Section. The request should identify the property to be served and any special capacity requirements or other specialized needs to be addressed

2. CMUD will provide a written study containing the following information.

   A Is water/sewer immediately available to the property?
   B. The length of any required extensions to serve the property.
   C. The total cost of the required extension(s).
   D. Identification of programs the customer could utilize to acquire the extension(s) and the total cost to the customer.
   E. Service connection costs.
   F. Approximate time the extension could be completed
   G Instructions to the customer concerning how to proceed

3 Customer formally initiates application for service by paying applicable extension costs and/or connection and capacity charges

4 CMUD shall complete design and construction including acquisition of permits, encroachments, and/or rights of way The expected time for completion of extensions of minor (less than 1000' of 8" or smaller) mains along existing streets is less than 180 days from the receipt of the customer's complete payment. It is recognized, however, that there may be instances when, due to workload or inability to obtain permits, encroachments, or rights of way, more time may be required In no case is a projected schedule binding upon CMUD or the City of Charlotte

The projected schedule for completion of larger extensions will be determined prior to undertaking the extension The projected schedule is established as a goal and is not binding upon CMUD or the City of Charlotte

VIII. WASTEWATER LIF . STATIONS

It is CMUD's policy to minimize the need for wastewater lift stations and to limit their construction within the system The basis for this policy is that lift stations can cause disproportionate expense to provide service to a limited customer base and that failure of lift stations poses significant environmental risks

It is recognized, however, that there are situations where lift stations are a feasible solution for providing service. CMUD will consider on a case by case basis requests to accept new lift stations in the situations described below.

1. The lift station can be eliminated by a project or combination of projects, all of which are included for funding in the approved 5-Year CIP

2 The lift station can be eliminated by a project being done under a reimbursable program and the funds have actually previously been made available to CMUD for construction

3. The new development is in an area designated by CMUD for service by low pressure sewer systems and the proposed lift station size and location is in accordance with the "Lake Area Sewer Study (1990)" plan

4 The proposed lift station is at an appropriate location and has adequate capacity or expansion capacity to serve as a permanent or long term facility and gravity service is cost prohibitive or not possible due to other circumstances

5. The construction of the proposed lift station would include elimination of one or more existing lift stations or treatment plants.

6. The construction of the proposed lift station would facilitate significant progress toward achievement of land use goals and strategies described by current, officially approved planning documents and no other reasonable options are available for service

In all cases, the receiving system must have available transportation and treatment capacity to carry the proposed lift station discharge. Any upgrades required will be the responsibilities of the applicant requesting the lift station

Construction of a wastewater lift station may require the customer to pay acreage fees Acreage fees will be charged for the actual basin in which the lift station is located and for the basin which receives the discharged flow from the lift station In either case, acreage fees are applicable only when sewer mains downstream of the lift station or its discharge point have been constructed through a reimbursable program and the contract has not been paid in full Acreage fees will be charged to an applicant constructing a lift station when sewer mains further downstream within the same basin as the lift station are not actually receiving the applicant's flow but would be if the applicant would have constructed an extension of these mains instead of constructing the lift station

IX. OTHER CONSIDERATIONS

A. Acquisition of Other Systems

CMUD will, as the opportunity arises, consider the acquisition of other water/sewer systems which can be incorporated into the CMUD system

B. No Guarantee of Level of Service

CMUD does not warrant nor guarantee that the capacity, volume, pressure, or quantity of service provided will be adequate to meet the needs of any customer other than single family domestic service. The customer is responsible for judging the adequacy of service for their intents and purposes prior to applying for service from CMUD

The current level of service provided in any part of the water or sewer system which may be above that required to provide normal, domestic service is not guaranteed for any time in the future.

CMUD accepts customers on a first come, first served basis. Completion of studies or cost estimates for provision of service do not constitute any obligation or intent of CMUD to reserve capacity The applicant's request for or receipt of such studies does not guarantee the applicant's ability to secure water or sewer service.

C. Financial Assistance

Property owners whose incomes are less than eighty percent of median income as determined by the City or County Community Development Departments may obtain a water or sewer service connection under a special program, the requirements of which are as follows:

(a) The property owner must be declared to have an income less than eighty percent of median income, as determined by the Mecklenburg County Community Development Department or the City of Charlotte Community Development Department.

(b) A water main or sewer main must be directly available for service connections No extensions of the water or sewer system will be made under this program However, the property owner may qualify for an extension under another program

(c) The size of water service connections is limited to 3/4" and sewer connections to 4" or 1-1/2" low pressure sewer connection

(d) Private service lines from the City-installed meter or the city-installed sewer lateral to the house will not be part of this program

(e) The property owner must make application for the water or sewer service connection In order to receive the connection, a lien will be required on the property for which service is being provided The normal fees associated with the connection(s) will be charged to a spec ɜl account administered by this program All payments collected as payments on the lien will be applied to this special account The required lien will be in the form of a deferred payment loan, similar to that administered by the City Community Development Department

(f) At the option of the customer the Finance Department will establish an accounts receivable, wherein the applicant will be billed monthly for a partial payment of the charges associated with this service The term of the receivable will be a maximum of ten years, and will be calculated at a 0% interest

2. CMUD will advise customers of other financing programs which may be available with local banks. Availability of such assistance is dependent upon cooperation of the banks and the ability of the customer to meet bank requirements.

D. Effective Date of Policy

This policy shall be placed into effect on July 1, 1992 None of the provisions of this policy are retroactive Capacity charges shall be levied on all services for which application is made on or after the effective date, except in new development where street mains are being donated to the city. In new, donated development, capacity charges will be levied on all services of projects which have construction plans approved for construction by CMUD for water and/or sewer mains on or after the effective date of this policy.

E. Process for Appeal

This policy has been adopted by the Charlotte City Council for implementation by CMUD and the City Manager It is City Council's intent that CMUD apply the provisions of this policy equitably to all customers and potential customers It is recognized that there may be situations where disagreements may develop concerning equitable treatment In those cases, the customer may pursue the appeal process outlined on the attached chart. The burden is on the customer to demonstrate inequitable application of this policy.

X. DEFINITIONS

Acreage fee - An amount calculated by dividing the total cost of a wastewater project by the number of acres of property which the project has the potential to serve The number of acres includes all property upstream of the facility and/or which is planned to be pumped to a location where it will be tributary to the project Acreage fees are only calculated for projects which are completed under a reimbursable program

Activation - Placing into service a new water or sewer main or other facility Activation may precede final acceptance

Backflow - The flow of any substance from a customer's property back into the water distribution system Backflow can result from improper connection of pressurized equipment to the plumbing system or from accidental pressure drops in the public water system which can be caused by pipe breaks or other equipment failure Backflow of contaminated water into the public system can create a hazardous situation to other customers.

Capital Improvements Program - A budget plan for provision of infrastructure and other capital needs for the community This plan is compiled annually and adopted by Charlotte City Council

CIP - Acronym for Capital Improvements Program

CMUD - Acronym for Charlotte-Mecklenburg Utility Department

CMUD forces - Employees of the Charlotte-Mecklenburg Utility Department

Common force main - In a low pressure sewer system, a pressurized sewer pipe provided for individual customers to connect the discharge lines from their privately owned grinder pumps.

Developer - An individual, firm, or corporation which is improving property or is causing property to be improved by the provision of streets, buildings, or other infrastructure or by the assembly or subdivision of property

Domestic service - Provision of potable water for the purposes of consumption and hygiene for an individual or family and the collection of wastewater generated from these uses

Drainage pattern - A ditch, creek, berm, depression or other feature along which water, if present, would accumulate and flow naturally downhill.

Eligible costs - In the context of the reimbursable program for extensions, this is the total actual cost of the portions of the project which qualify for reimbursement.

Encroachment - Agreement with the NC DOT or railroad to place water or sewer facilities within their right of way.

Extension - A new or proposed water or sewer main

Final acceptance - Documented agreement between CMUD and the contractor or developer of a project that the work is satisfactorily completed and that there are no outstanding claims or deficiencies Completion of the project may also involve submittal of maps, affidavits, tax statements, or other documents that are required by contractual agreement

Fire line - A water service requested and installed for the purpose of providing enhanced fire protection to an individual property

Fire Protection - Provision of adequately sized water mains, water volumes, and fire hydrants at suitable intervals to allow use by fire departments in fighting fires The level of protection varies with land use and development type

Gravity sewer system - The normal type of wastewater collection system that relies on the natural, downhill flow of wastewater through pipes constructed along drainage patterns and creeks to a wastewater treatment facility

Industrial waste - Non-domestic liquid wastes, including but not limited to, process or operational wastewater, groundwater remediation discharges, contaminated storm water or surface water remediation discharges, and any other non-domestic liquid waste from industrial or commercial establishments

Interceptor - A larger sewer pipe usually constructed along a major creek which collects wastewater flow discharged from trunk mains Interceptors are sometimes also referred to as "outfalls"

Irrigation service - A water service requested and installed for the purpose of irrigating lawns or property Water provided through such a service does not return to the wastewater collection system

Lake Area Sewer Study (1990) - A study completed by an Engineering consultant under contract with CMUD which establishes a plan for provision of wastewater collection from property which naturally drains toward one of the major lakes in the CMUD service area This study was completed in 1990.

Licensed utility contractor - An individual, firm, or corporation which is licensed by the North Carolina Licensing Board for General Contractors to perform public utility and/or unclassified construction projects which have a contract value not exceeding their license limitation.

Low pressure sewer system - A type of wastewater collection system which utilizes individual pumping by each property owner into a common force main This type of system is utilized along waterfront property where natural drainage patterns have been disrupted by the creation of a large lake

Needs Assessment - A planning document formally prepared by each City department every two years which identifies infrastructure and capital needs of the community which are projected for the upcoming 10 year period.

New construction or development - The establishment or substantial improvement of streets, buildings, useable property, or infrastructure where such facilities did not exist or were not suitable for the newly intended purposes.

Permits - Documentation of permission by Federal, State, and/or local agencies which have regulatory jurisdiction over the construction and operation of water and/or wastewater utilities to expand or modify the public water and/or sewer system

Public water and/or sewer system - The water and/or sewer pipes, storage facilities, pumping stations, lift stations, treatment facilities and appurtenances that are owned by the City of Charlotte and operated and maintained by CMUD

Residential dwelling - A room or combination of rooms designed for year-round habitation, containing a bathroom and kitchen facilities, and designed for or used as a permanent residence by at least one family

Right of Way - A non-possessory interest in the land of another for the purpose of constructing, reconstructing, operating and maintaining water and/or sewer facilities

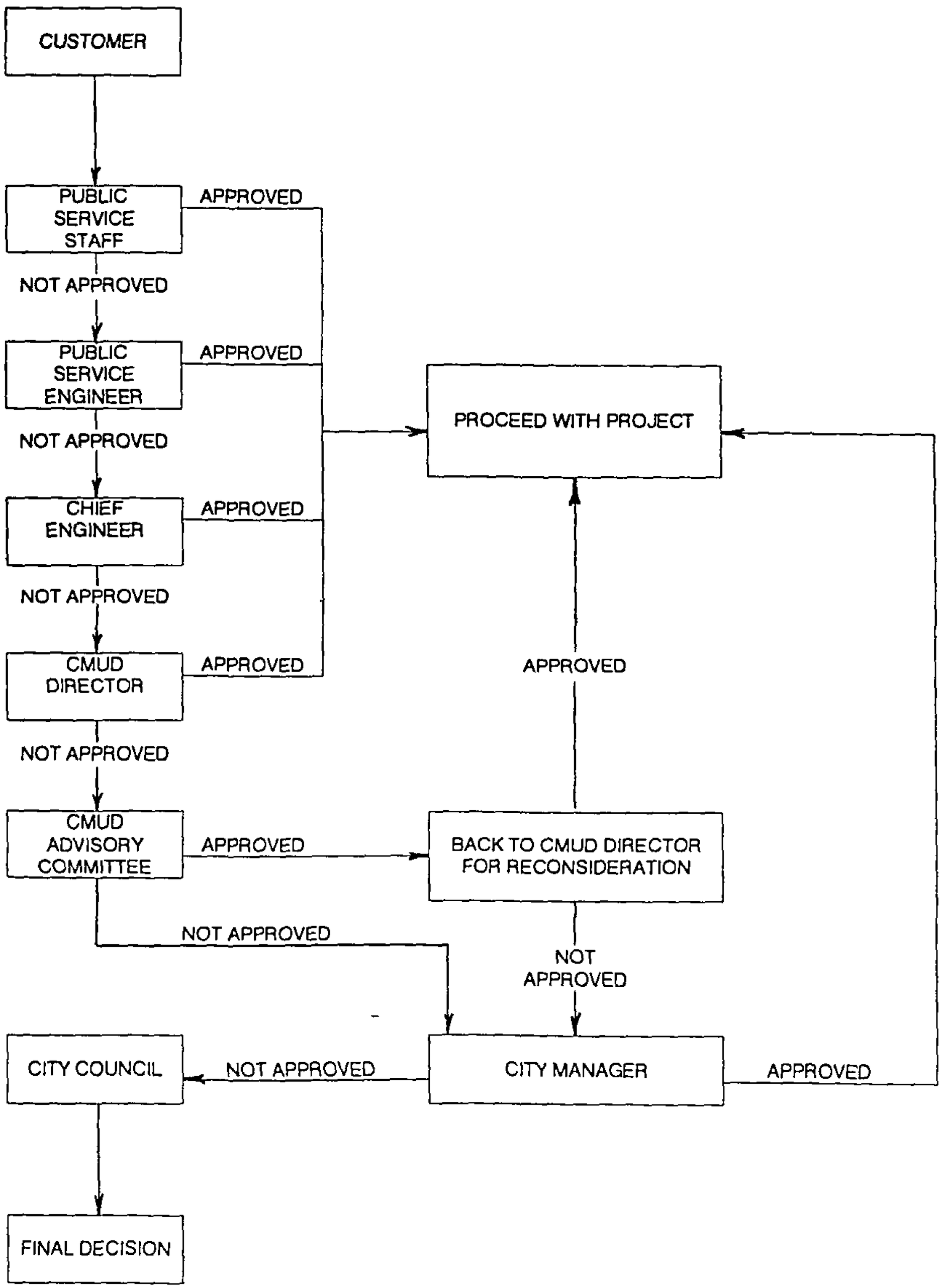
Street main - A water or sewer pipe installed along a street, road, or highway primarily for the purpose of providing water or sewer service to the property along that street

Subdivision - All divisions a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose, whether immediate or future, of sale, or building development of any type

Total cost of project - The total cost of completing a project including planning, design, surveying, drafting, inspection, administration, acquisition of rights of ways, legal services, environmental studies, permits, construction and all other costs necessarily incurred between project initiation and final acceptance

CHARLOTTE-MECKLENBURG UTILITY DEPARTMENT

EXTENSION POLICY APPEAL PROCESS



Attachment No 4

CITY OF CHARLOTTE

CHARLOTTE-MECKLENBURG UTILITY DEPARTMENT

INTER-OFFICE COMMUNICATION

DATE: February 17, 1992

TO: CMUD Advisory Committee

FROM: Joe C Stowe, Jr
Director

SUBJECT: Extension Policy Public Hearing
Response to comments

Attached is an issue-by-issue response to the comments which were made at the February 10, 1992, public hearing In reviewing this response and in considering the issues at hand, please keep in mind CMUD's previously stated goals and priorities. Since it may have been some time since these were reviewed, they are restated below

GOALS

- To provide adequate water supply to protect and preserve public health and property through proper water treatment and distribution
- To protect health, property, and the environment through proper wastewater collection and treatment
- To operate the Department in a manner that is totally self-supporting with no local tax support
- To comply with requirements of Federal and State regulatory agencies
- To fairly administer policies and procedures of the City and Charlotte-Mecklenburg Utility Department and to assure equitable handling of customers and potential customers

PRIORITIES

- Service to existing c stomers
- Environmental protection concerns
- Legal issues
- New connections to existing mains
- Upgrades and extensions to serve new development

CC File
Julie Burch

/BMG/ext\publi

RESPONSE TO
ISSUES RAISED AT
FEBRUARY 10, 1992 PUBLIC HEARING

PROPOSED WATER AND SEWER EXTENSION POLICY

1. **What will be the impact of the capacity charge on low income or entry level housing?**

The capacity charge will have an impact on new housing in subdivisions by increasing the cost to connect to the water and sewer system from $0 to $540 per house. However, the capacity charge will reduce the cost for an existing home to obtain water and sewer service by at least $1,198. The reduction is the difference between the current tapping privilege fee ($1,738) and the proposed capacity charge.

CMUD's position is that new development should pay at least a small portion of the actual cost of the treatment plant and other system components which are required to allow the new development to become part of the public system. Otherwise, all customers, low income included, will have to pay a higher monthly bill for service. CMUD places top priority on reliable, affordable service to existing customers.

CMUD is also working on proposals to provide additional cost savings to non-profit oriented housing projects such as Habitat for Humanity The proposal is expected to include offers to install taps with CMUD employee's volunteer labor during non-work hours and other methods to reduce costs

2. **The developer is paying $1000's now to provide water and sewer service to new lots. Why should they pay more?**

The developer of a new subdivision which will be part of the CMUD system is required to install the water and sewer street mains within the new development as part of the development These mains are donated to CMUD upon completion and final inspection by CMUD The costs of these facilities are included in the developer/builder's investment in the project and are passed on to the homebuyer along with the developer/builder's profit on this investment The developer considers the cost of providing water and sewer, either through CMUD or by other means, when making decisions about land purchases and the financial viability of any given project

The basis of the capacity charge does not include these street mains nor the street mains that are installed in existing streets The capacity charge is to recover a portion of the cost of the larger sewer interceptors and trunk mains, water transmission mains, and other facilities required to treat and transport the water and wastewater to and from the new development

Often a developer purchases property which does not have CMUD water and sewer immediately available The absence of water and sewer service usually is reflected in a lower purchase price Development of the property then requires the construction of new interceptors, trunk mains, or water transmission mains The developer may

either, finance and construct these under a reimbursable program or may elect to construct and donate these facilities without reimbursement.

3. **Why doesn't CMUD just raise billing rates to generate the revenue projected from the capacity charge?**

CMUD's rates are very competitive with other cities in this region Most cities, including CMUD, are facing the likelihood of significant rate increases over the next several years. The rate increases are driven by new environmental regulations and water quality standards, loss of federal and state funds, rapid expansion of the distribution/collection and treatment facilities, and the public's expectations that public water and sewer facilities should be available to outlying customers. Projections are that CMUD rates will rise 7% - 9% per year for the next five to six years. Any additional increases beyond this point will make CMUD's rates less competitive with other cities and will bear even more heavily on the low income and disadvantaged citizens who are already customers.

4. **Why can't new bonds raise revenue for expansion of the system?**

CMUD does use bonds to finance major capital projects. The bonds are currently paid for from revenue from monthly bills paid by all CMUD customers CMUD proposes to use revenue from the capacity charge to pay a part of the bond debt service.

5. **Will CMUD use the capacity charge to pay for the street main extension program?**

The street main extension program is to be financed by bonds. Voters approved bonds in 1991 which are projected to fund the street main program for two years Debt service on all outstanding bonds is to be paid mostly from revenue from monthly billing to customers Revenue from the capacity charge will also be used to pay debt service

The capacity charge is projected to generate approximately $1 4 million per year Debt service on outstanding bonds this year is $16 7 million The total outstanding bond indebtedness of CMUD is approximately $169 6 million It can be easily seen from this data that the capacity charge can be applied strictly to projects other than the street main extension program Also, $3 8 million from billing revenue was used for "pay-as-you-go" financing of CIP projects this year

6. **It was stated by one speaker that the capacity charge would only apply to new development.**

The capacity charge ill apply to all new connections to the CMUD water or sewer system It is a one time charge that is required any time an existing or new home or business makes a new connection for water or sewer service, irrigation service, or a private fire line

7 **Concern was expressed about projections for future increases in the capacity charge.**

A spreadsheet has been distributed by CMUD with the extension policy proposals which contains the calculation of the capacity charge for this year and for several years in the future The future capacity charge is based on assumptions about future

CIP projects. One key element in this analysis is the timing of the completion of these projects and the addition of their value and capacity to the City's accounting system. The spreadsheet is thought to be a "worst-case" scenario in that all of the projects are shown with an optimistic, early completion schedule.

There is no doubt that the capacity charge will increase over time. The increase is directly related to the costs of expansions that are made to the treatment systems and to the extension of new interceptors, trunk mains, and water transmission mains into areas where new development is projected to occur. At the direction of Council CMUD has an aggressive Capital Improvements Program to provide infrastructure in advance of new development

8. **A speaker stated that the cost of a 6" water meter would increase from $43,200 now to $70,416 in four years.**

The current proposed capacity charge for a water service with a 6"x 3" compound meter is $11,200 The capacity charge for a sewer connection is based on the size of the water meter that the customer has in place or is installing. With the same size meter, the sewer capacity charge is proposed at $32,000. Using the "worst-case" scenario as described in item 7 above, the capacity charge in 1996 would be $18,687 for water and $50,882 for sewer.

It should be pointed out that meters of this size are not routine installations. The entire CMUD system currently has only approximately 335 6" x 3" meters, or 0 25% of the total number of meters A meter of this size has the potential to withdraw up to approximately 2 million gallons of water per day from the system and return it to the sewer system Granted, most customers with this size meter may not constantly use all of this capacity, but the potential is there that they can and/or will at some point. Customers with this type of meter are usually larger businesses or industries, or the meter is being used as a combination potable/fire service.

9. **It was stated that there are many instances where CMUD pays too much for design services and installation costs. An example was given of Winterbrooke Trunk where a developer built a project for $85,205.64 that CMUD had received bids for of $138,777.37.**

There are situations where private developers negotiating with a private contractor can build projects at less cost than CMUD can through the public bidding process. The difference in the cost is largely the accountability of the contractor to the public, the costs, whether actual or perceived, of the City's MWBE program, who is assuming the risks associated with construction, and what is included in the costs of the project In bullet form below are some of the factors which result in cost differences

- The private contractor usually works with the private developer on a long term basis essentially doing all of his projects and is often willing to work at a lower unit price rate in return for the security of knowing he will get the next job
- The private contractor is not required to obtain bid bonds or performance bonds as are required when a project is done through public bids. The purpose of these bonds is to ensure that the project will be completed at the price bid, even if the contractor goes out of business or encounters financial hardship

- There is some question as to which costs have been included in the one or two instances where developers have brought evidence of cost savings of private work. Specifically, clearing and restoration of the right of way are sometimes included as a cost of the subdivision and are not reflected in the cost of the water or sewer main.
- Projects which are donated to the city do not carry a one year warranty as do projects which are bid publicly.
- CMUD does not require the private developer/contractor to obtain releases from property owners where the private contractor disturbed areas outside of the designated right of way. Contractors on publicly bid projects are required to do this
- Erosion control and traffic control measures are not as tightly controlled on private contractors
- A private contractor working for a developer does not face a liquidated damages charge if work is not completed in a specified time period.
- The City has a commitment to ensure that MBE or WBE contractors get a fair opportunity to participate in public projects. There are costs associated with this that the private contractor does not incur
- The private contractor working for a developer is taking less risk in that if he encounters more difficult working conditions than he expects, the developer and the contractor can negotiate cost. On public bids, the contractor is asked to do his own analysis of the working conditions prior to bidding and to take the risk that they may be worse than expected.
- It should also be considered that the City receives a rebate of sales tax paid on material which is incorporated into the project on contract projects This is not true on private development

The example that was given (Winterbrooke Trunk) was constructed in 1987/88 The developer brought his cost savings to our attention at that time and a response was made Due to the time which has elapsed, we have not been able to locate a copy of that response Our recollection is that issues such as the ones described above, accounted for most of the difference It should also be pointed out that the comparison was made of an actual cost (developer's) to a bid cost Typically, CMUD projects actually cost somewhat less than the bid price due to conservative estimation of quantities for unit price bids Items such as rock excavation can have a large impact on the actual cost of the work It is not unusual for CMUD to estimate rock quantities higher than are actually found

To summarize, the cost differences are related to the risk that the contractor is asked to assume, the accountability of the contractor to the public in terms of property damage, complaints safety, and erosion control, and the costs associated with ensuring that MWBE firms have an opportunity to work on the projects

10. **One speaker stated that he had three pages of documentation of other projects where CMUD had higher costs than the private developer.**

A copy of this speaker's remarks and the referenced documentation were obtained by CMUD The three pages concerned one project The three pages consisted of a one paragraph memo from one partner in a development company to the other partner and a two page letter from CMUD to the developer The letter from CMUD was a response

to an inquiry of availability of water and sewer to serve a tract of land This "study" contained a very rough cost estimate based on a line drawn on a topo map. This estimate ($153,000) assumed average depths and working conditions. In actuality, the line was very shallow and 200' shorter than the estimate projected The developer is comparing the actual cost of construction with that rough estimate.

Using the "as-built" drawings of that project and current bid prices that CMUD has obtained on a continuing services type of construction contract, the price for CMUD to have contracted construction of this project would have been $58,669. These are actual bid prices which CMUD has obtained for work of a similar scope, and are in effect for any projects which we assign to the contractor until his continuing services contract expires later this year The developer quoted his project cost as $79,856 14

11. **CMUD continues to say that State law will not allow developers to design and install lines and then be reimbursed under the reimbursement policy. How are other municipalities doing this if it is illegal?**

(INSERT RESPONSE FROM LEGAL)

Aside from the legal aspects of this question, there are financial issues to be addressed From 1987 through 1991, payments to reimbursable contract holders have increased from $351,218 to $1,231,747 (250%). Already, the city budget department is requesting that we either eliminate or cap this program due to its impact on the budget.

