<u>AGENDA</u>

Meeting Type:	WORKSHOP
Date	08/07/1995

City of Charlotte, City Clerk's Office

CITY COUNCIL WORKSHOP

August 7, 1995

AGENDA

5·00 p m	City within a City: Housing Authority Update on Earle Village Revitalization
6.00 p.m.	Dinner
6·15 p.m	Restructuring Government: Potential Sale of City Cemeteries
6:45 p.m.	Economic Development: Hotel/Motel Occupancy Tax
7·15 p.m.	Transportation: Charlotte Transportation Center
8 00 p.m.	Adjourn

TOPIC: Earle Village Revitalization

COUNCIL FOCUS AREA: City-Within-A-City CWAC

KEY POINTS: (Issues, Cost, Change in Policy):

- Update on the URD Program
- Impact of URD Program on First Ward
- Job Creation & Economic Development
- Transforming families through the Family Self-Sufficiency Program
- Positive impact on uptown Charlotte and the uptown business district
- Creating a sense of hope for Earle Village residents
- Opportunity for positive change

COUNCIL DECISION OR DIRECTION REQUESTED:

We request the continued support and assistance from the City Council and City of Charlotte

ATTACHMENTS: YES

Earle Village Revitalization

City-Within-A-City-CWAC

DATE

July 10, 1995

TO:

Harrison Shannon, Jr., President/CEO

FROM:

John Kinsey, Project Manager HOPE VI/URD

SUBJECT:

MONTHLY PROGRESS REPORT - HOPE VI

Urban Revitalization Demonstration (URD)

GRANT EXECUTION

The following items have been submitted, relative to satisfying the conditions of the Grant Agreement (1) Resident Consultation Plan, (2) Implementation Plan, (3) Revised Budget, (4) Staffing Plan, (5) Management Plan, (6) Allocation Plan/Mixed Population, (7) Relocation Plan, (8) Master Site Plan, and (9) Demolition/Replacement Housing Plan On June 12th the Board of Commissioners approved a budget amendment for an additional 7,055,000 in URD dollars that has been approved by HUD

SITE SURVEY

The site survey is complete Soil testing for the sites that will occupy the Child development Center and Community Service Center is complete

MASTER SITE PLAN/PROJECT MANAGER

The Master Site Plan/Project Management contract between the Charlotte Housing Authority and NationsBank Community Development Corporation is complete. The agreement was approved by the CHA Board of Commissioners at their regularly scheduled meeting on February 21, 1995. The Master Site Plan/Program Management consists of three (3) components, as follows

- Master Site Planning
- 2 Program Management
- 3 Construction Management

NationsBank, as team leader, is also in a unique position to assist us in facilitating many aspects of Program implementation

NationsBank has provided assistance in conducting an engineering analysis on the structural condition of the existing buildings in Earle Village. We also are in the process of using NationsBank to facilitate the following items

- Soil testing of the site for the Community Services Center and Day Care Center
- 2) Engineering for the sites to be used for Home Ownership
- Consultant to develop demolition plan and plan for lead-based paint and asbestos abatement

These items are extenor to the Master Site Planning contract and will require an amendment. The staff will provide for review an recommendation for approval on amendment to the NationsBank CDC contract for the July 18, 1995 meeting.

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DEVELOPMENT OF MASTER SITE PLAN

The Master Site Plan was approved at the Board of Commissioners' regular meeting on February 21, 1995. The Plan has been reviewed by a cross section of the community, including the residents at Earle Village, the banking community, business community, Charlotte Mecklenburg Planning Commission and the Uptown Issues Forum. The Plan, as developed, has received favorable reviews from all segments of the community.

The Master Site Plan has been submitted to HUD for review and approval. On June 20th the Board of Commissioners approved an amendment to the Master Site Plan. Those changes were as follows

- Increases the footprint of the Elderly Building
- Decrease the number of FSS units to 32
- Decrease the number of renovated FSS from 109 to 102

RELOCATION PLAN

The Plan was approved by the CHA Board of Commissioners at their regular meeting on January 17, 1995. The Plan has been reviewed and approved by the HUD office. To date approximately 60 residents have been relocated.

DEMOLITION/DISPOSITION PLAN

The Demolition/Disposition/Replacement Housing Plan is completed. It was approved by the CHA Board of Commissioners, signed off by the chief elected officials of the City of Charlotte, and has been submitted to HUD for approval. The Demolition/Disposition/Replacement Housing Plan has been approved by HUD. The modification of the Elderly Building and the reduction in the number of new FSS units.

