AGENDA

Meeting Type:	WORKSHOP
Date:	03/06/1995

City of Charlotte, City Clerk's Office

CITY COUNCIL WORKSHOP
March 6, 1995
AGENDA

5:00 p.m. ***Economic Development: Privatization Committee Report on Old Convention Center***

6:00 p.m. ***Dinner***

6:15 p.m. ***Restructuring Government***

- ***Update***
- ***City-County Services***
  - ***Police Tax Equity Interlocal Agreement***
  - ***County Proposed Legislation: Police Service Districts***
  - ***0% Increase Request from County***
- ***Financial Contingency Planning***
- ***Capital Infrastructure Plan***
- ***Privatization: Solid Waste RFP Update***
- ***Functional Consolidation: Fleet Management***

8:00 p.m. ***Council Focus Areas***

This time is to give Councilmembers an opportunity to ask questions, offer comments of discuss the Strategic Focus Areas for City Government:

- ***City Within a City***
- ***Economic Development***
- ***Transportation***
- ***Community Safety***
- ***Restructuring Government***

8:30 p.m. ***Appointments to COG Study Committees for "Our Region Tomorrow"***

8:45 p.m. ***Adjourn***

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Privatization/Competition Advisory Committee, Report on Old Convention Center

COUNCIL FOCUS AREA: Economic Development/Restructuring Government

KEY POINTS (Issues, Cost, Change in Policy): At the City Council's October workshop, the Old Convention Center Reuse Task Force presented their report and recommendations City Council voted to follow the asset management guidelines and referred the Old Convention Center to the Privatization/Competition Advisory Committee

The Privatization/Competition Advisory Committee selected T B Harris Jr and Associates to perform a "highest and best use" analysis of the property The analysis was presented to the Privatization/Competition Advisory Committee on February 2 The Privatization/ Competition Advisory Committee, along with Mr Harris, will present their evaluation and conclusions to City Council

COUNCIL DECISION OR DIRECTION REQUESTED: Council is requested to provide direction to staff on how to proceed with the disposition of this asset

ATTACHMENTS:

1 Letter from the Privatization/Competition Advisory Committee summarizing their evaluation and conclusions

2 Executive Summary of "Old" Convention Center Appraisal Report, prepared by T B "Skeet" Harris (The summary is enclosed separately with this agenda)

To: Mayor Richard Vinroot and Members of the Charlotte City Council

From/Location: Bill James, Chairman (Privatization/Competition Advisory Committee) Bill James

Date: March 1, 1995

Re: March 6, 1994 workshop discussion on Old Convention Center

At our February 27, 1994 meeting the Privatization/Competition Advisory Committee finished our evaluation of the old convention center site under the Council approved guidelines. Generally we determined that

- The highest and best use for the site is for the marketing and ultimate sale of the property as a mixed-use office/hotel/retail "hi-rise" and

- The Community (City and County) would generate approximately **$1.527 million in additional ANNUAL revenues** if the property were sold and developed as planned. *The City and County portions of this amount would be approximately $990 thousand and $537 thousand respectively*

Following this memo you will find

- The Committee's detail approved report (prepared by our Asset Management Sub-Committee consisting of Mary Stafford Chair and Dan Clodfelter and Dr. Jack Sommer), and

- The City and Committee's calculation of estimated additional revenues, if sold and developed

The Committee looks forward to discussing this with you at the workshop this Monday. Mr. Harris is to be in attendance to discuss the particulars of his appraisal.

Copy to:
Wendell White, City Manager
Del Borgsdorf
David Cooke
Charles Woodward
Privatization Committee Members
Skeet Harris

OLD CONVENTION CENTER
REPORT OF THE COMPETITION / PRIVATIZATION ADVISORY COMMITTEE

The Competition /Privatization Committee submits the following report prepared by the Asset Management Sub-committee The information set forth below is presented in accordance with the Asset Management Guidelines adopted by the City Council

1. The highest and best use for the Old Convention Center is for demolition of the improvements and for sale of the site for a mixed-use project including office and hotel as basic components *

- An office building of at least 525,000 square feet is financially feasible based on a minimum return of 8-9 %
- An analysis of the existing supply of office space in downtown, the past absorption, current lease rates, the ability of Charlotte's employment to grow, and historical trends indicates this office space could be reasonably be absorbed within a 18 month time frame at expected lease rates if marketing of that space were to begin in the next six months Analysis of Class A office space especially indicates this is an ideal time for the development of new Class A space
- An office building of this size would require only one third of the subject site, potential exists for future hotel and retail development on subject site
- The suggested re-use alternatives of an aquarium and of an entertainment center did not prove to be financially feasible The value of the subject property is too high to financially support these end uses
- The estimated market value of this asset, including a deduction for demolition and asbestos removal of $3 3 million, is $10,850,000
- If sold at its appraised value, the city of Charlotte would gain property tax revenue of $174,448

If subject site was developed, the city of Charlotte would gain property tax revenue of $647,325 as a very conservative estimate (based only on the 525,000 square foot office building) Any additional development would increase these revenues

* The highest and best use study was done by T B Harris Jr and Associates Their appraisal did not attempt to determine the economic development benefits of any of the alternative end uses of the site

2 Although the Charlotte/Mecklenburg Planning Commission has not completed their 1995 update of the Center City Urban Plan, a study of the 1990 plan revealed many needs that could be effectively provided by the development of the subject site as office/hotel/retail

The existing structure, regardless of use, is hostile to the plan's objectives of providing an attractive and lively streetscape It is not pedestrian scale and has limited access

3. Continued operation of the parking lot is reasonable during the marketing period of the site for office/hotel mixed-use development It is estimated that annual revenues of $312,000 from parking will exceed maintenance expenses at the Old Convention Center The Authority is currently restructuring its maintenance contracts and is estimating expenses for the vacant building

1990 Center City Urban Design Plan

The highest and best use development could meet the following needs identified in the 1990 Plan, approved by the Charlotte City Council and the Mecklenburg Board of County Commissioners

The 1990 Plan identified the following as an opportunity that Charlotte should strive for
"Select a centrally-located, full city block to become for Charlotte what Union Square is for San Francisco, the plaza in Rockefeller Center is to New York, or Boston Common is to that city "

"Most important, the central city must be designed to welcome pedestrians Buildings would be more than mere structures, they should offer interesting details at eye-level, intriguing doorways, and beckoning windows This sort of lively street scene is needed to lure suburbanites Uptown to shop Special streetscape treatment should create a unique pedestrian scale and character for the Church and College street corridors "

"There exists, too, a component of retail trade which by its very nature is not well suited to the regional suburban center These are merchants-usually small, one-of-a-kind entrepreneurs who depend upon serving an entire metropolitan region from a single location - who are interested in central space with an individuality and character of its own "

With the development of the Transit Center, the subject site could provide
"Direct linkage from transit facilities to employment, retail and cultural/entertainment facilities "

Economic Opportunity Analysis
of the
Old Convention Center

Estimated **annual revenues** which would accrue to the City of Charlotte and Mecklenburg County if the Old Convention Center site were sold are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5 and beyond
[1] Interest earnings on sale proceeds (sale proceeds = $10,850,000)	$705,250	$705,250	$705,250	$705,250	$705,250
[2] Real Estate Taxes on Land	$174,500	$174,500	$174,500	$174,500	$174,500
[3] Real Estate Taxes on Improvements ($52,500,000)	Sales Period	Construction Period	Construction Period	$650,000	$650,000
TOTAL ANNUAL REVENUES	**$879,750**	**$879,750**	**$879,750**	**$1,529,750**	**$1,529,750**
City Real Estate Tax Revenue	$60,600	$60,600	$60,600	$286,000	$286,000
County Real Estate Tax Revenue	$113,900	$113,900	$113,900	$538,500	$538,500

Assumptions

1. Sale proceeds invested in short-term (12-month) investment instruments - interest rate = 6 5% (according to City Finance Staff)

2. Based on FY95 tax rates

City	$ 4280/$100 assessed value
County	$.8050/$100 assessed value
Municipal Service District #1	$ 0208/$100 assessed value (not included in tax revenue)
Municipal Service District #3	$ 0300/$100 assessed value (not included in tax revenue)

3. Based on 525,000 sq ft office building, assuming construction within 6 mos. of purchase and issuance of a Certificate of Occupancy after 30 mos.; additional development such as a hotel is not included in the figure.

Listing of Attachments

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Capital Infrasturcture Plan	Page 22
Solid Waste Bid Procurement Process	Page 25

COUNCIL WORKSHOP AGENDA ITEM SUMMARY

TOPIC: Restructuring Government

COUNCIL FOCUS AREA: Restructuring Government

KEY POINTS (Issues, Cost, Change in Policy): Restructuring Government contains 5 chapters Finance and Infrastructure, Competition, Cutting Costs, Functional Consolidation and Workforce Preparedness There are 31 action steps within the chapters of Restructuring Government Staff has committed to monthly updates on selected action steps and on other topics related to Restructuring Government Related topics for review this month are

Restructuring Government Update

- City/County services, including
  - → Police Tax Equity — LAST
  - → County proposal for Police Service Districts
  - → 0% increase in operating expenses for joint programs

Financial contingency planning for the upcoming budget

Capital Infrastructure Plan

Solid Waste bid procurement process

Discussion of potential functional consolidation of fleet management

OPTIONS: None

COUNCIL DECISION OR DIRECTION REQUESTED:

A vote is required on Police Service Districts
Does Council agree with the approaches being taken?
Are there any outstanding issues that need to be addressed?
Is further information needed on any of the topics?

ATTACHMENTS: Attachments are included with individual topics Listing of Attachments follows

Restructuring Government Update

Restructuring Government Focus Area
March Status Report

Through the Restructuring Government Focus Area, actions are being taken to help meet established goals, such as no tax increase and additional capacity for capital improvements and Focus Area Plans. In addition to those workshop agenda items specifically listed for discussion, following are several action steps that we are proceeding with that support goals established by Council as part of the Restructuring Government Strategic Plan

- Cost-cutting focus groups are being held in Police and Fire to solicit ideas on reducing our costs and improving our processes. The focus groups, ten in all, are being conducted by an outside facilitator Police and Fire have been selected to serve in this pilot project to gauge whether this is a valid approach to use in other departments

- The organization is pursuing a new relational database system which will enable improvements to be made in business processes Previously, technology did not allow for the integration of information necessary to improve, for example, the building permit process or to establish a citywide customer service network which could link service requests, code violations, crime reports, etc to a single address These improvements will improve not only productivity, but also customer service

  This new database will also enable improvements in internal processes, such as payroll and purchasing, which will help the City reduce costs and expedite service delivery Our objective is to have the bid documents for the database system on your March 27th Council agenda

- The budget guidelines developed for the next two-year budget have a 0% growth in operating expenses requirement Similarly, one-time expenses included in the current year budget will be removed, meaning operating expenses will actually decline over last year's budgeted level Operating expenses have not increased in 5 years

What's different

- A services assessment and citizens' survey are being developed for implementation this Spring The results from these instruments should assist in the prioritization of resources with programs

- A staff team is reviewing financial policies related to dedicated revenues and funding of major services and programs Recommendations are due to the Restructuring Government team in March for any changes recommended by the staff team

- Criteria is being developed for the study of the City's benefits package, including the concept of "cafeteria plan" benefit packages, with the goal of reducing costs while increasing options for employees to choose benefit options most important to them

- Relative to competition, a model cost elimination plan is being developed for Solid Waste Services which in the future will be applied to all services in the 5-year competition plan

Budget and Evaluation
March 1, 1995

City/County Services

Police Tax Equity Page 4

Police Service Districts Page 8

0% Operating Growth Page 12

Police Tax Equity

Key Points

- City's 9¢ tax decrease in 1992 for police tax equity makes the County our second largest General Fund revenue source
- Proposed model for calculating police service costs is more accurate than the old model using "community goods" and estimated service levels for the unincorporated area
- County Manager's recommendation on Sales and Intangibles costs the City $7.8 million, the equivalent of 2 9¢ on the tax rate
- City's already subsidizing County-share of the Community Safety Plan based on the existing agreement

Goals

- Council understanding and ownership of the tax equity issue
- A Police Department that is a consolidated organization which maximizes efficiencies and economies of scale
- Financial stability for the community's community safety needs
- Avoid escalating the issue into a City versus County position

Issues and Questions

- Is the primary concern community safety or financing issues?
- Does the financing mechanism for community safety determine police organizational structure and operational issues?
- What is the County Commission's role in making financial and operational decisions for community safety? What should City Council's approach be?
- Is the County Commission supporting the County Manager's position on Sales and Intangibles redistribution?

Prepared by
Budget and Evaluation
February 1995

Police Services Financing Models

Original Tax Equity Model

Basis of allocation to taxpayers is assessed valuation of property.

Requires costing of services to be provided to the County's Unincorporated areas. Given the comprehensive service goals of the Consolidated Police Department (CMPD), a separation of services provided to one area will be difficult, if not impossible, to calculate.

County has authority to choose level of service to be provided in Unincorporated areas, which may conflict with CMPD deployment plans

Other municipalities may choose to purchase a level of service from the CMPD If the municipality later chooses not to purchase at the same level, the additional increment of cost would shift to the City of Charlotte This occurs because an increment reduction at the municipality level does not mean a corresponding reduction in cost can be achieved An example of this is Pineville's decision to no longer purchase 911 services from the City as soon as their new system becomes operational.

Proposed Financing Model

Basis of allocation to taxpayers is a combination of population and police calls-for-service data

County funds a standard, county- wide service level (SCSL) based on the total cost of police services This includes the police services costs of the other municipalities' police forces as well as CMPD

Police service costs in excess of the SCSL are funded by the respective municipality

Levels of service provided are determined by the individual municipalities and CMPD For example, the volume of calls for service and population density are both higher for the City of Charlotte Therefore, the increased service levels demanded by these statistics will be funded through City revenues, not through payments from the County

Issues

Under the previous model, the level of funding previously provided by the County totalled approximately $10 7 million With the proposed model, this level drops to approximately $5 3 million The $5 4 million difference is comprised of those costs which are not dependent upon patrol officers being dispatched, such as Lakes Enforcement, School Resource Officers, administrative overhead, etc These costs are necessary to maintain police services at the level provided prior to consolidation. Therefore, a variation of the proposed model would take these costs into consideration and generate a higher SCSL to be financed by the County

Redistribution of Sales and Intangibles Taxes remains an issue However, redistribution of these taxes is a clause in the Tax Equity Agreement and is not a function of either the old or the new model Instead, it is a function of tax rates

POLICE TAX EQUITY
COMPARISON OF FINANCING MODELS
BASED ON FY 95 BUDGET INFORMATION

City/Town	Current Model: Assessed Valuation			Proposed Model: Population and Calls for Service		
	Tax Equity/ David Division	Sales & Intangibles	Total	Police Services	Sales & Intangibles	Total
Charlotte (1)	35,802,658	7,828,380	43,631,038	38,284,126	7,828,380	46,112,506
Mint Hill (1)	0	0	0	0	0	0
Cornelius	377,166	103,455	480,621	201,282	103,455	304,737
Davidson	225,846	64,980	290,826	315,984	64,980	380,964
Huntersville	352,216	103,455	455,671	448,174	103,455	551,629
Matthews	1,107,848	336,870	1,444,718	1,145,167	336,870	1,482,037
Pineville	411,024	112,860	523,884	230,047	112,860	342,907
Total Mecklenburg County Cost	38,276,758	8,550,000	46,826,758	40,624,780	8,550,000 (2)	49,174,780

Footnotes:

(1) Mint Hill and the County unincorporated area police services are provided by Charlotte–Mecklenburg Police Dept. Any redistribution of funds to Mint Hill or for the unincorporated area is used to pay for police services and is reflected above as revenue to Charlotte.

(2) Assumes continuation of Sales and Intangibles' Taxes redistribution.

City's Position

* The agreement to redistribute is irrelevant to the manner in which police services are purchased.

* The original agreement makes the City whole with regard to what sales/intangibles tax revenues the City was to receive if consolidation had not occurred

  The specific language of the agreement.

  "...the County will remit to the City the difference between the amount directly distributed to the City and the amount that would have been distributed to the City if this Agreement had not been made."

* The method used to determine who pays what for police services is the Tax Equity decision The Sales Tax decision is based on the change in tax rates The County's rate increased 6 cents, the City's decreased 9 cents Automatically, the City lost revenue because of an artificial distribution formula.

* $7.8 million in lost sales/intangibles taxes equates to an increase of 2 9 cents for the City

County's Position

* The inflation of the County tax rate was a revenue raising strategy – – not for the County's use, but solely designated for pass – through to County municipalities

* Under the revised model, the County's payment of $40 million for County–wide police services represent a purchasing of service, and, similar to any other service they purchase, the redistribution no longer applies

* Tax rate basis of sales tax redistribution "is more reflective of countywide responsibilities, including consolidated functions, and because counties have less flexibility and fewer revenue opportunities than towns and cities, which includes annexation authority" – – Jerry Fox, Feb 7th memo to OWW

Police Tax Equity
Fast Facts

	FY94	FY95
County Tax Rate for Public Safety	11 18¢	9 89¢
County Contribution to Charlotte (tax equity and old David Division)	$41 3 m	$38 3 m
Police Budget	$64 3 m	$79 3 m

Proposed Legislation for Police Tax District

The County Commission has submitted legislation to the Mecklenburg Delegation requesting Police Taxing Districts.

Since the City and County are involved in discussions regarding Political consolidation, and since one of the twelve principles of consolidation is service districts, we recommend the Council take the following position regarding this issue·

Until the district legislation has more review it could negatively impact police management. Therefore, if consolidation occurs police tax districts will not be an issue. If consolidation does not occur, we agree to work on a more refined method of defining taxing districts and service levels.

Information on the County's proposed legislation is attached

MEMORANDUM

TO: Distribution

FROM: Viola T. Alexander, Budget and Evaluation Director

DATE: February 1, 1995

SUBJECT: Police Service Districts

Attached is information from the County's Retreat. We are in the process of setting up a meeting to receive comments/analysis of this proposal.

Specific questions that should be addressed and responded to prior to the meeting include the following:

1. What is the impact of this legislation if passed?

2. The City will be asked by the local delegates if we support the legislation - do we?

3. What is the County's intent? Financial? Better service definition?

Please prepare responses to this information for a meeting to be scheduled as soon as possible Thank you.

Distribution:

Dennis Nowicki, Police
Jack Boger, Police
Richard Martin, Finance
Dave Cooke, Business Support Services
Curt Walton, Budget and Evaluation

c: Boyd Cauble, City Manager's Office

FEB 2 1995

1995 Long Session Request

Issue:

Should Mecklenburg County be allowed to create a county service district for law enforcement services and to change requirements for creation of districts covering the entire unincorporated area of the county.

Key Features:

Mecklenburg County needs to be able to offer diverse levels of service to distinct areas without penalizing other areas. Mecklenburg County has been pursuing the concept of equitable taxation for police services by charging customers for services actually received. The current legal structure has hobbled that effort.

Article 16 of G.S. Chapter 153A empowers Boards of County Commissioners to create special districts to furnish several urban services such as water, sewer and fire protection. Police services are urban services but are currently excluded from that list. Passage of this bill could reduce the county tax rate by 8 to 10 cents. This would cause the city and towns to raise their taxes.

We requested this for the Short Session as a part of our legislative package but the delegation felt this was too complicated an issue for that session. The city had agreed not to oppose this proposal at that time.