If a mechanism is put into place to allow reimbursement for developer installed mains, there must be restrictions on which projects are eligible It may be advantageous to allow projects which have a funding source identified in the five year CIP to be constructed under this scenario since CMUD would realize some savings on finance costs Allowing unfunded projects, or projects which are not in the CIP to be built under this process would tend to encourage developers to request reimbursement for many projects which are currently being donated to CMUD This would include relatively short trunk sewers required to extend service to new development and new water transmission mains along existing streets to reach new development

12. **Council requested information comparing water and sewer connection costs with those of other cities.**

Various cities have different philosophies concerning how water and sewer connections should be funded Some major cities charge little or nothing for new connections and recover their costs in their monthly water and sewer bills Examples[1] of some cities that appear to do this and the combined water/sewer connection fees are in the table below

New Orleans	$0
Baltimore	$0
Detroit	$0

[1] This information has been extracted from "Ernst & Young's 1990 National Water and Wastewater Rate Survey '

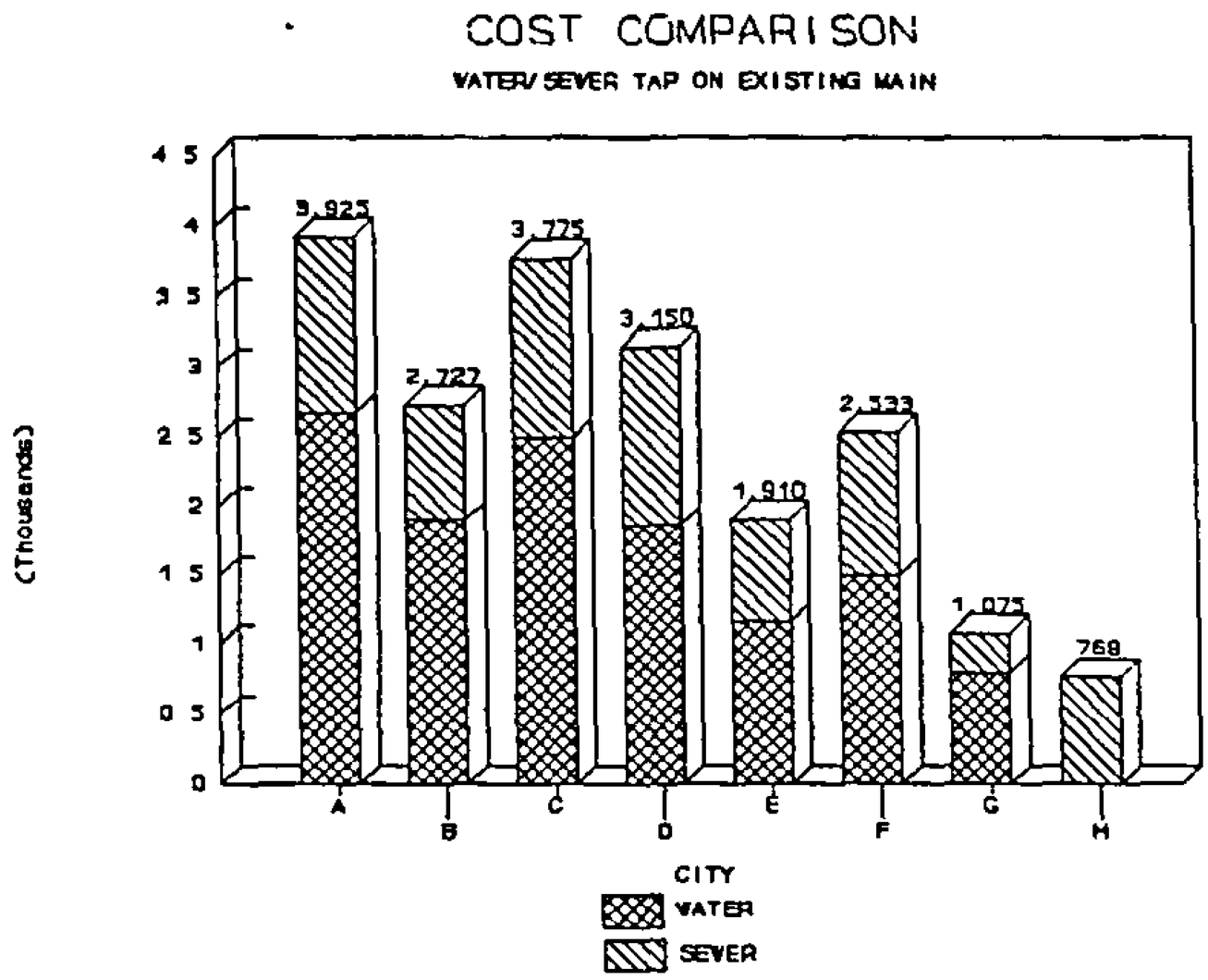
Trenton, NJ	$0
Philadelphia	$50

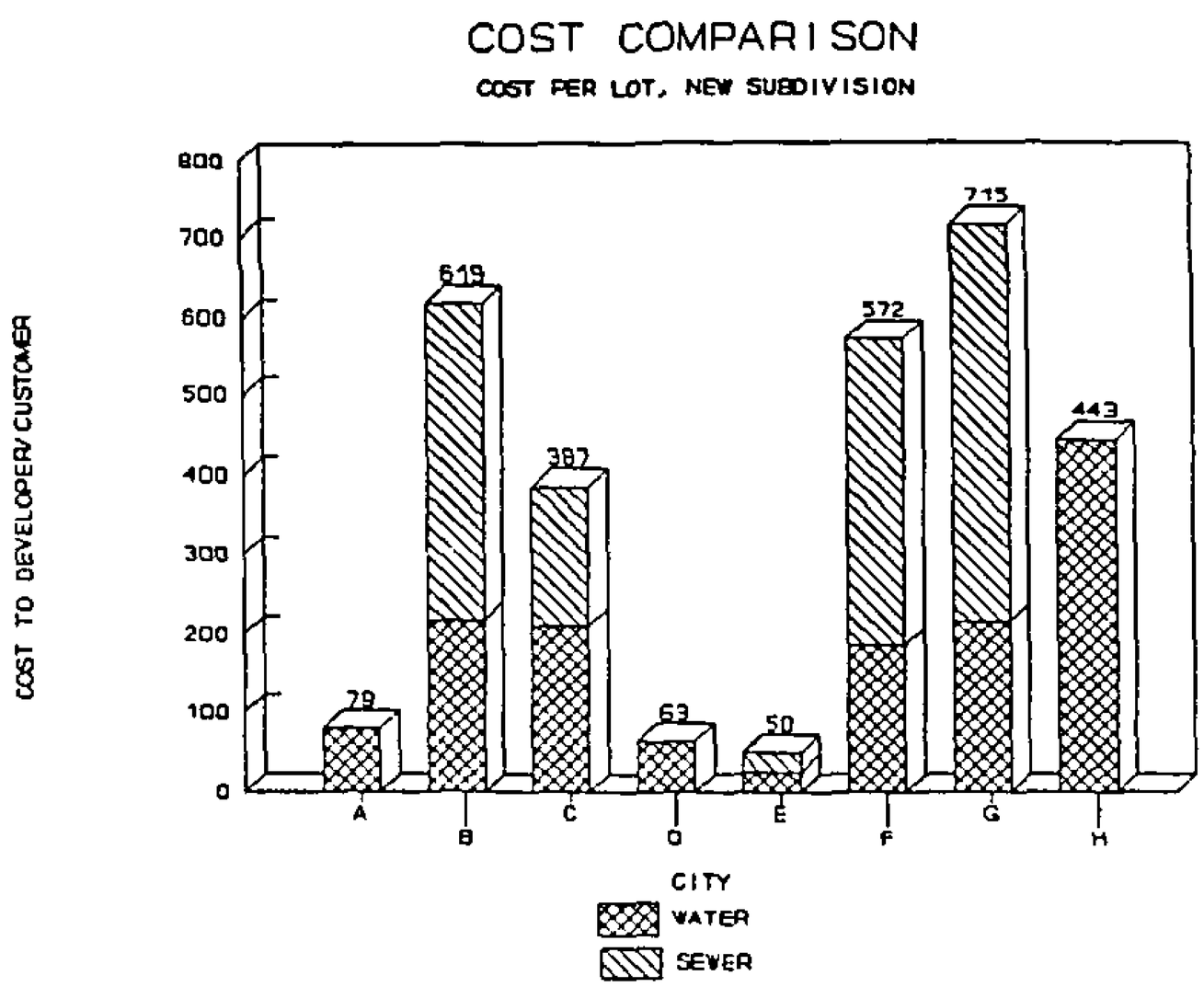
Other cities charge connection fees that include the cost of the connection and/or capacity fees, impact fees, front-foot charges, or other costs. Several of these are listed below[2].

Los Angeles	$3,458
Denver, CO	$3,990
Grand Rapids	$7,172
Albuquerque	$2,811

In addition to the data above, CMUD has conducted surveys of other area cities to determine how charges and policies compare. The results of this survey are graphed on the following page.

[2] Ibid





A - CMUD Current Policy
B - CMUD Proposed Policy
C - Statesville NC
D - Gastonia, NC
E - Fayetteville, NC
F - Raleigh, NC
G - Columbia, SC
H Orlando, FL (Water Only)

REVIEW OF
CAPACITY CHARGE MULTIPLIERS
FOR LARGE SERVICES

The CMUD Advisory Committee approved the revised Water and Sewer Extension Policy on February 20, 1992, with the understanding that CMUD staff would review the capacity charge multipliers for large services. This report is to present information relevant to that review.

CMUD's original concept was to apply a multiplier to the base water and sewer capacity charges. The ***multiplier was based on the relative capacity of each size service*** to the capacity of a standard residential service.

Several questions were raised about the meter capacities that were used to determine the original multipliers. The first question concerned the capacity of a standard residential meter. CMUD listed this as a 3/4" service This terminology was incorrect in the sense that a standard residential service consists of a 3/4" connection to the water main, 3/4" piping, and a 5/8" meter ***The correct capacity of a 5/8" meter is 20 gallons per minute (gpm)*** as was originally shown A proposal by Crosland-Erwin used the capacity of a 3/4" meter, which is 30 gpm, as the basis for comparison to the other sizes. That calculation method is not valid.

Another question concerned the capacities of the larger size meters. CMUD had originally used a capacity which was within the operating range for each meter, but was not a consistent percentage of the maximum of each range. ***Table A (attached) lists the safe maximum operating capacity, the maximum continuous operating capacity, and the minimum and maximum test flows for each size meter.*** The source of this data is the American Water Works Association (AWWA) standards except for the 10" x 12" x 6" meter That meter is larger than the AWWA standards include Data is taken from a manufacturer's catalog (Hersey Company) for that size. Since the safe maximum operating capacity is exactly twice the maximum continuous operating capacity, the multipliers are the same using either criteria The multipliers generally are higher using these capacities than those of the original proposal

CMUD also studied using the average consumption rate per meter for each size as the basis of the multipliers The data for this calculation is presented in Table A and Table B. Using this methodology, the multipliers are much higher than the original proposal or any of the other methods studied

Several individuals have stated that the capacity charge requires commercial customers to pay more than their fair share of the system cost Examination of the data in Table B shows that the opposite is true ***In order for the commercial and industrial customers to pay for their fair share of the system capacity, the multipliers would need to be based on the average consumption of each size service*** As stated above, these multipliers are much higher than CMUD is proposing

The multipliers that CMUD originally proposed also generated concerns that customers would install separate fire services and potable water meters instead of a single compound meter which could serve both purposes To address this concern, ***CMUD is willing to consider that compound meters are sized such that the larger side is strictly for fire protection*** Based on

this assumption, the multipliers for compound meters are proposed to be the sum of the multiplier for the small side plus the fire line multiplier for the same size fire line as the large side. For example, a 6" x 3" meter's multiplier would be calculated as:

<u>water</u>

capacity charge for 3" meter + capacity charge for 6" fire line = total water capacity charge

<u>sewer</u>

capacity charge for 3" meter = total sewer capacity charge

Using this methodology, there is no advantage to use separate meters

Table B compares the capacity charges which would result from using four different methods of calculation.

Table C compares CMUD's original multipliers, Crosland-Erwin's proposal, and the revised CMUD proposal. CMUD's revised proposal is presented as the fourth method in Table B

CMUD originally proposed to reduce the multipliers for fire services by 50% when calculated based on capacity. Some concern has been expressed that the resulting capacity charges are to high and that the 50% reduction is arbitrary. Granted, fire services are not sources of constant demand on the system. However, fire protection is one of the primary reasons for the existence of the water system. ***The flow rates required for fire protection are usually the criteria which determines the sizes of water mains required. Even though the demand is not constant or frequent, water mains, pumping facilities, and storage tanks are all larger than they would be if fire protection were not considered.*** The proposed capacity charges for fire services range from $2,205 for a 4" up to $13,300 for a 10". The property that fire services are installed to protect usually consists of apartment complexes, condominiums, large commercial buildings, or warehouses The cost of the fire service is very small compared to the value of the protection it provides. There are many water systems in this area which can not offer the degree of protection that CMUD can offer simply due to the fact that their system does not have enough capacity. ***CMUD proposes to retain the fire service multipliers based on 50% of capacity.***

Table D is a revenue projection/comparison of the three methodologies in table C Two projections are made. The first examines water and sewer services separately based on historic data This was the basis for the original revenue projection which has been presented earlier The second projection assumes that each water service will have a corresponding sewer service This has not been the case historically, but may be useful for comparing the potential revenue from the different multiplier methodologies

Using the original revenue projection methodology, CMUD's revised multipliers generate approximately the same revenue as the original The Crosland Erwin proposal generates $250,000 less

Using the second revenue projection methodology, CMUD's revised multipliers generate approximately $950,000 less than the original method and approximately $90,000 less than the Crosland-Erwin proposal

Obviously, the number of new services and the mix of different size services used in the

projection of revenue has a dramatic impact on the results. ***CMUD's revised multipliers are substantially lower for the larger sizes and slightly higher for the smaller sizes than the original proposal.*** This addresses concerns that larger businesses or commercial installations may be "driven off" by the high capacity charges. It also reduces the risk to CMUD that revenue projections will not be met since any one installation has a lower impact on the overall revenue generated.

In summary, CMUD has reexamined the originally proposed multipliers The meter capacities have been revised to conform with AWWA standards. Multipliers for compound meters have been adjusted to the same basis as a fire line plus potable service combination Fire service multipliers are based on 50% of their capacity. Revenue projections show that based on historic data the revised multipliers will generate approximately the same funds as the original.

WATER METER AND CONSUMPTION DATA (TABLE A)

METER SIZE INCHES	SAFE MAX OPERATING CAPACITY GPM	MAX CONTINUOUS OPERATION GPM	NORMAL MIN GPM	TEST FLOW MAX GPM	NO. IN SYSTEM (ACTIVE)	1/92 TOTAL WATER USAGE (CCF)	AVG CCF PER SERVICE JAN 1992	AVG GALLON PER SERVICE JAN 1992	AVG GPM PER SERVICE JAN 1992
5/8 x 3/4	20	10	1	20	122,257	971,228	7 944	5,942 622	0 138
1	50	25	3	50	3,539	88,174	24 915	18 637 627	0 431
1-1/2	100	50	5	100	5,240	99,153	18 922	14,154 848	0 328
2	160	80	8	160	1,851	235,769	127 374	95,282 010	2 206
3	350	175	24	250	442	137,317	310 672	232,398 149	5 380
4	600	300	40	400	229	125,570	548 341	410,186 194	9 495
6 x 3	1 600	800	16	1 600	318	296 648	932 855	697,822 442	16 153
8 x 4	2 800	1 400	28	2,800	145	181,705	1,253 138	937,409 829	21 699
10 x 6	4 400	2 200	48	4,400	11	32,570	2,960 909	2,214 908 045	51 271
10 x 12 x 6	5 400	2,700	NA	NA	INC W/ 10 x 6	INC W/ 10 x 6	INC W/ 10 x 6	INC W/ 10 x 6	INC W/ 10 x 6
4" FIRE	630	420	15	630	67	NA	NA	NA	NA
6" FIRE	1400	920	30	1400	669	NA	NA	NA	NA
8 FIRE	2400	1600	50	2400	659	NA	NA	NA	NA
10" FIRE	3800	2500	75	3800	41	NA	NA	NA	NA

NOTE METER CAPACITIES ARE FROM AWWA C700-90, C701-88, AND C703-86 EXCEPT FOR 10" x 12" x 6"
DATA FOR 10" x 12' x 6' METER IS FROM HERSEY CATALOG - AWWA STANDARD DOES NOT INCLUDE THIS SIZE

CAPACITY CHARGE MULTIPLIER COMPARISON (TABLE B)

METER SIZE	MULTIPLIER BASED ON SAFE MAX OR CONT MAX	WATER CAPACITY CHARGE $	SEWER CAPACITY CHARGE $	MULTIPLIER BASED ON ADJUSTED* SAFE MAX	WATER CAPACITY CHARGE $	SEWER CAPACITY CHARGE $	MULTIPLIER BASED ON AVG GPM/SVC	WATER CAPACITY CHARGE $	SEWER CAPACITY CHARGE $	WATER MULTIPLIER BASED ON SAFE MAX+ADJ COMPOUNDS	SEWER MULTIPLIER BASED ON SAFE MAX+ADJ COMPOUNDS	WATER CAPACITY CHARGE $	SEWER CAPACITY CHARGE $
5/8 x 3/4	1	140	400	1	140	400	1	140	400	1	1	140	400
1	2 5	350	1 000	2 5	350	1 000	3 14	439	1 255	2 5	2 5	350	1 000
1-1/2	5	700	2 000	5	700	2 000	2 38	333	953	5	5	700	2 000
2	8	1 120	3 200	8	1 120	3 200	16 03	2 245	6 413	8	8	1 120	3 200
3	17 5	2 450	7 000	17 5	2 450	7 000	39 11	5 475	15 643	17 5	17 5	2 450	7,000
4	30	4 200	12 000	30	4 200	12 000	69 02	9 663	27 610	30	30	4 200	12 000
6 x 3	80	11 200	32 000	40	5 600	16 000	117 43	16 440	46 971	62 5	17 5	7 350	7 000
8 x 4	140	19 600	56 000	70	9 800	28 000	157 74	22 084	83 097	90	30	12 600	12 000
10 x 6	220	30 800	88 000	110	15 400	44 000	372 72	52 180	149 086	157 5	62 5	22 050	25 000
10 x 12 x 6	270	37 800	108 000	135	18 900	54 000	na	na	na	170	78	23 800	31 200
4 FIRE	31 5	4 410	NA	31 5	4 410	NA				15 75	NA	2 205	NA
6 FIRE	70	9 800	NA	70	9 800	NA				35	NA	4 900	NA
8 FIRE	120	16 800	NA	120	16 800	NA				60	NA	8 400	NA
10" FIRE	190	26 600	NA	190	26 600	NA				95	NA	13,300	NA

* The table above adjusts the multipliers for compound meters by reducing the adjusted safe maximum operating capacity by 50% on the assumption that the size is based on fire protection instead of actual consumption.

The table above uses multipliers based on max continuous operation for 5/8" through 4" sizes Compound meters have multipliers based on the multiplier of the single meter of the same size as the small side plus the multiplier of the fire line of the same size as the large side The sewer multiplier for compounds is the same as for the small side size single meter for 6" x 3" and 8" x 4" sizes The sewer multipliers for 10" x 6" and 10" x 12" x 6" are 62.5 and 78 respectively and are based on the multiplier for a 6" single meter and for 1 25 times that multiplier Fire Line multipliers are based on 50% of the capacity of each size meter

COMPARISON OF ORIGINAL, CROSLAND–ERWIN, AND CMUD REVISED CAPACITY CHARGES (TABLE C)

					REVISED CMUD PROPOSAL		
METER SIZE	ORIGINAL WATER & SWR MULTIPLIER	TOTAL W & S CAPACITY CHARGE	CROSLAND–ERWIN PROP MULTIPLIER	TOTAL W & S CAPACITY CHARGE	WATER MULTIPLIER	SEWER MULTIPLIER	TOTAL W & S CAPACITY CHARGE
5/8 x 3/4	1	$540	1	$540	1	1	$540
1	2	$1,080	1 7	$918	2 5	2 5	$1,350
1–1/2	4	$2,160	3 3	$1,782	5	5	$2,700
2	8	$4,320	5 4	$2,916	8	8	$4,320
3	15	$8,100	11 7	$6,318	17 5	17 5	$9,450
4	25	$13,500	33 4	$18,036	30	30	$16,200
6 x 3	80	$43,200	53 6	$28,944	52 5	17 5	$14,350
8 x 4	140	$75,600	93 8	$50,652	90	30	$24,600
10 x 6	220	$118,800	147 4	$79,596	157 5	62 5	$47,050
10 x 12 x 6	270	$145 800	180 9	$97,686	170	78	$55,000
4' FIRE	15				15 75	NA	
6 FIRE	33 75				35	NA	
8' FIRE	60				60	NA	
10' FIRE	100				95	NA	

METERCAP WK1

CAPACITY CHARGE REVENUE COMPARISON (TABLE D)

SIZE & TYPE SERVICE	FY92 PROJ TOTAL INSTALLATIONS	ORIGINAL CAPACITY CHARGE	ORIGINAL REVENUE PROJECTION	CROS-ERWI PROP CAP CHARGE	REVENUE FROM CROSLAND-ERWIN PROPOSAL	CMUD REV CAPACITY CHARGE	REVENUE FROM REVISED CMUD PROPOSAL
3/4" W	1 705	140	238 672	140	238 672	140	238 672
1"	113	280	31 752	238	26 989	350	39 690
1-1/2"	43	560	24 192	462	19 958	700	30 240
2"	37	1 120	41 328	756	27 896	1 120	41 328
3"	13	2 100	26 460	1 638	20 639	2 450	30 870
4"	5	3 500	15 750	4 676	21 042	4 200	18 900
6" x 3"	5	11 200	60 480	7 504	40 522	7 350	39 690
8" x 4"	7	19 600	141 120	13 132	94 550	12 600	90 720
10" x 6"	1	30 800	27 720	20 636	18 572	22 050	19 845
4" FL	0	3 100	0	441	0	2 205	0
6" FL	23	4 725	110 565	980	22 932	4 900	114 660
8" FL	14	8 400	120 960	1 680	24 192	8 400	120 960
10" FL	1	14 000	12 600	2 660	2 394	13 300	11 970
PROJECTED WATER REVENUE			851 599		558 359		797,545
4" SWR (3/4" W)	1 504	400	601 600	400	601 600	400	601 600
6" SWR (1" W)	7	800	5 600	680	4 760	1 000	7 000
8" SWR (2" W)	9	3 200	28 800	2 160	19 440	3 200	28 800
TOTAL PROJECTED REVENUE			1,487,599		1,184,159		1,434,945
ASSUME EACH NEW WATER SERVICE ALSO HAS A SEWER SERVICE, THEN THE FOLLOWING PROJECTION APPLIES							
3/4" W	1 705	400	681 920	400	681 920	400	681 920
1"	113	800	90 720	680	77 112	1 000	113 400
1-1/2"	43	1 600	69 120	1 320	57 024	2 000	86 400
2"	37	3 200	118 080	2 160	79 704	3 200	118 080
3"	13	6 000	75 600	4 680	58 968	7 000	88 200
4"	5	10 000	45 000	13 360	60 120	12 000	54 000
6" x 3"	5	32 000	172 800	21 440	115 776	7 000	37 800
8" x 4"	7	56 000	403 200	37 520	270 144	12 000	86 400
10" x 6"	1	88 000	79 200	58 960	53 064	25 000	22 500
PROJECTED SEWER REVENUE			1,735 640		1 453 832		1,288 700
PROJECTED WATER REVENUE			851 599		558 359		797 545
PROJECTED TOTAL REVENUE			2,587,239		2 012,191		2,086,245

REV5090 WK1

M E M O R A N D U M

DATE: April 7, 1992

TO: Pam Syfert
Deputy City Manager

FROM: J. W. Walton, Director
Community Development Department

SUBJECT: Enforcing the Commercial Structure Ordinance in the Central Business District

As a result of your request to develop a process for enforcing the commercial structure ordinance in the Central Business District, a meeting was held on April 6, 1992 with Sam Liner of Charlotte-Mecklenburg Building Standards, Doug Canty of the City Attorney's Office and members of my staff. We discussed the ordinance which City Council approved on August 26, 1991, and it was determined that the existing ordinance allows the same code enforcement procedures used for abandoned commercial structures in residential areas to be used for abandoned commercial structures in the Central Business District. The only change that is needed is to revise the Community Development Department's Administrative Policies and Procedures.

Therefore, the attached draft of the Administrative Policies and Procedures reflects the revised procedures. The Community Development Department will follow these procedures to enforce this ordinance to include abandoned commercial structures in the Central Business District if the Public Safety Committee/City Council wants to make abandoned commerical structures in the Central Business District a priority. An approval by City Council to enforce the abandoned commercial structure ordinance in the Central Business District would require additional appropriations to our In Rem budget because the projected cost to demolish these structures would be substantially more than the cost to demolish residential structures.

Also, the City Attorney's Office would like to recommend to the Public Safety Committee that the City seek a legislative change to the present code enforcement ordinance that would allow municipalities to demolish abandoned commercial structures that have been vacant for a year or longer without having met one of the following criteria

1 The structure is attracting insects or rodents
2. The structure has conditions that create a fire hazard.
3. The structure has conditions that pose a dangerous threat to children
4 The structure is being used by vagrants and there is an absence of sanitary facilities

Currently, one of the above violations must be identified in order to enforce this ordinance on abandoned commercial structures. The requested legislative change would allow us to enforce this ordinance if a commercial structure had been vacant for a year or longer and would not have to meet any criteria. Please advise me if the Public Safety Committee wants to pursue this legislative change.

We have not enforced the ordinance in the Central Business District because priority for the enforcement of the abandoned structure ordinance is in the 21 census tracts identified by a UNCC Study as having the most deteriorated housing within the city. However, upon City Council's direction, we will proceed to enforce the abandoned commercial structure ordinance in the Central Business District.

If you have any questions regarding the attached procedures, please advise.

Attachment

cc: Sam Liner
Doug Canty
John Mark
Jackie Wilkes

JWW/skt

DRAFT

ABANDONED COMMERCIAL STRUCTURE ORDINANCE

Proposed Administrative Policies and Procedures

OBJECTIVE:

To uniformly define specific areas of authority with respect to enforcing the abandoned commercial structure ordinance.

POLICY:

City Council adopted an abandoned commercial structure ordinance on August 26, 1992 which allows the City to effectuate code enforcement on abandoned commercial structures with emphasis being placed in the 21 census tracts identified by a UNCC Study as having the most deteriorated housing.

City Council's Public Safety Committee has identified the non-enforcement of this ordinance in the Central Business District as a obstacle in aiding public safety in the Central Business District. Therefore, if approved by City Council, the Central Business District will become a priority area for enforcement of the abandoned commerical structure ordinance as well as the 21 census tracts.

Community Development Department shall pursue code enforcement on abandoned commercial structures.

PROCEDURE:

1. Commercial inspections will be performed under the following conditions.

   a. Neighborhood petition
   b. Request from public official
   c. Field observation.

2. All inspection requests shall be referred to a Housing Rehabilitation Specialist II or a Chief Housing Rehabilitation Specialist.

3. The inspector shall make a preliminary inspection to determine if (a) the structure is vacant (if not, we will terminate code enforcement and refer the matter to Building Standards), or (b) if the structure is standing open (if not, follow the standard procedure to obtain a search warrant).

   The Chief Housing Rehabilitation Specialist will be responsible for performing the inspection of abandoned commercial structures in the Central Business District.

4. Conduct an inspection of the structure to determine if any code violations exist. Violations are determined to be one or more of the following.

   a. The structure is attracting insects or rodents.
   b. The structure has conditions that create a fire hazard.
   c. The structure has conditions that pose a dangerous threat to children.
   d. The structure is being used by vagrants and there is an absence of sanitary facilities.

5. Determine the cost of correcting the code violations. This will be defined as the cost to bring the structure into compliance with the North Carolina State Building Code. The method to determine the cost of correcting the violations will be as follows:

   a. Obtain the tax value of the structure from the tax records.
   b. Obtain the square footage of the structure from the tax records.
   c. Obtain the multiplier from a standard construction reference guide using the industry's national standards for this area and the type of construction and the type of occupancy of the structure.
   d. Multiply the square footage of the structure by the determined multiplier.

6 If the repair costs exceed 50% of the tax value, a Finding of Fact and Order is issued to demolish the structure. If the repair costs are less than 50% of the tax value, a Finding of Fact and Order is issued to repair the structure The Community Development Department will coordinate the enforcement with the Charlotte-Mecklenburg Building Standards Department to bring the structure into code compliance

7. File documentation shall consist of the following

   a Pictures of the structure.
   b Statements from experts (Fire Marshall, Environmental Health, etc.) or citizens that a hazard exists.
   c Statements from nearby residents indicating what they have observed.

8 Request a title search from Real Estate

9. Mail a Complaint and Notice of Hearing to all parties in interest.

10. Conduct a hearing in a standard manner.

11. Issue a Finding of Fact and Order to demolish with a thirty-day compliance.

12. All other procedures including appeals, extensions, civil penalties and supplemental orders shall be adhered to in a standard manner.

13. If an owner desires to repair the property, a Supplemental Order to repair the property within 30 days will be issued. Extensions can be approved for up to six months if evidence is demonstrated by the owner that repairs are being made and the owner has presented a plan to complete the repairs within the specified time period. On a case-by-case basis, the Director will have the discretion to allow additional time for the repairs to be completed if there are extenuating circumstances why the repairs could not be completed within the time allowed.

    If the owner does not repair the property within the approved time limits, staff will proceed to implement the Order to demolish the structure.

14. Housing Rehabilitation Specialist II or the Chief Housing Rehabilitation Specialist will prepare a Request for Council Action for approval of an ordinance to use the In Rem Remedy to demolish the structure. In order to adopt an ordinance directing that the structure be demolished, City Council must make an affirmative determination, either in the ordinance or in a separate resolution, that the structure is a health or safety hazard due to at least one of the conditions set forth in step #4.

15. Prior to the City Council meeting where the In Rem item is to be considered, the Housing Rehabilitation Specialist or the Chief Housing Rehabilitation Specialist must photograph the structure.

16. All standard in rem demolition procedures shall be followed.

CHARLOTTE TRANSIT

SERVICE PRODUCTIVITY (PASSENGERS/HOUR)

BY TYPE OF SERVICE

	AVERAGE	RANGE	EXPECTED
PEAK HOUR	36	19-59	45
MIDDAY	40.5	20-63	40
NIGHT	43.3	20-65	25
EXPRESS*	12.9	8-20	20-30
CROSSTOWN	16	12-19	15-20
SATURDAY	34.8	17-57	35
SUNDAY	42.3	21-55	25

* Operating expresses in service in both directions has significantly increased service hours and thus lowered productivity of routes in many cases.

EXPRESS PRODUCTIVITY BY ROUTE

	PASSENGERS PER HOUR		PASSENGERS		REVENUE RECOVERY	
	Current	Prev Rpt	Current	Prev Rpt	Rate	Rank
# 51X Idlewild Rd Express	19 85	23 41	161	190	0 3477	(2)
# 40X Albemarle Rd Express	18 68	22 74	422	514	0 4175	(1)
# 61X Providence Rd Express	15 15	10 52	145	101	0 2349	(7)
100% of the System Average 12 88 passengers per hour						
Previous Report 13 24 passengers per hour						
# 66X Sharon Rd Express	12 45	10 87	124	108	0 2439	(5)
# 64X Crown Point Express	12 03	11 53	152	146	0 2528	(4)
# 55X Wilkinson Blvd Express	11 88	10 73	103	93	0 2585	(3)
# 45X Carmel Rd Express	11 10	12 90	104	121	0 2383	(6)
80% of the System Average 10 30 passengers per hour						
# 52X Uptown Connection	10 01	11 54	65	75	0 2232	(8)
# 65X Matthews Express	9 37	8 28	96	85	0 2073	(9)
# 62X Rea Road Express	9 24	9 02	56	55	0 2036	(10)
# 41X Pineville Express	8 62	6 86	54	43	0 1897	(11)
# 54X Harris Blvd Express	8 50	9 09	50	53	0 1895	(12)
# 53X Lawyers Rd Express	8 02	7 36	66	61	0 1596	(13)
TOTAL EXPRESS PASSENGERS –			1600	1645		

EXECUTIVE SUMMARY

The Charge

Develop a local advertising/public service campaign that creates awareness of the alcohol and other drug abuse problem that does exist in Mecklenburg County today. The campaign will put significant focus on three major areas:

1. Create awareness that a severe problem exists in Mecklenburg County, in everyone's neighborhood, in everyone's school. Emphasize both the human and dollar cost of the problem.

2. Let the public know that help is available to everyone, regardless of economic level or social status, through a variety of sources as well as through personal behavior modification and role-modeling. Promote Drug Hotline, 375-DRUG.

3. Emphasize the danger and effects of alcohol as well as other drugs, and the fact that alcohol is the gateway drug.

The Campaign

There is a huge job to be done, and much to be accomplished. At the same time, we must deal with the realities of limited budgets and manpower.

Therefore, we think the most effective approach is to create and produce a series of public service television commercials and print ads focusing on the problem, the Drug Hotline, and the abuse of alcohol.

For outdoor use, emphasis will be on the hotline number. For radio, because of varying station formats, lower production costs and quicker wear-out, we recommend at least two commercials on each area.

Magazine ads, posters, and direct mail will also be produced to target specific local audiences, if budget permits.

In addition, a variety of public relations strategies will also be implemented.