REPLACEMENT HOUSING PLAN

The Replacement Housing Plan has been approved by HUD

FAMILY SELF-SUFFICIENCY

We are now fully staffed for the FSS Program. The intake/evaluation process is complete and we have one hundred twenty-seven (120) families under contract to participate in the FSS Program. A special task force has been appointed by Mr. Harrison Shannon to evaluate the FSS Program.

HOME OWNERSHIP

The Home Ownership Plan is 85% complete and will be submitted to HUD for approval. The Home Ownership Institute guidelines and procedures are finalized. A copy of the Home Ownership Institute has

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been submitted to HUD for review The Opening Ceremony for the Home Ownership Institute was held on Tuesday, April 25, 1995, at the Government House Hotel at 6 30 p m A total of twenty-six (26) families in Earle Village are now enrolled in the Home Ownership Institute

The staff is in the process of establishing very strict guidelines for the Home Ownership Program
The Home Ownership Institute is underway

ELDERLY HOUSING

To date, we have forty-seven (47) families participating in the Elderly Program. A Case Manager has been hired to work with the Elderly Program. The staff is in the process of developing programs for the Elderly

COMMUNITY SERVICE

The Charlotte Housing Authority signed a contract with the Corporation for National and Community Services on April 7, 1995. We have finalized a Memoranda of Agreement for the VISTA Volunteers. We now have three Vista workers and one Vista leader working in Earle Village. The architect is in the process of designing the Community Services Center.

CONSTRUCTION

The Board of Commissioners of the Charlotte Housing Authority approved contracts for architectural design services for the Earle Village Master Site Plan on April 10, 1995 The architects now under contract with the CHA are as follows

Gantt Huberman Architects - Community Services Center & Day Care Center

- Sherman-Carter-Bernhart - New FSS Units, Renovated FSS Units & Elderly Building

- Heery International - Home Ownership Units

On April 19 and 20, 1995, the Charlotte Housing Authority conducted a Design Charrette for the architectural firms. Demolition activity is scheduled to start on July 31, 1995 and construction is scheduled to start in October.

RESIDENT PARTICIPATION

The residents of Earle Village have signed off on the Master Site Plan. The Resident Consultation Process for the component design phase is now underway. The first meeting for Resident Consultation of the second phase was held Thursday, April 6, 1995, at Little Rock AME Zion Church at 6 30 p.m. The second meeting for Resident Consultation was held Thursday, April 20, 1995, at Little Rock AME Zion Church at 6 30 p.m. At the April 20th meeting, break-out sessions were held for the FSS, the Elderly, and the Home Ownership Focus Groups. The third design session will be held with the Community Services Center/Day Care Center and the Home Ownership Focus Groups on Thursday, April 27, 1995, at the Charlotte Housing Authority at 6 30 p.m.

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The second session of the Home Ownership Focus Group was held on May 2, 1995 On Thursday, May 11, 1995, a Focus Group session was held for FSS, Home Ownership and Community Services/Day Care Center Heery International held Focus Group Sessions for Home Ownership throughout the month of June

MANAGEMENT PLAN

The Management Plan was submitted to HUD for approval The President/CEO has decided that we will have private maintenance and management in Earle Village

BUDGET

We have received notification that HUD has approved an additional \$7,055,000 for the HOPE/VI Program. The Board of Commissioners approved a budget amendment to accept the \$7,055,000 at the regular Board meeting of June 12, 1995.

TOPIC: Potential Sale of City Cemeteries

COUNCIL FOCUS AREA: Restructuring Government

KEY POINTS (Issues, Cost, Change in Policy):

- The City has been in the cemetery business for over 200 years and is currently operating six cemeteries
- Private sector companies appear to be interested in the purchase of the City cemeteries
- An independent appraiser was hired to determine the highest and best use of the 100 acres of undeveloped land at Evergreen Cemetery The appraiser recommended it remain as cemetery use
- City could expect \$4M to \$10M if all cemeteries were sold
- The \$2 6M in Perpetual Care Trust Fund would need to be included as part of the sale
- If the City were to remain in the cemetery business, changes in the City Code would allow services to be provided at market rate

OPTIONS:

- Proceed with process toward potential sale or stop process

COUNCIL DECISION OR DIRECTION REQUESTED: Council is asked to set a Public Hearing on October 9, 1995 regarding the potential sale of the City's cemeteries. After public comments, staff will develop options for Council consideration in November

ATTACHMENTS: Additional information is attached

RESTRUCTURING GOVERNMENT: POTENTIAL SALE OF CITY CEMETERIES

City staff is moving forward with a process that will result in a City Council discussion regarding the sale of all six of the city cemeteries and getting totally out of the cemetery business. For several months staff has been working to analyze the City Cemeteries based upon City Council's Asset Management policy directive. The Privatization/Competition Advisory Committee and an outside appraiser have also participated. On Monday, August 7, staff will make a presentation to City Council regarding status and ask that a public hearing be scheduled to hear comments on the potential sale.