Department: Board of County Commissioners

Contact Person: Ed Chapin, **Telephone:** 336-2472

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JUSTIFICATION OF LAW ENFORCEMENT SERVICE DISTRICT LEGISLATION

Mecklenburg County desires passage of an ACT TO ALLOW CREATION OF A COUNTY SERVICE DISTRICT FOR LAW ENFORCEMENT SERVICES so that counties will be able to offer diverse levels of service to district areas without penalizing other areas.

For the past several years, Mecklenburg County has pursued the concept of equitable taxation for police services by charging customers for services actually received. The current legal structure has hobbled our efforts and needs changing.

Article 16 of G.S. Chapter 153A empowers boards of county commissioners to create special districts to furnish several urban services, such as water, sewer and fire protection. Police services can also be an urban service, but are currently excluded from the option of service districts. We have demonstrated that, in an increasingly urbanized county, the police services cannot be provided to the unincorporated area without unreasonable or burdensome tax levies to the whole county. This argues strongly for the approval of an act which would allow the creation of law enforcement service districts.

When the Act is approved, Mecklenburg County Commissioners will be able to reduce the county tax rate by approximately 10 cents, instituting a service district tax instead which will only result in revenue being collected equal to the service requirements. This would cause the city and towns to raise their tax rate so that revenues raised by the city and towns' tax rate would be sufficient to pay for the cost of city or town services, without the subsidy caused by the existing Tax Equity Tax Rate of the county. The county, at the same time, would be able to lower its tax rate so that property tax revenues would only be called upon to pay for services without having to subsidize other governments' operations.

ledist

0% Growth in City-Administered Joint Programs

Mecklenburg County has requested that there be a 0% increase in the FY96 budgets for the City-administered consolidated programs· Police, Planning, Purchasing, Animal Control, First Responder, Customer Service, CMGC operations, etc. The request is in response to the same financial constraints that are driving the recommendation on the redistribution of Sales and Intangibles Taxes

A response has been sent to the County Budget Office that a 0% increase is not possible for Police due to continued implementation of the Community Safety Plan and the Public Safety Pay Plan. Further, a no increase budget is unlikely for the other programs because City increases over the past 5 years have been significantly less than County increases Operating expenses in City departments have not increased in 5 years The Planning Key Business budget is, for example, $100,000 less in FY95 than in FY92.

Attached is the correspondence that has been exchanged about this request.

MECKLENBURG COUNTY

Budget and Resource Management Department

February 3, 1995

Vi Alexander, Budget Director
City of Charlotte
600 East Fourth Street
Charlotte, NC 28202

FEB 6 1995

Dear Vi:

As you are aware, the BOCC on December 19, 1994 at their regular board meeting asked the County Manager to prepare a FY 96 budget with two alternatives; a no tax rate increase and a 2% tax rate reduction (from 80.5¢ to 78.9¢ county tax rate). Again on January 18, 1995, at their annual budget conference the Board reiterated a no tax rate increase.

As of February 1, 1995 all county departments and outside agencies were informed of their individual target budget reductions in order to achieve the Board's goal of no tax rate increase for FY96.

FY 96 City/County departments under the City's administration are being asked to hold-the-line on their budget requests. In other words, the total County share from FY95 to FY96 should not increase. On the other hand, you will receive budgets from County administered City/County departments reflecting a no increase or even a reduction for FY96.

If you have any questions, please contact me at 336-2473.

Sincerely yours,

Deborah E. Bright
Budget and Resource Management Manager

memo269 w51

600 East Fourth Street/11th Floor • P O Box 31~87 • Charlotte North Carolina 28231 • (704) 336-2473

CHARLOTTE

February 13, 1995

Deborah E. Bright, Budget Manager
Mecklenburg County
600 E. Fourth Street
Charlotte, North Carolina 28202

Dear Debbie:

I have reviewed your letter dated February 3, 1995, requesting a 0% increase in the FY96 budgets of City-administered consolidated programs. I understand the limitations placed on County staff by the Board of County Commissioners and the City will work diligently to comply.

However, I must make the following points at the outset that may make 0% increases difficult:

1. The Police Department will not have a 0% increase in their FY96 budget The Police Tax Equity model and the Police consolidation agreement determine what the County's cost will be for County police service. As you know, negotiations for amending those agreements are currently underway, therefore, it is possible the County's share of Police costs may be flat or decrease; it is equally possible they may increase Continued implementation of the Community Safety Plan and the Public Safety Pay Plan ensures that Police costs will continue to rise.

2. The City began decreasing its costs several years ago All departments except for the costs included in the Community Safety Plan have had 0% increases in operating expenses and capital outlay since FY91. In Personnel, consider the following: the Planning Department's positions have been cut from 50 to 41 since FY91, and Martin Cramton is holding 3 additional positions vacant until he evaluates whether each should be filled. Planning's budget is $100,000 less in FY95 than it was in FY92.

3. Given that, I cannot ask Planning or other city-administered joint programs to forego an employee pay plan for FY96. Planning, Purchasing Animal Control and the CMGC maintenance staff each lost positions in FY93 to rightsizing. Therefore, their costs have already decreased.

Budget and Evaluation Department 600 East Fourth Street Charlotte, NC 28202-2842 704/336-2306

I will relay your request on to the city-administered joint programs Again, I understand your position; however, I feel it is important to give credit to the city-administered programs, because except for Police, most are operating at a level comparable to that of FY92.

Sincerely,

Viola T. Alexander
Budget and Evaluation Director

MEMORANDUM

TO: Executive Team Members

FROM: Vi Alexander
Budget and Evaluation

DATE: February 13, 1995

SUBJECT: City-administered Joint Programs with Mecklenburg County

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I have received a request from Mecklenburg County that there be a 0% increase in consolidated programs administered by the City. As a reminder, those programs are:

Police	Planning
Purchasing	Animal Control
Emergency Management	First Responder
CMGC Operating Costs	CMGC Telephone Costs
Stream Pollution Abatement	Customer Service
Video Contract	Cable TV Contract

I have responded that the City will not be imposing a 0% increase directive on these city-administered programs My response to the County is attached.

However, please keep in mind that in most cases, we have limited leverage to ensure that the County will honor its existing agreement to pay whatever the percentage is for each joint program. The County left $1 9 million of the Community Safety Plan unfunded during the current fiscal year.

We will provide the County with budget recommendations in April based upon the guidelines we have developed within our organization, but if the County Manager should recommend that the increases not be granted, please give thought as to how your Key Business can adapt to the same level of County funding for FY96 that was received for FY95.

Please call your Budget Analyst if you have questions about the impact of this recommendation

c: The Leadership Team

Attachment

Financial Contingency Planning

Financial Contingency Planning

There are a number of situations that pose potential problems for the City during development of the upcoming budget Most have revenue implications, but several emanate from the expenditure side of the equation Almost all result from intergovernmental uncertainty, that is, most are issues that originate with the State of North Carolina or with Mecklenburg County and are not situations controlled by the City Following is a list and brief description of the issues that threaten the City's financial picture over the next several months, as well as several options that could be employed to address these threats should they become a reality.

<u>Potential Problems</u>

- **Repeal of the Intangibles Tax**

  While no State-shared revenue is guaranteed, the repeal of the State Intangibles Tax seems likely in this session of the General Assembly A portion of Intangibles taxes are returned to the municipalities and counties from which the taxes are collected The key issue is whether the State agrees to replace revenues lost to cities and counties with other revenues generated from the State's general revenue stream A second issue, assuming the State does replace lost revenue, is whether the State will factor in continued growth in the revenue or whether replacement revenue will remain flat The City's Intangibles revenues have grown at a rate which out-paced average revenue growth in recent years

  Last week, the State Senate passed a bill which repealed the Intangibles Tax, replaced the Intangibles Tax revenues lost to local governments, but excluded growth in that replacement revenue The annual growth in the City's Intangibles revenues average about $300,000 The Senate bill has been sent to the State House for consideration

  In this fiscal year, the City budgeted $5 8 million in Intangibles taxes $5 2 million is budgeted in the General Fund and $600,000 in the Debt Service Fund

- **Police Tax Equity**

  Despite attempts to simplify the Police Tax Equity Agreement and to eliminate ambiguities in the Agreement that left the City a Community Safety Plan shortfall last Spring, considerable disagreement continues to exist about Mecklenburg County's obligation to public safety Either the City or the County can terminate the agreement on any July 1, so long as notice is given prior to April preceding that July The County could make an amount of money available for Police and the City would have to make a decision as to whether or not to subsidize the difference The County currently pays a combined $46 8 million a year for police service and tax equity to Mecklenburg municipalities

  The City budgeted $43 6 million from the County for police services this year, making this contribution the City's second largest revenue behind the property tax

- **Continued redistribution of Sales and Intangibles Taxes**

  County Manager Jerry Fox has recommended the redistribution of Sales and Intangibles taxes to municipalities be discontinued These taxes are distributed based on tax rates Since the County increased its tax rate by 6¢ and the City decreased its tax rate by 9¢ at the beginning of the Police tax equity agreement in 1992, the County gets a disproportionate amount of Sales and Intangibles taxes The City strongly disagrees with the County Manager's position

  Implementation of the County Manager's recommendation would cost the City $7 8 million annually

- **Police Service Districts**

  Mecklenburg County has requested the local legislative delegation to sponsor Police Service Districts for Mecklenburg County and its municipalities The delegation has declined to sponsor the legislation until the municipalities concur with the bill

  The City has received no presentation yet on how Mecklenburg County wishes to establish the districts, however, our assumptions are these

  - A service district would be established to provide police services to the unincorporated area Unincorporated residents would be taxed directly for their service, so no rebates (tax equity) would be due to municipalities,

  - Municipalities would establish police service districts within its jurisdiction to provide police services and to tax only those residents of the municipality,

  - Financially, police service districts could make the financing of police service simpler, however, it would require shifting of tax rates at least between the City and the County The City would increase its tax rate approximately 10¢ and the County would decrease its rate about the same amount

  - Police service districts create operational problems for the delivery of Police services It is difficult to address crime issues with artificial jurisdictional boundaries, which was the purpose of consolidation, similarly, the efficiencies and economies of scale that are being achieved because of the consolidation may be threatened

  However, no details have been provided These assumptions could be changed significantly depending on the approach recommended by the County.

- **City-administered joint programs**

  Mecklenburg County has requested that there be a 0% increase in the FY96 budgets for the City-administered consolidated programs Police, Planning, Purchasing, Animal Control, First Responder, Customer Service, CMGC operations, etc. The City has responded that it will take the request under review during development of the budget, but that no directive will be issued to these programs to have a no-increase budget Given the Community Safety Plan and the Public Safety Pay Plan, it will be extremely difficult for Police to have a 0% increase budget

  If the County declined to fund increases in joint programs, including Police, then approximately $1 1 million of the expenditures included in the Council Retreat financial projections would be unfunded

- **General Liability Insurance**

  The City is self-insured for Workers Compensation, General Liability and Auto exposure Experience over the past few years has been good, especially in Workers Compensation, due to the programmatic changes made in 1992 Recent general liability losses experienced by the City, however, have increased the funds needed in the current year's insurance reserve by about $3 million, which in turn increases the funds necessary for self-insurance next year by about $5 million Both amounts are preliminary

  At the Council Retreat, the financial projections included an increase for General Liability insurance in the General Fund from $3 1 million to $6 5 million Preliminarily, the contribution needs to be approximately $11 million Options are being evaluated for lessening the impact of this increase

<u>Potential Approaches</u>

The range of possible approaches to dealing with the loss of revenues and potential expenditure increases is being developed The options that have been identified to date include the following

- Use the <u>Services Assessments</u>, both from 1992 and the one to be developed this Spring, to determine the lowest priority services to citizens and Council The lowest priority services could be eliminated or reduced to degrees sufficient to cover all or part of any shortfall that develops

- All <u>vacant positions</u> would be reviewed for elimination or freeze

- <u>Freeze all non-essential purchases</u> Essential purchases would include items such as gasoline, police patrol supplies, chemicals for water treatment, etc

- Across-the-board cuts to reduce the shortfall To make significant headway with a large shortfall, Police and Fire would have to be included in the cuts, since they represent approximately 65% of the General Fund costs.

The above options may be used alone or in combination with other approaches Other options will develop and will be evaluated

Budget and Evaluation
March 1, 1995

Capital Infrastructure Plan

CAPITAL INVESTMENT:
THE COMPETITIVE EDGE IN AN URBAN ECONOMY

(March 6, 1995)

- **ECONOMIC CONTEXT**

  1 Global Economy and City Regions

- **URBANIZATION**

  2 World-Wide and U S

  3 Metropolitan

    - Rusk *Cities Without Suburbs*
    - Downs *New Visions for Metropolitan America*
    - Garreau *Edge City*

  4 Charlotte's Geographic Diversity

- **METROPOLITAN VISION**

  5 An Urbanizing Region

  6 Charlotte The Center City of a Regional City

  7 Building Blocks for Community Investment

    - Center City (I-277+)
    - City Within A City (5-mile radius)
    - Suburban City Ring (5-10 mile ring)
    - Metropolitan Edge Cities (Inclusive of 20-mile ring cities)

  8 Strategic Implications

    - Customer Market Areas/Niches
      Common Community Interests -- The 346-Square-Mile City
      Neighborhood Fabric -- The Basis for Livability
      Metropolitan Identity -- The Linkages
    - Setting Priorities Balanced, Coordinated Investment in Infrastructure

- **INFRASTRUCTURE: PLATFORM FOR ECONOMIC DEVELOPMENT**

CAPITAL INVESTMENT REVIEW PROCESS

(March 6, 1995)

The *Restructuring Government Focus Area Plan* defines infrastructure as a "platform for economic development " The plan also calls for an evaluation of the capital program The evaluation would include

Goals

1 Review the current *Capital Investment Plan (CIP)* programmatic and financial policies, capital program revenues, and priorities

2 Review the capital program development process, including the relationships with the City's partners

3 Receive input and recommendations from a citizens capital program review committee

Structure

- A staff "Capital Issues Review Team" has been created to provide comment to the City Manager
- Progress reports will be made to City Council

Timetable

- **May, 1995:** The FY96-2000 *Capital Investment Plan* will be presented to Council, and will focus on the issue of identifying revenues for additional Environmental Bonds
- **Summer 1995:** Complete *Suburban Neighborhood Assessment,* review *Services Assessment Update*
- **Fall 1995:** Establish citizen capital program review committee
- **December, 1995:** Initiate Ten-Year *Capital Needs Assessment* and the FY97-2001 *Capital Investment Plan*
- **March, 1996:** Complete review of capital program process, and report to City Council Economic Development Committee

Solid Waste Bid Procurement Process

Solid Waste RFP Update

On Monday, February 27, 1995, the Privatization/Competition Advisory Committee voted to send a draft RFP to City Council by March 14, 1995 for Council's review according to the procurement schedule Council received at the February 6, Workshop. The Solid Waste Services RFP will be reviewed by the Public Services Committee at the Committee's March 20, 1995 meeting and brought back to the full Council on March 27, 1995.

The following pages include:

1. An excerpt from the memo updating Council on the Solid Waste Services procurement process that Council received as an attachment to the February 24th, Council/Manager Memo.

2. A copy of the Solid Waste Services Procurement Schedule presented to Council at the February 6, Workshop.

Solid Waste RFP Update

This was transmitted to City Council in the February 24, 1995 Council/Manager Memo.

Schedule Status
The procurement is on schedule, and we expect to meet the Council's deadline of submitting a Request-for-Proposals for review within sixty days of the resolution passed on January 16, 1995.

Work Completed to Date
As of this writing, the following has been accomplished:

January 26, 1995:
a. Discussion of qualifications criteria with Privatization/Competition Advisory Committee.
b. Request-for-Proposals (RFP) development workshop held with inter-departmental team of City staff members.

February 10, 1995:
a. Request-for-Qualifications (RFQ) issued to vendors. Due date for responses is March 10, 1995.
b. Draft RFP issued to vendors and Privatization/Competition Advisory Committee members for review and comment.

February 23, 1995:
a. Discussions held with vendors at Privatization/Competition Advisory Committee meeting on RFP issues.
b. Pre-qualifications Conference held to clarify issues and answer questions about the qualifications process and RFQ.

Next Steps
The next steps for the procurement effort include the following:

February 27, 1995:
Wrap-up discussion of RFP issues with Privatization Advisory Committee.

March 10, 1995:
Deadline for submittal of vendor qualifications packages.

March 14, 1995:
Submittal of RFP and Executive Summary for review by City Council.

March 20, 1995 (tentatively) Discussion of RFP by the Public Services Committee

March 27, 1995:
Agenda item on RFP placed on City Council's regular business meeting agenda.

April 6, 1995:
Discussion of vendor qualifications evaluation with Privatization/Competition Advisory Committee.

April 13, 1995:
Issuance of RFP to short-listed vendors.

Comments/Key Issues

To date, the procurement has proceeded smoothly, with frequent input and discussion from vendors and the Privatization/Competition Advisory Committee. Key assumptions under which we are proceeding include the following:

a. The procurement will be for all of the solid waste services (refuse, yard waste, recyclables, and bulky goods) that are currently provided by the City in the privatized area.

b. Vendors will be allowed to re-route and re-schedule pickups in their service area ("quadrant"), as long as pickup remains once weekly, with all materials picked up on the same day. The City will also be free to re-route the remaining three quadrants.

c. For health and safety reasons, the City cannot tolerate non-performance by the vendor (failure to pick-up the garbage).

d. The award will be made based on the lowest qualified bidder. Bidders will be pre-qualified in a separate process, and those eliminated during that process cannot submit bids.

These, and additional issues, will be highlighted and brought before the Public Services Committee for discussion and subsequently to the full Council on March 27.

CITY OF CHARLOTTE

COLLECTION PROCUREMENT SCHEDULE

	TASK/DECISION POINT	DATE (1995)
I.	**RFQ Finalization, Issuance, Evaluation and Short-List Decision**	
1	Consideration of Qualifications Criteria (P/CAC)	January 26
2	*Draft RFQ and Associated Documents, Publicize*	*January 26-February 8*
3	*Issue RFQ*	*February 10*
4	Deadline for Submittals by Vendors	March 10
5	*Evaluation of Qualifications, Possible Clarifications*	*March 10-March 31*
6	Consideration of Shortlist (P/CAC)	April 6
7	*Vendors Notified*	*April 12*
II.	**RFP Finalization, Issuance, Bid Opening and Award**	
1	*RFP Work Session*	*January 26*
2	*RFP Revision*	*January 27-February 8*
3	*Revised RFP Disseminated to Vendors, P/CAC*	*February 10*
4	Receipt of comments from vendors and P/CAC	February 16
5	Discussion and Consideration of Comments/Issues Raised by P/CAC and Vendors at P/CAC Meeting	February 23
6	*Revision of RFP and Development/Review of Contract Principles and Associated Documents*	*February 24-March 14*
7	*Submit Revised RFP to City Council*	*March 14*
8	City Council Discussion of and Approval of RFP for Issuance	March 27
9	*Final RFP Preparation/Revision*	*March 28-April 11*
10	*Issue RFP to Short-Listed Vendors*	*April 13*
11	*Preproposal Conference*	*April 20*
12.	*Issue Conference Report and Addenda, If Required*	*April 21-April 28*

CITY OF CHARLOTTE

COLLECTION PROCUREMENT SCHEDULE
(Continued)

	TASK/DECISION POINT	DATE (1995)
13	*Bid Opening*	*May 26*
14	*Evaluation/Confirmation of Bids, Clarification If Necessary*	*May 29-June 14*
15	Consideration of Bids (P/CAC)	June 15
16	*Submit Recommendation to City Council*	*June 20*
17	City Council Decision on Bid Award	June 26
19	Estimated Start Date	September 30

Notes

1 *Italicized tasks are those delegated to the City/Consultant team.*

2 P/CAC refers to the Competition/Privatization Advisory Committee

3 Schedule assumes that consideration called for at P/CAC meetings on the schedule is conducted, and guidance provided at the time of the meeting. Additional data collection or discussion may result in delay of key deadlines.