Budget Estimates

Television (eight :20 spots)	$ 74,150
Radio (six :60 spots)	6,000
Outdoor (25 posters)	1,535
Newspaper (three full-page ads, four small-space ads)	10,150
Magazine (one full-page version of small-space ad)	740
Direct Mail (two-color, 9" x 12" folded size, 500 quantity)	1,895
Poster (two-color, 22" x 30", 1,000 quantity)	5,530
Total	$100,000

U.S. Department of Justice

United States Attorney
Western District of North Carolina

Room 221 Charles R. Jonas Federal Building
401 West Trade Street
Charlotte, North Carolina 28202

(704) 344 6222
FTS 672 6222

March 27, 1992

Assistant Chief Jack Boger
Charlotte Police Department
Law Enforcement Center
825 East Fourth Street
Charlotte, North Carolina 28202

Re: Use of Equitably Shared Asset Forfeiture Funds for Alcohol and Drug Abuse Advertising Campaign

Dear Chief Boger:

It is this Office's understanding that the Charlotte-Mecklenburg Drug and Alcohol Commission Communications Subcommittee has recommended that an advertising campaign be initiated to deter the abuse of alcohol and the use of drugs. It is further this Office's understanding that asset forfeiture funds shared with the Charlotte Police Department by the United States Attorney General and the Secretary of the Treasury are to be used to pay for this campaign.

The use of asset forfeiture funds in such a way raises a serious legal question and may be prohibited under the statutes authorizing the equitable sharing of forfeited funds and the Attorney General's Guidelines on Seized and Forfeited Property. Under Title 21, United States Code, Section 881(e)(1)(A), the United States may "transfer [forfeited] property . . . to any State of local law enforcement agency which participated directed in the seizure or forfeiture of the property." Congress explicitly directed that forfeited funds go to participating law enforcement agencies, not to a State or local government in general.

The official interpretations of this statutory language are binding on this Office when this Office approves sharing requests and on local law enforcement agencies which receive those funds. In a recent policy directive, this language was interpreted to preclude the "pass-through of sharing funds to other non-law enforcement agencies . . . ." See Memorandum of Cary H. Copeland, Executive Office for Asset Forfeiture, U.S. Department of Justice, at 2 (attached) (emphasis in original). Once forfeited funds are shared with a local law enforcement agency, that agency may not

pass those funds to a non-law enforcement agency. Likewise, if forfeited funds are shared with a participating law enforcement agency, that participating agency can not pass the funds to a non-participating agency or body, even if the second agency or body is involved in law enforcement.

> The policy memorandum addresses the immediate issue at hand, that is the use of forfeited funds for drug abuse eduction.
>
> The issue of whether or not drug abuse education is an appropriate use of equitable sharing funds is frequently raised. The pass-through of monies to non-law enforcement entities (e.g. schools or youth organizations) is **prohibited**. However, a recipient law enforcement agency may use sharing funds to support drug abuse education efforts of its own (e.g. "officer in the classroom" program).

Memorandum at 4 (emphasis in original).

We do not understand the advertising campaign proposal to be in accord with at least two of the criteria of the memorandum. First, the proposal appears to be a pass-through of funds to a non-participating party. Second, it does not appear to be at all analogous to an "officer in the classroom" program. Rather it appears to be a general public health education program.[1]

Furthermore, we are not aware of any sharing request (DAG-71) of the Charlotte Police Department describing any such advertising campaign. The majority of the Police Department's request sought shared funds for the purchase of law enforcement equipment, a legitimate and expressly authorized purpose of the equitable sharing program. Therefore it would appear that no unspent shared funds could be used in the proposed campaign without resubmitting amended sharing requests and seeking approval from the

---

[1]While the abuse of alcohol may result in criminal activity, the use of forfeited funds for an advertising campaign to deter alcohol abuse is impermissible because alcohol abuse is generally a public health issue, not a law enforcement matter. Different from controlled substances, the mere possession of alcohol is not a violation of law. Because the use of forfeited funds for alcohol abuse education is more clear cut than drug abuse education, this Office is not aware of any policy statements from the Department of Justice authorizing the use of any forfeited funds for alcohol abuse education.

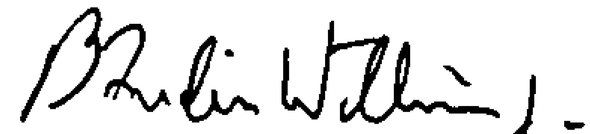
applicable federal agency, the United States Attorney, the United States Attorney General, and/or the Secretary of the Treasury.

If I can be of further assistance, please feel free to contact me at the above address.

Sincerely,

THOMAS J. ASHCRAFT
United States Attorney

FRANK D. WHITNEY
Assistant United States Attorney
Asset Forfeiture Unit



B. FREDERIC WILLIAMS, JR.
Assistant United States Attorney
Asset Forfeiture Unit

FDW/tac

ENCLOSURE

cc: Richard L. Hattendorf, Esq.
Police Attorney
Charlotte Police Department
Chief V.H. Orr, Jr.
Chief, Mecklenburg County Police Department
G. Patrick Hunter, Esq.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

ANNUAL REPORT

FOR THE YEAR ENDED
June 30, 1991

BOARD OF TRUSTEES
Dennis R. Greene, Chairman of the Board (Citizen Appointee)
C. Alton Butler, Vice Chairman, Elected Member
James E. Burke, Secretary, Elected Member
W. Carey Odom, Treasurer, Ex-Officio
Bobby W. Davis, Trustee, Elected Member
Gregory C. Gaskins, Trustee, Ex-Officio
Kurt R. Hollar, Trustee, Ex-Officio
Calvin E. Murphy, Trustee (Citizen Appointee)
Allen J. Stewart, Trustee (Citizen Appointee)
Pamela A. Syfert, Trustee, Ex-Officio

INDEPENDENT AUDITORS
Deloitte & Touche

ACTUARY
Towers, Perrin, Forster & Crosby

CUSTODIAN
United Carolina Bank

INVESTMENT ADVISORS
Capital Technology, Inc.
First Union National Bank
Morgan Stanley Asset Management, Inc.
NCNB National Bank
Rowe Price-Fleming International, Inc.

REAL ESTATE ADVISORS
NCNB National Bank
Metropolitan Life Insurance Company
Phoenix Mutual Life Insurance Company

WHERE TO WRITE FOR INFORMATION:

Charlotte Firefighters' Retirement System
428 East Fourth Street, Suite 205
Charlotte, North Carolina 28202
(704) 336-4431

Robert A. Hubbs, Administrator

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

ANNUAL REPORT

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INTRODUCTION

The purpose of the Introductory Section is to familiarize the reader with the contents of this report. Included herein are explanations of the System's:

- Organization
- Administration
- Professional Services
- Accounting and Actuarial Systems
- Fund Operations
- Highlights
- Brief Summary of Benefit Provisions

Charlotte Firefighters' Retirement System Members,
City Council and Interested Citizens
City of Charlotte, Mecklenburg County, North Carolina

The Annual Report of the Charlotte Firefighters' Retirement System (CFRS) for the fiscal year ended June 30, 1991, is submitted herewith. The report consists of four sections: an Introductory Section which contains this Letter of Transmittal and general information regarding the System; the Financial Section consisting of the audited financial statements and the accompanying notes to Financial Statements; Investment Analysis and Supplemental Information concerning the System's investment performance; and the Actuarial Section which summarizes the results of the annual actuarial valuation report, as of July 1, 1991.

Organization

The CFRS was organized pursuant to Chapter 926 of the 1947 Session Laws, as amended, State of North Carolina. The CFRS was established on the fifth day of April, 1947, for the purpose of providing retirement and permanent and total disability benefits to the uniformed members of the Fire Department of the City of Charlotte. The stated purpose of the CFRS was amended on the 29th day of June, 1987, to incorporate survivor benefits as an added objective.

Administration of System

The administration and responsibility for the proper operation of the System is vested with the Board of Trustees of the Charlotte Firefighters' Retirement System, which is comprised of the following Trustees as defined by the Charlotte Firefighters' Retirement System Act (Act):

(a) a Mecklenburg County Resident who is appointed by the Resident Judge of the Superior Court of Mecklenburg County as Chairman of the Board for a three year term;

(b) three Mecklenburg County Residents who are appointed by the Resident Judge of the Superior Court of Mecklenburg County as Trustees for three year staggered terms which results in the appointment of one Trustee each year;

(c) the City Manager for the City of Charlotte, or his designated Trustee, who serves by virtue of his position;

(d) the City Finance Director, or his designated Trustee, who serves by virtue of his position;

(e) the City Treasurer who serves by virtue of his position; and

(f) three Members of the Charlotte Firefighters' Retirement System who are elected by the membership of the System as Trustees for three year staggered terms which results in the election of one Trustee each year.

Committees

The Board of Trustees operationally functions under a committee structure. An investment committee and a benefits committee are annually appointed by the Chairman of the Board to monitor, fact-find and recommend actions for the Board's consideration. Although not required, the committees have generally been comprised of three trustees with one committee member being a citizen appointee, another an elected member, and the other an ex-officio trustee. W. Carey Odom served as the Investment Committee Chairman and Bobby W. Davis as Benefits Committee Chairman for the past fiscal year.

Professional Services

The Board of Trustees employs the services of various professionals to aid it in its fiduciary responsibility for the effective and prudent management of the System. These professionals include:

(a) an Administrator who is responsible for the administration and coordination of all System operations and activities in accordance with the rules and regulations of the Act and to the policies and direction of the Board of Trustees;

(b) the City Attorney and his staff serve as the legal advisor to the Board of Trustees;

(c) a Consulting Actuary who is employed by the City of Charlotte to perform such studies and evaluations of the Charlotte Firefighters' Retirement System as may be necessary and/or desirable in connection with the administration of the System.

The Actuary prepares an Annual Actuarial Valuation to determine the adequacy of the funding of the retirement benefit liabilities accrued by System Members;

(d) an Auditor engaged by the Board of Trustees on an annual basis to ensure that the financial statements accurately reflect the financial position of the System and that the results of its yearly operations conform to generally accepted accounting principles;

(e) a Medical Board appointed by the Board of Trustees to review and evaluate medical evidence and propose recommendations regarding disability retirements; and

(f) Investment Counselors employed to invest the System's assets consistent with the objectives and direction of the Board of Trustees.

The System's investment performance is monitored on a continuous basis to insure that the objectives and direction of the Board of Trustees are being fulfilled.

Accounting and Actuarial Systems

The accrual basis of accounting is used to record assets and liabilities, and revenues and expenditures. Revenues and expenditures are recorded when earned or incurred, regardless of collection or disbursement. Fixed assets are recorded at cost and depreciated through charges to expense over the estimated useful lives of the assets. The System is funded on the entry age normal cost method, which means that the annual contribution is comprised of two elements which are the current or "normal" cost for the year and a contribution to reduce the unfunded accrued liability.

An annual report of the financial and actuarial condition of the System is prepared and submitted to the City Council. The annual report to City Council shall contain, but shall not be limited to, the auditors opinion, such statements contained in the auditor's report, a summary of the annual actuarial valuation and the actuary's valuation certification. Additionally, a copy of the annual report to City Council shall be provided to each of the fire stations and fire department administrative offices of the City of Charlotte.

Expenditures

The primary expenditure of the System relates to the purpose for which it was created, namely, the payment of benefits. The distribution of revenues for fiscal year 1991 included the majority, 60%, being added to the reserves for future benefits.

The remaining 40% of the revenues comprise the expenditures of the System which totaled $5,148,000, which includes benefit payments to 247 retired participants, refunds to terminated employees, and administrative expenditures. Total expenditures of the System increased 21% over fiscal year 1990 expenditures. The vast majority of the expenditure increase, 72%, is strictly attributable to increased benefit payments to retired participants.

Revenues and Funding

Revenues essential to the sound funding of the System flow from three sources.

Contributions by Members: A System Member contributes an amount equal to the Member's compensation multiplied by the sum of the then current social security contribution rate and 5% (currently 12.65%). These contributions are made on a tax deferred basis. The contributions are posted to individual accounts for each member. The accumulated amount in each account is used for the Member's benefit if he or she remains in service. If the Member leaves service, he or she may withdraw the amount of his or

her accumulated contribution. A Member may, if he or she has five or more years of membership service, choose to elect a deferred annuity providing lifetime income commencing at age 60. Employee contributions accounted for 24% of the System's revenues for the last fiscal year.

Contributions by the City of Charlotte: The City of Charlotte matches payroll contributions of the Members. The City of Charlotte contributions accounted for 23% of the System's revenues for the 1991 fiscal year.

Investment Income: Investment income is the third source of System revenues and must be regarded as both a vital and major contributor to the System and in doing so, assist the Board of Trustees and the City of Charlotte to protect the future security of the System Members. Statutorily, since 1947, the Board of Trustees has exercised responsibility for investing the System's portfolio in a prudent and discretionary manner. The Chairman of the Board appoints an Investment Committee which has the responsibility for oversight of the investment of System assets in accordance with the Policy Statement of Investment Goals, Objectives and Guidelines as established by the Board of Trustees. Investment income accounted for 53% of System revenues for fiscal year 1991.

Contribution and investment income totaled $12,957,000 for fiscal year 1991. This represents a small increase of 3% over fiscal year 1990 revenue.

The bottom line for a retirement system is the level of funding. The better the level of funding, the larger the ratio of assets to liabilities accumulated and the greater the level of investment income potential.

The results of the fiscal 1991 Actuarial Valuation confirm that the System continues to be in sound financial condition and that current and expected contribution rates by the City of Charlotte and the System's Members continue to be sufficient to fund the actuarially determined contribution requirements. From a funding status perspective, using the Governmental Accounting and Standard's Board No. 5 Disclosure Requirement as a guide, the pension benefit obligation is funded at 94.6%. The funded ratio is slightly higher for fiscal year 1991 from the 94.1% funded ratio for fiscal year 1990. The System's unfunded accrued liability is being amortized over a 16 year period and the long range funding adequacy continues to be acceptable. The Board of Trustees' constant effort will be directed at improving the funding level, thereby assuring the participants and the City of Charlotte of a financially sound retirement system.

The Board of Trustees is pleased to report that for the third consecutive year the CFRS has performed well enough to provide a surplus bonus to its retirees. In January, 1992, a bonus of approximately 2.7% of annual benefits will be issued to those retirees who retired prior to January 1, 1991.

Highlights

World Affairs

This has been an extraordinary period for history. Although the continued demise of communism in Easter Europe and the U.S.S.R. teetering on the brink of dissolution have signaled the end of the Cold War and the Arms Race, the New World Order has been confronted with many complex problems. Eastern Europe has been mired in ethnic unrest, particularly a bitter civil war in Yugoslavia and repatriation of ethnic republics in the Soviet Union. A confident Saddam Hussein ordered his Iraqi troops into Kuwait only to find a call-to-arms of the most improbable U.N. collective (NATO Allies, Soviet Union, Saudi Arabia, Syria and Egypt; with Israel staying on the sidelines and showing significant restraint).

Economy and Markets

The same extraordinary period on the world's stage proved to be a very difficult time for domestic issues. July, 1990, found the stock market attaining an all-time high, moderate inflation growing at an annualized rate below 4% and the bond market yielding a substantial real rate of return above inflation. However, inflation surged in August and September to double-digit rates, primarily due to the impact of the steep climb in oil prices prompted by the Iraq invasion of Kuwait. The invasion brought on the long anticipated recession.

Stock prices rebounded in the fourth quarter of 1990 from the third quarter's sharp fall, despite the twin impediments of recession in the domestic economy and impending war in the Middle East. The rate of inflation declined throughout the quarter due in large part to a turnaround in the price of oil. War fears continued to keep oil prices above normal, but increased production from Saudi Arabia and other major producers more than made up for the loss of production from Iraq and Kuwait. The yield (interest rate) curve continued to steepen as rates declined for short maturities at a more rapid pace than for long maturities.

Stock prices surged ahead in the first quarter of 1991 to new record highs, primarily due to Allied successes in the Middle East as armed conflict replaced one of the major elements of domestic uncertainty. Consumer and investor optimism soared on these Allied successes; however, economic activity weakened further and posted its second consecutive quarter of negative growth thus confirming

the first domestic recession since 1982. The inflation rate fell to an annualized rate of 2.4% and allowed the Federal Reserve Board to lower short term interest rates by 1.4%. Long term interest rates also eased, but again at a slower pace, which resulted in furthering steepening to the yield curve.

The second quarter of 1991 was a difficult period for the economy and investment markets. Consumer and investor optimism that soared from the quick, successful conclusion to the Middle East War was rapidly replaced with domestic concerns. Although economic statistics were mildly positive for the quarter, thus signaling that the recession was short lived, consumers and investors expressed serious doubt about the strength of the economic recovery. The stock market took a circuitous ride during the quarter, rising to a new high in mid-April and then again in late May, only to fall back in June to near where it started the quarter. Inflation rose at a moderate rate of 3.4% and the yield curve steepened further as short-term rates ended lower, while long-term rates rose.

In summary, during the fiscal year, the economy experienced its first recession since 1982 and its prospects appear to be for a slow growth recovery at best with a possibility to slide back into a "double-dip" recession. The stock market experienced a reasonably successful year, but was outpaced by a very successful year for the bond market. Although concerns continue to abound, the prospects appear good for the next twelve months that the Federal Reserve Board will continue to drive interest rates lower thus pushing bond prices higher. Unless the economy lapses back into a deeper recession, this scenario in turn should drive stock prices higher as investors move from lower yielding cash and bond investments.

Acknowledgements

The compilation of this report by the Board of Trustees and its committees and staff is intended to provide complete and reliable information regarding its stewardship for the funds contributed by the Members and the City of Charlotte.

It is hoped that this year's report will be of interest to you and will be helpful in understanding, evaluating, and assuring the continued success of the System.

Respectfully submitted,

Dennis R. Greene
Chairman of the Board

Robert A. Hubbs
Administrator

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
SUMMARY OF BENEFITS

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1. Eligibility for Membership - Membership is mandatory for all uniformed members of the Charlotte Fire Department.

2. Normal Service Retirement - A member may elect to retire at any time after attaining age 50 with 25 or more years of service, age 60 with 5 or more years of service, or 30 or more years of service.

3. Normal Service Retirement Benefit - 2.6 of final average salary per year of credited service up to a maximum of 100% of final three-year average salary. Final average salary is defined as the average monthly pay during the highest paid 24 months during the final 60 months of service.

4. Early Retirement Age - A member may retire early before age 50 at any time after completion for 25 years of credited service.

5. Early Retirement Benefit - Benefit calculated in same manner as for normal service retirement but reduced by 3% for each year by which early retirement precedes age 50.

6. Disability Retirement Benefits

   (a) In Line of Duty - No eligibility requirements. Disability retirement benefits are 72% of final average salary as of date of total and permanent disability incurred in the line of duty.

   (b) Not in Line of Duty - Payable in the event of total and permanent disability after 10 years of service. Disability retirement benefit is 36% of final average salary plus 1.8% of such salary for each year of service in excess of 10 years, maximum benefit not to exceed 100% of final average salary as of date of disability.

7. Retirement Bonus Payment - A retiree receives an annual bonus payment in the month of January following an annual actuarial valuation when the actuary determines that the actual payroll contributions exceed the required contributions adjusted for any actuarial gains and losses that may have occurred during the preceding plan year.

8. Benefit upon Termination of Employment

   (a) Less than 5 Years - Refund of member's contributions.
   (b) 5 or More Years - Accrued benefits payable at age 60 or refund of member's contribution.

9. Death Benefits

(a) Prior to Retirement - Member's contributions plus those made by City on his behalf, together with interest at 2.5% per year, are payable to his named beneficiary. May elect to receive Actuarial Equivalent monthly benefit under the 66-2/3% Joint and Survivor Option.

(b) After Retirement - Pre-retirement death benefit at date of retirement, less any retirement benefits already received, is paid to retiree's named beneficiary.

10. Optional Benefits (Other than Lifetime Benefits) - All optional benefits are actuarially equivalent to lifetime retirement benefits.

11. Option 1 - Reduced lifetime monthly benefit to member. If member dies within 10 years following retirement, benefit continues to his named beneficiary for balance of 10 year period.

Option 2 - 100% Joint & Survivor. Reduced monthly lifetime benefit which continues after retiree's death to his designated beneficiary for beneficiary's lifetime.

Option 3 - 75% Joint & Survivor. Similar to Option 2 but 3/4 of retiree's benefit continues to designated beneficiary after retiree's death.

Option 4 - 66 2/3% Joint & Survivor. Similar to Option 2, but 2/3 of retiree's benefit continues to designated beneficiary after retiree's death.

Option 5 - 50% Joint and Survivor. Similar to Option 2, but 1/2 of retiree's benefit continues to designated beneficiary after retiree's death.

Option 6 - A retiree may elect any of the Options 2-5 with an added provision which allows the benefit to revert to the amount of the basic life benefit in the event the beneficiary predeceases the retiree.

12. Requirements for Electing Optional Benefits - Any of the options may be elected at any time between 30 and 90 days prior to early or normal retirement. Disability retirees may elect to receive their benefit under Option 5, subject to approval by the Board of the disability retirement application.

FINANCIAL

The purpose of the Financial Section is to provide the reader the present financial position and condition of the System. This section contains:

- Independent Auditor's Report
- Audited Financial Statements
- Notes to Financial Statements
- Required Supplemental Information

Deloitte & Touche

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Charlotte Firefighters' Retirement System
Charlotte, North Carolina

We have audited the accompanying balance sheets of the Charlotte Firefighters' Retirement System as of June 30, 1991 and 1990, and the related statements of revenues, expenses and changes in fund balance for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charlotte Firefighters' Retirement System as of June 30, 1991 and 1990, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information, listed as required supplementary information in the table of contents, is presented for purposes of additional analysis. The information in these schedules has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

Deloitte + Touche

August 30, 1991

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
BALANCE SHEETS
(In Thousands)

	June 30	
	1991	1990
ASSETS:		
Cash and cash equivalents	$ 2,852	$ 6,050
Receivables -		
Interest and dividends	358	536
Employer contribution	60	52
Member contribution	60	52
Investments:		
Equity securities - stocks (market values of $53,424 - 1991 and $34,826 - 1990)	48,397	29,240
Fixed income securities - bonds (market values of $15,283 - 1991 and $24,359 - 1990)	15,096	24,448
Real estate funds (market values of $9,322 - 1991 and $9,767 - 1990)	8,415	8,740
Guaranteed investment contracts (market values of $10,810 - 1991 and $9,109 - 1990)	10,803	9,109
Total investments	82,711	71,537
Building and equipment, net of accumulated depreciation of $19 - 1991 and $15 - 1990	73	76
Total assets	86,114	78,303
LIABILITIES:		
Accounts payable	79	77
Net assets available for benefits	$ 86,035	$ 78,226
FUND BALANCES:		
Actuarial present value of projected benefits payable to current retirees and beneficiaries	$ 40,200	$ 35,483
Actuarial present value of credited projected benefits for active employees:		
Member contributions	20,385	18,315
Employer-financed portion	36,378	36,237
Total actuarial present value of credited projected benefits	96,963	90,035
Unfunded actuarial present value of credited projected benefits	(10,928)	(11,809)
Total fund balances	$ 86,035	$ 78,226

The notes to the financial statements are an integral part of this statement.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
(In Thousands)

	Years Ended June 30	
	1991	1990
OPERATING REVENUES:		
Member contributions	$ 3,174	$ 2,769
Employer contributions	2,943	2,733
Investment income	6,840	7,069
Total operating revenues	12,957	12,571
OPERATING EXPENSES:		
Benefits	4,385	3,741
Refunds	255	73
Administration	502	432
Depreciation	6	6
Total operating expenses	5,148	4,252
Net income	7,809	8,319
FUND BALANCE, beginning of year	78,226	69,907
FUND BALANCE, end of year	$86,035	$78,226

The notes to the financial statements are an integral part of this statement.

1. PLAN DESCRIPTION

The Charlotte Firefighters' Retirement System (System), a single-employer defined benefit plan, provides retirement, disability and death benefits to uniformed members of the Charlotte Fire Department. Membership is mandatory at date of employment. The System is included in the City of Charlotte's (City) general purpose financial statements as a pension trust fund.

At June 30, 1991 the System's membership consisted of

Retirees and beneficiaries currently receiving benefits	247
Terminated participants entitled to future benefits	1
Current employees -	
Vested	501
Nonvested	257
Total current employees	758
Total	1,006

Benefits vest after five years of credited service. The requirements for normal service retirement are (a) any age with 30 years of service credit, (b) age 50 with 25 years of service credit, and (c) age 60 with five years service credit. The normal service retirement monthly benefits are 2.6 percent of final average salary multiplied by the years of credited service, not to exceed 100 percent of final average salary. Final average salary is the monthly average received by the member during any two consecutive years of membership which produces the highest average and is contained within the last five years of membership. Members less than age 50 may elect early retirement with 25 years of service credit. Early retirement benefits are reduced by .25 percent for each month the early retirement date precedes age 50.

If an employee ceases employment with less than five years of service credit, accumulated employee contributions are refunded to the employee or designated beneficiary. After five or more years of service, the employee may elect to receive a refund of the employee's accumulated contributions or receive an accrued benefit at age 60.

Death and disability benefits are also available. Benefit and contribution provisions are established by State law and may be amended only by the North Carolina legislature.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the System are presented on the accrual basis of accounting. The investments of the System are stated at cost. Purchases and sales of investments are recorded on the trade dates. Property and equipment are stated at cost. Depreciation on building and equipment is computed using the straight-line method over estimated useful lives of twenty-five and five years, respectively. Contributions from the City and from System participants are recorded as increases in net assets available for System benefits when the City and the System participants become obligated to make contributions. Interest and dividend income are reported as earned, and benefit payments and expenses are reported as obligations when incurred.

These financial statements are prepared in accordance with the National Council on Governmental Accounting Statement No. 6, Pension Accounting and Financial Reporting Public Employee Retirement Systems and State and Local Government Employers. Additional disclosures are required by the Governmental Accounting Standards Board (GASB) Statement No. 5, Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers.

GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, exempts public employee retirement systems from presenting a statement of cash flows. As a result, the System has chosen not to present this statement.

3. FUNDING STATUS AND PROGRESS

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers.

The System's pension benefit obligation was determined as a part of an actuarial valuation at June 30, 1991. The measure has been developed independent of the funding method used to determine contribution sufficiency to the System. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8.25 percent per year and (b) projected salary increases of 6 percent per year. At June 30, 1991 the pension benefit obligation was $97 million as follows

Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits	$ 40,200
Current employees -	
Accumulated employee contributions	20,385
Employer-financed vested	18,566
Employer-financed nonvested	17,812
Total pension benefit obligation	96,963
Net assets available for benefits, at cost (market value $92,163)	86,035
Unfunded pension benefit obligation	$(10,928)

4. CONTRIBUTION REQUIREMENTS AND CONTRIBUTIONS MADE

Pursuant to the North Carolina Act (Act) which established the System, the City is required to match the member's contribution. The Act dictates that the member's contribution is equal to the member's compensation multiplied by the sum of the current social security contribution rate plus five percent. The current rate is 12.65 percent. The total contributions for the year ended June 30, 1991 were $6.1 million, which consisted of $2.9 million from the City and $3.2 million from employees. The City's payroll for members covered by the System was $23.3 million.

An actuarial study was completed as of June 30, 1991 to determine the actuarial implications of this funding requirement. The actuarial method used is the Entry Age Actuarial Cost Method. The significant assumptions used for this purpose are the same as those used in calculating the pension benefit obligation. The contributions made by the City and the members of the System compared to the actuarially determined requirements intended to cover normal cost and amortize unfunded actuarial accrued liabilities at June 30, 1991 are as follows

	In Dollars	Percent of Covered Payroll
Contributions made by City and members	$6,117	26.3%
Actuarially determined contributions-		
Normal cost	$3,531	15.2%
Amortization of unfunded actuarial accrued liability	2,609	11.2
Total	$6,140	26.4%

5. TREND INFORMATION

Ten-year historical trend information, designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due, is being developed and is presented as supplementary information on page 8.

6. INVESTMENTS

All investments held during the year were in accordance with the North Carolina Act which established the System. United Carolina Bank holds the System's cash and investments in the System's name (Category 1).

7. INTERNAL REVENUE STATUS

The Internal Revenue Service has determined that the system meets the requirements of Section 401(a) of the Internal Revenue Code and is exempt from Federal income tax under Section 501(a) of the Code.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
(Dollar Amounts in Thousands)

Analysis of Funding Progress (1)

Fiscal Year	Net Assets Available For Benefits (at cost)	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1988 (2)	$63,792	$62,985	101.3%	$ (807)	$17,803	(4 5)%
1989	69,907	79,959	87 4	10,052	19,405	51 8
1990	78,226	90,035	86.9	11,809	21,703	54 4
1991	86,035	96,963	88 7	10,928	23,267	47 0

(1) Information prior to 1988 is not available as the pension benefit obligation was not calculated
(2) Net assets available for benefits exceeded the pension benefit obligation

Revenues by Source and Expenses by Type

	Revenues by Source				Expenses by Type				Employer Contributions
Fiscal Year	Member Contributions	Employer Contributions	Investment Income	Total Revenues	Benefits	Administrative Expenses	Refunds	Total Expenses	as a Percentage of Covered Payroll
1982	$1,374	$1,424	$1,964	$ 4,762	$ 975	$ 36	$146	$1,157	11 70%
1983	1,487	1,546	2,472	5,505	1,280	44	145	1,469	11.70
1984	1,572	1,594	2,537	5,703	1,340	42	169	1,551	11.70
1985	1,722	1,742	4,046	7,510	1,550	82	170	1,802	12.05
1986	1,884	1,873	6,498	10,255	1,734	110	108	1,952	12 15
1987	2,163	1,981	4,978	9,122	2,766	173	115	3,054	12.15
1988	2,435	2,227	9,260	13,922	3,085	253	68	3,406	12.51
1989	2,464	2,429	5,024	9,917	3,336	379	87	3,802	12.51
1990	2,769	2,733	7,069	12,571	3,741	438	73	4,252	12 59
1991	3,174	2,943	6,840	12,957	4,385	508	255	5,148	12.65

INVESTMENT

The purpose of the Investment Section is to provide the reader with an understanding of the investment operations of the System. This section contains:

- Excerpt from Investment Policy
- Explanation of Investment Performance Analysis
- Return on Investments

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
INVESTMENT POLICY

BACKGROUND

The Charlotte Firefighters' Retirement System is the primary retirement income vehicle for its members and is co-sponsored by the City of Charlotte and the uniformed employees of the Charlotte Fire Department. The Board will discharge its investment responsibilities and make all decisions solely in the interest of Plan Participants and their beneficiaries.