More specifically the presentation will address

- 1 Historical/operational information regarding City Cemeteries
- 2 Public Purpose
- 3 Financial implications/appraisal information
- 4 Path forward including request for public hearing

This report provides an overview

Historical/Operational Information

The City's operation of cemeteries dates to the 1700's Currently six (6) City cemeteries are in existence including Evergreen, Elmwood, North Pinewood, Oaklawn, Ninth Street Pinewood, and West Pinewood Essentially, all are fully developed except Oaklawn and Evergreen Cemeteries Evergreen Cemetery is the only cemetery with marketing appeal for sale to the private sector due to existence of approximately one hundred (100) acres of undeveloped land Approximately 60,000 persons are buried in our cemeteries and another 30,000 plots have been sold but are currently vacant or unoccupied Costs for maintenance are recouped through the sale of plots and interest from a perpetual care fund established for this purpose Further financial information is presented later. Old Settler's Cemetery has a historic designation and is not included in this proposed action. Old Settler's is considered an Uptown green space.

Public Purpose

It is believed the City got into the "cemetery business" because this was common practice at the time. It was important that the community had a place for burials for it's residents, persons who could not afford burial, and for other deceased

Currently, there are many private suppliers of cemeteries and burial services in the community. We have not identified a legal reason the City should remain in the cemetery business although it is recognized that the issue could be emotional to those whose loved ones are buried there or who own plots

Financial Implications

The firm of T B Harris, Jr and Associates was hired to determine what financial return could be anticipated assuming highest and best use of the 100 acres of undeveloped land at Evergreen Cemetery They also were used to assist in determining whether there was interest in the purchase of the City Cemeteries Findings included

- The private sector would primarily be interested in the one hundred (100) vacant acres at Evergreen
- Planning Department staff would only support cemetery or residential usage of the undeveloped acreage (no rezoning)
- The highest and best use was determined to be cemetery usage
- If the City was to sell all its cemeteries, it could expect offers of \$4M to \$10 M. The actual offer will be heavily influenced by the potential purchaser and provision of services (mausoleum, sale of markers/coffins, funeral homes, etc.)
- The sale is desirable for cemetery operators and several national cemetery operators would potentially submit a proposal for purchase
- If the cemeteries were sold, it is the opinion of our attorneys the \$2.6M in the perpetual care fund would have to be included in the sale
- If the City wishes to continue to operate the cemeteries, changes in City Code would allow services to be provided at the market rate

More specific information regarding current operational costs, financial status and information on the perpetual care fund and other criteria pertinent to valuing our cemetery assets will be presented at the meeting

Path Forward

Staff requests City Council set October 9, 1995 as the date for a public hearing regarding sale of the City Cemeteries Information will be presented August 7, 1995 regarding the public notification process

Staff will consider comments made at the public meeting and present options for next action steps to City Council at the November 13, 1995 Council meeting

TOPIC: Hotel/Motel Occupancy Tax

COUNCIL FOCUS AREA Economic Development

KEY POINTS (Issues, Cost, Change in Policy)

Staff has been requested to update Council relative to the original 3% occupancy tax and the new 3% occupancy and 1% prepared food and beverage tax, as follows

- Original Occupancy Tax
 - Purpose For activities and programs aiding and encouraging conventions and tourism
 - Implemented in 1983
 - Distribution (see attached)
 - CCVB
 - Small Towns
 - City
 - County
- New 3% occupancy and 1% prepared food and beverage taxes
 - Purpose dedicated to the new convention center to cover operating, marketing, expansion and debt cost
 - Implemented 3% in 1991 and 1% in 1992
 - Distribution (see attached)
 - Debt service
 - Marketing
 - Operating Deficit
 - Reserve

COUNCIL DECISION OR DIRECTION REQUESTED This is for Council information No action is requested

ATTACHMENTS:

Graph- distribution of original 3% occupancy tax

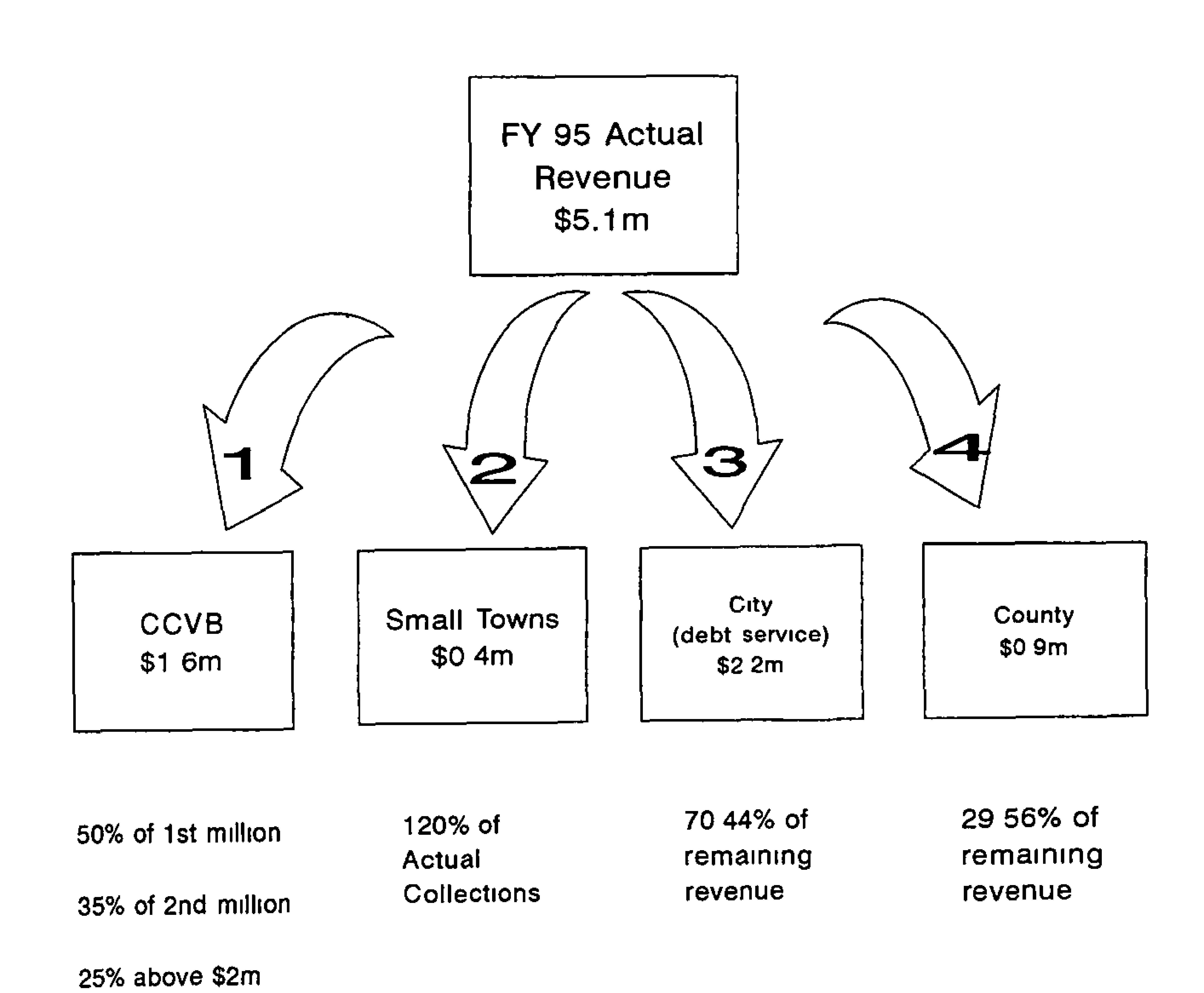
Graph- allocation of additional 3% occupancy and prepared food and beverage tax

Chart- actual revenues compared with original estimates (FY 91 through FY 95)