4 Schedule assumes simultaneous review of draft RFP by vendors and P/CAC, with resolution of issues by P/CAC at their February 23 meeting. No second review by P/CAC is anticipated before submittal to City Council

Urban Economic Policy Executive Summary

A summary of background considerations, key issues, and major proposed initiatives

Introduction

Economic Development is a key focus area for Charlotte-Mecklenburg During the past decade, the city and county experienced healthy economic growth in terms of population and employment Maintaining of an healthy economic environment has been identified as a top priority for the City and County

To address our local economic future, a *Charlotte-Mecklenburg Urban Economic Development Policy* plan has been prepared This document will serve as a framework for Elected Official's discussions and guide to staff's efforts at implementation and program development The purpose of the policy plan is to

- Clarify the City role in economic development,
- Identify the City's unique business opportunities,
- Provide a strategic action plan to guide City investment and program initiatives over the next five years

This summary document highlights key background considerations, issues, and strategies Strategies included represent new and priority initiatives, and those initiatives requiring additional funding For a more detailed overview of the economic plan see the main document

Strategic Issues

A number of issues were identified based upon the environmental scan Some of the key issues that must be addressed are

- Local businesses are competing in a global economy -- and local policies should recognize this change
- The City's role should be clearly defined relative to local and regional partners in promoting economic development
- The quality of growth that the community retains and attracts is more important than the quantity of growth
- State leaders must realize that the future of North Carolina resides in its urban regions -- and State policy should reflect the unique needs of urban areas
- The ability of the work force to live in Mecklenburg County is essential -- but housing affordability is leading the dispersion of growth and affecting work force location
- Within the next 20 years Charlotte will face the limits of annexation as defined by our current sphere of influence

- Not all parts of the community and members of the community have been able to participate in local economic growth
- Can City assets be used more effectively to increase local economic development opportunities?
- Government "customer friendliness" impacts on economic development

Urban Economic Development Policy (Abstract)

The Charlotte-Mecklenburg economic policy responds comprehensively to significant economic development issues -- macro and micro -- facing the community It addresses all facets of the local economy where local government plays a role The proposed policy is to

Create a **customer**-oriented local government environment that

- develops an educated and trained work force,
- fosters partnership to aid local economic growth,
- retains and attracts quality business opportunities,
- provides necessary land, infrastructure, and incentives to support business development,
- focuses on opportunities for **all** citizens to be productive contributors to the economy, and,
- organizes to take advantage of economic development opportunities

Urban Economic Development Strategy Areas

There are few issues we need to work on globally and nationally to remain competitive However, there are many more issues *regionally and locally* that we must address to remain competitive To deal with these issues, strategies can be grouped in four theme areas

- *business support* -- what government can do, beyond providing the basics,
- *strategic investment* -- actions government can take to enhance the local economy,
- *urban focus areas* -- government activities to address a critical area ofthe local economy, and,
- *organization* -- how the government should be organized to make it all happen

The following is a *partial* listing of proposed strategies, focusing on those which are high-priority initiatives, new initiatives, or activities requiring resources over the next two years

Business Support

1 **Convert the Private Industry Council into a Charlotte-Mecklenburg Work Force Development Board to coordinate local training resources.** This board would provide a central forum where all work force development issues can be discussed and training activities coordinated

2 **Work with the home building and real estate communities to develop affordable housing options and marketing programs to showcase "affordable neighborhoods" in Mecklenburg County** Charlotte-Mecklenburg's ability to recruit new businesses and retain existing businesses is highly dependent upon having a county based work force A range of housing choices are needed to house that work force

3 **The City should consider appropriating $3-4 million for a local incentive pool.** This fund which will be administered by an appointed **Economic Development Board** that will match the Governor's Incentive Fund for business recruitment/ retention, or leverage local targeted economic development priorities This board will select projects to fund in order to respond quickly to economic development opportunities

4 **Establish a business recruitment response team to assist new businesses considering locating in Charlotte-Mecklenburg** This team will assist the efforts of the Chamber and include a cross section of local government departments to respond quickly with needed information, and coordinate various department resources to aid the recruitment effort

5 **Establish a business expediter function to help small businesses access government services.** Designate a special unit to assist local businesses in obtaining needed information, guide businesses through local government processes (e g , loan processes, procurement, rezoning, etc), and address problems caused by local government.

Strategic Investments

1 **Prepare an *Airport Strategic Development Plan* to stimulate business development around the airport** This initiative will provide job opportunities through development of a business park south of the airport that targets global trading industries that require close access to the airport The Airport Key Business is completing a master plan for about 3,000 acres of both publicly and privately owned land south of the airport The business park will link with the "City West" focus to enhance economic development on the westside and provide job opportunities for disadvantaged individuals in Mecklenburg County

2 **Capitalize on the City's developing *sports, cultural, entertainment* and *hospitality* industries by identifying job opportunities and working with local educational partners to prepare residents for those jobs** Local government will work closely with the educational community (Charlotte-Mecklenburg Schools, Central Piedmont Community, etc) and public and private partners (Chamber, Convention and Visitors Bureau, and emerging businesses in these industries) to link potential employees with a training program to prepare them for jobs in these industries

Urban Focus Initiatives

1 **Focus on the Uptown by undertaking a revision of the *Center City Charlotte Urban Design Plan* to establish an Uptown agenda for the next five years and complete remaining activities from the previous plan.** The plan was originally adopted in 1990 and more than 75% of the recommendations have been completed or currently underway The plan update will develop an agenda for the next five years Major activities remaining to complete the current plan include the UMUD ordinance revisions, Uptown Lighting Plan and First Street streetscape improvements

2 **Focus on City Within A City by targeting employment clusters to implement economic development initiatives.** This strategy utilizes the geographies identified in the Empowerment Community grant (**West Area, Northwest Area,** and **Northeast Area**) for developing customized economic development responses The City will continue to pursue of the $3 million **Enterprise Community Grant** and local government will organize its resources -- planning, training, placement, loans and marketing resources -- toward developing jobs, supporting business expansion and creating new businesses in these areas

3. **Work with Mecklenburg County to use the Medicare and Aid to Families With Dependent Children (AFDC) programs as stimuli for economic development** Support converting the Medicare program to decentralize Health Maintenance Organization (HMO) clinics and requiring AFDC recipients to use direct deposit to create neighborhood clinics and banking opportunities in disadvantaged areas Coordinate these initiatives with city decentralization activities (e g , police bureaus) to provide economic anchors to generate support businesses (e g , food, personal services, and suppliers to serve the economic anchors) and provide job opportunities Coordinate other policies and program services to support anchor tenants such as loans to medical providers and businesses establishing in the areas, job training and business support programs (e g , JOBS, JTPA, and M\WBD) to provide employees and services, and geographical hiring preferences for City and County facilities to employ area residents

4 **Stimulate investments in business corridors by developing facade, signage, and security programs.** These programs will complement the current streetscape improvements underway along inner city corridors These programs would encourage business owners in targeted corridors to improve their store fronts, upgrade signs, and make security improvements These programs will help improve the appearance and economic viability of businesses along the targeted corridors

5 **Develop an initiative among the major public sector employers to recruit and train disadvantaged residents for available public sector jobs** The major public employers (Central Piedmont Community College, Charlotte Housing Authority, Charlotte-Mecklenburg Hospital Authority, Charlotte-Mecklenburg Schools, City of Charlotte, and Mecklenburg County) should develop a model program to aid disadvantaged workers in obtaining public sector jobs Focus would be employment assessments, employment training, job counseling and identifying candidate job opportunities through the joint efforts of the employers This model program could be shared with private employers after development

6 **Target CWAC youth for year round jobs through YouthBuild initiative and expansion of the summer jobs program.** Receipt of the YouthBuild planning grant gives an opportunity to target youth employment on a year round basis This program specifically addresses the drop-out student population to provide meaningful work The Employment and Training unit of Neighborhood Development can work proactively to put such a program in place

7 **Maintain a Minority/Women Business Development program which focuses on minority-owned and women-owned businesses, encourages private sector utilization of participaring businesses, and promotes training and technical assistance for small businesses.** This strategy supports the recommendations established by City Council for development of the minority-owned and women-owned program including providing small business training and technical assistance

Organizing for Action

1 **Promote a customer friendly government environment** Establish a process and timeline for comprehensively **reviewing all government regulations** and assessing their impact on economic development goals and objectives

2 **Coordinate local economic development activities** Establish a **policy coordinating committee** (consisting of local government and economic development partners) to oversee economic development initiatives, and a staff **technical coordinating committee** to implement these recommendations

3 **Continue to improve the delivery of government services** Establish a policy requiring business units to periodically assess internal processes and systems for refinement and continuous improvement. Emphasis should be placed review on land development regulations (e g , zoning, site plan review, etc) and procurement regulations

Transportation Executive Summary

Strategic Overview

Charlotte is at the center of one of the fastest growing regions in the country Our healthy economy is tied to people, goods and services being able to move within the center city and the surrounding region In addition, Charlotte must connect to the rest of North Carolina, the U S and the world To do so, Charlotte depends on a comprehensive transportation network of neighborhood streets, major connector and thoroughfare roads, State and interstate highways, the municipal bus system, and the Charlotte Douglas International Airport

As we develop our Transportation future, there are a number of issues to be addressed Many of these issues directly relate to the other Council Focus areas Providing an effective metropolitan transportation system is and will continue to be a critical factor in how successful we are in achieving goals for Urban Economic Development, City within a City and Community Safety

Transportation Mission

The Transportation mission is to enable citizens and businesses to move easily and safely within the City, with effective regional, national and international connections, so that they have ready access to markets, employment education, recreation and other opportunities while protecting our neighborhoods and environment

Strategic Issues

The Transportation Environmental Scan identified several major trends which point to the strategic issues facing Charlotte in the area of transportation and transit

- As other cities make major transportation system improvements, Charlotte will need to upgrade and expand its transportation infrastructure and services in order to stay competitive in the national and international marketplace Accessible, safe, convenient transportation systems, including roads and forms of higher capacity transit, attract new businesses and jobs, and help existing businesses prosper

- Annexation which has fueled our growth in the past will substantially end within the next 10 to 15 years To continue to prosper, we will have to look inward for new growth in the tax base Commercial, industrial and office growth will be our major recruitment initiative The key ingredient for success for this initiative will be mobility for potential employees and customers by linking Charlotte employment centers with surrounding bedroom communities' employees Otherwise, new business and industry will locate in competing surrounding counties

- Charlotte Douglas International Airport is among our City's greatest assets, ranking among the nation's top 20 airports in total passengers It is the region's gateway to the world We must continue to develop this asset and diversify its strengths as a major employment center, and as a catalyst for business, industry and tourism

- Charlotte is the center of a major metropolitan region composed of thirty cities and seven counties in two states We are a regional city which requires a regional transportation network People, goods and services do not recognize city, county or state boundaries Our transportation/transit plan must reflect the inter-relationships among all entities of the region

- As housing patterns disperse growth to the counties around us, the job base will follow To remain economically competitive, Charlotte will need to provide a transportation network that encourages people and businesses to live, work and locate within Charlotte

- The Central Business District (CBD) is the major business, employment, medical, entertainment, education and cultural center for the region Transportation connects the CBD, the generator of 50,000 jobs, to the surrounding City within a City neighborhoods, the suburbs, ring cities and outlying counties Different transportation modes, including roads, buses, special shuttles, carpools and vanpools, serve a variety of mobility needs for this area.

- The health and vitality of the City within a City area is directly tied to how well transportation links residents to jobs and how easily center city businesses can connect to the rest of the City and the region

- Many residents in the City within a City area are totally dependent on public transit to get to work, and to get to grocery stores, drug stores, medical treatment, day care and other basic services Public transportation gives citizens needed connections for self-sufficiency

- The road and sidewalk infrastructure in our center city neighborhoods is aging and needs replacement, or in some cases, is still non-existent This network needs to be provided or upgraded for better vehicle and pedestrian access and mobility

- Traffic congestion affects individual and business productivity Further, if major roads can't handle the vehicle load, neighborhoods feel the effect by more cut-through traffic No community has been able to build or widen enough roads to respond to growth and still keep its quality of life A balanced transportation system, both roads and transit, can positively help residents and businesses, while helping to preserve our neighborhoods

- If Charlotte-Mecklenburg fails to continue to meet federal air quality standards, we will be faced with a mandate to reduce emissions by 15 percent by 1996 Continued growth will exacerbate this problem Communities which have dealt with air quality successfully have recognized that a balanced transportation system, including roads, public transit, pedestrian walkways and bikeways, is a significant contributor to clean air

Goals and Action Steps To Address Strategic Issues

Goal: **Implement recommendations of Committee of 100 to meet road and transit needs.**

Action Steps:

1 Council adopt the recommendation of Committee of 100 during November, 1994

2 Prepare legislation and meet with appropriate delegations to secure legislative approval during 1995 session of General Assembly

Goal: **Establish a land development pattern for Charlotte-Mecklenburg that encourages high capacity transit while recognizing the automobile as the major mode of transportation; and promote pedestrian and bicycle travel.**

Action Steps:

1 Council adoption of the 2015 Land Use Plan update by July 1995

2 Complete transit corridor planning for the Airport, Matthews, and Pineville by July 1995 with Council adoption of the plans to follow

Goal: **Develop a road network which provides convenient, efficient, and safe access throughout the City while maintaining neighborhood and environmental.**

Action Steps:

1 Council adoption of MPO-approved Thoroughfare Plan by February 1995 and adoption of new Thoroughfare Plan by N C Board of Transportation at March meeting

2 City Council consider capital funding options for the $132 million in local roadway projects to be included in the Thoroughfare Plan but not funded by the Committee of 100 Recommendations

Goal: **Provide an interconnected system of sidewalks to encourage neighborhood activity and development and to accommodate and encourage pedestrian travel.**

Action Steps:

1 Council approval of new sidewalk construction and repair policies by December 1994

Goal: **Provide handicapped accessible transit service (CTS) and complmentary paratransit service (STS) to meet the needs of disabled citizens and to meet the requirements of the Americans with Disabilities Act.**

Action Steps:

1 Increase capacity of STS by 15 to 20 percent during FY96 by adding vehicles and drivers at an annual additional cost of $500,000

2 Ensure that STS service is provided as efficiently as possible by putting up STS services for competitive bid by late 1995 or early 1996

Goal: **Provide innovative and experimental transit with neighborhood circulator services, including CWAC areas, for commuting, shopping and other neighborhood activities.**

Action Steps:

1 Design and propose for FY96 funding (estimated additional cost $750,000)
- Neighborhood circulator/feeder service in SouthPark and Eastland areas,
- Additional neighborhood circulator service, like EZ Rider, in the North/University area and the Northwest

Goal: **Provide transit service in the Uptown area to improve mobility within the Uptown and to expedite opening of the new Transit Center.**

Action Steps:

1 Develop plans for the strategic use of the new transit center to increase transit ridership and open new Transit Center by Fall 1995

2 In cooperation with CUDC and Duke Power, begin operating an Uptown Shuttle Service during 1995

Goal: **Improve the Airport's infrastructure to meet the growing demands on air transportation.**

Action Steps:

1 Develop an Environmental Impact Study for the third parallel runway

2 Work with State and local officials to expedite the construction of the Western leg of the Outerbelt (I-485)

Goal: **Diversify the Airport revenue base by increasing cargo activity on the Airport and developing the cargo center.**

Action Steps:

1 Complete cargo ramp and facility for UPS by May 1995

2 Develop concept and schematics for Phase II of cargo ramp extension

Goal: **Operate the Airport as a partner with the community to stimulate business development and jobs.**

Action Steps:

1 Work with the Planning Commission to complete the West Boulevard Corridor Study and finalize streetscape and land use recommendations

2 Develop the Airport Strategic Development Plan by working with real estate interests to market and prepare a conceptual plan for the South Development Zone

Community Safety Plan
Executive Summary

Goal 1: **To decrease the rate of crime and to increase the perception of community safety through neighborhood-based services.**

Strategy: **To decrease the rate of crime through neighborhood-based services.**

Action completed or in progress:

1. Police, Budget and Evaluation, Manager's Office to complete scope of work **(Completed)**

2. Agreement with UNC Charlotte to assist Police Department conduct study **(Completed)**

Strategy: **Make services more accessible to neighborhoods.**

Action completed or in progress:

1. Police Executive retreat to plan restructuring for decentralization **(Completed)**

Strategy: **To provide police services in a manner that tailors those services to the needs of the neighborhoods.**

Action completed or in progress:

1. Community policing implemented in
   - All three Adam patrol districts
   - In Baker-One district
   - In all Charlie districts

Strategy: Finalize establishment of the Neighborhood Development Department.

Action completed or in progress:

1 Finalize Neighborhood Development organizational structure by July 1994 **(Completed)**

2 Recruit and appoint the Neighborhood Development Key Business Executive by December 31, 1994 **(Completed)**

Strategy: Expand the City's crime prevention efforts through the production "Street Beat."

Action completed or in progress:

1 Action Steps On Schedule

2 Formats have been developed and production is proceeding for airing in January 1995, on The Government Channel 16 and WTVI Channel 42

Strategy: Continue to develop our general philosophy of community policing and continue to expand community policing county-wide.

Action completed or in progress:

These initiatives are on schedule

1 Community policing following patrol districts implemented **(Completed)**
- Adam-1 Adam-2 Adam-3
- Baker-1
- Charlie-1, Charlie-2

2 Community policing is in final stages of implementation in Charlie-3

3 Community policing redefined as problem solving approach Problem-solving techniques and strategies are added to training and performance evaluation **(Complete)**

Strategy: Support Community Policing by pursuing legal remedies for neighborhood violations.

Action completed or in progress:

1 Hiring additional City Attorney to prosecute environmental violations **(In process)**

Strategy: Increase support to the Victim Assistance program to enable victims of violent crime to cope with the trauma of victimization and after-effects.

Action completed or in progress:

1 Provided additional funding for the intent of increasing staffing in the Misdemeanor unit **(Completed)**

2 Provided additional funding ($5,000) for market adjustments for counselors to reduce turnover **(Completed)**

Goal 2 To decrease the rate of violent crime in the community.

Strategy: Develop an informational campaign that stresses the importance of the proper maintenance and storage of weapons kept in the home or automobile.

Action completed or in progress

1 Development of educational materials completed,

2 Additional initiative (' trigger lock ') promoting use of trigger locks on weapons to be added to project **(In progress)**

Strategy: Create Domestic Violence Intervention Teams in the Police Department.

Action completed or in progress:

1 Project is on schedule

2 Created team within Police Department to develop plans for domestic violence intervention

3 Appointed Police Captain to head the Domestic Violence Intervention activity **(Assignment made)**

4 Involved staff in national training programs conducted by National District Attorneys' association **(Completed and ongoing)**

5 Developed domestic violence" information bulletin. providing "what to do" information to field officers Bulletin distributed to all field officers **(Completed)**

6 Agreement with Victims Assistance program to assist Department with job development and training for two counselors **(Agreement in place)**

Strategy: Expand the Violent Crimes Task Force targeting violent offenders.