Funding Philosophy

The Board's funding goal for the System is to be as fully funded as prudently possible so that:

- the ability to pay all benefit obligations when due is ensured;
- the City of Charlotte and the Board have maximum flexibility in determining the future level of contributions; and
- a funding "cushion" is maintained for unexpected developments and for possible future changes in retirement benefit levels.

Investment results are considered to be a critical element in achieving the System's funding goal stated above.

Risk Tolerance

In establishing investment objectives and guidelines that are consistent with the Board's funding goal, several factors were examined to determines the System's financial ability to withstand variability of investment return. The Board analyzed the System's financial and legal characteristics, work force demographics and actuarial and funding policies.

The assets of the System should be invested with a risk orientation that is consistent with a moderate ability to assume risk. The Board defines a moderate risk orientation as:

- a willingness to tolerate some interim fluctuations in market value and rates of return in order to achieve the asset allocation objective stated on the following page; and

- a desire to limit the volatility in the fund's rate of return to a level that approximates the average volatility experienced by the other U.S. defined benefit retirement plans.

INVESTMENT OBJECTIVES AND GUIDELINES

Asset Allocation

The System's risk tolerance is, in large part, a function of the asset mix established for the Fund. Based on its analysis of capital and money market return patterns, both historical and projected, the Board considers the following asset allocation to be consistent with the risk tolerance previously defined:

Total Fund Asset Mix Guidelines

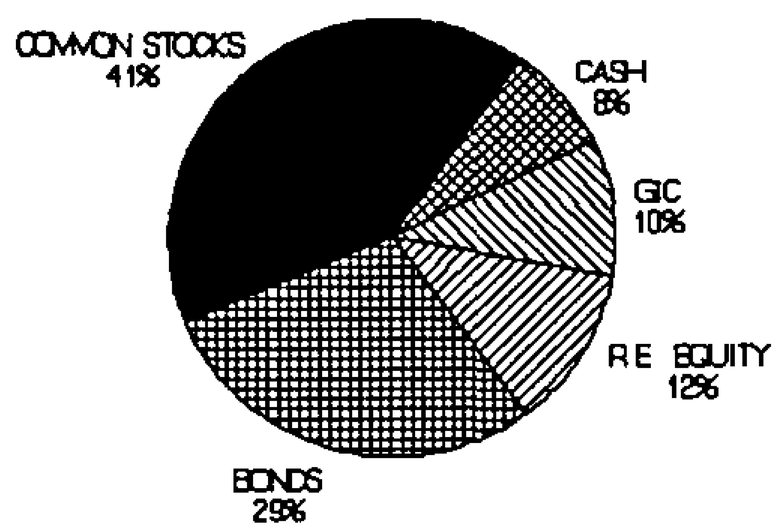
The Total Fund Asset Mix Guidelines will be implemented and maintained by the following distribution through a combination of "Specialist" Investment Managers and internal management in each of the asset class categories as follows:

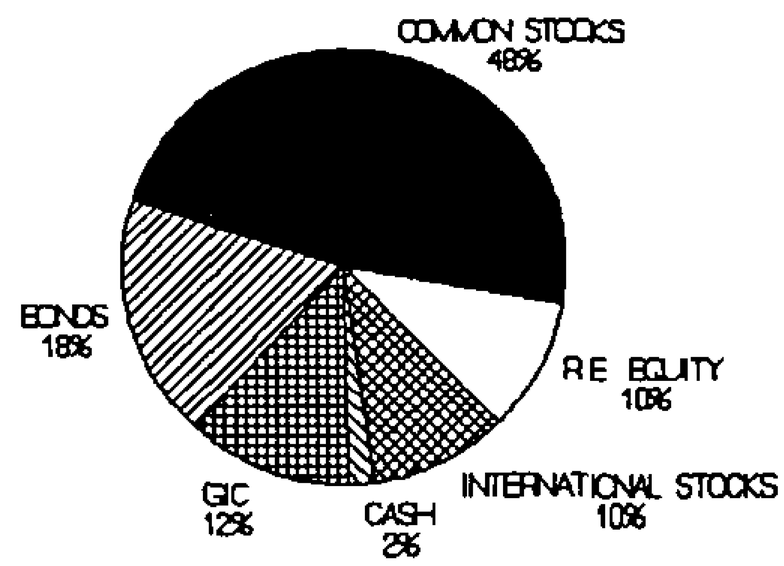
"Specialist" Managers	Initial Allocation	Acceptable Range
Domestic Equity	49%	±5%
Non-Domestic Equity	12%	+3/-2%
Real Estate	8%	+2/-3%
Domestic Fixed-Income	12%	±4%
Internal Manager Guaranteed Investment Contracts/Alternative Investments	19%	+6/-9%

This distribution of assets among the aforementioned investment managers and the individual manager guidelines will produce the following Total Fund Asset Mix Ranges:

Asset Class	Market Value Exposure Maximum	Minimum
Domestic Equities	54%	44%
Non-Domestic Equities	15%	10%
Real Estate	10%	5%
Domestic Fixed-Income	16%	8%
Guaranteed Investment Contracts/Alternative Investments	25%	10%

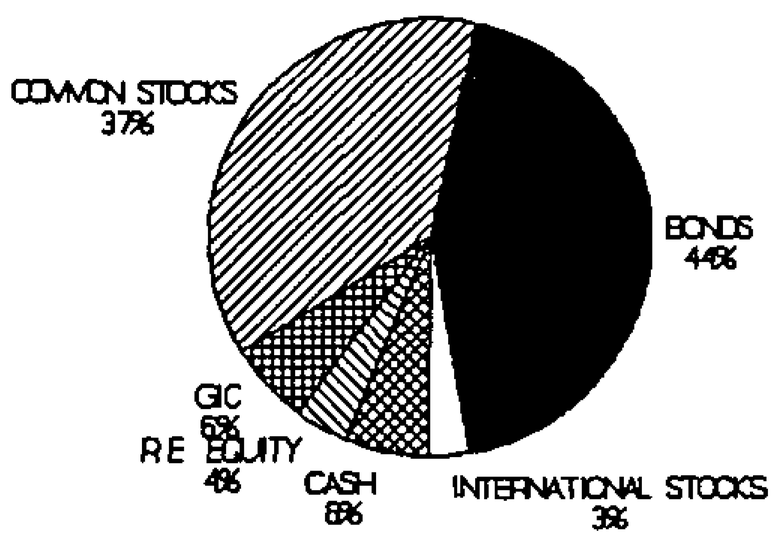
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM INVESTMENT PORTFOLIO DISTRIBUTION AT MARKET AS OF JUNE 30, 1990 & 1991

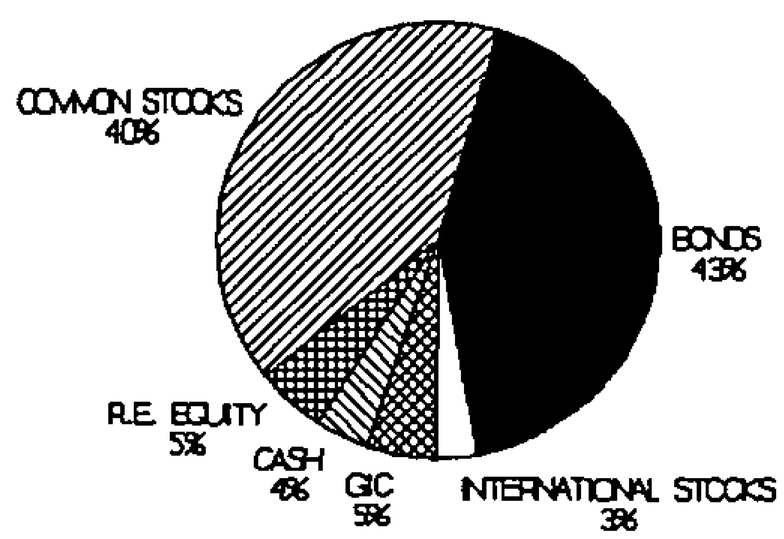




1990 1991

PUBLIC PENSION FUNDS AS OF JUNE 30,1990 & 1991





1990 1991

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These guidelines are to be pursued by the Fund on a long-term basis (five-year goal) but will be revised if significant changes occur within the economic and/or capital market environments.

Investment Goals

In formulating investment goals for the System's assets, the Board placed primary emphasis on the following:

- Achieving investment results that will accomplish the stated funding goal for the System. Inflation is the key factor driving the cost of retirement programs. The primary function of a retirement plan investment program is to help pay the cost of providing retirement benefits by offsetting the impact of inflation on costs. Therefore, investment performance that exceeds the rate of inflation, thereby providing a real rate of return, will contribute to the proper funding of the System.

- Receiving from its investment managers' performance that is above average compared to other comparably styled manager.

- Annual income production sufficient to cover benefit payments and investment manager, Trustee, actuary, performance measurement and consultant fees.

Accordingly, the specific goals set forth below reflect the above general goals.

1. Total Fund Goals

As noted in a prior section, the System's primary funding goal is to achieve and maintain a funded status that provides for the security of retirement income to participants in the Plan.

Given the impact of inflation on Retirement Plan funding, the primary total fund investment goal is to achieve a positive inflation-adjusted (real) return. The Board recognizes that over short and intermediate periods of time its goal may be difficult to achieve because rapid increases or decreases in the level of inflation tend to adversely impact the capital markets. For this reason, the total fund inflation-adjusted goal is established in the context of a longer term time horizon:

- The Fund's overall annualized total return (price change plus income) should exceed the return available from a policy of "rolling over" 91-day Treasury Bills (as a proxy for the inflation rate) by a least 300 basis points per

year measured over a period of 10 years. A 300 basis points annual premium above "risk free" Treasury Bill rates is consistent with the desired risk tolerance.

- The Fund's annualized total return over a rolling period of five years should, after managers' fees and trading costs, exceed the return that would have been achieved if the Fund had been invested 49% in the Fundamental Risk Measurement Service Stock Index, 12% in the Europe, Australia Far East Index, 12% in the Shearson Lehman Government/Corporate Bond Index, 8% in the Callan Associates or comparable Real Estate Data Median, and 19% in the Guaranteed Investment Contracts/Alternative Investments yielding 8.25% per year.

2. Domestic Equity Segment Goals

The following performance goals have been established for the Fund's domestic equity segment:

- The domestic equity segment total return should rank in the upper 35% compared to the domesic equity results of other retirement fund portfolios measured over a period of five years.

- The domestic equity segment total return should exceed the total return of the Fundamental Risk Measurement Service Stock Index by at least 200 basis points per year measured over a period of five years.

3. Non-Domestic Equity Segment Goals

The following performance goals have been established for the non-Domestic Equity segment of the System's assets:

- The non-domestic equity segment total return should rank in the upper 35% compared to the non-domestic equity results of other retirement fund portfolios measured over a period of five years.

- The non-domestic equity segment total return should exceed the total return of the Europe, Australia, Far East Index by at least 200 basis points per year measured over a period of five years.

4. Real Estate Segment Goals

The following performance goals have been established for the real estate segment of the System's assets:

- The total real estate segment return should rank in the upper 35% compared to the real estate results of other retirement fund portfolios measured over a period of five years.

- The total real estate segment return should exceed the Callan Associates, or comparable real estate database median by at least 100 basis points per year over a period of five years.

5. Domestic Fixed-Income Segment Goals

The following performance goals have been established for the Fund's fixed-income segment of the System's assets:

- The total fixed-income segment return should rank in the upper 50% compared to the fixed-income results of other retirement fund portfolios measured over a period of five years.

- The total fixed-income return should exceed the total return of the Shearson Lehman Governmental/Corporate Bond Index by at least 100 basis points per year measured over a period of five years.

6. Guaranteed Investment Contracts/Alternative Investment Segment Goals

The following performance goals have been established for the Fund's guarenteed investment contracts/alternative investments segment of the System's assets:

- The total guaranteed investment contracts/alternative investment segment should achieve at least an 8.25% *annualized return measured over a period of five years.*

- The total guaranteed investment contracts/alternative investments segment should exceed the total return of a 91-day Treasury Bill Index by at least 150 basis points per year measured over a period of five years.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
EXPLANATION OF INVESTMENT PERFORMANCE ANALYSIS

The investment performance of the system is being monitored internally using a micro computer based software package subscribed through Callan Associated, Inc., a highly respected portfolio evaluation service and consultant in the United States.

A summary of the Charlotte Firefighters' Retirement System's performance results, along with a brief description of issues to be considered in interpreting the results follow. Since the purpose of the summary is to provide an overview, the reader is cautioned against forming conclusions that may be premature.

The information on the following page is prepared for the Charlotte Firefighters' Retirement System Annual Report to provide a profile of the system's performance.

Total Annualized Rate of Return: This shows how the Charlotte Firefighters' Retirement System performed over multi-year periods compared with a customized portfolio of asset class investments invested in the same proportion as the CFRS fund targets.
Percentile rank indicates the total combined annualized rate of return of a customized portfolio that attained that level of performance in each asset class component as measured by the Callan Associates, Inc. universe. A low percent indicated a relatively higher return. The reader can choose a time period of particular interest and examine the return the Charlotte Firefighters' Retirement System earned for that period. For any time period one chooses to examine, the median serves as an effective standard for determining what a "reasonable" return for that period would have been. (The median is that return which outranked 50 percent of the funds in the Callan universe and which was outranked by 50 percent of the funds).

Asset Class Annualized Rate of Return

This shows how each asset class component of the Charlotte Firefighers' Retirement System performed over the multi-year periods. Since the system's total return is comprised of the combination of each asset class component's rate of return, each component has been included so that one can see the asset class effect on the total System performance. Such individual asset class reviews are important because academic studies have clearly shown that the asset allocation decision (the

decision on what asset classes and proportion invested in each) determines between 70% to 95% of the total annualized rate of return.

This summary should be regarded only as an introduction to evaluating the Charlotte Firefighters' Retirement System's investment performance results. Nevertheless, it is hoped that this brief overview will be of some assistance.

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
RETURN ON INVESTMENTS

The return on investments, which is defined as the income plus or minus the appreciation or depreciation in value, is analyzed each quarter. The Charlotte Firefighters' Retirement System return on investments is compared with the returns of Callan Associates Incorporated universe which is comprised of over 80% of the professionally managed investments in the United States. Evaluation for the last three years and the present year ended June 30, 1991 are shown below. All returns are "time weighted", annualized "total" rates of return and are based on market values.

CALLAN ASSOCIATES UNIVERSE	EQUITY RETURNS		FIXED INCOME RETURNS		REAL ESTATE RETURNS	
	LAST YEAR	LAST 3 YEARS	LAST YEAR	LAST 3 YEARS	LAST YEAR	LAST 3 YEARS
25TH PERCENTILE	9.99	14.72	11.09	10.24	3.53	6.52
MEDIAN	7.34	12.74	10.46	9.77	-1.40	4.43
75TH PERCENTILE	4.33	10.38	9.77	9.22	-6.34	1.98
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM	10.23	13.90	10.55	9.87	-4.20	3.54

CALLAN ASSOCIATES UNIVERSE:	GIC/ALTERNATIVE INVESTMENT RETURNS		INTERNATIONAL EQUITY RETURNS		TOTAL PORTFOLIO	
	LAST YEAR	LAST 3 YEARS	LAST YEAR	LAST 3 YEARS	LAST YEAR	LAST 3 YEARS
25TH PERCENTILE	N/A	N/A	-8.10	9.71	7.10	11.70
MEDIAN	N/A	N/A	-11.49	7.17	4.90	10.20
75TH PERCENTILE	N/A	N/A	-15.14	3.90	2.54	8.39
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM	9.55	9.24	-10.27	N/A	7.69	10.63

ACTUARIAL

The purpose of the Actuarial Section is to provide the reader with an actuarial introduction and to present the results of the actuarial valuation at July 1, 1991. This section contains the following excerpts from the actuarial valuation at July 1, 1991:

- Introduction and Certification
- Summary of Valuation Results
- Asset Information
- Contribution and Long-Range Adequacy
- Membership Demographics

I. INTRODUCTION

A. Background and Historical Information

The Charlotte Firefighters Retirement System was originally established in 1947 to provide retirement, disability and death benefits to uniformed members of the Charlotte Fire Department The cost of the benefits provided by the System is shared equally by the City and the members The rate of contribution has been upgraded from time to time as a result of amendments to the System Currently, the joint contribution rates are determined as the Social Security tax rate plus 5%. The members' current contribution rate in 1991 is 12 65% of pay and the City contributes an equal amount

B. Purpose of Valuation

Actuarial valuations of the System are made in order to compare the prospective assets and liabilities of the System and to measure the sufficiency of the current and scheduled future contribution levels The valuation as reported herein was made as of July 1, 1991 In addition, with the advent of the new pension disclosure requirements imposed by the Government Accounting Standards Board (GASB), the funding progress must be developed and disclosed at least every other year

This is the third actuarial valuation to reflect the changes in the benefit provisions of the System, which were implemented in 1989 These changes increased the benefit accrual rate for future retirees, liberalized the vesting provision and pre-retirement death benefits and introduced a mechanism to provide cost-of-living adjustments for existing retirees

C. Nature of Retirement System Cost

The actual dollar cost of any retirement system must depend in the long run on actual experience as it unfolds The total cost may be thought of as.

1 Benefits actually paid out plus expenses charged to the fund

less

2 Investment earnings on accumulated funds

It is the actuary's job to estimate each of these items in advance and to determine the contributions that should be made each year which, together with investment earnings, will build up a fund sufficient to meet all benefit payments as they fall due To do this, the actuary must make assumptions regarding many aspects of future experience, these are described in Section VI of the report It should be kept in mind, however, that the actuarial cost estimates are just that -- estimates of the technically "correct" contributions that should be made to the fund

each year Only actual unfolding experience can determine, retrospectively, whether previous contributions have been too high or too low If they were redundant, then subsequent contributions may be reduced or benefits increased, if they were deficient, subsequent contributions will have to be increased or benefits decreased to maintain the desired incidence of building the retirement fund

D. Actuarial Certification

The information and valuation results shown in this report are to the best of my knowledge, complete and accurate and are based upon

1 Employee census data and financial data submitted by the City of Charlotte, the System's administrator, and United Carolina Bank This data was not audited by us, but appears to be sufficiently reliable and complete for purposes of the valuation

2 Actuarial assumptions which in the aggregate are reasonable related to the experience of the System and to reasonable expectations for the future

3 Actuarial methods as stated and the interpretation of System provisions as summarized in the report

Report Prepared by

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Enrolled Actuary (No 90-4782)

Report Certified by

Keith M. Wilson

Keith M Wilson, F S A , M A A A
Enrolled Actuary (No 90-3653)

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II. SUMMARY OF VALUATION RESULTS

A. Overview

The results of the 1991 actuarial valuation of the Retirement System confirm that the System continues to be in sound financial condition and that current and expected contribution rates by the City and the System members continue to be sufficient to fund the actuarially determined contribution requirements In addition the pension disclosure requirements imposed upon the City for the Retirement System by the Government Accounting Standards Board, reiterate this financial condition However, as has been the case the last two years, the changes recognized in 1989 bring the cost of the System closer to existing contribution levels

Within the remainder of this section, (1) the results for the 1991 valuation have been been summarized in comparison to those of the previous year, (2) the experience of the System over the past year has been measured and analyzed and (3) we have summarized our future expectations for the System

B Summary of Comparative Results

The key results of the 1991 valuation process have been presented within the following table in comparison to similar results from the prior year

	July 1, 1991	July 1, 1990
1 Contribution Levels for Upcoming Year		
(a) Expected Contributions with Interest	$6,483,604 (27 1%)	$6,129,247 (27 1%)
(b) Minimum Recommended Contribution	6,356,526 (26 6%)	6,139,838 (27 2%)
(c) Expected Surplus/ (Deficiency) (a) - (b)	$ 127,078 (0 5%)	$ (10,591)(-0 1%)
2 Contributions over Past Year		
(a) Actual Contributions with Interest	$6,369,550 (28 2%)	$5,762,714 (28 1%)
(b) Minimum Recommended Contribution	6,139,838 (27 2%)	5,478,410 (26 7%)
(c) Actual Surplus/ (Deficiency) (a) - (b)	$ 229,712 (1 0%)	$ 284,304 (1 4%)

B Summary of Comparative Results (continued)

		July 1, 1991	July 1, 1990
3	System Assets		
	(a) Actuarial Value	$90,629,430	$82,409,955
	(b) Market Value	91,762,929	84,750,276
4	Funded Status		
	(a) Contribution Purposes		
	(i) Accrued Liability	$114,244,815	$106,771,971
	(ii) Actuarial Value of Assets	90,629,430	82,409,955
	(iii) Unfunded Accrued Liability (i) - (ii)	23,615,385	24,362,016
	(iv) Expected Amortization Period	16 years	16 years
	(b) Disclosure Purposes		
	(i) Pension Benefit Obligation	$96,963,392	$90,035,517
	(ii) Market Value of Assets	91,762,929	84,750,276
	(iii) Percent Funded (i)/(ii)	94 6%	94 1%
5	Number of Members		
	(a) Active	758	715
	(b) Retired	247	230
	(c) Vested Terminated	1	3
6	Total Payroll	$23,894,816	$22,588,859

As was the case last year, in lieu of illustrating what would be left over to fund the unfunded accrued liability after the contributions are compared to the normal cost, a minimum recommended contribution has been developed which includes the normal cost and a payment earmarked to fund this unfunded liability

To summarize, we anticipate the contributions over the upcoming year to be slightly higher than the minimum recommended contribution producing a surplus of approximately $127,000 Comparing this result to the past year, a surplus contribution of over $229,000 was realized

B Summary of Comparative Results (continued)

The expected surplus is due to slightly improved funding position of the System which decreased the unfunded accrued liability from $24 4 million to $23 6 million. Further, the increased payroll due to the significant growth of the workforce is a source of surplus funds relative to the added liability As for the surplus generated during the prior year, the surplus to a large extent is attributable to the additional buyin of military service Absent these contributions there would have been a deficiency of about $10,000.

The recommended contribution represents a minimum or floor contribution requirement to assure the funding solvency of the System The use of a more conservative interest assumption along with several improvements made in 1989 to the System have caused the minimum recommended contribution to be much closer to the expected contributions than in previous years On a long range basis, we anticipate surplus contributions to continue

From a funded status vantage point, using the GASB No 5 disclosure requirement as a guide, the Pension Benefit Obligation is funded at 94 6% In other words, for every dollar value earned by the members, using their service to date and future salaries at retirement, the System has about $0 95 on hand This Pension Benefit Obligation disclosure requirement is a benchmark of what the accounting and actuarial professions deem as an appropriate amount of assets Since the Charlotte Firefighters System is at 94 6%, the System is slightly below this benchmark However, any percentage in the 85%-95% range is acceptable due to market fluctuation

C 1990-91 System Experience

In the above comparison of the minimum recommended contributions developed for the 1991-92 year versus the prior 1990-91 year, an increase is evident as a dollar amount, but as a percent of pay has decreased This decrease is due to the actual System experience being very similar to that expected netting a loss of only $82,000 coupled with an increase in member payroll due to the increasing workforce

As noted in Section III, the rate of return on the actuarial value of assets was 8 7% as compared to an expectation of 8 25% As a result, an actuarial investment gain of about $371,000 was realized However, a $453,000 loss on the liability side was realized during 1990-91 The net effect of this minimum loss increased the 1991-92 minimum recommended contribution by less than $9,000

D. Reconciliation of Recommended Contributions

With the increase in member payroll and the actuarial experience of the System, the recommended contribution has increased over the prior year along with a similar increase to expected contributions A reconciliation of the recommended contribution over the past year is as follows

	Recommended Contribution	Change
- Expected Contribution	$6,474,800	---
- With Impact of Actuarial Loss	6,483,600	8,800

E. Future Expectations

As noted throughout this report, the System remains in a fairly good funded position and has improved its position over the year When we consider the Long Range Contribution Adequacy within Section III, the annual surplus as a percent of payroll increases to 0.9% of pay in 1991 from 0 3% of pay in 1990 Such an increase is again, directly traceable to the improved funded position.

When you review this Long Range adequacy both before and after the various changes, as shown below, the net result is the anticipated contributions should still be sufficient to cover future outlays from the System

		July 1, 1991	July 1, 1990
1	Scheduled Contribution Rate	25 3%	25 3%
2.	Required Contribution Rate	24 4%	25 0%
3	Surplus Contribution Rate (1)-(2)	0 9%	0 3%

Ideally, a margin of 1 0% - 1 5% is be preferable, so the System has made great strides toward reaching this ideal However, to continue making strides toward this margin necessitates the continued expansion of the member payroll which goes with an infusion of younger, newer members Absent this expansion, the margin may dissipate

III. ASSET INFORMATION

A. Funding Medium

The System's assets, the market value of which is $91,762,929, are allocated among the following investment managers on the basis of the approximate percentages by asset class of the entire fund.

Investment Managers	Type of Investment	Percent Allocation
• Capital Technology, Inc.	Small Capitalization Common Stock	5%
• First Union National Bank	Value Common Stock	29%
• Internal Management	GIC	12%
	Government Obligations	4%
	Other	2%
• Metropolitan Life	Real Estate Equity	3%
• Morgan Stanley	International Equity Fund	9%
• North Carolina National Bank	Real Estate Equity	4%
	Growth Equity Fund	14%
	Government Obligations	5%
	Corporate Obligations	4%
	Mortgage Backed Fund	3%
• Phoenix Mutual	Real Estate Equity	3%
• T Rowe Price	International Equity Fund	1%
• United Carolina Bank	Cash and Equivalents	2%

Investment policy is set by the Board of Trustees. United Carolina Bank (UCB) is the overall trustee for the System's fund.

B. Actuarial Value of Assets

Since market price fluctuations at the time assets are measured can have a significant impact on the cost of the System, these fluctuations are typically smoothed out and recognized gradually over time through the use of an asset valuation method. The asset valuation method in the 1991 actuarial valuation of the System is developed from an expected yield on the market value of assets in order to smooth out the effect of price fluctuations. The market value is adjusted so that any variations between the total yield for any year, determined on a market value basis, and the actuarially assumed yield at 8.25% are gradually recognized in the actuarial value of assets increments over a four-year period.

Based on the foregoing, the 1991 actuarial asset value is $90,629,430, computed as follows:

$$
\begin{aligned}
\$91{,}762{,}929 \quad &- \quad (.75 \times \$\ (835{,}832)) \\
&- \quad (.50 \times \ \ 1{,}391{,}010) \\
&- \quad (.25 \times \ \ 4{,}259{,}474) \\
&= \$90{,}629{,}430
\end{aligned}
$$

IV. CONTRIBUTIONS

A. Actuarial Cost Method

The excess of the present value of future benefits and expense payments over the System assets at any point in time represents the present value of future required contributions The contributions must be adequate if the System is to maintain equity between generations of members and taxpayers and if the System is to meet its benefit obligations There are many actuarial techniques for determining how much of the present value of future required contributions should be considered as representing the cost applicable to the current plan year

The cost method in use to test the adequacy of current contributions under the System is the Entry Age Normal Cost Method Under this method, the annual contribution is comprised of two elements - the current or "normal" cost for the year and a contribution to reduce the unfunded accrued liability.

B. Actuarial Present Value of Future Benefits

The actuarial present value of benefits for inactive members is based on the actual monthly payments expected to be paid in the future to such retirees, discounted to the valuation date

The actuarial present value of benefits for active members is also based on expected future benefit payments, taking into account the contingencies of death, retirement, or termination or employment, discounted with interest to the valuation date The projected benefits have been computed based on the assumption that salaries will increase in the future in accordance with actuarial assumptions

The actuarial present value of benefit for System members at July 1, 1991 as compared to the prior year results is as follows

		July 1, 1991	July 1, 1990
1	Retired Members	$ 40,184,099	$35,404,490
2	Vested Terminated Members	15,878	78,378
3	Active Members	107,623,552	102,513,092
3	Total	$147,823,529	$137,995,960

The plan provisions and assumptions have not changed since the prior valuation.

C. Determination of Unfunded Accrued Liability

The accrued liability at any point in time is computed as the present value of all benefits to be paid in the future that are considered to be attributable to service rendered prior to the valuation date It can be thought as the sum of that portion yet to be funded (the unfunded accrued liability) and the System assets (the funded accrued liability) An unfunded accrued liability generally exists as a result of one or more of the following

C. Determination of Unfunded Accrued Liability (continued)

(a) The lack of contributions prior to the inception of the System;

(b) Inadequate contributions since the inception of the System,

(c) The increase in the accrued liability due to a System amendment improving benefits,

(d) The increase in the accrued liability due to experience less favorable than that assumed by the actuarial assumptions including most notably larger salary increases and poor investment performance

The unfunded accrued liability may be thought of as an interest bearing debt, the lower the annual payment the longer it will be until the unfunded accrued liability is funded. If the annual payment is equal to or less than the interest on the unfunded accrued liability, it will never be paid off Within this report, our recommended approach to paying off the unfunded accrued liability is to fund an annual payment as a level percent of payroll

The unfunded accrued liability as of July 1, 1991 as compared to the prior year results was determined as follows

		July 1, 1991	July 1, 1990
1	Accrued Liability		
	(a) Retired Members	$40,184,099	$35,404,490
	(b) Vested Terminated Members	15,878	78,378
	(c) Active Members	74,044,838	71,289,103
	(d) Total (a) + (b)+(c)	$114,244,815	$106,771,971
2	Actuarial Value of System Assets	90,629,430	82,409,955
3.	Unfunded Accrued Liability ((1) - (2))	$23,615,385	$24,362,016

A reconciliation of the decrease in unfunded accrued liability is as follows.