Chart- summary of reserves

City of Charlotte <u>Distribution of Revenues</u>


Original 3% Occupancy Tax



City of Charlotte

Allocation of Revenues

Additional 3% Occupancy Tax & 1% Food and Beverage Tax



City of Charlotte

Additional 3% Occupancy Tax & 1% Food and Beverage Tax

Actual vs Original Estimates

	Actual Revenues	O/S Estimates	Difference
1991	\$3.1m	\$3.2m	(\$0.1m)
1992	\$7.1m	\$6.6m	\$0.5m
1993	\$10.8m	\$10.6m	\$0.2m
1994	\$11.8m	\$11.2m	\$0.6m
1995	\$13.0m	\$12.0m	\$1.0m

City of Charlotte New Charlotte Convention Center Revenues Summary of Reserve

	Actual
	Reserve
1991	\$3.2m
1992	\$9.2m
1993	\$15.3m
1994	\$17.7m
1995	\$19.6m

TOPIC: Charlotte Transportation Center

COUNCIL FOCUS AREA: Transportation

KEY POINTS:

- In September 1994 City Council approved a joint venture agreement with NationsBank whereby NationsBank would build the bus transfer facility on Cityowned property. The City would contribute \$7.6 million worth of environmentally clean land and NationsBank would contribute \$9.5 \$10 million. The bank would be responsible for design, site preparation, construction and leasing
- In addition to the bus transit operation which would occur in the central pavilion of the facility, three other city services were to be included in one of the two retail pavilions of the site. These services are the Uptown Transportation Information Center (UTIC), the Special Services Division of Solid Waste Services (SWS), and a Police Reporting Unit of the Charlotte-Mecklenburg Police Department
- In October 1994 City Council approved a Capital grant application to the Federal Transit Administration for \$760,000 to fund roadway improvements associated with construction of the CTC, installation of the underground conduit and fiber optic communications to link the facility with the City's information system, furnishings in the transit portion/public areas of the center, and relocation of Tryon Street Transit Mall bus shelters in response to necessary bus reroutings
- The grant was approved by the Federal Transit Administration in January 1995
 These funds can only be spent for Transportation Center purposes
- In February 1995 NationsBank informed the City that the lease rate for space in the two retail pavilions would be \$12 per square foot per year and that NationsBank would provide a \$15 per square foot upfit allowance. These are the same lease and upfit rates being given to private tenants. The upfit allowance does not include interior walls, paint/finishing, cabinets, counters, electrical connections, closets, plumbing, employee restrooms, etc.
- NationsBank agreed to fully fund the upfit cost for the Police space (\$51,000) and the annual lease cost (\$9,300) per year
- The annual lease for UTIC is estimated at \$16,400 (which is equal to the City's lease cost for the UTIC prior to the original proposal for this joint venture)

- The annual lease for SWS is estimated to cost \$19,700. This space will house Tryon Street Mall employees and equipment currently located in the Old Convention Center.
- In July 1995, NationsBank's general contractor, R J Leeper Company, provided final cost estimates for the City's share of the upfit for the Transit space and SWS The City requested from McDevitt-Street-Bovis cost estimates for performing the same work Both estimates are presented below

	R J Leeper	McDevitt-Street-Bovis
Transit Space	\$106,611	\$119,252
Special Services	\$83,197	\$ 79,115

- Also in July 1995, the City received a preliminary cost estimate from Time-Warner Communications (formerly Cablevision) of \$120,000 for underground conduit/fiber optic communication to connect the City's services area at the CTC (particularly the Police Reporting Unit) with the City's Communication/Data System Up to \$90,000 of these funds will be returned by Time Warner as they use the conduit in the future to extend their system. Under terms of our franchise agreement with Time Warner, they have an obligation to do this work.
- On July 24, 1995, Council was asked to approve four contracts for up to the amounts shown below

Work Upfit Transit Space	Contractor R J Leeper	<u>Amount</u> \$110,000	Source of Funds Transportation Fund
Public Lobby Furnishings		\$ 90,000	Transit Grant
Upfit Solid Waste Space		\$83,197	Solid Waste Budget
Communications Data Link	Time Warner Communications	\$120,000	Transit Grant

- To expedite this project, NationsBank and the City are working with the bank's general contractor to perform upfit work. According to the City Attorney, bidding this work is not required. Independent cost estimates indicate that the general contractor's costs are reasonable.
- Prior to City Council action on July 24, the project was scheduled to be completed in early December of this year. Delay in the purchase of seating for the public areas and on the upfit of the Station Manager's booth will delay the opening of the Transportation Center for transit operations by one day for each day until these items are awarded

COUNCIL DECISION OR DIRECTION REQUESTED: Staff recommends that Council award all four contracts now This should provide for opening of the Transportation Center by Christmas