Action completed or in progress:

1 This project is on schedule - very successful

2 Positions added to Task Force This Task Force investigates violent gang activity and takes cases to Federal Courts, where convicted felons get stronger sentences

Strategy: Expand felony investigations (homicide, armed robbery, aggravated assault, rape, housebreaking, storebreaking, auto theft and fraud).

Action completed or in progress:

1 Ten positions are filled six positions permanently assigned four assigned until additional recruits are trained, when they will be made permanent

Goal 3: To decrease the rate of crime committed by youth in our community.

Strategy: Expand DARE program into the seventh grade.

Action completed or in progress:

1 Six officers were funded, until new officers available 7th grade DARE instruction is one day per week

Strategy: Increase coordination of public/private neighborhood based initiatives for at-risk-youth.

Action completed or in progress:

1 Adopted the Children's Services Network policy for collaboration on children's services **(Completed)**

2 Helped initiate committee for reviewing and implementing a communications network through WTVI (public television) **(Completed)**

3 Discussions are ongoing with the County and Fighting Back to initiate an "All American Drug Free Basketball League" in Charlotte, through the Robert Woods Johnson Foundation and the Charlotte Hornets **(In progress)**

Strategy: Expand employment opportunities and job skill development for youth through permanent expansion of the Summer Youth Program.

Action completed or in progress:

1 Expand youth employment by adding positions in Employment and Training 1995 Summer program placed 1560 youth **(Completed for FY95)**

Strategy: Expand the Police Department's youth investigations.

Action completed or in progress:

1 Four investigators have been added to Youth Investigations Bureau **(Completed)**

Strategy: **Develop a local Serious Habitual Offender Comprehensive Action Program (SHOCAP)**

Action completed or in progress:

1 Participating agencies to form SHOCAP **(Decision, work ongoing)**

2 Police Department will serve as data center for SHOCAP information

3 Program implementation FY96

Strategy: **Explore a teenage curfew to impact youthful crime.**

Action completed or in progress:

1 Research conducted

2 Draft ordinance in review

3 Proposal to go to Council Public Safety Committee late November

Goal 4 To decrease the rate of substance-abuse related crime in our community

Strategy: **Expand the Street Drug Interdiction Task Force to all patrol districts.**

Action completed or in progress:

1 A Street Drug Interdiction unit in Charlie Two district and a Seversville neighborhood **(Completed)**

2 Other Interdiction operations are conducted in conjunction with Community Policing operations

Strategy: Continue the Courts' ability to focus on drug-related crimes through the continued operation of a drug court and assist in planning a treatment component to the drug court.

Action completed or in progress:

1 City provided $118,000 for continuation of Drug Court for additional year

2 City provided $15,000 and cooperation to develop treatment component

3 Police Department assigned assistance to drug court by providing **(Ongoing)**
- Four investigators in District Attorney s office to assist in calendar and case preparation
- One investigator to work with preliminary-hearing court
- Two investigators to work with the misdemeanor court

Goal 5: To decrease the rate of repeat offender crime.

Strategy: Establish a Citizens Parole Accountability Committee to evaluate cases of inmates under consideration for parole and impact the parole process when determined appropriate.

Action completed or in progress:

1 Mayor and Council have appointed the Committee, and it is operating

2 A Police Officer has been assigned to the Committee, working out of the District Attorney's office and reviewing parole cases

Strategy: Determine City's policy regarding utilization of employment and training funds to support offender programs.

Action completed or in progress:

1 The Employment and Training established training for offenders find jobs or job training upon release **(Completed)**

2 Agreement with Central Piedmont Community College to conduct High School Equivalency or GED training and basic skills instruction **(Completed)**

3 Program installed at Spector Drive jail facility **(Completed)**

Goal 6: To ensure the most efficient utilization of resources.

Strategy: Provide 40 hours of in-service training per year to make Advanced Law Enforcement Training mandatory.

Action completed or in progress:

1 Three officers added to training staff for this project **(Completed)**

2 30 relief officers to be added after other staffing completed

Strategy: Evaluate all police support personnel needs.

Action completed or in progress:

1 Investigative technician positions are in process for hiring clerical personnel has been hired, record clerks have been hired or in process, crime lab personnel hiring in process

Goal 7: To develop five year community safety plan and annual evaluation.

Strategy: Continue to refine priorities and strategies for following years.

Actions completed or in progress:

1 Establish high level task force including representatives of other departments and agencies **(In process of organizing)**

2 Dialogue with County and School staffs **(In process)**

3 Work with UNCC to develop evaluation criteria **(In process)**

Strategy: Develop appropriate evaluation and measurement components to determine degree of goal achievement.

Actions completed or in progress:

1 Contact UNCC Criminal Justice Department to develop evaluation criteria for first two years of plan

City Within A City
Executive Summary

Introduction

City Within A City is an initiative that began in 1991 to comprehensively deal with economic development and quality of life issues in Charlotte's older urban neighborhoods and business areas Since 1991, improving conditions in CWAC has remained one of City Council's top priorities

The City Within A City Strategic Plan is being developed to help guide City work program activities over the next five years and further the dialogue with intergovernmental, non-profit and private sector partners This summary report highlights new and priority initiatives, key initiatives needing additional funding, or both that have been excerpted from the strategic plan document for Council discussion and review

Overview

1. City Within A City Mission

To design, channel, and support public and private sector activities that contribute to sustained economic development and a high quality of life in Charlotte's older] neighborhoods and business areas

2. City Within A City Vision

To have self sufficient families, well established community based organizations, thriving businesses providing services and jobs, well maintained and affordable housing, livable, well-serviced and safe neighborhoods throughout

3. Major City Within A City Accomplishments To Date

- Created Neighborhood **Matching Grants** Program
- Created **Neighborhood Development** Key Business
- Completed **Neighborhood Assessment** Report
- Initiated **Concentrated Housing Code Enforcement.**
- Completed/Implementing **infrastructure improvements** in 7 neighborhoods
- Helped develop and fund **EZ Rider** Vans
- Applied for $3 million dollar **Enterprise Community Grant.**
- Received **YouthBuild** teen employment planning grant

- Expanded **youth summer jobs** program
- Co-sponsor **job developer position** with the Chamber
- Initiated **Community Policing.**
- Helped fund **University Village Shopping Center**
- Helped create and fund **CWAC Loan Equity Pool**
- Funded CDCs and other non-profit sponsored **home ownership** programs and other activities
- Implementing **beautification improvements** on five corridors

Strategic Plan

1. Plan Themes

targeting
partnerships
empowerment
innovation
flexibility
coordinated service delivery
efficiency with quality
accountability
sustainability

2. Plan Focus

The plan is divided into six strategic focus areas.

- **Organizational Development** . .how the City should function to better provide services and make a difference in CWAC

- **Physical Development** what improvements are needed for housing, infra structure, community appearance, recreational facilities

- **Economic Development.** what needs to be done to create jobs, expand businesses, and upgrade business corridors

- **Self Sufficiency** what can be done to enable individuals to have greater ability to provide essentials (housing food. clothing, transportation, daycare, etc) for themselves and their families

- **Community Safety** how neighborhood revitalization can impact crime rates and change perceptions

- **Community Capacity Building** how community-based organizations can be supported and their skills enhanced to meaningfully participate and make sustainable changes in their neighborhoods and business areas

3. Key Strategies for Council's Review

A. Organizational Development

1. **Designate the** Charlotte-Mecklenburg Resolves Group to become the lead City Within A City partnership entity **to coordinate, link, and leverage existing resources.** This group consists of the so called "Big 6" public agencies involved in **City Within A City:**
   - City of Charlotte
   - Mecklenburg County
   - Charlotte-Mecklenburg Schools
   - Charlotte Mecklenburg Housing Authority
   - Charlotte Mecklenburg Hospital Authority
   - Central Piedmont Community College

2. Establish the **Neighborhood Development Key Business as the lead agency** for the City of Charlotte on City Within A City initiatives, including coordinating with other Key Businesses and partners

3. **Target resources to five Action Plan Neighborhoods** (Belmont, Reid Park, Seversville, Lakewood, and Cummings Avenue/Lincoln Heights) Encourage partners to do the same Neighborhood action plans will identify priority service delivery needs, schedules and priorities with resident and stakeholder input Action plan neighborhoods should be considered a priority for City resources and those of our partners

4. **Target and market resources (economic development loans and job training) to Neighborhood Business Corridors** (Wilkinson Boulevard, Beatties Ford Road/ Five Points, South Boulevard, The Plaza/Central Avenue, North Tryon, North Davidson and Freedom Drive). "Main Street" managers should be designated to support the business organizations and coordinate planned improvements

5. **Develop a policy for targeting City resources to "stable", "threatened", and "fragile" neighborhoods** To effectively target resources, the City should determine the types of neighborhoods that will receive priority for funding The City's policy will serve as a guide to other civic partners on where to focus their resources

6. **Designate one person from Neighborhood Development to coordinate and link civic, religious, and business resources** with neighborhood needs

B. Physical Development

1 **Continue housing preservation efforts to reduce substandard housing from current 2.3% to 1% by 1997 by focusing on target neighborhoods.** Police and Community Development have selected 11 neighborhoods for concentrated code enforcement, including five Action Plan Neighborhoods (asterisk)

Belmont*
Cummings Avenue*
Grier Heights
Lakewood*
Optimist Park
North Tryon Corridor
Reid Park*
Seversville*/Smallwood
Villa Heights
Wilmore
Wingate

2 **Increase home ownership** in City Within A City neighborhoods by helping Charlotte's Community Development Corporations take a leading role in developing owner-occupied housing

3 **Develop a strategy to retain and attract mixed/middle income families and individuals to City Within A City.** The City's current housing strategies are effective in targeting low income residents for assistance, but may not result in housing appreciation and may leave insufficient neighborhood income to support shopping and basic neighborhood services Developing a broader strategy to increase the mix of incomes in City Within A City would include looking at the roles of the City, CDCs, the private sector and channeling necessary resources and to recreation, shopping, infrastructure, public safety, and business/job retention

4 **Develop a "Quality of Life" capital improvements strategy for City Within A City.** To make the City Within A City an attractive and competitive place to live, work, and shop requires continuing investment in community facilities and aging urban infrastructure This strategy would pull together the current capital plans of the City, County, Schools and key community agencies and match them against needs to estimate the gap as well as discover opportunities for joint-use or co-location of facilities

C. Economic Development

1 **Aggressively pursue development of a business park south of the Airport as a major employment center.** The Airport Key Business is completing a master plan for about 3000 acres of both publicly and privately owned land at/near the airport The land can serve as a magnet for major industries that need airport access

2 **Decentralize economic development** by continuing to pursue the $3 million Enterprise Community Grant to create geographically based empowerment centers that offer job training, placement and business development training Find funds to implement the first Neighborhood Empowerment Center.

3 **Allocate staff and resources to capitalize on growth industries such as sports, hospitality/conventions, and health care to prepare residents for jobs and stimulate entrepreneurial opportunities.** Many services and products for these industries are produced outside of Charlotte The City Within A City should be targeted as a location for these type businesses and as a source of workers

4 **Convert the Private Industry Council into a Charlotte Mecklenburg Workforce Development Board** to coordinate local training resources

D. Human Development and Self-Sufficiency

1 **Form a public-private nonprofit group to define self sufficiency** in economic terms for Charlotte and develop appropriate paths/models to achieve self-sufficiency

2 **Evaluate current linkages between the City, County, and Housing Authority's self programs.** Consider consolidating or restructuring where appropriate Currently the City funds about $1 3 million in self sufficiency programs undertaken through partnerships These need to be evaluated not only for effectiveness, but in the context of what the County and Housing Authority are doing The goal is to be more effective and cost efficient

3 **Develop additional or new mobility strategies for City Within A City residents and** workers in concert with partners such as the County, Schools, and Chamber of **Commerce.** Consider such strategies as expanding EZ Rider, improving the user friendliness and safety of bus stops, linking transit to underserved employment centers and stimulating private or employer-provided transit transportation

E. Community Safety

1 **Implement the Community Safety Plan** Council has adopted the Community Safety Plan and provided funds for its initial implementation Focusing on both prevention and enforcement, the Plan can serve as the principal crime prevention and reduction strategy for City Within A City

2 **Coordinate Police redistricting with Neighborhood Development and Planning.** As the Charlotte Mecklenburg Police Department (CMPD) reorganizes and implements new districts by early 1995, its definition of new geographies needs to consider the partners the CMPD will be working with such as Neighborhood Development and Planning One important goal would be to create districts that respect traditional neighborhood boundaries so that neighborhoods will not be split by different City Key Businesses This also makes it easier to form teams when the boundaries are the same for the Key Businesses

3 **Designate a person from Neighborhood Development to work with the Charlotte-Mecklenburg Police Department and the County to review federal crime initiatives** to determine grant opportunities for prevention (especially at risk youth) oriented activities, (economic development, recreation centers, after-school programs and community centers)

F. Community Capacity Building

1 **Explore creating a Neighborhood Advisory Council** that will serve as a forum for neighborhoods to share information and advocate for neighborhood needs

2 **Sponsor the first "State of the Neighborhoods Conference"** to celebrate community successes, build connections among neighborhoods & partners, and generate new ideas

3 Urge Fighting Back, the Charlotte Organizing Project, the United Way, and the various community leadership programs to **help neighborhoods organize or become better organized and develop leadership skills.**

Restructuring Government Strategic Plan

Introduction

City Council identified Resources as one of the five Focus Areas at the last retreat However, the word "resources" is not comprehensive enough to convey the scope of the changes city government is making to adjust to a changing community and a declining growth rate for local revenues

Beginning several years ago, City Government undertook a major effort to re-organize and reduce costs That effort was Rightsizing which saved the city over $9 million, eliminated 272 full-time city positions, and reduced 26 departments to 9 key and 4 support businesses Also during this time, the City and County consolidated Police under the City, having already consolidated Parks and Recreation under the County In this past year, Council implemented the policies and process for putting out to competitive bid a wide range of city services Currently, the City and County have underway a process to achieve Political Consolidation All of these changes in how the City is organized and how services are delivered are, in effect . restructuring city government in a comprehensive way

This section begins with a "Picture" of what the *role services and workforce* of city government may look like in four years given current trends and expectations of citizens and elected leaders That "Picture " developed by city staff, helped shape the strategies and action steps

If the Picture" is accurate several conclusions are apparent

- Resources to meet the needs of the four focus areas will have to come from expenditure reductions, from partnerships with the private sector and other agencies, and from cuts to lower priority budget items

- Competition requires new approaches to managing benefits. training needs and motivation of the work force Workforce Preparedness is an important chapter of Restructuring Government

Mission

Provide sound leadership with trained and capable employees who will continue the restructuring of City government through

- constant service assessment and
- cost effective and competitive service delivery

which focuses attention on Charlotte s infrastructure and the service needs of a growing community

Environmental Scan
"The Picture of Charlotte's Future"

The purpose of this section is to illustrate our Environmental Scan or a "picture' of Charlotte's future which answers the question "What might City government look like in four years?"

This picture is provided by considering current and future trends effecting Charlotte The trends considered include those associated with

1. **Council policy decisions:**
   - budget and financial
   - consolidation
   - focus area priorities

2. **Economic conditions:**
   - long and short term financial conditions

3. **Management strategies:**
   - privatization
   - competition and assets management
   - process improvement

4. **Customer expectations:**
   - quality service
   - competitive pricing

Decisions concerning Charlotte's picture of the future will influence management direction in business plans, preparation of the work force for changing conditions and the budget policies for the 2-year budget and beyond

1 The role of government in solving community problems

2 The services government will provide its customers within available revenues

3 The organization s philosophy and relationship with its employees

Restructuring Government Strategies

For Charlotte, restructuring began as a process of rightsizing to reduce $9 million in costs Restructuring continues as we

- improve our cost effectiveness (competition and privatization proposals) and
- assure quality customer service through trained and capable employees

The City's picture of the future and projected financial trends require signficant change By evaluating our customers' needs and continuing to concentrate efforts on improving service delivery Charlotte s restructuring government approach can lower costs of local government

In order to provide Council with a plan, the City's efforts to restructure government are presented as five strategies These strategies are organized by areas that would begin the elimination or reduction of budgeted expenditures

The picture of Charlotte s environment requires Council's attention to the following issues and the accompanying strategies and action steps to bring about changes in the organizational restructuring

1 Services, Infrastructure and Resource Priorities

2 Competition

3 Cutting Costs

4 Functional Consolidation

5 Workforce Preparedness

COUNCIL WORKSHOP AGENDA ITEM SUMMARY

TOPIC: Our Region Tomorrow Study Committee Appointments

COUNCIL FOCUS AREA:

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

- Centralina Council of Governments has asked Council to appoint six members to Study Committees related to the "Our Region Tomorrow" planning effort

- At the Council Meeting on February 27, 1995, Council decided to leave nominations open and appoint at today's workshop Council members were to call nominations in to Brenda Freeze or Nancy Gilbert

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED: Appoint two citizens for each of the following study areas

- Work Force Preparation
- Infrastructure
- Cohesiveness and Collaborative Action Among Jurisdictions

ATTACHMENTS: Excerpt from January 1995 "Our Region Tomorrow" Steering Committee Report

AREAS FOR STUDY AND ACTION PLANNING

The Steering Committee adopted the following mission statements and goals to guide the three task forces The Steering Committee felt that each of the three study areas warranted action at the regional level and that the goals listed for each were achievable

WORKFORCE PREPARATION

MISSION STATEMENT

This region will possess educational opportunities which support strategic economic development initiatives and which prepare workers for the current job market and new types of jobs that will emerge over the next twenty years

GOALS

Develop strategies to

* Strengthen linkages between schools and the business community in pursuit of goals established through efforts such as the Carolinas' Partnership

* Provide for retraining of displaced and underemployed workers

* Establish cooperative training efforts among institutions across jurisdictional lines and strengthen communication among all work force training providers in the region to coordinate training on a regional level

* Pursue "distance learning" opportunities (e g , use of the information superhighway, teleconferences, interactive media) to make the best resources available to students/workers

INFRASTRUCTURE

MISSION STATEMENT

This region will possess strategies for infrastructure planning, funding and implementation which are environmentally-sound and which promote economies of scale and balanced economic development across the region.

GOALS

Develop strategies for funding and providing multi-jurisdictional

* criminal justice facilities
* water and sewer facilities
* solid waste facilities
* cultural and recreational facilities and open space areas

COHESIVENESS AND COLLABORATIVE ACTION AMONG JURISDICTIONS

MISSION STATEMENT

This region will possess a framework for cohesiveness and collaborative action

GOALS

Develop strategies for

* An effective regional voice to governmental bodies and regional organizations
* The establishment of a standing regional body consisting of members from both the public and private sectors which will address issues of regional significance

WHAT LIES AHEAD

The initial work of the Steering Committee was completed on December 15, 1994 with the selection of the three study areas and accompanying mission statements and goals A series of meetings with elected officials throughout the region will take place in January and February 1995 to update them on the study and to request that they appoint members to the task forces. Task force appointments should be completed by March 1995 (Steering Committee members are being urged to volunteer to sit on one of the three task forces.)