-	Decrease due to Contributions	-	828,597
-	Increase due to Actuarial Loss	+	81,966
-	Increase due to change in Assumptions		0
-	Increase due to Change to System		0
	Total Increase	-	746,631

The excess of the present value of total benefits ($147,823,529) over the accrued liability ($114,244,815) is $33,578,714 This represents the present value of future normal costs, that is, the present value of the benefits to be funded by future contributions in excess of the unfunded accrued liability.

D. Determination of Normal Cost

Under the Entry Age Normal Cost Method, the normal cost as a percent of the annual salary is computed for each active member This percentage is the amount necessary, if the actuarial assumptions are exactly realized, that must be paid each year from date of hire to date of termination, death or retirement to fully fund the benefits due that member.

Each member's percentage is applied to his annual salary to produce his normal cost for the plan year These individual normal costs are summed to produce the total normal cost This is then augmented by an amount anticipated to be sufficient to meet the administrative expenses that will be paid from the fund during the ensuing year. The total normal cost for the 1991-92 plan year is $3,827,726, including interest to year-end, June 30, 1992 as compared to the prior year result of $3,531,087

A reconciliation of the increase in normal cost as follows

- Increase due to System Experience*	+296,639
- Increase due to Change in Assumption	0
- Increase due to Changes to System	0
Total Increase	+296,639

*Generally this increase is due to new members.

E Contributions for 1991-92

As noted earlier, under the Entry Age Normal Cost Method, the required contribution for the plan year is composed of the normal cost plus a payment to reduce the unfunded accrued liability Because the valuation is performed on the first day of the plan year and the contributions are made throughout the plan year, the following are adjusted by interest to the end of the plan year

Expected Contributions

The contributions expected to be received from the members and the City during the 1991-92 fiscal year are at the rate of 12 65% of pay, this rate is 5% higher than the applicable legislated FICA tax rates Based on the salaries reported for the 1991 valuation, the expected 1991-92 annual payroll is $23,894,816 and the anticipated total contributions are $6,045,388. The year-end value of these contributions is $6,483,604

Minimum Recommended Contribution

The minimum recommended contribution is similar to what the minimum required contribution would be if the System had to comply with minimum funding requirements for a private plan as prescribed by ERISA The difference being that the payment recommended to reduce the unfunded accrued liability is developed as a level percent of payroll This recommended contribution for 1991-92 is derived as follows in comparison to the expected contributions for the upcoming year

E Contributions for 1990-91 (continued)

		1991 - 92	1990 - 91
1	Normal Cost	$3,827,726	$3,531,087
2	Recommended Amortization Payment of Unfunded Accrued Liability	2,528,800	2,608,751
3	Total Minimum Recommended Contribution· (1) + (2)	$6,356,526	$6,139,838
4	Expected Contribution with Interest	$6,483,604	$6,129,247
5	Expected Surplus/(Deficiency) (4) - (3)	$ 127,078	$ (10,591)

Expected Amortization Period

The computations under the minimum recommended contribution show that expected contributions are slightly higher than the recommended amount It is anticipated that the actual contributions will have a slightly greater margin than the recommended contributions (see below)

F. Long-Range Contributions Adequacy

Another way of confirming that the System's contribution rates are adequate to provide the promised future benefits employees the Aggregate Actuarial Cost Method This is simply a comparison of (i) the discounted present value of all future benefit payments that will be made to or on behalf of all present active and retired members of the System, and future expenses that will be paid from the fund with (ii) the funds that will be available to pay them, namely the funded assets on hand and the present value of future joint contributions that are scheduled to be made by the members and the City. Future investment earnings will also be available to help meet the benefit outlay, but the discounting technique used in the comparison makes it unnecessary to quantify that source of income

Shown below are the results for the 1991 test of the long-term adequacy of the System contribution rates

F. Long-Range Contribution Adequacy (continued)

	July 1, 1991	July 1, 1990
1 Present Value of Future Outlays		
(a) Present Value of Future Benefit Payments	$147,823,529	$137,995,960
(b) Present Value of Future Expense Payments	1,638,909	1,529,951
(c) Total Present Value of Future Outlays (a)+(b)	149,462,438	139,525,911
2 Present Value of Available Funds		
(a) Actuarial Value of Funded Assets	90,629,430	82,409,955
(b) Present Value of Future Scheduled Contributions	61,112,882	57,741,170
(c) Total Present Value of Available Funds (a)+(b)	151,742,312	140,151,125
3 Present Value of Long-Range Surplus Contributions (2)-(1)	2,279,874	625,214
4 Present Value of Required Future Contributions (2)(b)-(3)	58,833,008	57,115,956
5 Present Value of Future Salaries	241,552,895	228,350,965
6. Comparative Contribution Rates		
(a) Scheduled Long-Term Contribution Rate (2)(b)/(5)	25 3%	25 3%
(b) Required Long-Term Contribution Rate. (4)/(5)	24 4%	25 0%
(c) Surplus Long-Term as Percent of Payroll (a)-(b)	0 9%	0 3%

CITY OF CHARLOTTE FIREFIGHTERS
RETIREMENT SYSTEM

July 1, 1991

Number of Active Members and Their Salaries by Age

Attained Age	Number of Members	Total Annual Salaries	Average Annual Salary
Under 20	0	$ 0	$ 0
20 - 24	59	1,327,778	22,505
25 - 29	134	3,357,112	25,053
30 - 34	156	4,438,849	28,454
35 - 39	155	5,043,949	32,542
40 - 44	125	4,587,403	36,699
45 - 49	84	3,227,623	38,424
50 - 54	39	1,650,879	42,330
55 - 59	5	215,342	43,068
60 - 64	1	45,881	45,881
65 & Over	0	0	0
Total	758	$23,894,816	$31,524

CITY OF CHARLOTTE FIREFIGHTERS
RETIREMENT SYSTEM

July 1, 1991

Number of Retired Members and Their Benefits by Age

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefits
50 & Under	23	$ 434,075	$18,873
51 - 55	42	916,430	21,820
56 - 60	67	1,398,359	20,871
61 - 65	48	846,657	17,639
66 - 70	34	500,535	14,722
71 - 75	13	166,103	12,777
76 - 80	12	147,435	12,286
Over 80	8	79,517	9,940
Total	247	$4,489,111	$18,175

Number of Vested Termination Members by Age

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefits
50 & Under	1	8,953	8,953
Total	1	8,953	8,953

ACTUARIAL ACCRUED LIABILITY -
The difference between the actuarial present value of system benefits and the actuarial value of future normal costs. Sometimes referred to as "accrued liability".

ACTUARIAL ASSUMPTIONS -
Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

ACTUARIAL VALUATION -
An examination by an actuary of a group of people, with regard to certain characteristics of the people in that group. Some of the characteristics are age, service, salaries, rate of turnover by death or termination. The actuary can then determine whether contributions are sufficient to fund liabilities earned. An annual actuarial valuation of active and retired members is conducted by Towers, Perrin, Forster & Crosby, the actuary for the Charlotte Firefighters' Retirement System.

AMORTIZE -
To pay off an interest-discounted amount with periodic payments of interest and principal as opposed to paying off with a lump sum payment.

AUDIT -
An examination by someone or some firm outside an organization of accounting records developed by the staff of the organization. Recommendations and suggestions for better record-keeping and management are often part of an audit. An annual audit is conducted by Deloitte and Touche, the auditors for the Charlotte Firefighters' Retirement System.

CORPORATE OBLIGATION -
An investment in a corporation with specified payments of principal and interest over a definite period of time.

DIVERSIFICATION -
The practice of investing in several different businesses, industries and forms of investment securities in order to minimize total portfolio risks.

LEVEL-COST FINANCING -
A method of financing a retirement system in which contributions, as a percentage of payroll, remain level from generation to generation, if benefit provisions are not changed.

NORMAL COST -
The actuarial present value of retirement system benefits allocated to the current year by the actuarial cost method.

PORTFOLIO -
The total investments held.

RETIREMENT BENEFIT -
A series of regular payments to the retiree for life.

RISK -
The possibility that the expected rate of return may not be attained for the total portfolio or for specific securities.

TOTAL RATE OF RETURN -
Cash income plus capital appreciation, less capital depreciation, realized and unrealized, adjusted for capital contributions and withdrawals expressed as a percentage on an accrual basis.

UNFUNDED ACTUARIAL ACCRUED LIABILITIES -
The difference between actuarial accrued liabilities and valuation assets. Sometimes referred to as "unfunded actuarial liability" or "unfunded accrued liability".

Historical Background Summary of Major Highlights

June 11, 1990	City Council approved recommendations from the CD & Housing Committee regarding the CCO.
July 23, 1990	City Council approved a contract with Deloitte & Touche to perform an audit on the CCO.
April 29, 1991	CD & Housing Committee given an update by City staff regarding the CCO.
June 10, 1991	CD & Housing Committee reviewed City staff's recommended conditions for the CCO's loan restructuring and chose an option to recommend to the full Council.
June 24, 1991	City Council approved the CD and Housing Committee's recommendation to restructure the CCO's loans by refinancing the outstanding loan balance plus civil penalties, late charges and escrow advances and approving an additional loan for $250,000 for rehabilitation of 13 existing houses contingent upon CCO's release of the management letter within 90 days.
October 14, 1991	City Council deferred until its October 28, 1991 its consideration of options regarding the CCO.
October 28, 1991	Jim Leavelle of Nations Bank presented a proposal to City Council regarding the CCO. Council discussed options regarding the CCO, and staff was directed to negotiate with NationsBank and the CCO to bring back a firm takeout plan to Council.
November 1991 - Present	Negotiations have been held between City staff, NationsBank and the CCO in order to develop the Loan Payoff Agreement.

Cherry

The loan payoff agreement summary is as follows:

1. Reduction by City
   Requires the City to give the CCO credit for accrued interest and late charges in the amount of $97,002 and give credit for property taxes paid in the amount of $143,410 for a total credit of $240,412.

2. CCO Conveyance of Land to the City
   Requires the CCO to convey back to the City nine (9) tax parcels of land and the City would credit the sum total tax value in the amount of $692,700 for the nine (9) tax parcels which would leave an adjusted amount due the City by the CCO of $247,840.

3. Adjusted Amount Due City
   The CCO will submit to the City proceeds in the amount of $247,840 from its Line of Credit from NationsBank.

4. Final Adjusted Balance Due City
   Upon receipt of this payment, the final adjusted amount due the City from the CCO would be -0- and the payoff of the debt would be accomplished.

   The major provisions of the multi-party agreement are listed as follows by each entity:

CCO

1. The CCO will convey back to the City nine tax parcels of land.

2. The CCO will submit to the City proceeds in the amount of $247,840 from its Line of Credit from NationsBank.

3. The CCO agrees to cooperate with the City in the implementation of the Cherry Small Area Plan and agrees to allow its remaining property to be incorporated under the Cherry Small Area Plan.

4. The CCO agrees that NationsBank will become the escrow agent for the City grant in the amount of $247,840 and that the grant monies are to be utilized to bring the remaining CCO property into compliance with the City Housing Code.

5. The CCO will allow the City to inspect its remaining properties in accordance with the schedule provided by the CCO and NationsBank to allow for inspections as determined by the City.

NationsBank

1. NationsBank will provide to the CCO a term loan to fund $247,840 to pay off the final portion of the indebtedness to the City, provided NationsBank and the CCO mutually agree to the terms and provisions of such term loan, such terms and provisions to be satisfactory to NationsBank in its sole discretion.

2. NationsBank will agree to become escrow agent for a grant of $247,840 which the City is to provide to CCO to insure that the grant monies are utilized to bring the remaining CCO properties into compliance with the City Housing Code prior to disbursement of funds. The terms and provisions of the Escrow Agreement must be satisfactory to NationsBank in its sole discretion.

NationsBank Community Development Corporation

1. NationsBank Community Development Corporation agrees to purchase from the City, through negotiated sale and upon terms and conditions mutually satisfactory to the parties, the land and improvements that the City has agreed to purchase from the CCO.

2. NationsBank Community Development Corporation's purchase of subject land from the City will be conditioned by the following:

   a. The land will be used for the construction of detached single-family houses for persons of low or moderate income. If the Cherry Small Area Plan designates any of the subject land for multi-family or commercial land uses, then NationsBank Community Development Corporation will not be required, but may elect, to purchase such multi-family or commercially designated property.

   b. The proceeds from NationsBank Community Development Corporation's purchase of such land will be used by the City to provide second mortgages to qualifying low and moderate income purchasers of these single-family homes.

   c. The City, through one or more of its community development vendors, will identify as many qualified low and moderate income purchasers as the number of detached single-family housing sites in the subject land.

d. NationsBank Community Development Corporation agrees to provide credit counseling for these prospective homeowners referred to in c. above from one or more of the counseling services available to NationsBank.

e. NationsBank Community Development Corporation agrees to arrange first mortgage financing for qualified prospective homeowners through NationsBank or NationsBanc Mortgage Corporation.

f. NationsBank Community Development Corporation and Duke Power Company have agreed to jointly sponsor an Affordable Housing Design Program which will produce prototypical housing units compatible in mass and scale to the Cherry Community single-family houses, and which will emphasize the construction cost effectiveness and energy efficiencies. This Program will collaborate with the CCO and seek to involve City and County departments integral to the neighborhood redevelopment activities.

3. The land, when purchased by NationsBank Community Development Corporation, is to be used in conformance with the Cherry Small Area Plan (and will be subject to the deed restrictions described in the loan payoff agreement).

<u>City</u>

1. The property conveyed to the City from the CCO will contain deed restrictions which provide the following:

   a. Property shall be for residential use only;
   b. The property shall be for low and moderate income housing needs;
   c. The property shall be subject to and comply with the Rules and Regulations of the CCO as its Board may determine appropriate from time to time on its own property so that all parcels in the Cherry Community are subject to the same provisions.

2. The City will provide for the relocation of any current CCO residents displaced by the sale, demolition or construction on parcels conveyed to the City. The City will exert its best efforts to relocate those residents within the Cherry Community if possible.

3. Cherry Small Area Plan:

The City shall adopt a Cherry Small Area Plan in conjunction with the Planning Commission and the CCO to utilize neighborhood reinvestment funds. The plan shall include provisions for preservation and protection of the Cherry Community in such areas as, but not limited to:

a. street construction and maintenance;
b. water and sewage control;
c. landscaping;
d. parks;
e. sidewalks;
f. recreation;
g. curb and gutter needs.

4. Environmental Indemnity:

The City will indemnify CCO and hold it harmless from any claims of any nature relating to any environmental concerns or costs associated with the elimination of those concerns of the property conveyed to the City except for environmental contamination caused by or resulting from actions taken by CCO.

5. Survey and Subdivision:

Following adoption of the Cherry Small Area Plan, the City will continue to completion the current project of surveying and subdividing into separate individual tracts the remaining CCO property within one year of the adoption of the Small Area Plan, and provide this documentation to CCO within that same time frame.

6. Resale by City:

In the event the City decides to sell any portion of the property conveyed to the City pursuant to this Agreement other than to NationsBank Community Development Corporation, then the City shall provide CCO notice of the decision and afford CCO an opportunity to purchase the property to be sold at a price not less than the appraised value in accordance with the provisions of North Carolina General Statutes 160A-457.

7. City Grant to CCO:

a. Immediately upon receipt of payment of $247,840 by CCO to the City, the City will provide for a mutually acceptable grant to CCO in the amount of $247,840 for the maintenance, repair and capital improvements to the remaining CCO property. This grant is to be placed in an escrow account under the terms of a mutually acceptable escrow agreement with NationsBank.

b. The City will provide, as a public service, housing inspections on the remaining CCO properties to determine the existence, if any, of housing code violations that exist in order to bring the units into compliance with the City's minimum Housing Code and make the information available to the CCO and NationsBank. Also, the City will provide reinspection, once work has been performed, to determine if the units have been brought up to Housing Code compliance.

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

LOAN PAYOFF AGREEMENT
(Final Revised April 8, 1992)

1. PARTIES:

a. The Cherry Community Organization, Inc. (hereinafter referred to as "CCO"),
b. The City of Charlotte (hereinafter referred to as "City"),
c. NationsBank (hereinafter referred to as the "Bank"), and
d. NationsBank Community Development Corporation (hereinafter referred to as "Bank CDC").

2. DEFINITION

Balance due on loan and all other charges associated with the Loan as defined, shall be the sum of $1,180,950.00 (hereinafter referred to as "Payoff Amount").

3. PURPOSE OF AGREEMENT:

a. To provide for the repayment by CCO to the City of all indebtedness incurred by CCO in the acquisition of CCO property purchased from the City.

b. To provide for the release of any and all claims for any charges, fees, assessments, fines or other financial claims that may exist at the time of this Agreement between CCO and the City.

c. To arrange for the City recommitment to the Cherry Community Small Area Plan.

d. To arrange for financing on behalf of CCO to accommodate the loan payoff to the City and additional operating expense needs.

4. FACTUAL BASIS:

a. The City purchased certain parcels of property in the Cherry Community in 1978 and 1979.

b. The purpose of the acquisition was "to work with a non-profit organization to preserve the Cherry Community as an affordable housing community, protect it from commercial encroachment, and upgrade the neighborhood to make it self-sufficient."

c. The City sold a portion of the property acquired to the Cherry Community Organization, a non-profit corporation.

d. CCO provided to the City a purchase money note and deed of trust to secure a portion of the purchase price paid to the City by CCO for the property conveyed The original aggregate amount of the note was approximately 1.4 million dollars

e. A chart of the CCO property is attached as Exhibit A. This chart traces the property line of conveyance into CCO and others.

f. The City made no financial advances to CCO to assist CCO in obtaining the property.

g The property owned by CCO and encumbered by deeds of trust in favor of the City is also shown on Exhibit B by listing of street address and 1991 tax values, amounting to a total of $2,587,260.00.

h. For a number of years the CCO paid to the City through its servicing representatives a debt service payment in accordance with the terms of the notes given by CCO to the City. There has been a substantial amount of principal amortization during the term of these payments

i. CCO and the City stipulate that as of the date of this Agreement the total debt owed to the City by CCO for the loans previously mentioned is $1,180,952.00, which figure is inclusive of all principal, interest, fees, charges, taxes, assessments, fines and all other financial obligations of any nature owed to the City by CCO.

j. The City and CCO each desire the loan balance referred to above be paid in full by CCO to the City.

k. In order to accomplish this payment, the following terms and conditions are approved on behalf of the parties to this Agreement, and, in consideration of the mutual promises made each to the other, are acceptable terms and conditions upon which the City shall receive repayment of these loans, CCO shall pay these loans and Bank shall satisfy its obligations set forth herein. Each of the parties to this Agreement agrees that their interest and responsibilities have been established to the extent shown in this document as their interest may appear. Additional financing arrangements with Bank and CCO are not a part of this Agreement.

5. THE LOAN PAYOFF AGREEMENT:

a. CCO will sell to the City those properties identified in Exhibit C, numbers (B) 1 through 9.

b. The property conveyed to the City shall contain deed restrictions which provide

(i) property shall be for residential use only;

(ii) the property shall be used for low and moderate income housing needs;

(iii) the property shall be subject to and comply with the Rules and Regulations of the CCO as its Board may determine appropriate from time to time on its own property so that all parcels in the Cherry Community are subject to the same provisions;

c. The following credits and payments shall be applied in the aggregate to account for the total "payoff amount."

(i) in return for the conveyance described 5(a) above, the City will credit the indebtedness of $1,180,952 00 to the extent of the tax value of those parcels in the amount of $692,700.00 as shown on Exhibit C.

(ii) in further consideration of this Agreement, the City agrees to additionally credit the obligation of CCO with the following amounts:

(1) $97,002.00 for cancellation of the accrued interest and late charges;

(2) $143,410.00 credit for property taxes paid;

(iii) CCO shall pay to the City the sum of $247,840.00 at closing to provide for the final portion of full payment for the stipulated loan payoff amount. The payment will be proceeds from a term loan negotiated between Bank and CCO. (A chart of this process is shown on Exhibit C)

d. The City will provide for the relocation of any current CCO residents displaced by the sale, demolition or construction on parcels conveyed to the City. The City will exert its best efforts to relocate those residents within the Cherry Community if possible.

6. CHERRY SMALL AREA PLAN:

The City shall adopt a Cherry Small Area Plan in conjunction with the Planning Commission and the CCO to utilize neighborhood reinvestment funds. The plan shall include provisions for preservation and protection of the Cherry Community in such areas as, but not limited to:

a. street construction and maintenance;

b. water and sewage control;

c. landscaping;

d. parks;

e. sidewalks;

f. recreation;

g. curb and gutter needs.

7. ENVIRONMENTAL INDEMNITY:

The City will indemnify CCO and hold it harmless from any claims of any nature relating to any environmental concerns or costs associated with the elimination of those concerns of the property conveyed to the City, except for environmental contamination caused by or resulting from actions taken by CCO.

8. SURVEY AND SUBDIVISION:

Following adoption of the Cherry Small Area Plan, the City will continue to completion the current project of surveying and subdividing into separate individual tracts the remaining CCO property within one year of the adoption of the Small Area Plan, and provide this documentation to CCO within that same time frame.

9. RESALE BY CITY:

In the event the City decides to sell any portion of the property conveyed to the City pursuant to this Agreement other than to Bank CDC, then the City shall provide CCO notice of the decision and afford CCO an opportunity to purchase the property to be sold at a price not less than the appraised value in accordance with the provisions of North Carolina General Statutes 160A-457, see attached Exhibit D.

10. CITY GRANT TO CCO:

a. Immediately upon receipt of payment of $247,840.00 by CCO to the City, as in 5c(iii), the City will provide for a mutually acceptable grant to CCO in the amount of $247,840.00 for the maintenance, repair and capital improvements to the remaining CCO property. which may be in addition to any funding for building code compliance. This grant is to be placed in an escrow account under the terms of a mutually acceptable escrow agreement with Bank

b. The City will provide, as a public service, housing inspections on the remaining CCO properties to determine the existence, if any, of housing code violations that exist in order to bring the units into compliance with the City's minimum housing code and make the information available to CCO and Bank. Also, the City will provide reinspection, once work has been performed, to determine if the units have been brought up to Housing Code compliance.

c. CCO will allow the City to inspect its remaining properties in accordance with the schedule provided by CCO and Bank to allow for the inspections described above.

11. CANCELLATION AND RELEASES:

a. Immediately upon receipt of the payment described above, the City shall cancel of record all deeds of trust for the properties located on Exhibit B and return any notes made in favor of the City by CCO marked Paid In Full to CCO.

b. In consideration of the agreement herein, the City and CCO hereby release each from the other all claims of any nature and any kind associated with the City's loan to CCO and CCO's ownership of property subject to the City's loans as more fully described herein.

12. COOPERATION AND CONTINUATION OF THE RELATIONSHIP BETWEEN THE CITY AND CCO:

a. The City hereby reaffirms its commitment to the goals established herein for the Cherry Community and in adoption of the Cherry Small Area Plan agrees to provide to the Cherry Community those resources, leadership and direction provided to other neighborhoods within the City of Charlotte. CCO hereby agrees to cooperate with the City in the implementation of the Cherry Small Area Plan and each organization is mindful of the continued involvement and cooperation with the other as mutually beneficial for the establishment of the goals of the City of Charlotte and CCO.

13. <u>ADDITIONAL NATIONSBANK PROVISIONS REQUESTED BY J. W. WALTON</u>:

a Bank will provide to CCO a term loan to fund $247,840.00 to pay off the final portion of the indebtedness to the City, provided Bank and CCO mutually agree to the terms and provisions of such term loan, such terms and provisions to be satisfactory to Bank in its sole discretion.

b. Bank will agree to become escrow agent for a grant of $247,840.00 which the City is to provide to CCO to insure that the grant monies are utilized to bring the remaining CCO properties into compliance with the City Housing Code prior to disbursement of funds. The terms and provisions of the Escrow Agreement must be satisfactory to Bank in its sole discretion.

c. Bank CDC agrees to purchase from the City, through negotiated sale and upon terms and conditions mutually satisfactory to the parties, the land and improvements that the City has agreed to purchase from CCO.

d. Bank CDC's purchase of the subject land (identified in Exhibit C) from the City will be conditioned by the following:

(i) The land will be used for the construction of detached single-family houses for persons of low or moderate income. If the Cherry Small Area Plan designates any of the subject land for multi-family or commercial land uses, then Bank CDC will not be required, but may elect, to purchase such multi-family or commercially designated property.

(ii) The proceeds from Bank CDC's purchase of such land will be used by the City to provide second mortgages to qualifying low and moderate income purchasers of these single-family homes.

(iii) The City, through one or more of its community development vendors, will identify as many qualified low and moderate income purchasers as the number of detached single-family housing sites in the subject land (as identified in Exhibit C).

(iv) Bank CDC agrees to provide credit counseling assistance for these prospective homeowners (referred to in subparagraph (iii)) above from one or more of the counseling services available to Bank.

(v) Bank CDC agrees to arrange first mortgage financing for qualified prospective homeowners through Bank or NationsBanc Mortgage Corporation.

(vi) Bank CDC and Duke Power Company have agreed to jointly sponsor an Affordable Housing Design Program which will produce prototypical housing units compatible in mass and scale to the Cherry Community single-family houses, and which will emphasize the construction cost effectiveness and energy efficiencies. This Program will collaborate with the CCO and seek to involve City and County departments integral to the neighborhood redevelopment activities.

e. The land, when purchased by Bank CDC, is to be used in conformance with the Cherry Small Area Plan (and will be subject to the deed restrictions described in the loan payoff agreement).

f *CCO agrees to allow its remaining property to be incorporated under the* Cherry Small Area Plan.

This the _____ day of _____, 1992

The contents of this Agreement are to be interpreted in accordance with the laws of the State of North Carolina and are ratified, accepted and agreed to by the following entities:

CHERRY COMMUNITY ORGANIZATION, INC.

BY:_____
Phyllis D. Lynch, Chairman
Board of Directors

ATTEST:

_____
Corporate Secretary

CITY OF CHARLOTTE

BY:_____
City Manager

ATTEST:

_____
City Clerk

Approved as to form by:

_____
Henry W. Underhill, Jr., City Attorney

NATIONSBANK OF NORTH CAROLINA, N.A.

BY:_____
James R. Lavelle, Vice President

ATTEST:

_____
Corporate Secretary

NATIONSBANK COMMUNITY DEVELOPMENT CORPORATION

BY:_____
James Dennis Rash, President

ATTEST:

_____
Corporate Secretary

F:\da\chercomm agr

EXHIBIT A

City Contract Parcel #	Tax Code	Deed to City	To City by:	Conveyed to CCO	D/T	Amt	City Contract Parcel #	Subsequent Conveyance
2 2	125 223-02	4228/264	Dwelle	4571/930	4573/515		2-2	
3-10	125-224-34	4228/84	Zimmerman				3-10	Conveyed to Housing Authority by City
3 11	125-224-35	4228/82	Zimmerman	4319/343	4320/981	Sat	3-11	Conveyed to Housing Authority by City
3-12	125-224-36	4228/86	Zimmerman				3-12	Conveyed to Housing Authority by City
3 17	125 224-6	4225/968	Crouch	4319/348	4320/979	Sat	3-17	Conveyed to City 4369/28 Reconveyed to CCO 4723/618 Conveyed to Sam Tyson 4947/696 D/T 4780-445 (41,100)
5-4	125 114-17	4225/970	Crouch	4723/618	4725/238	Sat	5-4	
5 13	125 114-04	4228/179	Dwelle	4515/616	4516/364		5-13	
6-10	125-115-02	4228/171	Dwelle				6-10	
6-11A	125 115-03	4228/177	Dwelle	4850/970	4853/103		6-11A	
6-12	125 115-04	4228/173	Dwelle	4850/970	4853/109		6-12	
9 3	125 232-03&04	4228/181	Dwelle	4723/618	4725/234		9-3	
10-4	125 233-01	4228/575	Shannonhouse	4515/618	4466/766		10-4	
10-6	125-233-13	4144/450	RAM Corp				10-6	
11 1	125 234-10	4144/448	Myers	4906/548	4907/782		11-1	
11-7	125-234-16	4228/782	Jenkins				11-7	Conveyed to Housing Authority by City
12 1	125 234-07	4228/572	Shannonhouse	4850/970	4853/105		12-1	
13 2	125 234-06	4144/446	Myers	4651/277	4652/234		13-2	
14 1 & 7	125 234 17, 23 & 24	4144/444	Myers	4275/747	4277/341	Sat	14-1 & 7	125-234-23 conveyed to HA Authority 4750/211 & Released from 1st D/T 4477/35,37,39,41 & 43 releases D/T: 4466/760,764, 762, 766
14 2	125 234 22	4228/169	Dwelle	4651/281	4652/236		14-2	
14 5	125-234-19	4228/175	Dwelle	4850/970	4853/107		14-5	
17 2	125 234 25	4144/452	RAM	4275/752	4277/343	Sat	17-2	D/T 4354/415 (138,750)
18 2	125 224-02	4144/422	RAM	4275/757	4322/684		18-2	D/T
19 1	125 225-03	4228/66	Dwelle/ Zimmerman	4319/338	4320/977	Sat	19-1	Deed to City 4369/32 reconveyed to CCO 5090/556 D/T 5092/177
20 1	125 221 02	4228/64	Dwelle/ Zimmerman	4319/333	4320/975	Sat	20-1	Deed to City 4369/30 reconveyed to CCO 4622/467 D/T 4623/823

City Contract Parcel #	Tax Code	Deed to City	To City by:	Conveyed to CCO	D/T	Amt	City Contract Parcel #	Subsequent Conveyance
22-20	125-215-01	4228/68	Dwelle				20-20	
24 7	125 216-07	4144/440	RAM	4723/618	4725/236	Sat	24-7	
					4897/350	Sat		Deed to Robertson 5034/57
24 15	125 216-16	4228/62	Zimmerman	4275/762	4277/348		24-15	
25 14	125 244 07	4228/70	Zimmerman	4850/970	4853/111		25-14	
26-34	125 243 29	4228/569	Dwelle	4651/279	4652/238		26-34	
26 38	125 243-32	4228/563	Dwelle				26-38	
26-39	125 243 33	4144/437	RAM	4850/970	4853/113		26-39	
26-43	125-243-42	4228/578	Dwelle				26-43	
26-59	125-243-57	4228/566	Dwelle				26-59	
27 2	125-245-1, 5 & 6	4144/435	RAM				27-2	

EXHIBIT B

CHERRY COMMUNITY ORGANIZATION

PROPERTY SUBJECT TO CITY DIT

ADDRESS	TAX CODE	1991 TAX VALUES
1515 Luther Street	125-114-04	$ 33,010.00
315 S. Torrence Street	125-114-17	45,880.00
1801 Luther Street	125-232-04	4,000.00
1715 Luther Street	125-232-03	4,000 00
1605 Luther Street	125-115-03	39,350 00
1615 Luther Street	125-115-04	119,020.00
608 Avant Street	125-243-33	28,000.00
612 Wallace Street	125-244-07	24,740.00
1704 Luther Street	125-234-19	16,510.00
1400 Main Street	125-225-03	97,110.00
1502 Baxter Street	125-216-17	24,180.00
633 S. Torrence Street	125-216-08	35,000.00
1512 Baxter Street	125-216-16	80,000.00
401-07 Cherry Street	125-221-02	527,730.00
231 Independence Blvd.	125-223-02	251,800.00
1421-35 Main Street	125-224-02	99,890.00
236 S. Torrence Street	125-224-15	44,110.00
1901 Baxter Street	125-233-01	89,610.00
1727 Baxter Street	125-234-06	276,160.00
1701 Main Street	125-234-17	145,620.00
1801 Main Street	125-234-10	292,350.00
1616 Luther Street	125-234-22	29,100.00
1705-1709 Main Street	125-234-24	57,190.00
1501-07 Main Street	125-234-25	98,990.00
1900 Baxter Street	125-243-29	123,910.00
	TOTAL TAX VALUE	$ 2,587,260.00

EXHIBIT C

MEMO TO CITY AND CCO
FROM. AVERILL C. HARKEY
DATE: FEBRUARY 14, 1992 (Revised 2/20/92)
RE: SETTLEMENT MEMO - DRAFT

CONFIDENTIAL

Stipulated Debt Owed by CCO			$ 1,180,952
Less			
(A) Reduction by City			
(1) Accrued interest & late charges		$ 97,002	
(2) Credit for property taxes paid		143,410	$ - 240,412
(B) CCO Conveyance to City of:	Tax Code	Tax Value	
(1) 1515 Luther St	125-114-04	$ 33,010	
(2) 1605 Luther St	125-115-03	$ 39,350	
(3) 1615 Luther St.	125-115-04	$ 119,020	
(4) 1715 Luther St.	125-232-03	$ 4,000	
(5) 1801 Luther St.	125-232-04	$ 4,000	
(6) 1901 Baxter St.	125-233-01	$ 89,610	
(7) 1900,02,03,06,08,10,12,14 & 16 Baxter St.	125-243-29	$ 123,910	
(8) 1726 Avant	125-243-33	$ 28,000	
(9) 231 Independence Blvd.	125-223-02	$ 251,800	$ - 692,700
Adjusted Balance Due City			$ 247,840
(C) Proposed Lender Line/Credit Proceeds to City from CCO			$ - 247,840
Final Adjusted Balance Due City			$ -0-

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tivities Any city council may contract with any person, association, or corporation in undertaking any specified community development activities Any county or city board of health, county board of social services, or county or city board of education, may by agreement undertake or carry out for any city council any specified community development activities

(c) Any city council undertaking community development programs or activities may create one or more advisory committees to advise it and to make recommendations concerning such programs or activities

(d) Any city council proposing to undertake any loan guaranty or similar program for rehabilitation of private buildings is authorized to submit to its voters the question whether such program shall be undertaken, such referendum to be conducted pursuant to the general and local laws applicable to special elections in such city

(e) Repealed by Session Laws 1985, c 665, s 5, effective July 9, 1985 (1975, c 435, s 1, c 689, s 1, c 879, s 46, 1983, c 908, s 4, 1985, c 665, s 5, 1987, c 464, s 10)

Local Modification — City of Durham 1987, c 206, city of New Bern 1987, c. 291

Effect of Amendments. — The 1987 amendment, effective June 24, 1987, added "and may do so whether or not a redevelopment commission or housing authority is in existence in such city" at the end of subsection (b)

Legal Periodicals. — For a symposium on historic preservation which includes a discussion of relevant North Carolina law, see 12 Wake Forest L Rev 9 (1976)

§ 160A-457. Acquisition and disposition of property for redevelopment.

In addition to the powers granted by G S 160A-456, any city is authorized, either as a part of a community development program or independently thereof, and without the necessity of compliance with the Urban Redevelopment Law, to exercise the following powers

(1) To acquire, by voluntary purchase from the owner or owners, real property which is either:
   a Blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;
   b Appropriate for rehabilitation or conservation activities;
   c Appropriate for housing construction or the economic development of the community, or
   d Appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open space, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development,

(2) To clear, demolish, remove, or rehabilitate buildings and improvements on land so acquired, and

(3) To retain property so acquired for public purposes, or to dispose, through sale, lease, or otherwise, of any property so acquired to any person, firm, corporation, or governmental unit, provided, the disposition of such property shall be

undertaken in accordance with the procedures of Article 12 of this Chapter, or the procedures of G S 160A-514, or any applicable local act or charter provision modifying such procedures, or subsection (4) of this section

(4) To sell, exchange, or otherwise transfer real property or any interest therein in a community development project area to any redeveloper at private sale for residential, recreational, commercial, industrial or other uses or for public use in accordance with the community development plan, subject to such covenants, conditions and restrictions as may be deemed to be in the public interest or to carry out the purposes of this Article, provided that such sale, exchange or other transfer, and any agreement relating thereto, may be made only after approval of the municipal governing body and after a public hearing, a notice of the public hearing shall be given once a week for two successive weeks in a newspaper having general circulation in the municipality, and the notice shall be published the first time not less than 10 days nor more than 25 days preceding the public hearing; and the notice shall disclose the terms of the sale, exchange or transfer At the public hearing the appraised value of the property to be sold, exchanged or transferred shall be disclosed, and the consideration for the conveyance shall not be less than the appraised value (1977, c 660, s 1, 1983, c 797, ss 1, 2)

Local Modification — City of Asheville 1981, c 632, city of Wilmington 1981 (Reg Sess, 1982), c 1162 city of Wilson. 1977, 2nd Sess, c 1196

§ 160A-457.1. Urban Development Action Grants.

In addition to the powers granted by G S 160A-456 and G S 160A-457, any city is authorized, either as a part of a community development program or independently thereof, to enter into contracts or agreements with any person, association, or corporation to undertake and carry out specified activities in furtherance of the purposes of Urban Development Action Grants authorized by the Housing and Community Development Act of 1977 (P L 95-128) or any amendment thereto which is a continuation of such grant programs by whatever designation, including the authority to enter into and carry out contracts or agreements to extend loans, loan subsidies, or grants to persons, associations, or corporations and to dispose of real or personal property by private sale in furtherance of such contracts or agreements

Any enabling legislation contained in local acts which refers to "Urban Development Action Grants" or the Housing and Community Development Act of 1977 (P L 95-128) shall be construed also to refer to any continuation of such grant programs by whatever designation. (1981, c. 865, ss 1, 2.)

BACKGROUND

- Approved RFP Process, Time Period and Explanation

Phase I. Solicit Request for Proposals Phase

Step 1 - Advertise RFP to developers		30 days
Step 2 - Hold pre-proposal conference		
Step 3 - Submission deadline		
	Sub-Total	30 days

Explanation of Steps 1, 2 and 3 - These steps were skipped because Crosland Properties presented an unsolicited proposal to the City.

Phase II. Financial and Policy Compliance Review Phase

Step 4 - Review by Innovative Housing Committee to screen proposals for compliance with RFP requirements and make recommendations to City Council		15 days
Step 5 - City Council approve the selected proposals for continuation in the process		20 days
	Sub-Total	35 days

Explanation of Step 4 - Shown as Exhibit 3A, 3B and 3C are the Neighborhood Impact Assessment letters the Charlotte-Mecklenburg Schools, the Charlotte-Mecklenburg Planning Commission and the Community Relations Committee. All letters responded positively to the proposal. Shown as Exhibit 4 are key facts of the proposed McMullen Wood development. The proposed development is consistent with City Council's housing policies on the following:

- Population to be Served/Rents:

  Population: Households earning 40% and below the median income.

  Rents:

Unit	Rent	Min. - Max Income 4-Person	Min. - Max Income 6-Person
2 BR	$240/mo.	$11,200 - $16,800	N/A
3 BR	$270/mo.	$12,300 - $16,080	$12,800 - $18,653
4 BR	$300/mo.	$13,500 - $16,080	$13,500 - $18,653

- Number of Units - 55

- Location - Priority Census Tract 30.08 (See map shown as Exhibit 4A)

- Zoning - O-1 (O-15 prior to January 1, 1992)

- Design - Similar to Crosland Properties' successful Summerfield and award-winning Fair Market Square

- Sources and Uses of Funds -

Sources

Low-income Housing Tax Credits (North Carolina Housing Finance Agency)		$ 990,000
North Carolina Energy Trust Fund		300,000
City of Charlotte - Community Development Funds		1,836,000
Acquisition	$ 475,000	
Innovative Housing	1,361,000	
Total Sources		$3,126,000

Uses

Land		$ 475,000
Building		2,651,000
Construction Contract	$2,152,558	
Design & Engineering	81,500	
Financing Fees & Int.	68,500	
Developer's Costs	82,367	
Lease Up Expenses	24,750	
Developer's Fees	241,000	
Total Uses		$3,126,000

The above figures represent the budgeted development cost of the project.

Explanation of Step 5 - Requires City Council approval for continuation in the RFP process. Therefore, based on the above compliance review the Innovative Housing Committee recommends that the proposal be presented to City Council for their decision to continue the RFP process.

Phase III. Neighborhood Notification and Site Plan Review Phase

Step 6 - Neighborhood notification and orientation meeting with neighborhood — 30 days

Step 7 - Developers submit detailed site plan for review. The site plan review must conform with the attached site plan requirements (See Exhibit A)

Step 8 -	Appraisals of proposed site requested - Developer would be required to submit two appraisals to the City from the City of Charlotte's approved list of of appraisers. - After the City receives the appraisals, the City would have a third independent appraiser review the two submitted appraisals in accordance with the Appraisal Review Check Sheet (See Exhibit B)	
Step 9 -	Second neighborhood meeting held to review site plan.	30 days
Step 10-	Determination of appraised value of land	—
	Sub-Total	60 days

Explanation of Step 6 - The developer is requesting a modification to the 60-day neighborhood review period to a shorten period of approximately 34 days. Because of Crosland Properties familiarity with the RFP process the developer began to get feedback from the neighborhoods as soon as the land was secured, submitting information on the development immediately to various neighborhood representatives.

The initial contact with neighborhood representatives occurred on March 25, 1992 and the first neighborhood meeting was held on April 1, 1992 at the residence of Mr. Paul Frye, President of the Sturnbridge Homeowners Association. (A list of the neighborhood representative the developer has met with or contacted is attached as Exhibit 5.) The shortened neighborhood review period is needed in order for Crosland Properties to have sufficient time to apply for $300,000 in North Carolina Energy Trust Funds. The application due date is May 15, 1992. Therefore, the developer is requesting the approvals as indicated above. If approved, City Council at its April 27, 1992 meeting will be presented the proposal for final approval based on the recommendation of the Innovative Housing Committee of the McMullen Wood development.

Explanation of Step 7 - The developer has submitted a detailed site plan that Planning staff has reviewed, and suggested improvements by staff have been communicated to the developer.

Explanation of Step 8 - The developer is obtaining two appraisals of the site. One appraiser's preliminary review as indicated that the market value would be between $450,000 - $500,000. The actual appraisals will be received by April 17, 1992.

Explanation of Step 9 - If City Council approves the continuation of the RFP process and the modification to the neighborhood notification phase, City staff would officially contact all known neighborhood leaders (via Planning Commission's Neighborhood Contact List) of the proposed development.

Explanation of Step 10 - The determination of the appraised value of the land will be determined during the second Innovative Housing Committee review.

Phase IV. City Council Decision Phase

Step 11-	Innovative Housing Committee meets and makes final recommendation to City Council	5 days
Step 12-	City Council decision required - approval/disapproval of a site	20 days
	Sub-Total	25 days

Explanation of Steps 11 and 12 - If City Council approves this agenda request, there will be a second Innovative Housing Committee meeting with the developer, and the proposal will come back for City Council's consideration at its April 27, 1992 meeting.

CHARLOTTE

Exhibit 1

Request for Council Action

To the City Council from the City Manager

Action requested

Recommend City Council at its June 11, 1990 meeting approve the revised Request for Proposals process to solicit proposals to develop affordable housing units using Innovative Housing Funds.

Responsible Department

Community Development

This request should be organized according to the following categories: Background, Explanation of Request, Source of Funding, Clearances, Bibliography

Background:

On September 11, 1989, City Council approved a policy framework for expending Innovative Housing funds not allocated to the Housing Partnership. The policy allocated $1.5 million to develop 50-75 affordable housing units with proposals being solicited by the Innovative Housing Committee using the Request for Proposals (RFP) process. The units to be developed are targeted to serve families earning less than 40% of median income and living in substandard, overcrowded or unaffordable housing and are on the Housing Authority's Master List needing housing.

On February 26, 1990, City Council approved a Request for Proposals (RFP) process to develop 50 units of affordable housing for lower income families. The approved RFP was advertised on March 4 and March 8, 1990 to solicit proposals. As a result of the advertisement of the RFP, the City received proposals for 14 sites from six developers. After proper screening and review by the Innovative Housing Committee, 4 of the 14 sites were recommended to City Council for approval.

On May 21, 1990, City Council approved 3 of the 4 recommended sites and authorized Innovative Housing Funds to be expended in the amount of $2,407,000 in order to develop 150 housing units. However, City Council expressed the following concerns about the RFP process:

1) that there was not adequate neighborhood notification;
2) that a site plan review process be incorporated prior to City Council approval; and
3) that housing sites submitted be professionally appraised prior to City Council approval.

APPROVED BY CITY COUNCIL
JUN 11 1990

Pat Sharkey
City Clerk

Explanation of Request:
As a result of City Council's direction at its May 21, 1990 meeting, City staff comprised of the City Manager's office, Planning Commission, Real Estate Division, and Community Development Department met and developed the following revised RFP process:

Revised RFP Process

		Time
I	**Solicit Request for Proposals Phase**	
	Step 1 - Advertise RFP to developers	30 days
	Step 2 - Hold pre-proposal conference	
	Step 3 - Submission deadline	
	° Sub Total	30 days
II	**Financial and Policy Compliance Review Phase**	
	Step 4 - Review by Innovative Housing Committee to screen proposals for compliance with RFP requirements and make recommendations to City Council	15 days
	Step 5 - City Council approve the selected proposals for continuation in the process	20 days
	° Sub Total	35 days
III	**Neighborhood Notification and Site Plan Review Phase**	
	Step 6 - Neighborhood Notification and orientation meeting with neighborhood	30 days
	Step 7 - Developers submit detailed site plan for review. The site plan review must conform with the attached site plan requirements (see Exhibit A).	
	Step 8 - Appraisals of proposed sites requested ° Developer would be required to submit two appraisals to the City from the City of Charlotte's approved list of appraisers; ° After the City receives the appraisals, the City would have a third independent appraiser review the two submitted appraisals in accordance with the Appraisal Review Check Sheet (see Exhibit B)	
	Step 9 - Second neighborhood meeting held to review site plan.	30 days
	Step 10 - Determination of appraised value of land	
	° Sub Total	60 days
IV	**City Council Decision Phase**	
	Step 11 - Innovative Housing Committee meets and makes final recommendation to City Council	5 days
	Step 12 - City Council decision required - approval/disapproval of a site	20 days
	° Sub Total	25 days
	TOTAL	150 days

There are four phases and twelve steps to this process which would take approximately five months from start to finish. The City Manager would keep Council advised on the status of the RFPs throughout the process. With City Council approval, we would initiate the RFP process at least five months before the required submission deadline for the North Carolina Housing Finance Agency tax credit applications. If City Council chooses to direct staff to seek RFPs for our FY91 funding, it is anticipated that approximately $1.5 million would be available to develop 50 units of housing.

It is recommended that City Council approve the revised RFP process to solicit proposals to develop affordable housing units using Innovative Housing Funds.

Source of Funding.
Innovative Housing Funds

Clearances.
City Manager's Office, Planning Commission, Real Estate Division and Community Development Staff.

Bibliography:
Files located in the Community Developmet Department.

EXHIBIT A

CHARLOTTE-MECKLENBURG
PLANNING COMMISSION

INTER-OFFICE COMMUNICATION

DATE June 1, 1990

FROM Walter G. Fields, III
Land Development Manager

TO: Pamela A. Syfert
Deputy City Manager

Julie E. Burch
Assistant City Manager

J.W. Walton, Director
Community Development Department

SUBJECT

Attached is the proposed site plan requirements for the City assisted (innovative) housing projects that we discussed Friday morning.

If you have further comments, please give me a call.

WGFIII/RCH:sls

cc: Martin R. Cramton, Jr.

Minimum Site Plan Requirements for
City Assisted (Innovative) Housing Projects
(For Staff and City Council Review before approval of site)

Eight (8) copies folded to 8 1/2" X 11" of a schematic site plan, drawn to scale (no smaller than 1"=60' and at a minimum size of 24" X 36", which includes the following items:

(a) a boundary survey showing the total acreage, net acreage (less any street r/w), number of units and parking spaces, present zoning classification(s), date, north arrow & vicinity map;

(b) adjoining property lines and tax parcel numbers of current adjoining property;

(c) all existing easements, reservations and rights-of-way, and all yards required for the zoning district requested (show minimum ordinance requirements for setback, side and rear yard requirements for proposed zoning district) and proposed setbacks (including any transitional setbacks if applicable) and yard spaces;

(d) land uses immediately adjoining site and across any street, including driveway locations;

(e) existing topography of site at four-foot contour intervals and for adjoining property a distance of 200' from subject site;

(f) proposed building footprints along with number of stories and location of refuge collection points;

(g) arrangement of parking, circulation and access points;

(h) proposed topography of site at 4-foot contour intervals, and indicate general area of storm water detention;

(i) location and size of any existing large (greater than 12 inches in diameter) trees on site and indicate which trees will be saved as well as trees in tree protection zone (see Tree Ordinance);

(j) any accessory uses such as laundry rooms, play areas, swimming pools, club houses, storage buildings etc;

(k) architectural elevations of units for purpose of evaluating height, roof design, building materials and general character.

(l) landscape concept plan which provides information on edge and entrance treatments and interior landscaping;

(m) In the design of a multi-family site, particular attention should be given to the following:

- mass, bulk height, and orientation of proposed buildings;
- retention of existing vegetation and proposed screening including type such as plant materials, berming, fencing (show cross-sections);
- minimizing grading of site, particularly along project boundary and public streets;
- the site's edge and relationship to adjoining properties;

EXHIBIT B

CITY OF CHARLOTTE
Appraisal Review Check Sheet

Project _____ Appraiser _____
Project Number _____ Type _____
Parcel No. _____ Checked By _____ Date _____

Owner(s) _____ Reviewed By _____ Date _____

---

1. Summary Sheet ____
2. Certificate ____
3. Inspection of Property ____
4. Description of Land ____
5. Description of Improvements ____
6. Zoning ____
7. Highest and Best Use ____
8. History of Property ____
9. Mkt. Data Approach Before ____
10. Cost Approach Before ____
11. Income Approach Before ____
12. Correlation ____
13. Description of Taking
    - Land ____
    - Improvements ____
14. Description of Remainder
    - Land ____
    - Improvements ____
15. Zoning ____
16. Highest and Best Use ____
17. Effects of Taking ____
18. Mkt. Data Approach After ____
19. Cost Approach After ____
20. Income Approach After ____
21. Correlation ____
22. Addenda Paragraph ____
23. Allocation ____
24. Photographs of Subject ____
25. Sketch of Subject Property ____
26. Floor Plans ____
27. Comparable Sales ____
28. Photographs of Sales ____
29. Sales Location Map ____
30. Partial Taking of Building Affidavit ____
31. Parcel Log ____

COMMENTS

UPDATED THROUGH: April 2, 1992

MCMULLEN WOOD APARTMENTS
NEIGHBORHOOD CONTACTS & COMMENTS

COMMUNITY & CONTACT PERSON	CONTACTS	COMMENTS	FURTHER ACTIONS
Sturnbridge Neighborhood Assoc Paul Frye 4301 Meadowbridge Dr. Charlotte, NC 28226 542-1104 541-0352 (Machine)	3/25-wcb 3/29-called RML at home 4/1-Gave aerial,etc Met at his home	After describing the proposed project, Mr. Frye said the project seemed reasonable, not like the proposal for the Grimmer site. He felt his members would not strongly object to our proposal.	Crosland to provide him 180 info. letters, which he can distribute to his members, by 4/3.
Southeast Coalition of NA Marsha Elliott 5427 Crosshill Court Charlotte, NC 28226 846-4987	3/25-Reviewed proposal by phone	No serious objections. Said she'd probably meet us at the same time we met Geo. M. et al Expected to see her at Paul Frye's home on 4/1 but she wasn't there.	Send briefing kit-aerial photo etc. by 4/3.
Shadowlake HOA Hank McManus 5933 Tillery Dr. Charlotte, NC 28226 543-0455	3/25-Reviewed proposal by phone 3/27-Met at Summerfield Gave aerial,etc	No objections. Thanked me for the courtesy of showing him Summerfield. Supported concept that low income households need decent places to live too.	Hank to contact Crosland if his HOA Board wants a presentation, which Hank doubted. Referred us to Irving Schwabel,current HOA President.
Irving Schwebel 5900 Tillery Drive Charlotte, NC 28226 846-5588(O) 541-2639(H)	3/25-wcb 3/26-Reviewed proposal by phone	No objections. Said he might meet us when we met with Geo. M. et al, but was not at Paul Frye's house 4/1.	Crosland to provide him 180 info. letters, which he can distribute to his members, by 4/3.
Renaissance Gardens HOA Bridget Healy PO Box 2546 Charlotte, NC 28204 542-0837	3/25-Not home 3/30-Reviewed proposal by phone	Felt the proposal would create traffic Park Rd. couldn't handle, even after widening. Also, would contribute to racial tipping in area and make it harder to sell condos, now heavily rented by owners unable to sell.	She will call Crosland staff after HOA annual meeting 4/7, if they would like a group presentation, which she doubted.

Exhibit 2

Quail View/Asherton HOA Larry Martin 4246 Asherton Dr. Charlotte, NC 28226 542-2231	3/25-wcb 3/26-He called RML at home & RML reviewed proposal by phone	No objections. Said he might meet with us at same time as Geo.M. et al., but wasn't there.	RML to call by 4/8 to see if any remaining questions.
Park Crossing Owners Assoc. M.E. "Gene" Morrison P.O. Box 11390 Charlotte, NC 28220 541-9766(H)/333-7149(O)	3/26-Reviewed proposal by phone 3/27-Met at Summerfield Gave aerial,etc	No objections. Said he couldn't see how our project could adversely impact his members.	Gene to post the aerial photo & other materials about the project on the Park Crossing B-Board. He said he'd have members with
Park Ridge HOA Steve Jankowski 8219 Trailview Dr. Charlotte, NC 28226 525-8962 O 542-8750 H	3/25-wcb		questions call, if there are any. Has not called back. RML to call by 4/8.
Falconbridge Neighborhood Assc Michael Thrift 10931 Osprey Dr. Charlotte, NC 28226 889-7262 O 542-8642 H	3/26-Reviewed proposal by phone 3/31-Scheduled to meet at Summerfield. No show.	No objections during our review by phone. Expressed an interest in seeing Summerfield because he was not familiar with Crosland's affordable rental communities.	Failed to meet at Summerfield on 4/1 as scheduled. RML to call by 4/8 to see about a reschedule.
Carmel Chase HOA Glen Dickson	4/1-No answer.		
Charlotte, NC 28226 342-2282			
Carmel Coalition George Maloomian 5531 Kelly Grange Pl. Charlotte, NC 28226 364-2393 O 542-7531 H	3/23-wcb 3/25-Reviewed proposal by phone 4/1-Met at Paul Frye's home.	He said during our 4/1 meeting that 90% of the problems he had with the 1990 Carmel Rd. proposal on the Grimmer site were gone due to this site and Crosland's management ability. Later, he said he had no objections.	Crosland to provide him 170 info. letters, which he can distribute to his members, in Quail View and Asherton, by 4/3. Also, copies of the information letter for:

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Carmel Forest Association David Bagby 4253 Carmel Forest Dr. Charlotte, NC 28226 543-1260	3/27-wcb 4/1-na		Carmel Forest (50); Carmel South (145); and Carmel Valley (135) Continue to call until contact is made.
Sturnbridge Marcia Gillis 542-0627(H) 542-1100(O)	3/25-Reviewed proposal by phone	Former officer of Sturnbridge HOA referred me to Paul Frye. We discussed the proposal. No objections.	
Carmel South HOA, Inc. Joseph Calby 5308 Wingedfoot Rd. Charlotte, NC 28226 542-0688	3/25-na 3/27-na 4/1-na		
Carmel Station Garden Club Ken Bednar Charlotte, NC 28226 541-1749	3/25-Reviewed proposal by phone 4/1-Met at Paul Frye's house	No objections when we discussed the proposal by phone. Attended the meeting at Paul Frye's house on 4/1 and continued his position of no objection.	Crosland to provide him 160 info. letters, which he can distribute to his members, in Carmel Station, by 4/3.
Carmel Valley HOA, Inc. Joe Heckenbach 4008 Foxmoor Dr. Charlotte, NC 28226 587-6323 O 541-5863 H	3/27-Reviewed proposal by phone	No objections. Works at General Tire near Summerfield. Intends to drive past S-field on own. Will call RML if he has questions or if members want to see Summerfield.	

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Cooperfield
Larry Johnston
10623 Lighthouse Lane
Pineville, NC 28134
542-5855

Library Management Charles Williams Carmel Branch Library 6624 Walsh Blvd. Charlotte, NC 542-0401	3/27-Visited library gave in-person briefing	No objection. Indicated Library leased the building and referred me to the owners.	Contact Library building owners.
Library Owners Jerry Clark F.C.W. Properties 128 S. Tryon St. S-1850 Charlotte,NC 28202 374-1807	4/1-Reviewed proposal by phone	No objection. He said he was confident that Crosland would do its usual good job .	No follow-up necessary

PREPARED BY: ROGER M. LEWIS 03-Apr-92

Walsh Boulevard Acreage Owner (+/-30ac) Rick Warmre G.S.C. Realty 10440 North Central Expy S-900 Dallas, TX 75231 (214)360-3382	4/1-Reviewed proposal by phone	No objection. Was particularly interested in our long history with affordable housing	RML to send aerial photos of site and snapshots of Hollis House apartments to show our ability to successfully manage affordable housing for long periods (14+yrs)
Cedar Creek Apartments Don Ward, President Sun Creek Management (Managing Agent)	4/1-Reviewed proposal by phone	No objection. Wondered if we'd someday have to fence the common property line to keep our kids from trying to use their pool.	

Will Fulton National Realty Advisors, Inc. 10670 N.Central Expy S-300 Dallas, TX 75231 (214)692-4700	4/1-Reviewed proposal by phone	No objection. Seemed particularly interested in the substantial separation between our two projets across McMullen Creek.	RML to send aerial photos,etc.
Montibello Laurie McKay 5510 Hillingdon Rd. Charlotte, NC 28226 541-0496	4/1-Reviewed proposal in person at Paul Frye's house.	No objections.	Crosland to provide her 525 info. letters, which she can distribute to her members, in Montibello by 4/3.
Sykes Enterprises Inc. John H. Sykes, President 7725 Little Avenue Charlotte, NC 28226 542-7100	3/26-Visited office. Mr. Sykes away travelling 3/30-Reviewed proposal by phone with Susan Cameron 3/31-Sent aerials & letter.	Ms.Cameron was noncommital but thanked me for the courtesy of my briefing. She said that Mr. Sykes travelled extensively. She recommended that I write.	RML to call to be sure Mr.Sykes has rec'd letter & has no questions. SEI Blg. is across Walsh Boul. from proposed site.