From April to October, the task forces will analyze the issues at hand and develop an implementable action plan including a list of strategies to be adopted and put into place, implementing groups, and costs associated with implementation The Steering Committee will likely meet with the task forces during this time period to get updates and progress reports of their activities It is anticipated that the task force reports will be presented to the Steering Committee in early November 1995 with review and ratification by the Steering Committee by the end of December Adoption by the governing boards in the region will take place in early 1996 The following table summarizes these steps

STEP	DATES OF ACTION
Steering Committee determination of Study Areas . ..	Completed Dec 1994
Review of Steering Committee Report With Elected Officials	January-February 1995
Task Force Appointments	January-March 1995
Task Force Deliberation	April-October 1995
Steering Committee Review of Task Force Reports	November-December 1995
Approval of Final Report by Elected Governing Bodies	January-February 1996

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EXECUTIVE SUMMARY

of

"OLD" CHARLOTTE CONVENTION CENTER APPRAISAL REPORT

Prepared For

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City of Charlotte
Engineering & Property Management Department
Charlotte-Mecklenburg Government Center
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Prepared By

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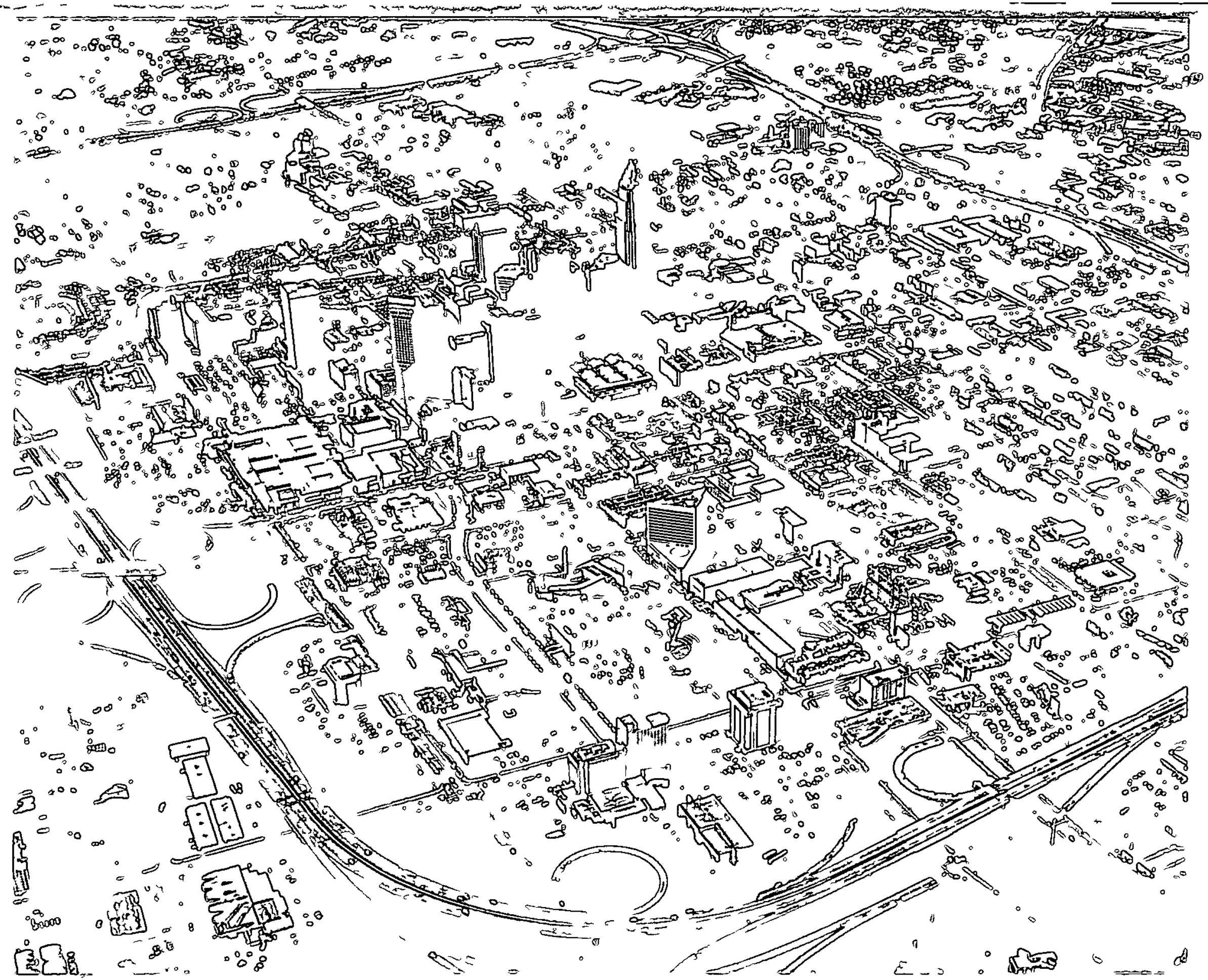
Reviewed By

Thomas B. Harris, Jr., MAI

T.B. Harris, Jr. & Associates
741 Kenilworth Avenue, Suite 102
Charlotte, North Carolina 28204

Valuation Date

January 20, 1995



Introduction

This report is an Executive Summary of the appraisal report prepared by T B Harris, Jr. & Associates for the City of Charlotte, dated January 31, 1995, consisting of 117 pages and addenda The appraisal was submitted to Mr. Bob Capps, Senior Real Estate Agent for the City and was orally presented by Thomas B. Harris, Jr., MAI on February 2, 1995 to the city's Privatization Committee Mr Harris, Kevin McDaniel and Mark Lambert prepared the report and the date of valuation, our date of inspection, is January 20, 1995 The market value of the fee simple interest for the property is addressed.

This executive summary is provided for informational purposes only. This document without review and attachment to the 117-page Appraisal Report, does not constitute an appraisal report nor should it be construed as such The Complete Appraisal in a Self-Contained Report should be relied upon for the detailed market analysis and the valuation analysis

Description

The subject of the report is the "Old" Convention Center, located at 101 South College Street between East Trade and East 4th Streets, within the central business district of Charlotte, Mecklenburg County, North Carolina The property consists of 3 248 acres, bounded by South College Street, East Trade Street and East 4th Street. The Norfolk Southern Railroad right-of-way borders the property on the southeast side. The property is improved with a 405,000 - square-foot building formerly used as the Charlotte Convention Center. The building includes 183,000 square feet of heated area, and a two-level parking deck. A new convention center opened in February 1995, as the old facility is functionally obsolete. The report outlines the description of the building, along with the following items of obsolescence, as noted by Mike Woolen, of Odell Associates, Inc ·

- Inadequate size of the exhibit area;
- Lack of meeting and banquet/ballroom space;
- Lack of a pre-function lobby,
- Short spacing between columns, which hampers exhibit design,
- Division of the exhibition area on two levels,
- Inadequacy of in-floor services, such as gas.

T B Harris, Jr & Associates was contracted to appraise the property based on its highest and best use, which is the bulk of the valuation assignment The economic impact of a particular use is beyond the scope of the assignment and only the asset is valued The initial step is the highest and best use analysis, which determines how the property is appraised Essentially, the land is valued as though it were vacant and available for its highest and best use This value is then added to the contributory value of the improvements, which as shown in the report, is none

Highest and Best Use, As Vacant

The critical issue in the valuation of the "Old" Convention Center is its highest and best use, both "as vacant" and "as improved" In the as vacant analysis, the physically possible and legally permissible use alternatives are not overly restrictive That is, an array of uses are available when examined on the physically possible and legally permissible criteria However, under the financially feasible criteria, the uses become more focused We examined three primary uses under the as vacant, financially feasible criteria

Retail/Entertainment

In our opinion, this use is not considered to be financially feasible for two primary reasons· limited market potential and competition. In terms of a small retail center (100,000 to 200,000 SF) with an emphasis on entertainment, the return on the investment is not sufficient to meet potential investment requirements.

In our analysis, we looked at the income-producing capability of a 130,000 -square-foot retail/entertainment complex, based on a market study performed by Hammer-Siler-George, which concluded that the market could support a retail/entertainment center of this size The "Hammer-Siler-George Estimate of Operating Cash Flow as an Entertainment Center" table, included in the Addenda, outlines this process In our analysis, we assumed that the market could support a center of this size, which, in our opinion is aggressive Further, we assumed a center of this size could generate $2 075 million in net income, which is also an aggressive assumption given the low expenses estimated by HSG, such as real estate taxes. This NOI is then gauged against the cost of the investment, which includes the cost of the land, construction of the improvements, and demolition costs The demolition cost would essentially be included in the land cost. The total cost of the investment as an entertainment center is outlined as follows

Cost of Land	$14,150,000
Cost of Building	$18,590,000
Total	**$32,740,000**
Less Demolition Costs	(3,300,000)
Estimated Total Investment	$29,440,000

Therefore, the NOI of $2.075 million produces an estimated return on the $29,440,000 investment of about 7%. Although this return is slightly higher than that estimated in our initial report due to how the demolition costs are treated, it is still insufficient to attract investors for this type of project Typical required returns on an investment of this type range from 11% to 13%

It is important to note that in this analysis, the HSG numbers are taken verbatim. If "real" property taxes, vacancy and credit loss and additional operating expenses due to the fact that the improvements are much larger than 130,000 square feet are input, the return would be substantially less, in the 5% to 6% range. Therefore, our conclusion is that a retail/entertainment use is probably not viable, given the amount of risk involved and the estimated return on the investment. As noted in our report, this estimate is intended as being the minimum investment required to build an entertainment center It is very likely that the cost would be substantially higher, especially considering the demolition costs. Therefore, the 5% to 7% return estimate may be the "best case scenario" for this use CityFair can be cited as an example of the degree of success that can be expected in a downtown retailing venture in Charlotte. CityFair, a downtown retail project closed for about two years and has recently reopened with a majority of the space retrofitted to office space

In conclusion, it is our opinion that a predominantly-retail use for the subject is not financially feasible, due primarily to the risk of the venture, the diminished return due to development and land costs, and competition (existing and proposed).

Office

In the analysis of the office use alternative, demand and supply side characteristics are studied

To summarize the supply side of the office space discussion, it is our opinion that the downtown office market can absorb another office building, based on the following reasons:

- The history of office development in Charlotte shows that the market is in need of a new office product, as shown in the historical vacancy rate in the CBD and the

corresponding year of major new development, which last occurred in 1990-1992. The Historical Vacancy graph, included in the Addenda, shows this trend.

- An extremely tight market exists, with vacancy rates under 4% in Class A space This situation will get worse as the remaining space in the Class A buildings are leased

- The lack of large blocks of space and the popularity of Charlotte as a corporate relocation destination makes Charlotte a possible target for outside investors to build speculative space

- Lease rates have remained relatively high in the new buildings in the CBD and appear to be at a level of financial stability

In terms of the demand side of the office market, the average square footage of office space absorbed since 1989 is 338,000 square feet, which is about how much office space was absorbed through the third quarter 1994. When viewed from the standpoint of the new buildings alone, approximately 360,000 square feet per year has been absorbed since 1990. To maintain this level of absorption, downtown employment would need to grow by just under 2,000 employees per year, or just under 4%. According to several sources, this is certainly achievable, especially considering the possibility of a major corporation move to the CBD.

Assuming a reasonable capture rate, a building of about 525,000 square feet is input as an example for the estimation of a cost-feasible rental rate for office space The assumed cost of the building is between $65 and $70 million, including all demolition costs, land acquisition costs, and building costs, as outlined in the Office Feasibility table Using a typical capitalization rate, typical expense ratios and a vacancy rate of 5%, the estimated gross income for the theoretical 525,000 -square-foot office building is about $11 million, or about $21 per square foot. Can this rate be achieved in the Charlotte market? It is our opinion that it can, citing lease rates at the most recent office towers built, including NationsBank Corporate Center, One First Union, Interstate Tower, and Carillon These buildings rent in the $20 00 to $28.00 per square foot range

It is necessary to note that this lease rate is conservative in that all of the land and demolition costs would not be allocated to a 525,000-square-foot office tower. If a proportionate share of the land cost is excluded, the feasibility rent decreases significantly The size of the subject is large enough to accommodate a larger and additional use, such as hotel It is very likely that another use would share the cost of land and demolition Moreover, in our initial analysis, all

of the demolition costs were included in addition to all of the land cost, which is meant as a "worst case scenario". Nevertheless, the cost-feasible rent is certainly achievable, as supported by surrounding Class A office building rents The Feasibility Model Office table included below outlines this analysis Also, included in the Addenda are vacancy and absorption trend graphs

FEASIBILITY MODEL: OFFICE
"Old' Convention Center
Charlotte, North Carolina

Costs		SF	Cost/SF	Total
Land	3 248 Acres	141,483	$100 00	$14,148,288
Construction Costs		525,000	$100 00	$52,500,000
Demolition Costs				$3,300,000
Total				$69,948,288
		$/SF		
Estimated Capitalization Rate	9 0%			
Estimated NOI Required		$11 99		$6,295,346
Expenses				
Typical Expense Ratio	40%			
Total Expenses		$7 99		$4,196,897
Effective Gross Income		$19 99		$10,492,243
Vacancy and Credit Loss	5%	$1 05		$552,223
Gross Income		$21 04		$11,044,467

NOTES

1 Numbers may reflect rounding.

SOURCE

T B Harris, Jr & Associates research.

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Feasibility Office
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Hotel

Similar to the retail/entertainment and office use alternatives, the hotel use is examined from the supply and demand sides Key findings regarding the downtown Charlotte hotel market are outlined as follows

- The downtown hotel submarket consists of nine hotels containing 2,708 rooms, of which about 2,100 rooms comprise the available room block for conventions The Occupancy in the downtown submarket at year-end 1994 is about 59%, below the 64% citywide occupancy The past five years indicate a steady improvement in occupancy, while average room rate (ADR) has remained fairly steady. Over the past five years, the downtown market has been out-performed, in terms of occupancy, by every other submarket in Charlotte, except the East submarket.

- The downtown submarket is the second largest in terms of hotel rooms, and the fourth largest in terms of hotel properties. The submarket has an average hotel size of approximately 301 rooms, the largest in the city, which is due to the high level of group and corporate demand in this submarket.

- Increased occupancy in the submarket has allowed properties to increase room rates, with a $4 (6.25%) increase in average ADR for the submarket in 1994. The most recent supply additions occurred in 1989 and 1990, when three hotels containing 897 rooms entered the market. There are no planned hotel additions at this time, but pad sites for hotels are located in strategic locations (One First Union, NationsBank Corporate Center, Carillon building, and near to the new convention center). The lack of new supply, and increased demand, results in improved operating performance for the hotels, however, the occupancy is just reaching profitable levels for the existing properties.

- Between 1990 and 1994, annual roomnight demand in downtown Charlotte increased by 7% compounded annually, with the greatest annual increase occurring in 1994 at 18%. Local hoteliers indicate the significant increase in 1994 is mainly due to the strong growth in the local and regional economy, with a minor portion due to the city hosting the NCAA Final Four basketball tournament.

- Citywide, roomnight demand increased by about 3% annually between 1990 and 1994. The downtown submarket captured a significant share of the overall annual increases during this period

- The ADR for downtown has remained steady during this period, ranging from $66 in 1990 to $68 in 1994. The low ADR and occupancy for the hotels in downtown Charlotte resulted in low, if any, profitability for the hotels In fact, several hotels were foreclosed upon during this period Discussions with hotel analysts and operators indicate the downtown properties are finally beginning to realize profits due to the increases in occupancy.

- The new convention center is anticipated to provide significant incremental new group demand for the downtown submarket. Based on an analysis prepared by KMPG Peat Marwick in a study titled *Economic Benefits Summary*, dated April 1991, the total new annual hotel demand from conventions and trade shows in the stabilized year is projected at 313,143 roomnights. The appraisers estimate, based on conversations with hoteliers, CCVB staff, and market analysts, that about 75% of the incremental demand will be captured by the downtown submarket. The stabilized year for the new center is projected to be the third year of operations, and the incremental demand is estimated to occur evenly or an additional 78,300 roomnights annually for three years, in this analysis.

The following table shows the projected annual roomnight demand, estimated occupancy, and potential support for additions to supply in the downtown submarket for a five year projection period The projection includes a 5% annual increase in demand from typical sources, and the 78,300 annual increase from the incremental convention demand over the first three years The result is that, assuming no increases to supply, demand will exist for about 400 new rooms at 72% occupancy by the second year of the projection period. By the fifth year of the projection, potential demand may exist for up to 1,000 new hotel rooms in the downtown submarket.

PROJECTED ANNUAL HOTEL DEMAND VERSUS SUPPLY
"Old" Convention Center
Charlotte, North Carolina

	Rooms	Available Roomnights	Actual 1990	1991	1992	1993	1994
Annual Occupancy	2,708	988,420	44 9%	46 1%	50 7%	49 5%	58 6%
Occupied Rooms			443,801	455,662	501,129	489,268	579,214
Annual Change			-	11,861	45,467	-11,861	89,946
Annual % Change				*3%*	*10%*	*-2%*	*18%*
Compound Annual Change			*6 9%*				

	Projected 1995	1996	1997	1998	1999
Typical Annual Increase 5%	619,064	650,017	682,518	716,644	752,476
Projected Incremental Convention Center Demand Captured by Downtown:	78,300	156,600	234,900	234,900	234,900
Total Projected Downtown Hotel Demand	697,364	806,617	917,418	951,544	987,376
Resulting Submarket Annual Occupancy w/no Increased Supply	70 6%	81 6%	92 8%	96 3%	99 9%
Roomnights Required @ 72% Annual Submarket Occupancy	711,662	711,662	711,662	711,662	711,662
Potential Demand for New Development in Submarket	-14,298	94,955	205,756	239,882	275,714
Potential New Rooms Supported @ 72% Annual Property Occupancy	0	361	783	913	1,049

Sources 1993 Charlotte Travel Industry Report, Horwath Hospitality/CCVB, KMPG Peat Marwick, Economic Benefits Summary, April 1991.

Note Numbers may reflect rounding

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Hotel Demand
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Highest and Best Use As Vacant Conclusions

It is our opinion that the highest and best use for the Old Convention Center site, if it were vacant, is for an office/hotel mixed use project. In order to meet zoning requirements as well as conform with other large projects in the CBD, a small amount of retail space is also considered feasible We have demonstrated that there is currently enough demand for office space in the market and it is apparent that the city will be in need of more office space in the short term, most likely before any new space is actually developed. We have also demonstrated that there will be sufficient demand for a new hotel, within the next several years, which may not coincide with office development on the site.

Highest and Best Use, As Improved

The "as improved" portion of the highest and best use analysis is very significant to the overall conclusion for the highest and best use of the property. We looked at four alternatives from the physically possible, legally permissible, financially feasible and maximally productive criterion, two of which were prescribed by our client:

- Continued use as designed
- Conversion to an operations center for a large user
- Conversion to an aquarium (prescribed)
- Conversion to an entertainment complex (prescribed)

Continued Use as Designed

The facility is designed as a multipurpose civic center for a second or third tier city in the meetings industry Discussions with local hospitality and meeting officials, public assembly facility designers, and industry analysts, indicate the center is functionally obsolete based on current convention center industry standards

The operation of the old center as a complimentary facility, used for public shows and trade shows periodically on an as-needed basis, was discussed with marketing representatives at the Charlotte CVB, as well as with staff members for the Auditorium-Coliseum-Convention Center Authority The general consensus is that the property is not required in the scope of normal operations of the new convention center. In addition, members of the CVB stated prior experience in other cities with a similar older facility and a new center indicate the older center is difficult to market, as groups feel slighted if not placed in the newer facility Also, the

center would have stiff competition from the existing Merchandise Mart, which has expanded in recent years.

In terms of the center's financially feasible use as designed, the old convention center operated at a deficit ranging from $219,000 to $440,000 from 1991 to 1994, based on its cash flows from operations prior to debt service and real estate taxes If operated on an as-needed basis, with fewer events to generate revenue and a certain level of fixed costs, the facility would continue to operate at a deficit. As a pure real estate investment, the center provides no return on investment For these reasons, the continued operation as a convention center is not financially feasible.