PREPARED BY: ROGER M. LEWIS 03-Apr-92

Treva Wood Condominiums Betty Lupton 7935 Charter Oak Drive Charlotte,NC 28226 364-3120(O) 542-8286(H)	3/31-wcb 4/1-Reviewed proposal by phone	Said she didn't see a thing a low income project would do for the condo owners already facing great difficulties with resales and with many units being rented. She said we were "no friend of hers" if we built this project near their condos.	RML to send aerial photos,etc. RML to meet with the condo owners or HOA board, if they decide they would like such a meeting.

Exhibit 3A

II.B.1. Neighborhood Impact Assessment
Schools Letter

Charlotte-Mecklenburg Schools
Post Office Box 30035
Charlotte North Carolina 28230
Telephone (704) 379 7000

John A. Murphy
Superintendent

March 13, 1992

Mr. Roger Lewis
Crosland Properties
135 Scaleybark Rd.
Charlotte, NC 28220

Dear Roger:

As we have discussed in the past, the school system is very supportive of proposals designed to provide affordable housing in south and southeast Charlotte. While we recognize that race is not a factor in marketing, leasing, and selling affordable housing, the high correlation between race and family income within our county does lead to a high proportion of black families residing in affordable housing ventures such as the recently completed Fairmarket Square.

The site you have identified in census tract 30.08 is in an area served by Beverly Woods elementary school. A consultant retained by the superintendent has recommended that Beverly Woods elementary school serve grades K-5 (it presently serves only grades K-3) and that the current arrangement in which the Beverly Woods area is "paired" with an inner city school be discontinued. If the superintendent and Board Of Education support this recommendation, it will be necessary to attract additional black students to Beverly Woods in order to provide racial balance within the school. Your proposal would help attract black families to that area of the county.

If I can provide any information that will be helpful as you proceed with your proposal please call me.

Sincerely,

Chuck Dulaney

Chuck Dulaney
Director of Planning Services

c: Jeff Schiller and Calvin Wallace

CHARLOTTE - MECKLENBURG PLANNING COMMISSION

March 13, 1992

Mr. Roger Lewis
Crosland Properties
135 Scaleybark Road
Charlotte, North Carolina 28209

Dear Roger:

I have reviewed the site proposed by Crosland Properties for 55 units of affordable apartments on Johnston Road north of Highway 51 and have identified the following issues:

1) It is appropriately zoned, presently being zoned for office, however, the draft South District Plan proposes to rezone the entire parcel to Multi-Family with a designation of 12 units per acre. Either zoning would accommodate your porposal.

2) The site is appropriately located near numerous job and retail opportunities.

3) Finally, you need to be aware that the creek that runs through the property is designated as a greenway. You should check with Nancy Brunnemer with the Mecklenburg County Park and Recreation Department to see what their needs are.

This site seems to fit Council's objective of placing this type of housing in this community.

Sincerely,

Dave

David A. Howard,
Community Planning Manager

DAH;mc

600 East Fourth Stree • Charlotte North Co olina 28202 2853 • (704) 336 2205

Exhibit 3C

CHARLOTTE

March 26, 1992

Mr. J. W. Walton, Director
Community Development Department
City of Charlotte
600 East Fourth Street
Charlotte, NC 28202

Dear Mr. Walton:

The staff of the Community Relations Committee has reviewed the proposal for the City's Innovative Housing Program, McMullen Wood by John Crosland Company and the Community Development's staff analysis of that proposal.

The Community Relations Committee staff has no additional information than that which is presented. Considering the demographics, there seems to be no reason to gather additional information.

If you have any questions, please feel to call.

Sincerely,

Jack L. Bullard, Director
Community Relations Committee

Charlotte Mecklenburg Community Relations Committee
817 East Trade Street Charlotte, NC 28202 704/336 2424 (TTY)

Exhibit 4

Crosland Properties

704 529 6098

135 Scaleybark Rd Charlotte North Carolina 28209
P O Box 11797 Charlotte North Carolina 28220

KEY FACTS

Proposed McMullen Wood Apartments

The Project

26 - 2 BR - 835 S F
26 - 3 BR - 1070 S.F
3 - 4 BR - 1280 S.F
55 - Total garden apartment units

Rents/Population Served - Households earning 40% and below the median income.

	Unit Rent	Min - Max Income	
		4-Person	6-Person
Proposed Opening Rents and Income Ranges for 4 & 6 Person Households	2 BR - $240/mo	$11,200 - $16,800	N/A
	3 BR - $270/mo	$12,300 - $16,080	$12,300 - $18,653
	4 BR - $300/mo.	$13,500 - $16,080	$13,500 - $18,653

Design Similar to Crosland's successful Summerfield and award-winning Fairmarket Square

Location 6.711 acres on Walsh Blvd. near the library at Johnston Rd. and near Rte. 51 in priority census tract 30.08 in South Charlotte. 0-1 zoning (0-15 prior to 1/1/92)

Neighborhood Walsh Blvd is largely undeveloped, a wooded enclave in an area of elegant homes, luxury market rate apartments, modern offices, and extensive retailing We believe this site has the best urban support of any affordable housing proposal of the past several years

Financing A first mortgage loan from the City of Charlotte; a second mortgage from the NC Energy Turst Fund and equity from the sale of tax credits.

Ownership/Management The project will be owned by a Crosland affiliate, built by Crosland Contractors and managed by Crosland Properties.

Background:

- The initial code enforcement action at 1929 Woodcrest Avenue began in November 1979 and was dismissed in February 1985. In August 1988 the dwelling was cited for exterior violations and the case was closed out in December 1988. In December 1989 the property was inspected through our Concentrated Code Enforcement Program due to damage from Hurricane HUGO.

- The inspection revealed that the repair cost exceeded the value of the property by 161%; therefore, the property was ordered to be demolished by June 14, 1990. Mr. and Mrs. McLaughlin advised they wanted to repair the structure; therefore, a Supplement Findings of Fact and Order was issued to repair the structure by May 2, 1991.

- As of May 6, 1991 Mr. and Mrs. McLaughlin had corrected only 15% of the violations. On September 23, 1991 City Council approved an ordinance to demolish the property at 1929 Woodcrest Avenue using the In Rem Remedy.

- Subsequently, Mr. and Mrs. McLaughlin and their attorney, Luke Largess, appeared at City Council's December 9, 1991 meeting and requested approval to repair their house. City Council approved giving the McLaughlins 90 days to make the repairs to their house.

- At the January 13, 1992 Council meeting, Luke Largess requested a clarification regarding Council's previous action; and Council advised that the McLaughlins had until March 1, 1992 to present a plan and financing alternative to repair their property and that no building permit was to be issued.

- On March 13, 1992 a letter was received from the Luke Largess, Glenn and Carolyn McLaughlin and Frank Benner which serves as an application for funds to rehabilitate the McLaughlins house at 1929 Woodcrest Avenue. The letter includes an estimate of $47,405 from the Benner Construction Company to repair the house. (Exhibit A)

- CD staff has analyzed the bid estimate to determine if the bid will correct the identified Housing Code violations. It was determined that there could be approximately $10,000 in hidden repairs in the roof and floor systems that were not identified in the estimate. Therefore, it is estimated that it will take approximately $57,000 to repair the structure at 1929 Woodcrest Avenue. Prior to dispersal of funds, the City will be furnished a signed contract between Mr. and Mrs. McLaughlin and Benner Construction Company indicating the work to be performed, the contract period and the contract amount.

  CD staff also obtained references from Benner Construction Company and has reviewed some of Mr. Benner's work. Mr. Benner does very good work and is capable of handling a job of this size.

- The law firm of Ferguson, Stein, Watt, Wallas, Adkins & Gresham will serve as the financial manager of the project for Mr. and Mrs. McLaughlin. All City funds loaned for the rehabilitation of the property will be disbursed to the law firm as part of the escrow agreement. The

law firm will disburse payments to contractors and suppliers on behalf of Mr. and Mrs. McLaughlin. Any funds not expended from the loan will be credited to the McLaughlins. The law firm will receive a commission of four percent (4%) of the total cost of the project for its services, or $2,280. Attached as Exhibit B is the escrow agreement between the City, the law firm and Mr. and Mrs. McLaughlin.

- Because of the past reluctancy of Mr. and Mrs. McLaughlin to repair their house and incur a debt to bring their house up to minimum Housing Code standards, the following safeguard has been established:

  If Mr. and Mrs. McLaughlin do not have the loan closing within 30 days of City Council's approval of the loan and complete the rehabilitation work within 120 days of loan closing, the City Manager will be authorized to implement the previously approved In Rem demolition ordinance.

  However, if Mr. and Mrs. McLaughlin have the loan closing within 30 days of City Council's approval of the loan and complete the rehabilitation work within 120 days of loan closing, the City Manager will be authorized to rescind the previously approved In Rem demolition ordinance.

- Borrowers' Loan Analysis:

Homeowner:	Glenn and Carolyn McLaughlin
Address:	1929 Woodcrest Avenue
Age:	68 and 65 respectively
Family Composition:	Mr. and Mrs. McLaughlin and their 41 year old daughter
Monthly Income:	$3,302.43
Source of Income:	Baldor/Powertron (Mr. McLaughlin) Veterans Administration (Mr. McLaughlin) Social Security (Mr. & Mrs. McLaughlin)
Household Income:	110% of median income for a family of three. (Since the Rehabilitation Loan Program requires that a borrower earn 80% or less of median income, an exemption to this requirement is being requested for the McLaughlins.)

Analysis of household income:

Gross Monthly Income	$3,302.43
Less Federal Taxes	- 158.61
	$3,143.82
	x 30%
Available for Housing	$ 943.15
Less Taxes & Insurance (Est.)	- 59.49
Available for Loan Payment	$ 883.66

The Rehabilitation Loan Program states that a family is to pay no more than 30% of their gross monthly income, less federal taxes, toward housing expense. (Housing expenses are defined as principal and interest payments, real estate taxes and insurances.)

Type of assistance:

Loan Amount	$61,712
Interest Rate	3%
Term	30 Years
Monthly Payments	$260.43

After rehabilitation appraised value of property: $95,000

- Mr. McLaughlin is 68 years of age and hopes to retire soon; therefore, at the time of his retirement, his income will be reverified and the loan will be refinanced. When Mr. McLaughlin retires, the household income will be less than 80% of the median income.

Ben Edward

EXHIBIT A

FERGUSON STEIN WATT WALLAS ADKINS & GRESHAM PA

ATTORNEYS AT LAW

SUITE 730 EAST INDEPENDENCE PLAZA
700 EAST STONEWALL STREET
CHARLOTTE NORTH CAROLINA 28202
TELEPHONE (704) 375 8461
TELECOPIER (704) 334 5654

SUITE 2 FRANKLIN SUITES
312 WEST FRANKLIN STREET
CHAPEL HILL NORTH CAROLINA 27516
TELEPHONE (919) 933 5300
TELECOPIER (919) 967 4953

IN CHAPEL HILL
ADAM STEIN
THOMAS M STERN

JAMES E FERGUSON II
ADAM STEIN
MELVIN L WATT
JONATHAN WALLAS
KARL ADKINS
JOHN W GRESHAM
LESLIE J WINNER
GERALDINE SUMTER
THOMAS M STERN
C MARGARET ERRINGTON
ANITA S HODGKISS
S LUKE LARGESS
TRICIA L TOWNES
VERDA M ANDREWS

March 13, 1992

Mr. J. W. Walton
Director of Community Development
700 East Fourth Street
Charlotte, NC 28202

Dear Mr. Walton:

Please let this letter, including the attached estimate by the Benner Construction Company, serve as an application to Community Development by Carolyn and Glen McLaughlin for funds to rehabilitate their home at 1929 Woodcrest Ave. The McLaughlins have signed this document to affirm their commitment to the proposal contained in it. The McLaughlins are asking to borrow community development funds from the City of Charlotte to rehabilitate under the following conditions:

1. The McLaughlin's have applied for conventional bank financing and been turned down. That rejection is attached.

2. They ask the City to loan them sufficient funds to pay the Benner Construction Company to rehabilitate their house to make it conform with all applicable housing codes.

3. That the estimate of $47,405.00 described in the attached document is only an estimate. The actual amount of repair could be more or less than that amount, but the McLaughlins and Mr. Frank Benner certify that that is a reasonable estimate of the total cost of rehabilitating the property.

4. That Benner Construction Company will work in cooperation with the McLaughlins in all phases of rehabilitation and will make every effort to proceed with the work as inexpensively as possible.

5. The Benner Construction Company and the McLaughlins will provide the City with a timetable for completing different phases of the project.

6. The law firm of Ferguson, Stein, Watt, Wallas, Adkins & Gresham, through its associate Luke Largess, will serve as the financial manager of the project for the McLaughlins. All City funds loaned for the rehabilitation of the property will pass through the Ferguson, Stein law firm. All payments to contractors and suppliers will be made by Ferguson Stein on behalf of the McLaughlins. The Law Firm will receive a commission of ~~four~~ percent 4%(~~3%~~) of the total cost of the project for its services.

7. In all, the McLaughlin's ask the City for authorization to borrow up to $50,000 at 3% interest payable over 20 years.

This the 13th day of March, 1992.

S. Luke Largess
S. LUKE LARGESS

For: Ferguson, Stein, Watt, Wallas,
Adkins & Gresham, P.A.

Carolyn McLaughlin
CAROLYN MCLAUGHLIN

Glen McLaughlin
GLEN MCLAUGHLIN

Frank J. Benner
FRANK BENNER

ESTIMATE

for the repair of a residence at

1929 Woodcrest Ave.

prepared by The Benner Construction Co
13517 Capriole Lane
Matthews, N C 28105

tel (704) 847-2434

Case 8905658

duplication of EXHIBIT A - LIST OF VIOLATIONS
with estimated repair costs

1 Plaster ceiling material has fallen in upstairs hallway and one room		$ 980
remove damaged plaster and lath	$260	
remove debris	260	
replace plaster & lath with drywall	460	
3 All plaster ceiling material at living room has fallen		
(see item # 4)		
4 Wood lath backing at living room ceiling decayed with large hole		$ 2040
remove debris	$575	
repair floor	375	
remove plaster and lath	190	
repair damaged ceiling members	240	
replace plaster & lath with drywall	360	
6 Ceiling material pulling loose at front, right side room		$ 830
remove debris	$400	
remove plaster and lath	190	
replace plaster & lath with drywall	240	
7 Ceiling material buckling and loose at dining room.		$ 890
remove debris	$400	
remove ceiling material	200	
install drywall ceiling material	290	
8 All ceiling material falling at right side bedroom.		$ 880
remove debris	$400	
remove ceiling material	190	
install drywall ceiling material	290	
9 Wall material missing in hall		$ 60
repair wall finish in downstairs hall as needed		
10 Majority of ceiling material has fallen at back room/porch with remainder loose and sagging		$ 730
remove debris	$250	
remove ceiling material	30	
bring framing up to building code	450	

12	Front porch wood ceiling material heavily damaged with large area torn out and missing remove debris $300 remove ceiling material 120 install plywood ceiling material 240	$ 660
14	Paint peeling on walls, ceilings and trim throughout. scrape and remove loose, peeling paint scrub surfaces to be painted paint walls, ceilings, and trim	$ 4,500
15	Walls, ceilings and trim unclean and in need of painting throughout	(see #14)
* 17	Broken and leaking plumbing in crawl space. Repair broken & leaking plumbing in crawl space. Remainder of plumbing unable to be checked due to lack of running water	$ 100 (estimated)
18	Bathroom flooring badly damaged with loose and missing ceramic tile remove bath flooring $140 remove debris 80 repair damaged floor members 150 install plywood 60 install vinyl floor covering 250 Remove & reset existing fixtures 80	$ 700
20.	Bathroom floor not impervious to water (see # 18)	
21	Flooring unclean and uneven throughout sand and refinish floors throughout	$ 2860
22	Electrical service pulled loose from structure (see # 24)	
23	Defective receptacle at breakfast nook. (see # 24)	

35	Exterior wall covering missing at back of house (where electrical service enters) complete boxing and exterior trim	$ 450
* 37	Exterior brick wall at carport heavily damaged and out of plumb brick has been repaired Labor and materials to complete exterior finish at carport area (carport area was unaccessable) price is for completion of exterior trim at carport walls	$ 750
* 39	Exterior wall brick column broken This item has been repaired by others	
40	Exterior paint peeling on all wood surfaces including windows scrape and clean exterior paint repaint exterior as required	$ 4200
41	Exits to upstairs bedroom blocked unable to inspect attic area	$ 250
42	Front door not weathertight install weatherstripping and thresnold	$ 150
* 43	Exit blocked at right side room (unable to inspect) appx repair ceiling Other damage not assessed	$ 800
44.	Back door not weathertight with large cracks at side and bottom install weatherstripping and threshold	$ 150
46	Window sash broken at front, right side room remove and replace sash	$ 260
47	Two broken window panes at dining room remove and replace broken panes	$ 20
48	Three broken window panes at rear dormer remove and replace broken panes	$ 30

24	Electrical wiring and fixtures throughout damaged by fallen tree or exposure to water Repair wiring as needed bring necessary wiring into compliance with electrical codes	$ 3800
26	Heating equipment inoperable with all vents covered and/or filled with debris bring HVAC equipment and ducts into compliance with mechanical codes	$ 4200
28	Kitchen cabinets decayed remove existing kitchen cabinets install cabinets, countertop, & sink	$ 850
29	Bathroom equipment unclean clean and disinfect bathroom equipment	$ 100
30	Water heater inoperable remove and replace water heater	$ 350
31	Wood stiff knee pier at kitchen area. remove stiff knee dig & pour new footing replace with masonry pier	$ 100
32	Hole in front foundation wall. repair the holes	$ 10
33	Rotten floor joists and flooring at back room/porch remove debris remove flooring as needed remove & replace floor joists as needed install plywood subfloor install vinyl floor covering	$1100
34	Evidence of rodent infestation. set out poison and traps	$ 350

49 Window glass broken at front remove and replace broken glass	$ 30
50 presswood ceiling decayed at left side of front porch remove damaged ceiling material repair damaged rafters install plywood ceiling (price allows for using plywood presently on job site)	$ 650
51 Bottom steps at basement stairs decayed and broken remove existing stairs install new stair stringer and treads	$ 175
52 several window screens missing install new window screens as required	$ 170
53 Several window screens have torn screening install new window screens as required	$ 40
54 No back door screen install new screen door	$ 150
* 55 Major damage to roof system. (UNABLE TO INSPECT DUE TO LIMITED ACCESS TO LIVING AREAS & ATTIC). note outside appearances seem to indicate repair has been made unable to inspect from interior	$ _____
* 56 Rafters and roof sheathing damaged over living room and front porch (UNABLE TO INSPECT DUE TO LIMITED ACCESS TO LIVING AREAS & ATTIC) (see note @ # 55)	$ _____
* 58 roofing torn off at rear and front (see note @ #55)	$ _____
59 Facia and soffit material badly damaged at front, left side remove damaged material and replace paint new materials	$ 1800

* 60	Chimney top broken off remove and rebuild broken top (see note @ # 55)	$
61	Excessive mounts of junk and debris throughout house and yards haul away debris to acceptable levels	$ 1250
* 63	Note unable to make a complete or thorough inspection due to heavy accumulation of junk and debris	
65	Dilapidated outbuildings remove or repair out buildings	$ 650
66	Roofing and rafters rotten at back room/porch remove and repair rafters and roofing as required NOTE some repairs have been made satisfaction of results cannot be evaluated due to lack of access	$ 650
67	Large trees down in front and back yards	$ 500
68	All fencing not structurally sound and in a dilapidated condition	$ 600
* 70	Note unable to inspect insulation, must be r-19 Utilities not operable at time of inspection, unable to check plumbing or electrical fixtures	$
	SUBTOTAL OF INCLUDED ITEMS	$40,295
	PROFIT, OVERHEAD, & CONTINGENCY	7,405
	TOTAL ESTIMATE OF REPAIRS	$47,405

***** GENERAL NOTES *****

1 All repairs to be made in accordance with minimum residential building codes
2 This estimate does not include material, labor, or special handling of hazardous materials or coatings Should those be encountered, additional cost to the homeowner will be required
3 This estimate is limited in scope to those items listed above and does not address additional items which may be found during construction or during subsequent inspections
4 No allowance is made for new light fixtures or appliances which may be required

***** ITEM NOTES *****

* 17 Water service has been discontinued rendering valid assesment of plumbing problems impossible
* 37 Brick column at carport has been repaired by others Interior of carport is not accessable due to locked condition Exterior of carport has been partially enclosed, and will require additional effort to complete Price includes only completion of exterior details and does not address interior conditions
* 39 Brick column has been repaired by others and seems to be acceptable
* 40 Access to room is severely limited by debris piled against the back of the door Ceiling could only be seen through 6" door opening Structural repairs required could not be assessed
* 55 Roofing repairs have been made by others I am unable to assess the quality or significance of the repairs due to lack of access to those attic areas involved
* 56 Exterior appearances would suggest that repairs have been made. Again, it is not possible to evaluate the significance of those repairs without new avenues of access
* 58 See note # 55 above
* 60 Top of chimney has been repaired by others
* 63 House is filled with debris, rendering complete and proper assessment of damages to limited scope
* 70 Lack of access to attic area does not allow for evaluation of present insulation

Statement of Credit Denial, Termination, or Change (Consumer Credit)

WACHOVIA

Date 12-13-91

Applicant s Name and Address

GLENN I McLaughlin
CAROLYN B McLaughlin
1929 WOODCREST AVE
CHARLOTTE, N.C 28203

Type Of Account

- [x] Loan
- [ ] Line of Credit
- [ ] Credit Card
- [ ] Other 5000 00 IL LOAN

Action Taken

- [x] Denial of application
- [ ] Termination of account
- [ ] Change

Part I — Principal Reason(s) For Credit Denial, Termination, Or Other Action Taken Concerning Credit

- [ ] Credit application incomplete
- [ ] Insufficient number of credit references provided
- [ ] Unacceptable type of credit references provided
- [x] Unable to verify credit references
- [ ] Income insufficient for amount of credit requested
- [ ] Excessive obligations in relation to income
- [ ] Assets insufficient for amount of credit requested
- [ ] Unable to verify income
- [ ] Length of residence
- [ ] Temporary residence
- [ ] No credit file
- [ ] Limited credit experience
- [ ] Poor credit performance with us
- [ ] Delinquent past or present credit obligations with others
- [ ] Temporary or irregular employment
- [ ] Unable to verify employment
- [ ] Length of employment
- [ ] Value or type of collateral not sufficient
- [ ] Bankruptcy
- [ ] Garnishment attachment foreclosure, repossession collection action or judgment
- [ ] Other specify

Part II — Disclosure Of Use Of Information Obtained From An Outside Source
This section should be completed if the credit decision was based in whole or in part on information that has been obtained from an outside source

- [x] Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency listed below You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you

Name The CHARLOTTE Credit BUREAU

Address 1515 MockingBird LN CLT N C 28207 Telephone Number

- [ ] Our credit decision was based in whole or in part on information obtained from an outside source other than a consumer reporting agency Under the Fair Credit Reporting Act you have the right to make a written request no later than 60 days after you receive this notice for disclosure of the nature of this information

If you have any questions regarding this statement, you should contact

Wachovia Bank of North Carolina N A

Street Address 801 KENILWORTH AVE CHARLOTTE N.C 28204 Telephone Number 704-378 5022

By

Notice

This federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race color religion national origin sex marital status age (provided the applicant has the capacity to enter into a binding contract) because all or part of the applicant s income derives from any public assistance program or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act The federal agency that administers compliance with this law concerning this creditor is Comptroller of the Currency Consumer Examinations Division Washington D C 20219

(5-91)

EXHIBIT B

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

ESCROW AGREEMENT

The following ESCROW AGREEMENT is made between the Law Firm of Ferguson, Stein, Watt, Wallas, Adkins and Gresham, P.A. ("Law Firm"), Glen and Carolyn McLaughlin ("Homeowner"), and the City of Charlotte, North Carolina ("City") in reference to funds to be loaned to the Homeowner by the City for the rehabilitation of the Homeowner's property at 1929 Woodcrest Ave.

1. Upon the approval by the Charlotte City Council of the requested rehabilitation loan, and after the necessary documents have been signed, the City will lend Homeowner $61,712.00 to be used for the costs, described in paragraph three, associated with the rehabilitation of the property at 1929 Woodcrest Ave.

2. The City's role in the rehabilitation of the property is as lender of last resort. Other than inspecting the property to assure compliance with all applicable Codes, the City will play no active role in the rehabilitation of the property.

3. The total loan figure represents the following:

$57,000 estimated repair cost
$ 2,280 legal fee (4% of the repair cost)
$ 1,491 delinquent taxes with interest
$ 941 escrow insurance and recording fee.

4. The loan funds will be deposited with the Law Firm, which will use the funds to pay, on behalf of the Homeowner, the costs described in paragraph three, including payments to the Benner Construction Company ("Contractor") and its subcontractors to complete the repairs needed to bring 1929 Woodcrest Ave. into compliance with the City Housing Code.

5. The Law Firm will make an initial payment of $6,000 to the Contractor when it begins work on the property. Thereafter, Law Firm will reimburse Contractor's expenses on the first and fifteenth of each month that work continues. Invoices for those payments must be submitted to the Law Firm for approval by the Law Firm and the Homeowner five days prior to payment.

6. When the Law Firm, Homeowner and Contractor agree that the work is substantially 25% complete, the Contractor will receive an amount equal to 10% of its expenses to that point.

7. When the same parties agree that 50% of the project is substantially complete, the Contractor will receive another payment equal to 10% of expenses incurred since the work was 25% complete.

8. When the same parties agree that 75% of the project is substantially complete, the Contractor will receive another payment equal to 10% of expenses incurred since the work was 50% complete.

9. When the same parties agree that 100% of the project is substantially complete, and the City building inspectors find that the property is in compliance with all City Codes, the Contractor will receive another payment equal to 10% of its expenses since the work was 75% complete, plus an additional amount equal to 8.5% of the total expenses.

10. All work required to complete the project and bring the property into compliance with City Codes will be completed no more than six months from the date on which the Law Firm actually receives the loaned money from the City on behalf of the Homeowner.

11. Any changes in the work to be done that increase the original cost estimate made by the Contractor must be approved in writing by the Homeowner and Law Firm.

12. Any funds left over at the completion of the project will be returned to the City and credited against the original loan amount.

13. Repayment of the loan will begin the first day of the first month after work is completed. The other loan terms, including interest and monthly payment amount, are to be set out in a separate document and is a matter between the City and the Homeowner. The Law Firm will not serve any function in relation to repayment of the loan after the work is completed.

This writing sets out the full terms of the ESCROW AGREEMENT. Any changes in this agreement must be agreed to and set out in writing by all the parties to this agreement.

Luke Largess Date 4/6/92
Luke Largess, for Ferguson, Stein, Watt, Wallas, Adkins and Gresham

Carolyn McLaughlin Date 4/6/92
Carolyn McLaughlin, for Glen and Carolyn McLaughlin

_____ Date_____
J.W. Walton, for the City of Charlotte

Wayne Evans Auction Company

Wayne Evans Auction Company (Columbus, Ga.) submitted the best overall proposals based upon the City's criteria and therefore received the highest ranking. In addition to submitting the best overall proposals, Wayne Evans Auction Company absorbs the costs of two major expenses previously incurred by the City -- expenses that the other proposers address as "added" expenses. These expenses which are absorbed by Wayne Evans Auction Company are explained below:

1. Brochures: 10,000 2-color. Based on the last auction's actual costs, a net savings of $5,158.07 (1.03%) will be realized. This will also increase our potential bidders list by 4,000 or 40% at no additional cost.

2. Mechanic: Wayne Evans Auction Co. will provide (at no additional cost) an experienced, full-time mechanic, service truck and appropriate tools to provide set up and perform mechanical services, i.e. replacing wires, spark plugs, coils, batteries, etc. to ensure that everything possible is running and in operational order. Based on our last auction, the City will realize a net savings of $3,484.25 in outside labor costs, and $2,900.00 in internal labor costs for a total savings of $6,384.25 or 1.27% of the estimated auction proceeds.

   When these actual costs (2.3%) are deducted from the quoted commission rates for both Proposals the adjusted commission rates are actually reduced to 4.65% and 4.55%, respectively. (a .35% /.45% reduction, or $1,750.00) from our previous contract).

   Wayne Evans Auction Company's proposal also offers services not previously received by the City that will enhance the auction process while providing for expense savings in outside services, internal costs and staff time. The actual savings will be more clearly defined and accounted for after the first sale conducted by Wayne Evans Auction Company and are explained below:

   - Using the Auctioneer's mechanic, we will draw parts needed from our inventory or purchase from our vendors at contract prices. This method will allow us to maintain more accurate records of funds spent and actual parts used, as well as avoid a percentage mark up on parts costs.

- Wayne Evans Auction Company has agreed to contract with the towing company, coordinate delivery to the sale site without any cost mark up. This is a time consuming & cumbersome task. Other proposers agreed to handle this service but at a fee of up to 20% over cost.

- A staffed, mobile office - with telephones, facsimile machine, computer, etc. - will be on site two weeks prior to the sale. This service will save a significant amount of time.

- Two sound-equipped auction trucks will be provided. A back up sound system is required. This is the only company that provides two complete mobile units, minimizing the delay should a system fail. Having two units will also expedite the sale process by reducing set up time involved in moving from section to section at the auction site.

The savings between Proposal # 1 and Proposal # 2 is $500.00. Based on this and the other findings of the Auction Review Committee, it is recommended that Wayne Evans be awarded a contract for Auctioneer Services for Proposal # 1.

Proposed Job Training Plan

Component	Number Served	Cost
Institutional Skills Training Two training projects are planned in occupational fields where demand for skilled workers exists. One project will be programs with various community training vendors and the other will be individual referral to existing occupational curriculumat CPCC. Targeted groups are youth and welfare recipients. Paricipants will receive child care assistance, and bus passes.	349	260,573
On-the-Job Training This program provides training on-the-job with private sector employers. Employers receive a reimbursement for training costs of between 30% and 50% of the participants' wages during the training period. The average length of the training period is 10 weeks. Targeted groups are high school dropouts, welfare recipients, youth, and the handicapped.	145	160,000
Educational Training This program provides basic education for clients who need to upgrade their academic levels in order to adapt to training. The targeted group is high school dropouts. Counseling, child care, and bus passes are provided to enable clients to participate in this project.	116	50,000
Summer Youth Employment Program Work experience and remediation for participants between the ages of 14 and 21. Worksites are with public and private non-profit agencies. Wages are paid to participants through this project at the federal minimum wage. Public housing residents and youth offenders are targeted for program enrollment.	343	608,685

Services Only Includes (A) staff costs associated with eligibility determination, assessment, counseling, etc. (B) employability skills training and job development activities for handicapped individuals and older individuals aged 55 and over.	(A) (B)	(3,000+) 95	356,693 76,166
Year-Round Work Experience Program provides up to six months work experience for classroom training graduates and at risk youth. Worksites are with public and non-profit agencies where participants earn the federal minimum wage.		60	88,000
Dislocated Workers Program Provides basic readjustment and retraining services to individuals dislocated from work due to a business closure or reduction in force. Services include occupational skills training, on-the-job training, counseling, relocation assistance, and job development and placement.		56	187,299
Child Care Provides 57 day care slots for participants in Institutional Skills Training or Educational Training programs. Slots are revitalized throughout the fiscal year upon turnover.		(62)	206,600
Administrative Services Project related expenditures of Employment and Training Department.		N/A	258,024

FOCUS 2010

INTRODUCTION

Developing a vision for the community can be one of the most important tasks undertaken by citizens of a community. The task of identifying what we want to be, and how we plan to get there can be quite rewarding for all involved. It is not an easy task that can be done in a short amount of time, but it is also one that cannot linger on indefinitely. Any visioning exercise must first start with a good plan that involves citizen participation at every level of the community. The process must be well thought out and deliberate, with tangible end results. More than anything the process must be stimulating and be an effort that consumes the community with its level of involvement, energy, sharing of information, and anticipation for the final product. Furthermore, consensus regarding the final product must compel the community to stay involved and be committed to implementing the vision

The Vision Committee, composed of Martin Cramton, Carroll Gray, Patsy Kinsey, Hoyle Martin, Bill McCoy, and Sam Smith, was charged by Mayor Richard Vinroot and County Commission Chairman Rod Autrey with developing a process for a visioning activity for our community. Our discussions have led to the following recommendations·

Recommendation 1: **Visioning should be viewed in a broad context rather than being narrowly defined to apply to segments of the economy and public life.**

Rationale· The process needs to concentrate on broad questions such as who are we as a community and where do we want to go as a community The consideration of specific policy areas such as the environment, transportation, education, etc , is best suited for a strategic planning process, which may follow the visioning activity.

Recommendation 2: **The Committee recommends that the visioning program be undertaken in Charlotte-Mecklenburg.**

Rationale· While the need for a regional visioning program was evident to the Committee members, they believed that developing a vision for Charlotte-Mecklenburg was necessary prior to attempting to be an informed participant in the regional visioning process.

Note The Committee believes that a phasing of planning processes may be appropriate

Phase 1- Charlotte-Mecklenburg Vision
* Phase 2- Regional Vision
* Phase 3- Charlotte-Mecklenburg Strategic Plan

---

* Phases 2 and 3 could occur concurrently

Recommendation 3: **The process should be heavily oriented to broad-based citizen participation.**

Rationale: For a visioning process to be truly representative of the community, the community's citizens should have ample opportunities to express their views in a non-threatening environment.

Recommendation 4: **The process should be designed so that it can be completed in a 6-9 month period. Ideally, the process would begin in April and be completed prior to the Christmas holiday period.**

Rationale The process is designed to require intense involvement of a broad array of citizens Citizen's groups cannot be expected to maintain a high level of intensity for an extended period.

Recommendation 5: **The process should be comprehensive and detailed.**

Rationale The visioning process should be designed to gather substantive information so that further steps can be taken to ensure implementation.

Recommendation 6: **The process should have clearly defined expectations regarding appointment, roles and responsibilities of advisory and oversight groups.**

Rationale· The complexity of the process together with the exterior involvement makes clarity of purposes essential in order to eliminate confusion

Based on the above recommendations, the following is a process outline that contains possible options that can be used to engage the entire community in creating a vision for Charlotte-Mecklenburg The process will be implemented with staff assistance from the Charlotte Chamber Planning Commission, Urban Institute, Centralina Council of Governments and United Way

PROPOSED VISIONING PROCESS

PHASE I: **Defining The Agenda**

Time Frame. April-May, 1992

Community Involvement: Citizens in Charlotte, Cornelius, Huntersville, Davidson, Matthews, Mint Hill, and Pineville, plus unincorporated areas

Staff· Trained facilitators from the Urban Institute, Chamber, Planning Commission, Centralina Council of Governments, United Way, and City and County Government.

The purpose of Phase I is to define the visions by identifying the issues from a community-wide perspective. By providing every citizen an opportunity to voice their views and have a stake in defining the visions for Charlotte-Mecklenburg, the process gets off to a good start. Phase I would also serve as the information gathering component of the visioning process There are several methods that can be used to get the optimal level of input, buy-in, and participation from the community They include

A. Focus Groups

Focus groups are small discussion groups composed of 10-12 individuals, and are designed to allow participants to engage in an interactive conversation, while guided by a trained facilitator or discussion leader. This type of research method is used to obtain more in-depth and substantive information on an issue or subject matter than can be obtained from other research methods, such as telephone or mail surveys Suggested focus groups include

(1) *COMMUNITY REPRESENTATIVES* Individuals representing geographic locations in Charlotte and the County, i e , north, northeast, south, southeast, west and inner city, as well as Matthews, Pineville, Davidson, Cornelius, Huntersville, Mint Hill, and unincorporated areas The purpose of convening representatives from these geographic areas is to determine issues and visions in relation to where one lives in Mecklenburg County These focus groups would meet in the vicinity of their community in a location such as a community center, YMCA, or church Each of the twelve focus groups would be asked the same set of questions so that data can be compared and analyzed. Some of the information gathered from these focus groups can also be obtained from a survey, and data from the focus groups and community-wide survey could be used for comparative purposes Special care would be taken to insure that representatives from neighborhood groups are included in each of these groups To make the focus groups more manageable, it is recommended that no more than ten focus groups be held Groups are as follows 1) north/northeast, 2) south/southeast, 3) west, 4) inner city, 5) Matthews, Pineville and Mint Hill, 6) Davidson, Cornelius and Huntersville, and 7) unincorporated areas

(2) *LOCAL LEADERSHIP GROUPS* A second focus group could be composed of local leadership groups such as Leadership Charlotte, Focus on Leadership, Senior Leadership Charlotte, Youth Leadership Charlotte and the Chamber's Leadership Group These groups can be organized in three ways, One way is to select 10-12 individuals from the alumni of each of these groups and conduct five separate discussion groups, a second way is to select 10-12 people from the current class of each of these groups and conduct five separate discussion groups, and a third way is to select 2-3 individuals from each of the leadership programs and conduct one discussion group

(3) *BUSINESS COMMUNITY* A third focus group could be composed of individuals representing the business community, small, medium, and large businesses This group could also be composed of individuals chairing Chamber committees The purpose of this focus group is to identify needs of the business community, what their vision is for the community, and how those needs and visions can be incorporated

into the overall community vision. A list of 10-12 participants would need to be developed by the Initiating Committee.

Citizens will be invited by the Mayor and Process Leader to participate in the Focus Groups The letters will be personalized for added appeal. Lists of potential invitees will be provided by the Planning Commission for the Community Representatives Group, by Leadership Charlotte, the Chamber, and Focus on Leadership for the Leadership Focus Group, and the Chamber for the Business Community Focus Group

B. Surveys

(1) *TELEPHONE SURVEY* A county-wide public opinion survey to include Charlotte, Davidson, Huntersville, Pineville, Cornelius, Matthews, and Mint Hill. A telephone survey using a scientific sampling process will allow every citizen an equal opportunity to participate in the visioning process. Questions on the survey can reflect feedback received from the focus groups, and address new issues not addressed during the focus groups. (or) the survey can be administered independent of the focus group results.

(2) *NEWSPAPER SURVEY* A survey of this nature can be accompanied by a news article explaining the visioning process and asking readers to clip and mail their responses to the survey questions to a designated location Surveys would be printed in the Charlotte Observer and Charlotte Post Though this method of information gathering has the potential to reach several hundred citizens, the response rate is generally low, and those who do respond tend to represent only certain income and educational levels, thus the results are not representative of the community or scientific Also, the number of questions must be limited

(3) *CALL-IN or TELEPOLLS* A non-scientific public opinion survey of this nature will give a flavor of citizen opinions on one question relating to the visioning process Local television stations can be brought into the process by asking them to poll the community on a particular question during the 5 00 and 6 00 newscasts with the results aired during the 11 00 newscast. The question could pertain to the value of a visioning process for the community. This effort will further educate the community and make them aware that a visioning process is taking place, and that they are an integral part of the process. This too could be accompanied by a news spot on the visioning process

(4) *SURVEY OF PARTICIPANTS IN FOCUS GROUPS* A mail survey of individuals participating in the focus groups will allow for comparative analysis of information gathered during the focus groups

C. Community Forums

Community Forums provide an opportunity for every citizen to hear and be heard This very open, non-threatening town meeting process can serve as an excellent forum for educational and

social exchange. These community forums can be held community-wide on one evening, and be enhanced by media coverage before, during, and after the event. The forums can be held in every junior high and middle school in the county, which means that approximately 25 town meetings would be taking place simultaneously The first round of meetings would be held in May, and a follow-up meeting would be held in June. Each meeting would be led by a facilitator and all groups would be asked to address the same questions. Questions for the community forums could be developed by the Urban Institute with assistance from the Initiating Committee It will also be important that at least one elected official School Board, County Commission, City Council or Town Council member, and representatives from the Visions Task Force be present at these meetings to reinforce the importance of the process and the value of citizen input to the process Their presence should be low profile, and they should not take a role in the discussion.

PHASE II: Formulating the Possibilities (Compilation and Analysis of Information)

Time Frame: June-July, 1992

Community Involvement: Participants in community forums

Staff. Visions Task Force, Facilitators, Staff Support Team and Professional Writer

Phase II will focus on compiling the information gathered from the citizen participation events (Phase I), comparing and analyzing the information, and developing a report that frames all the issues identified, which will aid in shaping the vision for Charlotte-Mecklenburg Individuals involved in this effort would be the Visions Task Force, facilitators, and the coordinating entity It will be important to continue to include the citizens who participated in the Focus Groups, Surveys, and Community Forums in Phase II to make them feel part of the complete process To this end, a second round of Community Forum meetings would be held in June

PHASE III: Creating the Visions

Time Frame August- September, 1992

Staff Visions Task Force, Staff Support Team, Professional Writer

Phase III of the process involves developing the preliminary product after months of research and information gathering. The product being "The Visions." Components of the visions must be familiar so that citizens still sense ownership, have substance so that the process appears worthwhile, and have benefits so that everyone gets something out of it. This will be the most difficult phase of the the visioning process The effort put into developing the product will legitimize the entire visioning process.

The draft product should be presented in a form that is attractive, understandable, thorough, but not exhaustive, and should be made available to the public. A mass meeting held in the Convention Center is recommended for this purpose Prior to the mass meeting, copies of the visions draft will be mailed to elected officials for information purposes only

PHASE IV: Adopting the Visions

Time Frame: October-November, 1992

Staff: Staff Support Team, Professional Writer, Visions Task Force

Phase IV of the process will involve a series of endorsements from the community Endorsements would include participants in the process, and city and county governing bodies This should be done by sending copies of the amended draft visions document to all participants, and include a feedback sheet, which should be completed and returned to the Steering Committee Presentations should be made to city and county governing bodies.

PHASE V: Promoting the Visions

Promoting the visions will be another important part of the visioning process Once everyone has bought into the visions, then it must become part of the fabric of the community The visions must be highly visible, it should be put in various forms, such as displays in public places in all parts of the community, special insert in the Observer, video presentations, and also made available to people outside Mecklenburg. A Speakers Bureau could be established to make presentations to civic groups using the video and other materials produced for promotional purposes. The official adoption and promotion of the visions should be "an event", a celebration that involves the community and all media.

PHASE VI: Implementing the Visions

The governing bodies of the city, county, towns, schools and legislative delegation should meet together for the purpose of determining the responsible parties for implementing the "Visions" and make the assignments resulting from that analysis. The Task Force should assist the governing bodies in this work. Because of the broad nature of the vision statement, some aspects of it may not be directly implementable by anyone but may serve as general goals for the community

PHASE VII: Monitoring the Progress

Appoint a review task force to make annual review of progress toward visions and to report progress to community This review task force could be appointed by the elected city and county bodies, using recommendations made by citizens groups.

NOTE: See Appendix for process timetable

PROCESS ORGANIZATION

A good plan requires appropriate support mechanisms to monitor, guide, and advise the process. The attached outline is a recommended process structure to be considered by the group

1. **Tap a Champion**

2. **Expand the Initiating Committee**

   An expanded Initiating Committee would assist in making the transition from the planning to the implementation stage and would serve until a Task Force is established. The expanded committee might include a mayor from one of the towns in Mecklenburg County, a member of the school board, a neighborhood leader, a businessman, and the person appointed to lead the process.

3. **Appoint and Convene the Visions Task Force**

   This would be a group of approximately 50 people with one-half appointed by the mayor and county commission chair from a list prepared by the Initiating Committee The remaining half of the task force would be composed of 25 persons selected by the attendees at each of the first community meetings to represent that group

   The Visions Task Force would meet periodically to review the progress of the undertaking, would attend all community meetings and would be instrumental in working with the drafting group in developing a vision statement for the community The Initiating Committee would no longer have any function with the appointment of the Visions Task Force

4. **Staffing of the Process**

   a. The Committee recommends that the Urban Institute of UNC Charlotte coordinate the visioning process.

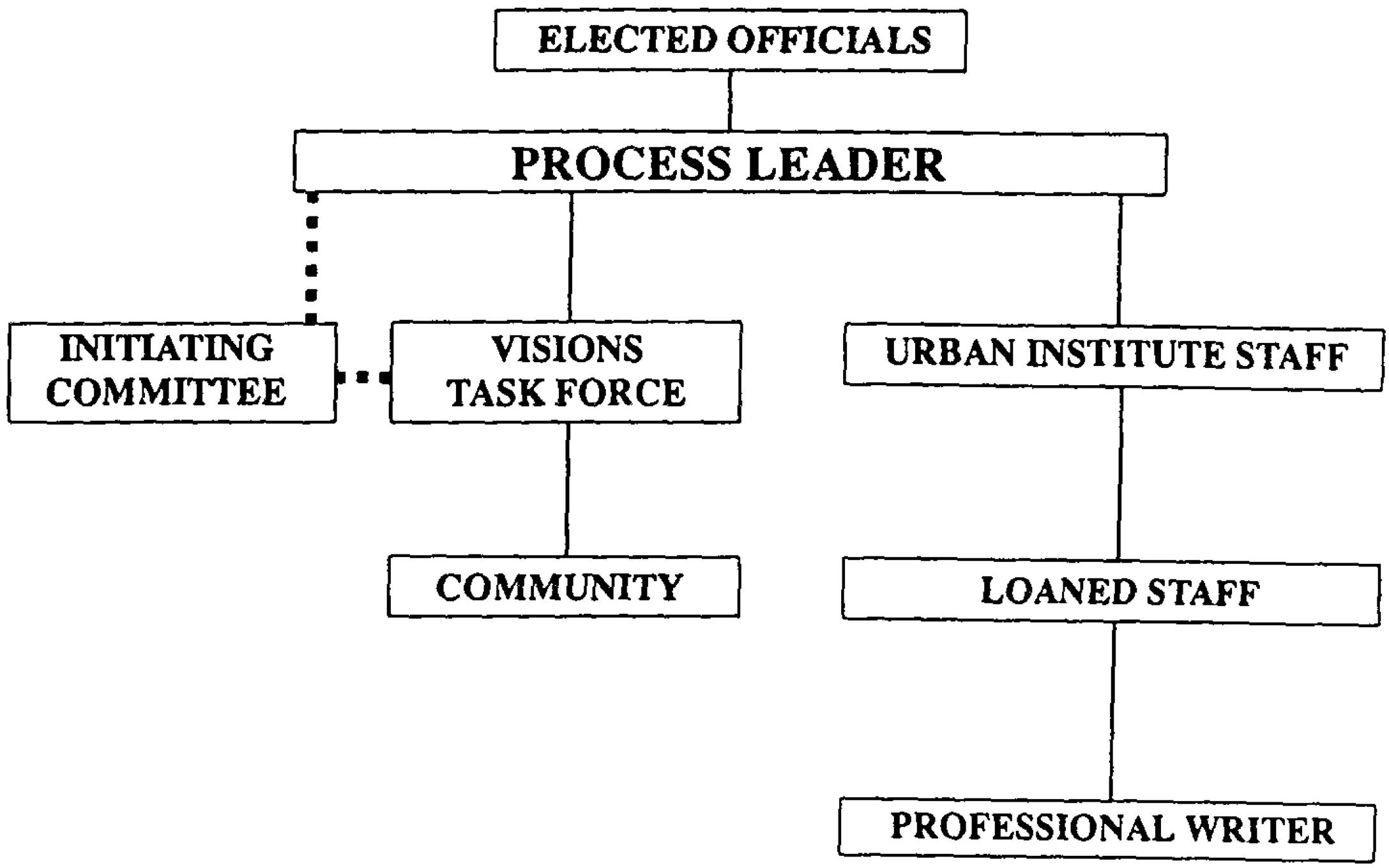
   b. Community agencies such as the Planning Commission, the Chamber, Centralina Council of Governments, United Way, the City, the County, etc , will loan staff to assist the Urban Institute in this endeavor

   c The services of a professional writer will be obtained

   d. Specific staff assignments might include

      1. Chamber staff assist in the focus group activity
      2 Planning Commisssion, COG and United Way staff assist in the community meetings
      3. Planning Commission staff assist in the preparation of the newspaper inserts.
      4 A Staff Support Team composed of the lead person from each of loaned staffs assist the Urban Institute staff throughout the process

ORGANIZATION CHART



BUDGET

Expenses	Actual Costs	In-Kind	TOTAL
Professional Services			
Project Administration	$32,000		$32,000
Secretary			
Project Coordinator			
Project Assistants			
Professional Writer	3,000		3,000
Loaned Staff		35,000	35,000
Public Outreach Expenses			
Observer and Post inserts		8,000	8,000
Public Meetings	1,500	2,000	3,500
Telephone Survey	10,000		10,000
Focus Groups	1,000	2,000	3,000
Printing	17,000	3,000	20,000
Postage & Telephone (Increase)	5,000		5,000
Meeting Expenses	500	1,500	2,000
Supplies	1,500		1,500
Local Travel	1,000		1,000
Contingency	3,525		3,525
Indirect Costs to the University (10%)	5,000	2,400	7,400
TOTAL COSTS	$81,025	$53,900	$134,925

FUNDING PLAN

1 The target for the funding of this process is $100,000

2 The recommendation is that the funding effort should be split about 60-40 public/private funding

3 The following public sector targets are recommended

• Mecklenburg County	$25,000
• City of Charlotte	25,000
• Charlotte-Mecklenburg Schoc's	5,000
• Towns (Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville) @ $1,000 each	6,000

4. Private sector and non-profit targets are:

• Business sponsorships 30 @ $1,000 each	30,000
• Requests for individual and organizational contributions	9,000
• TOTAL REVENUES	$100,000

5 Because the University needs to contract with an existing agency (if the Urban Institute is chosen to staff the activity), the Committee recommends that one of the participating parties such as the City of Charlotte would hold the funds contributed for this purpose. If the City were selected to hold the funds, the University would contract with the City with a cost reimbursable contract with bi-monthly requests for funding If any funds remain at the end of the contracted period, those funds could be used in the implementation phase or to provide start-up for a regional visioning plan or a strategic planning process

6 The process leader will have responsibility for making contacts to raise funds to support the visioning process

APPENDIX

THE COMMUNITY INVOLVEMENT PROCESS

A. **Primary questions to be considered at all levels of the community involvement process.**

1. What local events have been most significant in shaping Charlotte-Mecklenburg s development?
2. Who are we now? What are the strengths and weaknesses of our community?
3. What qualities should Charlotte-Mecklenburg have twenty-five years from now?

B. **Community Meetings**

1. First round of community forums
   a. Held in May
   b. Utilize all of the junior high and middle schools (about 25) for simultaneous meetings
   c. Scheduled for 7-9 p m.
   d. Preceded by a media campaign
   e. Staff
      (1) A facilitator and recorder from loaned staff and Institute staff
      (2) An elected official(s) in attendance
      (3) A member selected to represent group on Task Force
   f. Primary questions for group discussion are What are the strengths and weaknesses? and What qualities should the community have twenty-five years from now?
   g. Community forum proposed schedule

(1)	*Introductions and explanation of purpose of meeting*	*7 00 - 7 15*
(2)	*Discussion of first question*	*7 15 - 8 00*
(3)	*Discussion of second question*	*8 00 - 8 45*
(4)	*Summarize meeting, elect representative to Task Force and announce the time and purpose of next community meeting*	*8 45 - 9 00*

   h. Results are reported to Institute staff

2. Second round of community forums
   a. Held in June
   b. Same locations as before
   c. Scheduled for 7-9 p m
   d. Same staff as before

e. Primary Task(s):
   (1) *Review findings from first forum*
   (2) *Engage in more in-depth discussions on these findings*
   (3) *Emphasize the draft vision(s) statement and the need to discuss the elements of the statement*

f Community forum proposed schedule

(1)	*Introductions and explanation of purpose of meeting*	*7 00 - 7 15*
(2)	*Discuss findings from the strengths and weaknesses analysis*	*7 15 - 7 45*
(3)	*Discuss draft vision(s) statement*	*7 45 - 8 45*
(4)	*Summarize meeting and announce next meeting*	*8 45 - 9 00*

3. Third round of community input
   a. Held in September
   b A mass meeting held at the Convention Center or some similar place that can accommodate a large number of people.
   c. Scheduled for 7:00 - 8 30 p m.
   d. Review Visions Document and seek additional input. Use this forum to begin generating buy-in for the product of the process.

4. Fourth round of community involvement
   a. Held in December
   b Large meeting hall
   c Scheduled for 7 - 8 30 p m.
   d A celebratory event for the unveiling

C. **Other forms of community input**

1. Focus Groups
   a. Scheduled for May
   b Coordinated by the Chamber staff.
   c. Various locations around the county.
   d. Focus groups will address all three of the primary questions past, present, future
2. Telephone survey of community citizens (random selection)
   a. Scheduled for April
   b Coordinated by Urban Institute staff.
   c Survey will address variants of all three of the primary questions
3. Observer and Post inserts
   a. Scheduled for June
   b Coordinated by Planning Commission staff
   c Emphasis on the present and future questions

D. **Staff will maintain a close accounting of the number of citizens involved in this process and will develop a mailing list containing names and addresses of all participants.**

APPENDIX B

ROLES AND RESPONSIBILITIES OF VISION PARTNERS

COMMUNITY FORUMS

There will be approximately 25 community forums all taking place on one evening Each forum will require at least two persons to be in charge of the process for the evening One individual will serve as the facilitator and one as the recorder Therefore, at least 50 people will be needed to conduct the forums The following agencies will need to provide at least 16 staff persons for this purpose.

- Centralina Council of Governments
- Planning Commission
- United Way

Lists of persons to be invited to the Forums will be provided by the Planning Commission Personal letters of invitation will be signed by the Process Leader and/or Mayor, and mailed out by the Urban Institute.

FOCUS GROUPS

There will be twelve focus groups held during the process The Charlotte Chamber will be responsible for developing a list of participants for each focus group, preparing letters of invitation to be signed by the process leader and/or Mayor, and mailed out by the Urban Institute to invitees Chamber staff would also be responsible for locating and reserving space for the focus groups Two to four staff persons would be adequate to coordinate and facilitate the focus groups

NEWSPAPER INSERTS

There will be newspaper inserts placed in the *Charlotte Observer* and the *Charlotte Post* about mid-way through the process. The inserts will contain a summary report of the visioning process and outcomes to date The Planning Commission will be responsible for coordinating the insert with both newspapers. The visions document summary report will be written by a professional writer Two staff persons would be adequate to carry out this task.

TELEPHONE SURVEY

A county-wide telephone survey will be conducted during the process. The Urban Institute will be responsible for designing a survey instrument, drawing the sample, administering the survey, and writing a report of the findings

DOCUMENTING THE PROCESS

City and County Public Service and Information will be responsible for producing a visual documentary of the process from beginning to end.

A professional writer will be hired to write periodic reviews and a final report of the visions process.

PROCESS LEADER

The Process Leader to be named and appointed by the City Council and County Commission will be responsible for lending credibility to the process, raising money, guiding the process and maintaining the momentum of the process

VISIONS TASK FORCE

The Visions Task Force, chaired by the Process Leader, will be responsible for monitoring the process, ensuring openness of the process, confirming the clarity and accuracy of the visions as written in all reports, and serving as representatives of the community during the process

SUPPORT TEAM

The Support Team will consist of one person from each of the agencies participating in the project. That includes Centralina Council of Government, Charlotte Chamber, Planning Commission, United Way, Public Service and Information, and the Urban Institute Another member of the Support Team will include the professional writer to be hired.

The role of the Support Team is to monitor the process and to report the status of each of their individual responsibilities to other members of the Support Team and the Visions Task Force The Team will also review drafts of the visions document written by the professional writer for clarity and accuracy.

COORDINATING THE PROCESS

The Urban Institute will be responsible for coordinating the entire FOCUS 2010 process This includes coordinating and working with all loaned staff, the professional writer, and the Visions Task Force, making sure that the process is implemented according to schedule, that all parties are following through on assigned tasks, and doing all that is necessary to ensure that the process is successful.

TEPS IN PROCESS	INVOLVEMENT	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
ASE I GET ORGANIZED													
Develop vision process budget	Vision Initiating Committee												
Adopt vision process budget	Elected Officials												
Identify necessary support staff	Vision Initiating Committee												
Train facilitators	Urban Institute												
Secure funding	Vision Initiating Committee												
Design survey instruments (questions for focus groups community forums and Observer)	Urban Institute												
HASE II DEFINING THE AGENDA													
Publicize vision initiative	Charlotte Observer WCNC WBTV WSOC WFAE												
Conduct focus groups	Chamber Staff Citizens												
Conduct telephone survey	Urban Institute Citizens												
Hold 1st round of community forums	COG Planning Committee United Way												
Conduct Observer survey	Charlotte Observer Citizens												
Expand Initiating Comm to 50(Visions Task Force)	Elected Officials Initiating Committee												
HASE III FORMULATING THE POSSIBILITIES													
Compile and analyze information	Staff Support Team												
Prepare preliminary visions document	Staff Support Team/Writer												
Report findings to Visions Task Force	Staff Support Team												
Report and verify findings (2nd round community)	Citizens COG Visions Task Force United Way												
Revise document	Staff Support Team/Writer												
HASE IV CREATING THE VISION(S)													
Prepare visions presentation	Staff Support Team												
Present revised document at mass meeting for review/feedback	Chairperson All Citizen Participants												
Revise document	Staff Support Team/Writer												
Prepare summary and full visions document	Staff Support Team/Writer												
HASE V ADOPTING THE VISIONS													
Present vision document to City/County officials	Chairperson												
Mail summary version of document to all participants with letter of endorsement for them to return	All Citizen Participants												
HASE VI PROMOTING THE VISIONS													
Release document to public	Citizens Group												
Prepare public displays of visions													
Identify locations for display	Citizens Group												
Hold public unveiling and celebration	Citizens Group General Public All Citizen Participants Elected Officials												
HASE VII IMPLEMENTING THE VISIONS													
Assign accountabilities and set targets	Citizens Group Elected Officials												
HASE VIII: MONITORING THE PROGRESS													
Appoint Review Task Force	Chairperson Citizens Group												

CHARLOTTE

A 24

Mayor and Council Communication

Memo No 25

Date April 1, 1992

INFORMATION

Law Enforcement Center Site - Property of J. C. Hardin Heirs

In response to your inquiry of March 23, 1992 concerning the acquisition of the J. C. Hardin heirs property, we are providing a brief discussion of the most pertinent valuation principles followed in the appraisal process.

There is a demand for additional governmental uses in the area as indicated by the proposed consolidation and expansion of certain City and County functions. Council approved this location for the new Law Enforcement Center and this information and knowledge was well publicized. The general public was aware that this total block in which the Hardin property is situated had a defined highest and best use.

When properties are assembled on a relatively large basis for a single use, a synergistic effect takes place. The value of the property assemblage becomes greater than the sum of the values of the assembled properties. The price offered by the City for the Hardin property is in conformance with the economic principle of real estate assemblage. The most important aspect of land value that should be noted at this point is that a large assemblage with a preprogrammed and publicized use indicates the value of every square foot of land is the same.

Examples of this would be the assemblage of the property by the private sector for the NationsBank parking deck and the Federal Reserve Bank building. Both of these projects have used the entire block, thereby indicating the entire block has the same square footage value.

As part of the appraiser analysis of all the data relating to the value of this block, the appraiser considers unity of use, highest and best use, assemblage value, development homogeneity of the area and other pertinent information that helps determine value.

This item will be on Council's agenda April 13.

Should you have any questions concerning the Hardin heir acquisition, please contact Del Borgsdorf.