Reuse as an Aquarium

The first re-use alternative considered in this analysis is the aquarium, which was requested by our client Mr. Charles Davis, an nationally-respected aquarium designer with Esherick, Homberg, Dodge & Davis, of San Francisco, who designed the Chattanooga and Tampa aquariums, provided his opinion of reasonable costs for new aquariums, and the savings from using the convention center structure in a retrofit to an aquarium. Mr Davis based his opinion on a recent tour of the facility he conducted at the request of Discovery Place. Based on his input, a cost of $370 per square foot, or $46,250,000, for a 125,000-square-foot facility is considered a minimum retrofit cost, as it is exclusive of soft costs (financing, professional fees, marketing, key salaries, and real estate taxes), and entrepreneurial profit This cost includes only hard costs for the structure and exhibits, and architect fees

The Hammer-Siler-George study provides comparison of demographic data for the Charlotte MSA to cities with operating aquariums, and based on comparable facilities provides an estimate of stabilized annual attendance for a proposed aquarium in Charlotte at 950,000 persons To test the feasibility of a re-use as an aquarium, an analysis is shown on the following table.

FEASIBILITY MODEL: AQUARIUM
"Old" Convention Center
Charlotte, North Carolina

Costs		SF	Cost/SF	Total
Land	3 248 Acres	141 483	$100	$14,148,288
Construction Costs		125 000	$370	$46,250,000
Total Development Costs (Note 2)				$60,398,288

Estimated Capitalization Rate		x	10.0%
Estimated NOI Required			$6,039,829
Expenses			
Typical Expense Ratio	85%	Divided By	15%
Effective Gross Income			$40,265,525
Admissions Revenue Equals	65% Of Gross Income Equals		$26,172,591
Average Admission Price		Divided By	$7 00
Indicated Attendance Required			3,738,942

NOTES

1. Numbers may reflect rounding
2. Development costs exclusive of financing costs, profit, and other soft costs based on input from Charles Davis, and comparable projects

SOURCE

T B Harris, Jr & Associates research.

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Feasibility Aquarium
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The model estimates the annual attendance required to generate an adequate return on investment A 10% overall capitalization rate is used in the analysis This is likely the low range for a property like an aquarium, as compared to investor expectations for other recreational facilities such as golf courses (9%-14%), and "going-concern" operations with daily demand such as hotels (10%-12%) The operating expense ratio is based on ratios for the Tennessee Aquarium (90%) and the New Orleans facility (84%). Based on these operations, a 85% operating expense ratio is applied to the required NOI to estimate gross income in a stabilized year

Review of the two aquariums indicates admission revenue ranging from 66% to 67% of gross income. Applying a 65% factor to total revenue, results in an estimate of total admissions revenue in a stabilized year Given the demographic similarities between Chattanooga and Charlotte, an estimate of average admissions revenue per attendee is based on recent history at the Tennessee Aquarium Average admission revenue per attendee is $6 76 in 1994 at that facility Applying an average admissions revenue per attendee of $7 00 to the admissions revenue required for an adequate return on investment, indicates required attendance of just **over 3,700,000** persons. This is just less than **four times the annual attendance projected by Hammer-Siler-George**, and well below the typical attendance for this type of facility. The Tennessee Aquarium budgeted attendance at about 1.2 million in 1994, and projects a lower stabilized attendance as the "Honeymoon" effect diminishes for this aquarium.

Based on this analysis, **the aquarium re-use alternative is not financially feasible** as a real estate investment.

Retail/Entertainment Center

We were asked by the client to examine the feasibility of converting the existing building into an entertainment facility. In our As Vacant analysis, we examined the financial feasibility of developing retail at the subject site In this analysis, we relied on the study prepared by Hammer-Siler-George (HSG) which outlines the conversion of the convention center into a retail/entertainment center. The HSG conclusion is that an entertainment complex of 120,000 to 150,000 square feet is recommended, including numerous movie theaters, nightclubs, restaurants, and specialty retail However, as discussed in the as vacant analysis, the market potential points to some potential demand problems and we have determined that in our opinion, the conversion of the facility to an entertainment/retail complex is simply not financially feasible, primarily for the same reasons noted in the as vacant analysis.

Operations Center

We were also asked to examine the potential for the facility to be converted into an operations facility, such as that proposed by First Union in early 1994 According to a copy of the proposed lease, as confirmed by Robert Pennington, Senior Vice President, Corporate Real Estate, First Union National Bank, the proposed lease rate was $8 35 per square foot for 141,400 square feet, or about $1,200,000 First Union was to pay all expenses and tenant improvements, and, according to Mr. Pennington, "provide $2 00 to $3 00 per square foot profit to the city" on the facility However, First Union chose not to consummate the deal due to the inability to reconcile HVAC expense questions, and a disagreement over parking revenue. According to Mr. Pennington, the cost of occupancy was too great.

In terms of financial feasibility, the return on investment is measured against the value of the building and land. Assuming the building had no value, the return on the value, or cost, of the land is 8% Although this is somewhat better than the scenario for retrofitting to an entertainment center or aquarium, the fact is, no value has been attributed to the building, which it would obviously have if it were used. Further, with First Union building a new operations center in the University Research Park area, the pool of potential "operations center" tenants is small. Also, with the potential for office development at a peak, the potential return for this use is weighed against the office use, if the facility were demolished and there is little comparison. Therefore, it is our opinion that the retrofit to an operations center is not viable.

Highest and Best Use As Improved Conclusions

As shown, none of the uses considered in the as-improved analysis are financially feasible Consistent with the financially feasible conclusion, the highest and best use for the subject is for its demolition, with associated proceeds from its salvage or scrap value.

Valuation

The Sales Comparison approach is used to estimate the value of the 3.248 acre parcel Our analysis includes a comprehensive search and review of land sales which have occurred in downtown Charlotte. The selection of comparable sales used in the report is guided by the conclusion in the highest and best use - as vacant analysis That conclusion is to develop the site, if vacant, with a mixed-use project including high-rise office and hotel as major components.

The research revealed that there are no recent sales, within the past three to five years, of assemblages for major mixed-use projects in the CBD. The last wave of new development

occurred in the 1987 to 1990 time-frame, which was followed by a period of depressed market conditions for office and hotels in the downtown area. Since the last development cycle, no major land assemblages have occurred in the CBD The following table outlines the 5 sales used in our report·

LAND SALES SUMMARY
"Old" Convention Center
Charlotte, North Carolina

DESCRIPTION	SUBJECT	SALES				
		Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Location	101 S. College St. Downtown Charlotte, NC	City Block Trade, 5th College, RR ROW Charlotte, NC	Part of City Block Downtown Charlotte, NC	Part of City Block Downtown Charlotte, NC	Part of City Block Downtown Charlotte, NC	121 W Trade Street Downtown Charlotte, NC
Zoning	UMUD	UMUD	UMUD	UMUD	UMUD	UMUD
Date of Sale	N/A	12/86-4/89	Jul-89	Nov-89	Dec-86	Dec-87
Usable Site- Acres	3.2489	3 1800	2.3500	1 7100	2.3640	0 4225
Usable Site- SF	141,483	138,570	102,366	74 662	102,976	18 406
Primary Frontage	Trade, College, 4th, RR ROW	5th, Trade, College	4th, College, 3rd RR ROW	S. Tryon, E. 2nd, E. 1st, S. College	W Trade, S. Poplar S. Church, W 4th	W Trade
Site Access	Good	Average	Average	Good	Average	Good
Visibility	Good	Good	Average	Good	Average	Good
Existing Use	Old Convention Center	Old Commercial and Vacant	Charlotte Plaza	Federal Reserve	Hotel Charlotte/Vacant	Vacant
Topography	Sloping	Sloping	Sloping	Sloping	Sloping	Level
Utilities (See Note 4)	WSEG	WSEG	WSEG	WSEG	WSEG	WSEG
Note (5)	Old Convention Center	NationBank Deck	Charlotte Plaza	Federal Reserve	Hotel Charlotte	Interstate Tower
Value Indications						
Sales Price	N/A	$11 583,220	$9,200 000	$7 665 000	$7 657 000	$1,600 000
Sales Price/SF	N/A	$83.59	$89.87	$102.66	$74.36	$86.93

STATISTICAL SUMMARY

	Sale Price/SF
Average:	$91.57
Range Minimum	$70.19
Range Maximum:	$150 00
Range %:	113.7%
Avg Phys. Adjustment	N/A

NOTES

1 Numbers may reflect rounding.
2 N/A. Not Applicable, N A.. Not Available
3 Utilities Key· W-Public Water· S-Public Sewer E-Electricity G-Gas
4. Other notes:

SOURCE
T B Harris, Jr & Associates research and parties to sale.

The general consensus is that the land values in the area have been steady since the last development cycle, due to the overbuilding which occurred, and the very recent return to stabilized occupancy for office projects. For these reasons, and without the benefit of more recent assemblages for comparison purposes, no adjustment is applied to the sale data for market conditions. Also, based on the data, there is no evidence to support a size adjustment for the comparable sales

The subject is considered to have a premium location between the NationsBank and First Union projects, access to the proposed trolley line that would connect the site to the new convention center, and nearness to the Square. Based on the sales data in the analysis, a reasonable market value of $100/square foot, at the upper range for the three most comparable sales, assuming the site is ready for development, is applied to the site

Final Value Estimate - After Demolition

Based on these conclusions, the estimated market value of the 3 248-acre site is calculated as follows, as of the date of inspection, for the fee simple estate

3.248 Acres x $100/SF x 43,560 SF/Acre =	**$14,148,288**
Less Demolition Costs:	**($ 3,300,000)**
Estimated Market Value	**$10,848,288**
	(R) $10,850,000

$10,850,000

(Ten Million Eight Hundred Fifty Thousand Dollars)

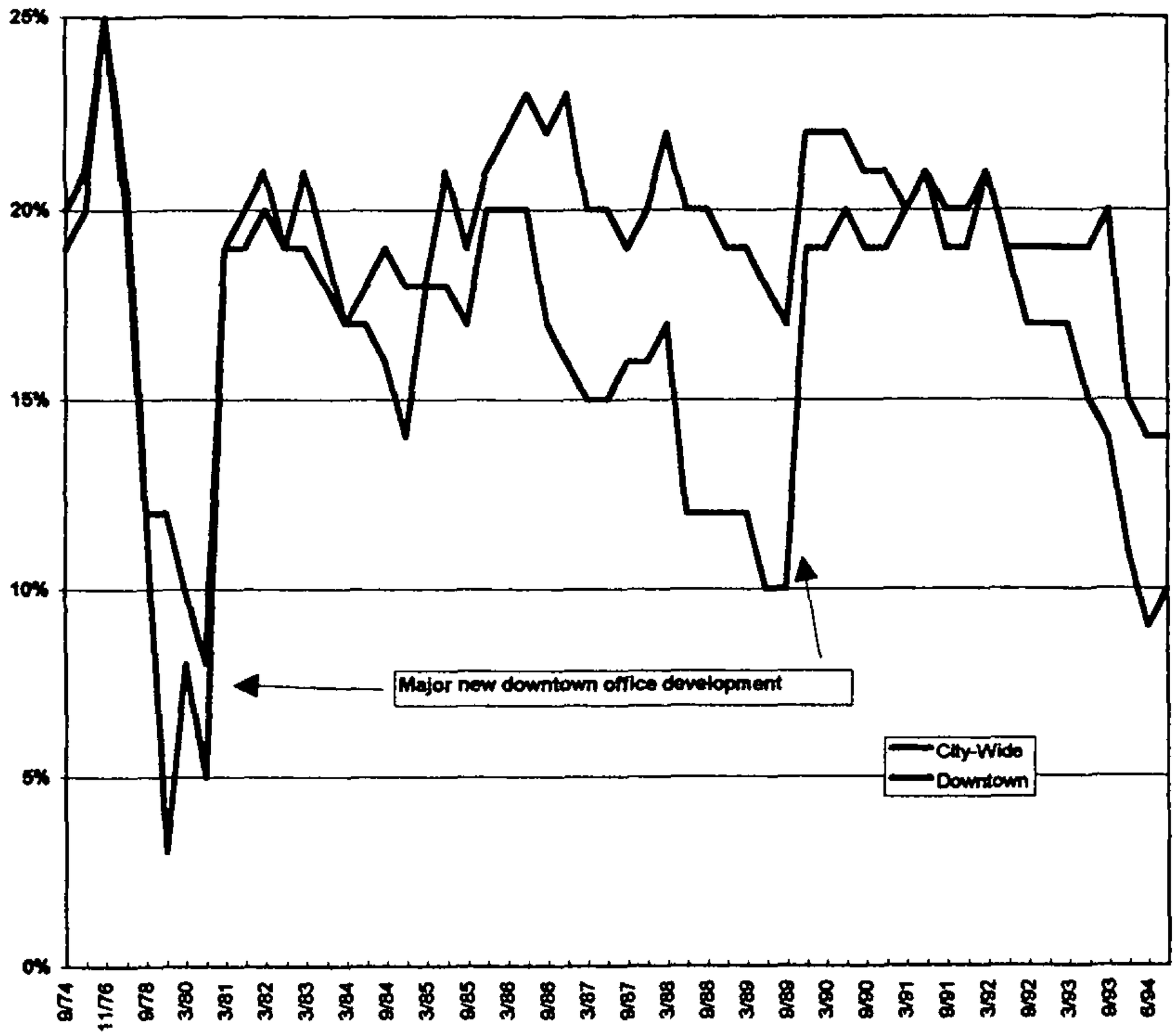
Thomas B. Harris, Jr., MAI

Kevin S. McDaniel

Mark T. Lambert

ADDENDA

DOWNTOWN OFFICE MARKET HISTORICAL VACANCY: 1974-1994
"Old" Convention Center
Charlotte, North Carolina



NOTES
GLA varies by year

SOURCE
***Charlotte Real Estate Report* Volume II 1994.**

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Vacancy
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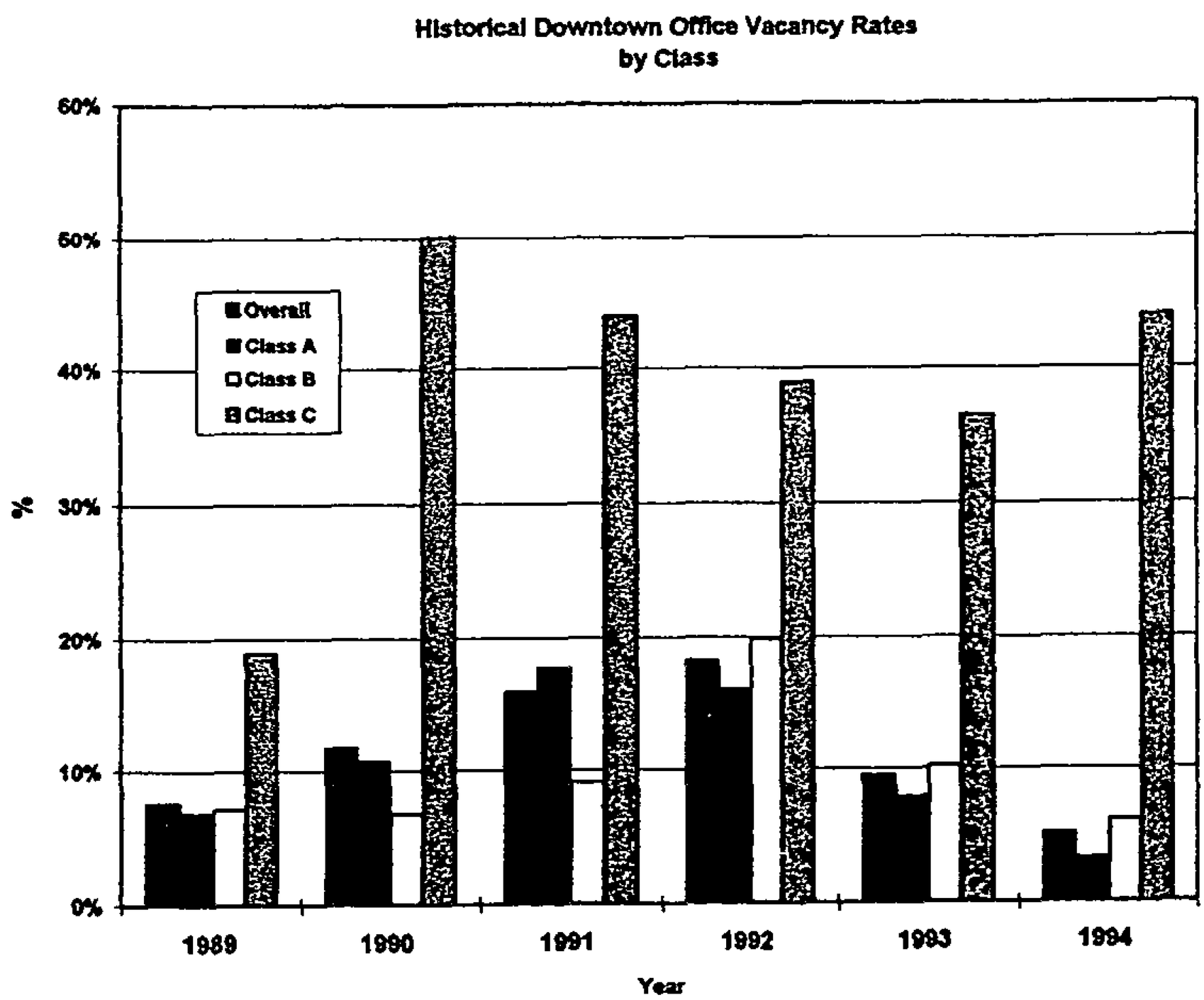
DOWNTOWN OFFICE MARKET HISTORICAL TRENDS: 1989-1994

"Old" Convention Center

Charlotte, North Carolina

Year	GLA SF	VACANCY RATES Overall	Class A	Class B	Class C	SF Absorbed	SF Under Construction
1989	7,378,232	7 6%	6 9%	7.2%	18 9%	153,401	1,975,485
1990	7,762,386	11 8%	10 7%	6 8%	50 1%	44,597	1,607,500
1991	8,106,621	15 9%	17 7%	9 1%	44 0%	49,512	1,129,636
1992	9,332,403	18 2%	16 0%	19 9%	38 9%	770,653	0
1993	9,425,518	9 5%	7 9%	10.2%	36 5%	673,342	0
1994	*9,377,459*	*5.2%*	*3 3%*	*6.2%*	*44.0%*	*376,018*	*260,000*



NOTES

a.) From January 1990-1995 reports

SOURCE

The Charlotte Office Report, Karnes Research, January 1990-1995 reports

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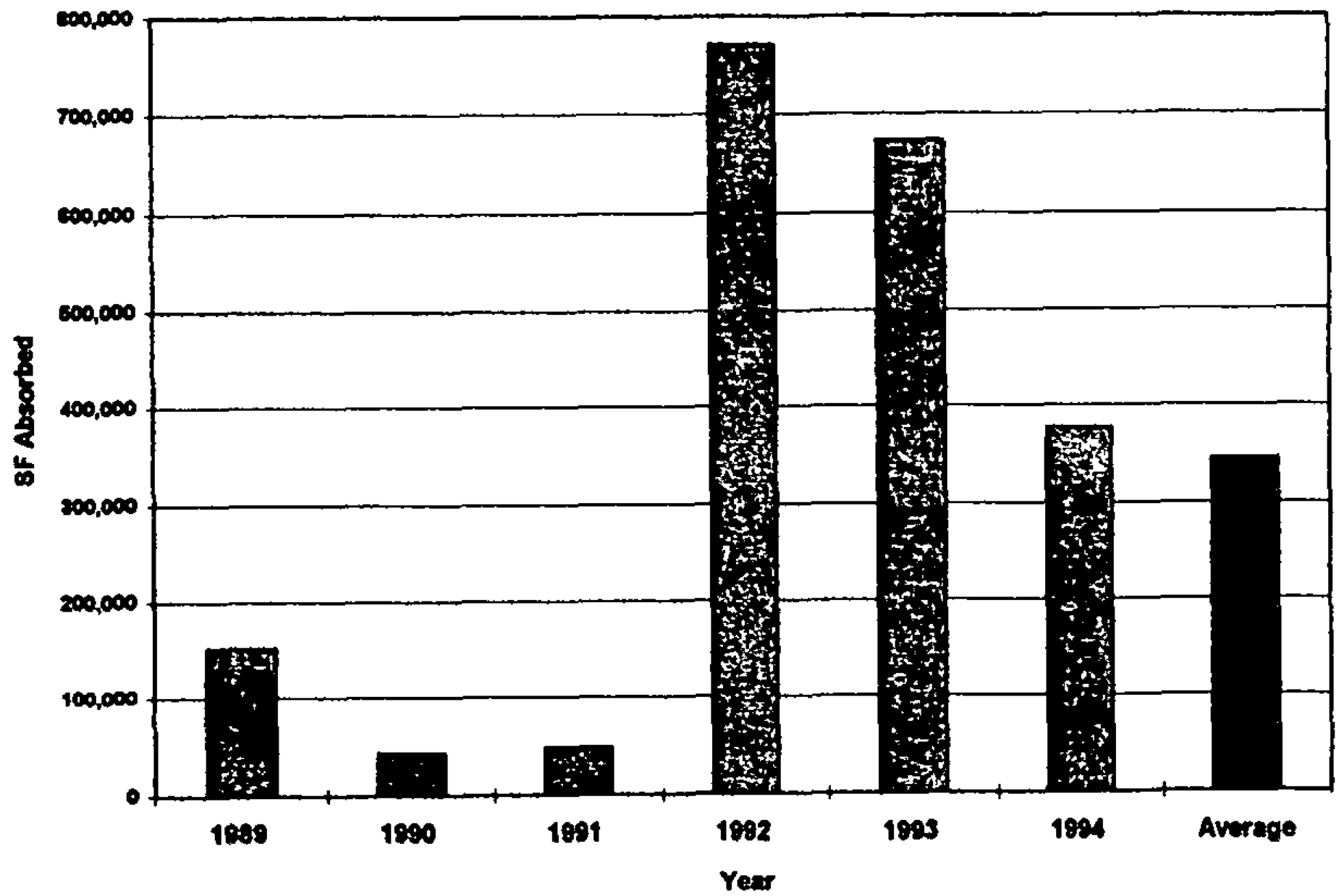
T B HARRIS JR & ASSOCIATES

DOWNTOWN OFFICE MARKET HISTORICAL ABSORPTION
"Old" Convention Center
Charlotte, North Carolina



NOTES

SOURCE
The Charlotte Office Report, Karnes Research, January 1990-1995 reports.

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Absorption
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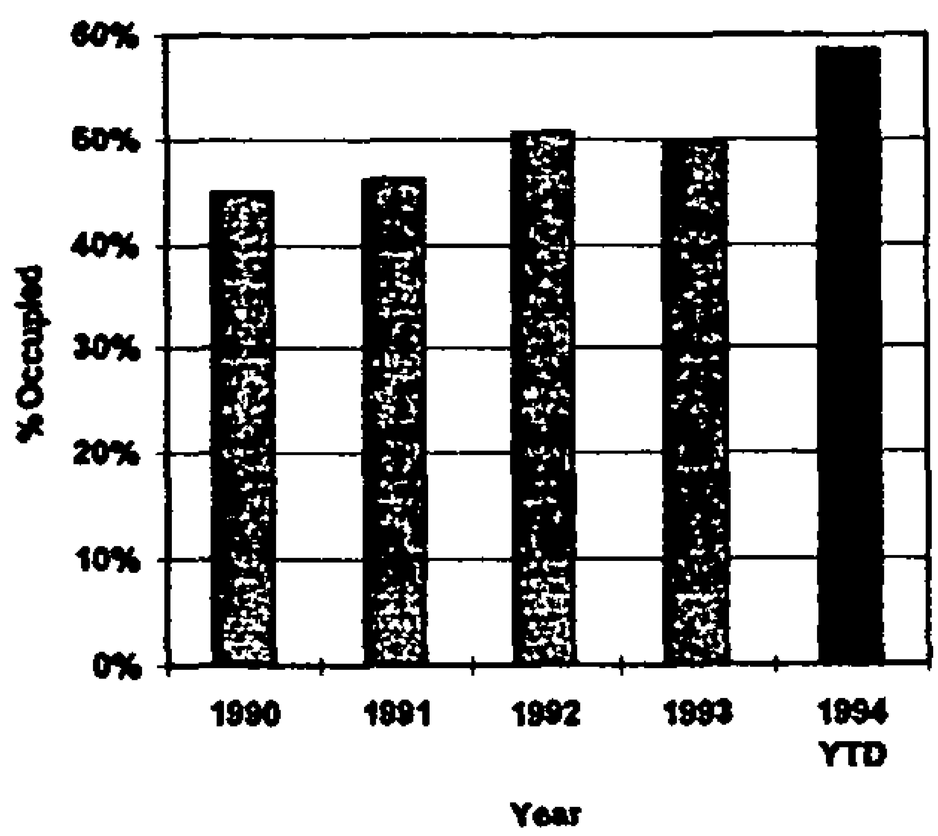
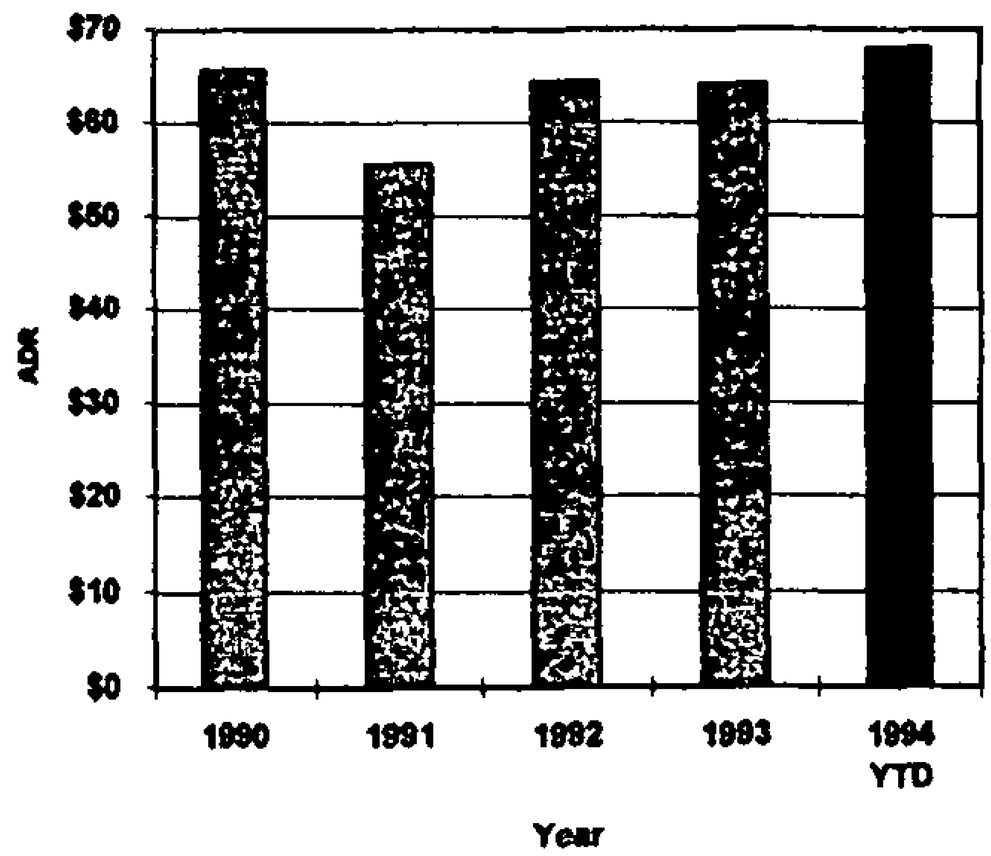
CHARLOTTE HOTEL MARKET OVERVIEW
"Old" Convention Center
Charlotte, North Carolina

					OCCUPANCY					AVERAGE DAILY RATE				
AREA	LOCATION	1994 Rooms	Hotels	Average Size	1990	1991	1992	1993	YTD 1994	1990	1991	1992	1993	YTD 1994
1	*Downtown*	*2,708*	*9*	*301*	*45%*	*46%*	*51%*	*50%*	*59%*	*$66*	*$55*	*$64*	*$64*	*$68*
2	North	581	5	116	n.a.	n.a.	n.a	n.a.	n.a.	n.a.	n.a.	n.a.	n.a	n.a.
3	East	1,019	9	113	48%	41%	42%	44%	49%	$39	$34	$33	$32	$37
4	Northeast	2,508	21	119	57%	54%	61%	62%	73%	$51	$45	$49	$47	$52
5	Southeast /SouthPark	821	4	205	60%	64%	70%	74%	78%	$81	$77	$75	$74	$80
6	Southwest	4,389	29	151	60%	58%	55%	58%	66%	$54	$54	$49	$56	$60
7	West	2,320	18	129	61%	57%	54%	59%	66%	$45	$44	$45	$41	$46
	Citywide	14,346	95	151	57%	54%	56%	57%	64%	$52	$50	$49	$49	$50
	CBD (Downtown)	2,708	9		45%	46%	51%	50%	59%	$66	$55	$64	$64	$68





Source: 1993 Charlotte Travel Industry Report, Horwath Hospitality/CCVB.

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Macro Hotel
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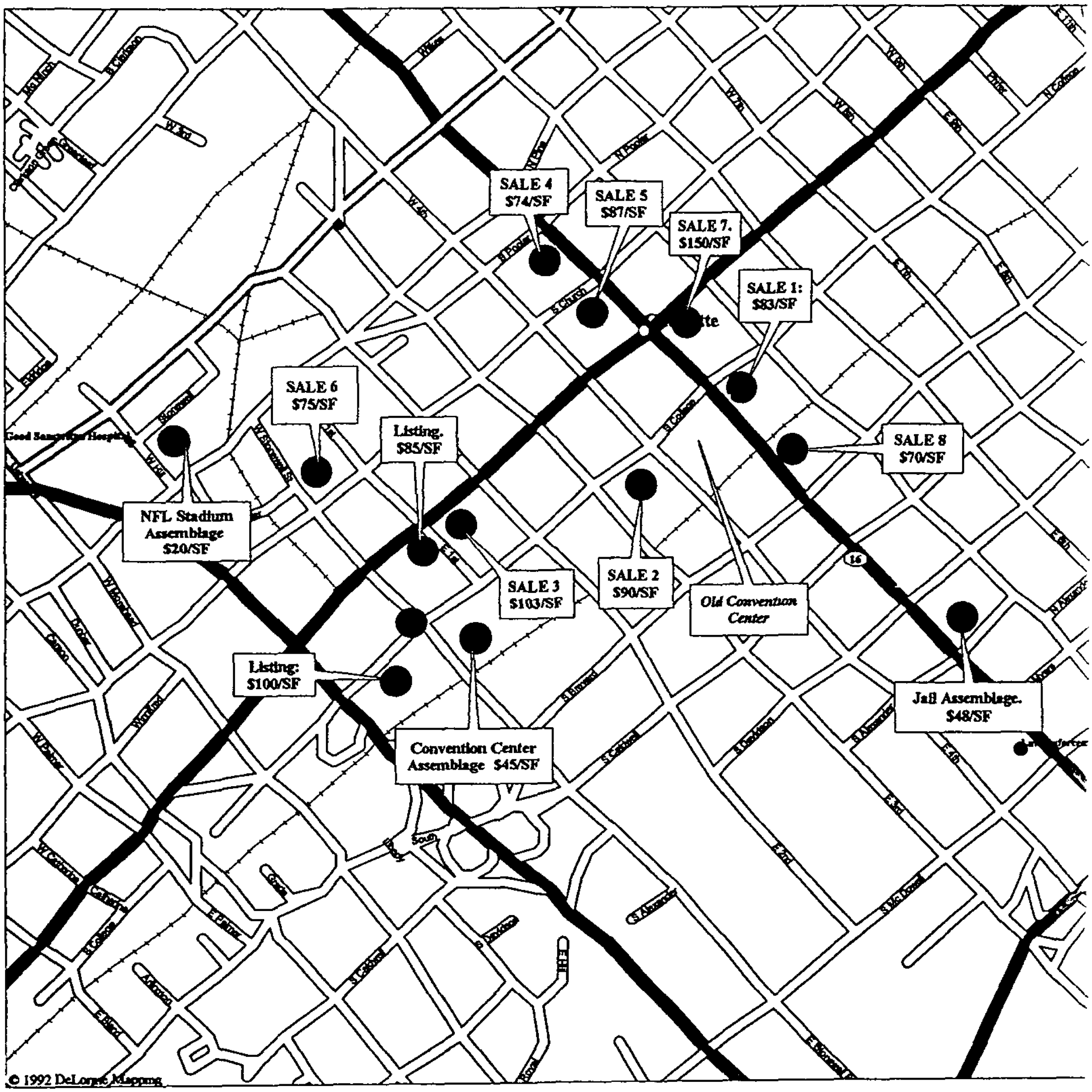
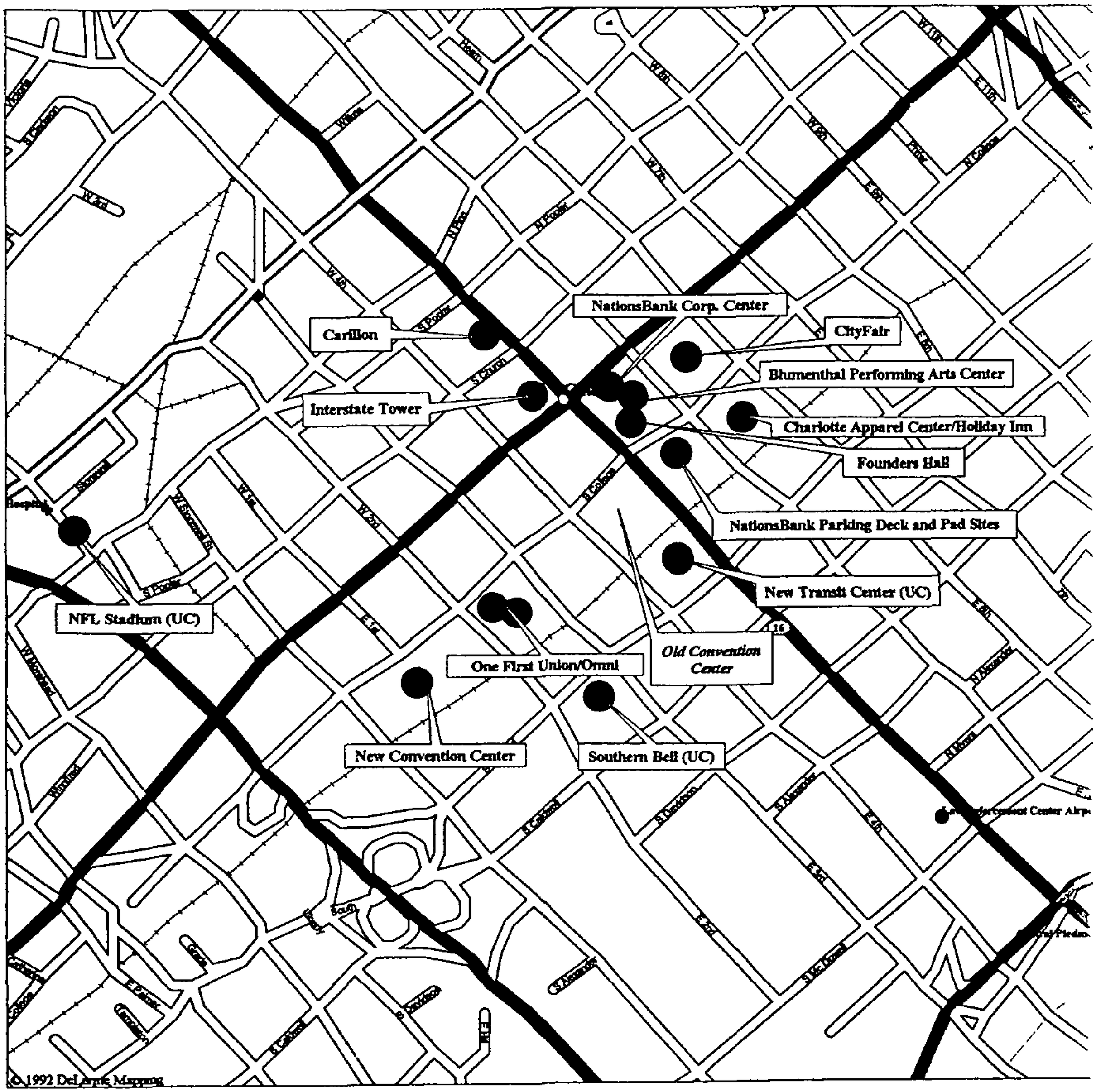

SALE 4
$74/SF
SALE 5
$87/SF
SALE 7.
$150/SF
SALE 1:
$83/SF
SALE 6
$75/SF
Listing.
$85/SF
SALE 8
$70/SF
NFL Stadium
Assemblage
$20/SF
SALE 3
$103/SF
SALE 2
$90/SF
Old Convention
Center
Listing:
$100/SF
Jail Assemblage.
$48/SF
Convention Center
Assemblage $45/SF
© 1992 DeLorme Mapping

LAND SALES



RECENT DEVELOPMENT NODES IN DOWNTOWN

Qualifications of the Appraisers

QUALIFICATIONS OF THE APPRAISER

Thomas B. Harris, Jr., MAI
T. B. Harris, Jr., & Associates
741 Kenilworth Avenue, Suite 102
Charlotte, North Carolina 28204
(704) 334-4686

EDUCATION AND CREDENTIALS

- **Duke University** — Durham, North Carolina
  Bachelor of Arts

- **Appraisal Institute**
  MAI Designation #6464

- **State Certified General Real Estate Appraiser**
  North Carolina Certificate #A240
  South Carolina Certificate #C38
  Georgia Certificate #001730
  Florida Certificate #RZ0001397
  Virginia Certificate #4001 001514
  Tennessee Certificate #CG-1235

- **Coursework Completed**
  American Institute of Real Estate Appraisers
  Seminars
  Environmental Risk and the Real Estate Appraisal Process — Philadelphia, Pennsylvania, 1994
  Appraisers Legal Liabilities — Southern Pines, North Carolina, 1994
  Power Lines and Electro Magnetic Fields — Southern Pines, North Carolina, 1994

  Courses
  Standards of Professional Practice — Greensboro, North Carolina, 1989
  Valuation and Report Writing — University of Colorado, 1988
  Introduction to Investment Analysis — University of North Carolina, 1981
  Course 2 — University of Georgia, 1977
  Course 1B — University of Georgia, 1976
  Course 1A — University of North Carolina, 1975

  Institute of Real Estate Management — Cincinnati, Ohio 1973
  Course 1

- **Real Estate Broker License**
  North Carolina #31805 — South Carolina #8290
  Virginia #0225 027723 — Georgia #164941

AFFILIATIONS AND ACTIVITIES

- **T.B. Harris, Jr. & Associates, Real Estate Appraisers and Consultants**
  Owner

- **Bell-Moore Group**
  Board of Directors

- **Appraisal Institute**
  Assistant Regional Member, Review and Counseling, 1992 - 1994 - Assigns and monitors committee for standards issues in the peer review process

- **Appraisal Institute - Teaching Assignments**

  Report Writing and Valuation Analysis — June 1990
  University of Colorado, Boulder, Colorado

  Report Writing and Valuation Analysis — March 1990
  University of Georgia, Athens, Georgia

  Report Writing and Valuation Analysis — March 1992
  University of Georgia, Athens, Georgia

  Case Studies in Real Estate Valuation — August 1992
  Atlanta Area Chapter, Atlanta, Georgia

  Report Writing and Valuation Analysis — May 1993
  St Louis, Missouri

  Report Writing and Valuation Analysis — February 1994
  Arizona State University, Tempe, Arizona

  Report Writing and Valuation Analysis — November 1994
  San Jose, California

- **Other Teaching Assignments**
  Report Writing and Valuation — September 1993
  Pardue, Heid, Church, Smith & Waller, Inc , Orlando, Florida

  Instructor, Residential and General State Courses, Market Analysis — 1989 - 1992
  Mingle Institute, Charlotte, North Carolina

- **Charlotte Appraisers Market Data Associates (CAMDA)**
  President, 1989-1990

- **Society of Real Estate Appraisers**
  Metrolina Chapter 121
  - President, 1984-1985, Vice President, 1983-1984, Appraiser of the Year, 1984-1985
  - Young Advisory Council - 1984, 1985 and 1987
  - Discussion Leader - 1985
  - Delegate to National Convention - 1984

- **Memberships**
  - American Institute of Real Estate Appraisers, North Carolina Chapter 40
  - Charlotte Chamber of Commerce Board of Directors
  - Metrolina Commercial Board of Realtors
  - The Urban Land Institute
  - Charlotte Area Metro Data Association (CAMDA)
  - Metrolina Business Council
  - Central YMCA - Board of Advisors, Charlotte, North Carolina
  - Lake Norman YMCA - Vice Chairman of the Board, Cornelius, North Carolina
  - Good Fellows

APPRAISAL AND CONSULTING PRACTICE

Practice consists of appraisal and consulting for a variety of local and national clients Consulting assignments have ranged from market and rental studies for major residential and commercial developments, to specific assignments involving recommendations for major banks and developers Appraisal clients are concentrated on non-residential properties of investment grade quality Experience also includes expert testimony for numerous clients before various courts and commissions including Eastern and Western District Bankruptcy Court, District Court, Federal Tax Court, and Superior Court

CLIENTELE

Allstate Insurance	Charlotte, North Carolina
American Real Estate Group	Irvine, California
Atlantic American Properties, Inc	Kannapolis, North Carolina
Bank One	Phoenix, Arizona
Belk Store Services	Charlotte, North Carolina
Branch Banking & Trust	Charlotte, North Carolina
Canadian Imperial Bank	Chicago, Illinois
Carolinas Medical Center	Charlotte, North Carolina
Charlotte/Mecklenburg Board of Education	Charlotte, North Carolina
Charlotte/Mecklenburg Hospital Authority	Charlotte, North Carolina
Chase Manhattan Bank	New York, New York
Childress-Klein Properties	Charlotte, North Carolina
Citicorp Real Estate, Inc	Atlanta, Georgia
City of Charlotte	Charlotte, North Carolina
Duke Power Company	Charlotte, North Carolina
Federal Deposit Insurance Corporation	Atlanta, Georgia
Federal Home Loan Bank Board	Charlotte, North Carolina
Feld Development Corporation	Washington, D C

First Union National Bank	Charlotte, North Carolina
Great Northern Insured Annuity Association	Seattle, Washington
Grier & Grier	Charlotte, North Carolina
Home Federal Savings & Loan Association	Charlotte, North Carolina
Internal Revenue Service	Atlanta, Georgia
International Business Machines	Stamford, Connecticut
McGuire Properties	Charlotte, North Carolina
Mecklenburg County	Charlotte, North Carolina
Mecklenburg County ABC Board	Charlotte, North Carolina
Mercy Hospital	Charlotte, North Carolina
Metropolitan Life Company	Charlotte, North Carolina
NationsBank	Charlotte, North Carolina
North Carolina Department of Transportation	Charlotte, North Carolina
Pacific Holding Company	Los Angeles, California
J C Penney Company	Dallas, Texas
Parker, Poe, Adams & Bernstein	Charlotte, North Carolina
Phillips Petroleum Company	Atlanta, Georgia
Lat Purser & Associates	Charlotte, North Carolina
Resolution Trust Corporation	Atlanta, Georgia
Robinson, Bradshaw & Hinson	Charlotte, North Carolina
South Carolina National Bank	Columbia, South Carolina
Southern National Bank	Charlotte, North Carolina
Standard Trucking Company	Charlotte, North Carolina
Town of Fort Mill	Fort Mill, South Carolina
Trammel-Crow Company	Charlotte, North Carolina
Tricor International	Altamonte Springs, Florida
United Carolina Bank	Charlotte, North Carolina
Wachovia Bank & Trust	Charlotte, North Carolina
York County	York, South Carolina

QUALIFICATIONS OF THE APPRAISER

Kevin S. McDaniel
T.B. Harris, Jr. & Associates
741 Kenilworth Avenue, Suite 102
Charlotte, North Carolina 28204
(704) 334-4686

EDUCATION AND AFFILIATIONS

- **North Carolina State University, 1982** — Raleigh, North Carolina
  B.S. Degree - Civil Engineering

- **Crummer School of Business, Rollins College, 1985** — Winter Park, Florida
  M.B.A. Degree - Finance

- **State-Certified General Real Estate Appraiser**
  State of North Carolina — Certificate No. A2846
  State of New Jersey — Certificate No. RG 01701

- **Appraisal Institute**
  MAI Candidate for Membership — MAI Candidate #M89-1457

- **Licensed Real Estate Salesman**
  State of North Carolina — License No. 119301

- **Coursework Completed**
  Appraisal Institute:

1A1 - Real Estate Appraisal Principles	University of North Carolina, 1989
1A2 - Basic Valuation Procedures	University of North Carolina, 1990
SPP - Standards of Professional Practice	University of North Carolina, 1990
1BA - Capitalization Theory and Techniques, A	University of North Carolina, 1990
1BB - Capitalization Theory and Techniques, B	University of Central Florida, 1990
2-1 - Case Studies in Real Estate Valuation	University of Central Florida, 1991
2-2 - Report Writing and Valuation Analysis	University of North Carolina, 1992

  Other:

R-3 - Applied Residential Property Valuation	Central Piedmont Community College, 1992

- **Seminars Attended**
  Appraisal Institute:

ARGUS - Income Property Computer Software	Houston, Texas, 1990
Appraising Troubled Properties	Raleigh, North Carolina, 1991

EXPERIENCE

- **T.B. Harris, Jr. & Associates** — **Charlotte, North Carolina**
  Commercial real estate appraiser specializing in appraisals and feasibility studies for commercial/investment properties including hotel, retail, office, industrial, single and multifamily residential and special purpose properties; market feasibility analyses and project concept development for private real estate development projects; market trend analyses and land use estimates for high growth areas in urban settings; financial feasibility and economic impact analyses for existing and proposed real estate projects; and third party evaluations of developer prepared feasibility studies.

- **Laventhol & Horwath** — **Tampa/Orlando, Florida and Charlotte, North Carolina**
  Market analyst and real estate appraiser specializing in commercial property both proposed and existing. Particular emphasis on large-scale master planned projects, hospitality, and other income-producing real estate.

- **NationsBank** — **Charlotte, North Carolina**
  Review appraiser assigned to order and review commercial property appraisals for real estate and commercial lending divisions. Provided input to Special Assets Division involved in disposition and work-outs for distressed property.

- **Memberships**
  Land Use Planning Committee - Charlotte Chamber of Commerce
  North Carolina Income Property Association

APPRAISAL AND CONSULTING PRACTICE

Mr. McDaniel has been active as a commercial real estate consultant and appraiser since 1985. He has performed market and economic feasibility studies, as well as valuation services, for various public and private real estate development projects throughout the United States.

Representative Clients

NationsBank	Charlotte, North Carolina
Federal Deposit Insurance Corporation	Washington, D.C.
N.C. Federal Savings & Loan	Charlotte, North Carolina
Marine Midland Bank	New York, New York
R J. Reynolds Tobacco Company	Winston-Salem, North Carolina
State Teachers Retirement System of Ohio	Columbus, Ohio
First Union National Bank	Charlotte, North Carolina
USX Realty	Pittsburgh, Pennsylvania
Oxford Development Company	Orlando, Florida
Servico Development Company	Palm Beach, Florida
Westshore Development Association	Tampa, Florida
Disney Development Company	Orlando, Florida
Shinn Bodycott Development Company	Tega Cay, South Carolina
MBank	Dallas, Texas
National Audubon Society	Connecticut
Koury Corporation	Winston-Salem, North Carolina
Kilburn & Young Asset Managers	Atlanta, Georgia

QUALIFICATIONS OF THE APPRAISER

Mark Thomas Lambert
T. B. Harris, Jr., & Associates
741 Kenilworth Avenue, Suite 102
Charlotte, North Carolina 28204
(704) 334-4686

EDUCATIONAL BACKGROUND

- **University of North Carolina at Charlotte** — Charlotte, North Carolina
  Currently completing requirements for Master of Arts - Geography
  Specialization Location Analysis/Real Estate

  Course Highlights

Real Estate Development	Public Facility Planning
Real Estate and Land Economics	Quantitative Analysis
Real Estate Law and Policy Analysis	Research Methods and Analysis
Private Facility Location	Environmental Planning
Land Use Planning	Transportation Planning

- **Texas A&M University** — College Station, Texas
  Bachelor of Science, Natural Resource Science, Water Resources

- **American Institute of Real Estate Appraisers**
  Courses Completed
  - Real Estate Appraisal Principles
  - Basic Valuation Procedures
  - Capitalization Theory and Techniques, Part A
  - Capitalization Theory and Techniques, Part B
  - Standards of Professional Practice (Parts A and B)
  - Advanced Applications
  - Report Writing and Valuation Analysis

REAL ESTATE ANALYSIS EXPERIENCE

- **T.B. Harris, Jr., & Associates** — Charlotte, North Carolina
  Commercial real estate consulting and appraisal Provide appraisal services, market feasibility analyses and highest and best use studies to commercial real estate developers and financial clients Projects range from single family subdivisions to industrial parks with a specialization in multi-tenant retail and office property types Responsibilities include supervision of computer network, review and staff training

- **The Rouse Company** — Columbia, Maryland
  Group Analyst Worked essentially as an in-house consultant for three divisions Retail Development/Acquisitions, Office and Community Development, and Operating Properties Responsibilities ranged from locating and analyzing potential sites for retail and/or office development to supervising marketing and leasing project for fifteen regional shopping centers within the Rouse portfolio Also, involved in the ongoing planning and development of Columbia, Maryland, Rouse's planned community

- **The Hahn Company** San Diego, California
  Market Analyst Intern Worked on market feasibility and site analysis for an 800,000-square-foot shopping center proposed to be developed at the University Place mixed-use complex in northeast Mecklenburg County, North Carolina.

- **Charlotte-Mecklenburg Planning Commission** Charlotte, North Carolina
  Worked part-time while in graduate school researching demographic data and working on various district plans, small area plans, and special projects

AFFILIATIONS AND ACTIVITIES

Appraisal Institute MAI Candidate
North Carolina Real Estate Brokers License #148289
Big Brothers of America

RECENT PROJECTS

Appraisal of Arrowpoint I Office Building	Charlotte, North Carolina
Tax Consultation and Appraisal of Cross Creek Mall	Fayetteville, North Carolina
Appraisal of The Commons at Chancellor Park	Charlotte, North Carolina
Retrospective Appraisal of 93 Supermarkets	North Carolina, South Carolina and Georgia
Tax Consultation and Appraisal of 3 J C Penney Department Stores	Various Locations
Retrospective Appraisal of the Charlotte Observer Building	Charlotte, North Carolina
Appraisal of SunBank Office Tower	Jacksonville, Florida
Appraisal of Valley Corners Kmart and Power Center	Hickory, North Carolina
Appraisal of Gateway Center Mixed Use Complex	Charlotte, North Carolina
Appraisal of Bissell Business Park	Charlotte, North Carolina
Appraisal of Belk Department Store	Hickory, North Carolina
Appraisal of The Rotunda Office Building	Charlotte, North Carolina
Appraisal of Southgate Mall	Elizabeth City, North Carolina
Appraisal of 4400 Park Road Office Building	Charlotte, North Carolina
Market Feasibility of Weddington Corners Shopping Center	Weddington, North Carolina
Appraisal of Stonehaven Apartments	Charlotte, North Carolina
Appraisal of Weaverville Plaza	Weaverville, North Carolina
Acquisition Analysis - Carolina Mall	Concord, North Carolina
Study of Full Service Hotels in BWI Market	Columbia, Maryland
Multi-Family Residential Feasibility at Inglewood North	Largo, Maryland
Market Activity Report, Class A Office Space in Columbia	Columbia, Maryland
The Opportunity for Sears in Philadelphia	Philadelphia, Pennsylvania
Refinancing Package for Cherry Hill Mall	Cherry Hill, New Jersey
Economic Development Fact Book for Columbia	Columbia, Maryland
Market Feasibility of a Sit-Down Restaurant at Gateway Center	Columbia, Maryland
Corridor Study 1989, Baltimore-Washington Commercial Corridor	Columbia, Maryland
Demographic Profile of Ridgedale Center Trade Area	Minneapolis, Minnesota
Retail Market Analysis, The Gallery at Market East	Philadelphia, Pennsylvania
Quarterly Market Research Summary, The Grand Avenue	Milwaukee, Wisconsin
Acquisition Analysis - Mayfair Mall and Office Complex	Milwaukee, Wisconsin
Expansion Analysis for Ridgedale Center	Minneapolis, Minnesota
Current Value Analysis of 10 Rouse Centers	Columbia, Maryland
Appraisal of Catawba Mall	Hickory, North Carolina
Project Catalyst - Biddle Village Development Package	Charlotte, North Carolina
Market Feasibility for a Regional Mall at University Place	Charlotte, North Carolina

CAPITAL INVESTMENT : A COMPETITIVE EDGE

Urban and Economic Change: In 1950, Charlotte comprised an area of 30 square miles with a population of 134,042 By 1994, the area was increased to 209 square miles with 443,611 residents Furthermore, the pattern of development is rapidly expanding into a metropolitan suburban area beyond Mecklenburg Since 1950 Charlotte's population density has dropped from 4,468 to 2,122 people per square mile Today, However, there is a variation in people per square mile of 2,642 (CWAC) to 954 (5-10 mile ring)

Charlotte's growth and change is part of a larger pattern of economic and urban conditions. It is also true that community health is strongly related to infrastructure investment - **The platform for economic vitality.**

ECONOMIC CONTEXT

1. GLOBAL ECONOMY, CITY REGIONS AND SUCCESS FACTORS

THE 1992 EUROPEAN-NORTH AMERICAN STATE-OF-THE-CITIES REPORT

" Eighty percent or more of the goods and services in the Eureopean and North America are produced in the urban economies that embrace cities and their suburban regions

these 'city regions' are the real arenas for global economic competition into the 21 st. century."

" **KEYS TO URBAN SUCCESS....**

Aggressively **position themselves** ... to compete economically in the global economy...

Find ways to **bring city and suburb together**.. one labor market and one economy, competing against similar labor markets and urban economies .

Avoid or undo . decisions that concentrate poverty in specific areas of neighborhoods.. .

To create new jobs, each city must **find its niche** in the global economy by taking advantage of its strengths "

URBANIZATION PATTERNS

2. WORLD-WIDE AND U S.

By the year 2000, there will be 600 cities of 1 million population or more, where in 1990 there are 200

75% of the U S population currently lives in urban areas Nearly 50% of the U S population lives in 39 metro areas of 1 million people or more Charlotte is one such area and it was the **15 fastest growing of those 39 areas** during the 80's.

3. METROPOLITAN TRENDS

NEW VISIONS FOR METROPOLITAN AMERICA....Downs:

" For half a century America has had one dominent vision of how metropolitan areas should grow and develop It is best described as unlimited low-density sprawl . Most metropolitan areas have successfully realized this vision."

" Specifically the view of urban life as center focused is giving way to the view of urban societies as low density networks."

CITY WITHOUT SUBURBS.... Rusk:

" By 1990 over 60% of the population of 320 metropolitan areas lived in suburbs.. By 1990 a majority of jobs in metro areas were located in suburbs . This pattern of urban development is sufficiently universal (at least in America) to embolden me to state the first law of urban dynamics only elastic cities grow "

" The smaller the income gap between city and suburb, the greater the economic progress for the whole metropolitan community"

"Why have some cities been elastic ? **(annexation)** .If being an **ELASTIC** city is **ESSENTIAL TO ECONOMIC, SOCIAL AND FISCAL HEALTH** , what can be done to make inelastic cities .. benefit as if they were elastic?

EDGE CITY.... Garreau:

" Americans are creating the biggest change in a hundred years in how we build cities Every single American city that is growing, is **GROWING IN THE FASHION OF LOS ANGELES**, with multiple urban cores ..

Today we have moved our means of creating wealth, the essance of urbanism - our jobs - out to where most of us have lived and shopped for two generations That has led to the rise of the Edge City "

4. CHARLOTTE'S GEOGRAPHIC SETTING

Our Metro area has exceeded 1.2 million population and is **GROWING IN A DECENTRALIZING, SUBURBAN PATTERN** THIS PATTERN IS EXPECTED TO CONTINUE WITH A GROWING RATE OF POPULATION INCREASE BEYOND MECKLENBURG AND AND A DECLINING RATE OF POPULATION INCREASE WITHIN MECKLENBURG

By 2015, Mecklenburg's population could increase by as much as 200,000 people accompanied by 195,000 jobs and 95,000 households THESE EXPECTATIONS REFLECT A SLOWING OF THE GROWTH IN POPULATION BEYOND THE YEAR 2000

Charlotte 209 square mile area can expand out to its Sphere of Influence boundary encompassing 346 square miles This area **will form the most urban center of the Regional City** of the 21 st century

This area will contain a very diverse population with the widest range of geographic characteristics and strengths

Charlotte's long-term social, economic and fiscal health will be linked with its pattern of infrastructure investment responding to both the urban and suburban character of the unfolding metropolitan development pattern.

* **Neighborhood Assessment I (CWAC)**

* **Neighborhood Assessment II**

5. AN URBANIZING REGION

The **Charlotte** area is one of the **major piedmont communities** located along the I-85 corridor stretching from the Virginia border to Atlanta, Georgia.

54% of the U.S. population lives within 650 miles of Charlotte - an easy one day drive, or 90 minute flight

The predominant pattern of new development for **Charlotte is low density suburban** (1,856 people per sq mi) **around an older, more urban core** (2,642 people per sq mi)

Annexations and infrastructure investment has enabled Charlotte to respond successfully to the forces of decentralization common to American cities, and thereby enjoy social, economic and fiscal health.

6. CHARLOTTE THE CENTRAL CITY OF A REGIONAL CITY

The emerging metropolitan suburban ring with its edge cities will increasingly take a larger share of population growth after the turn of the century, then later followed by job growth (**People-services-jobs decentralization equation**)

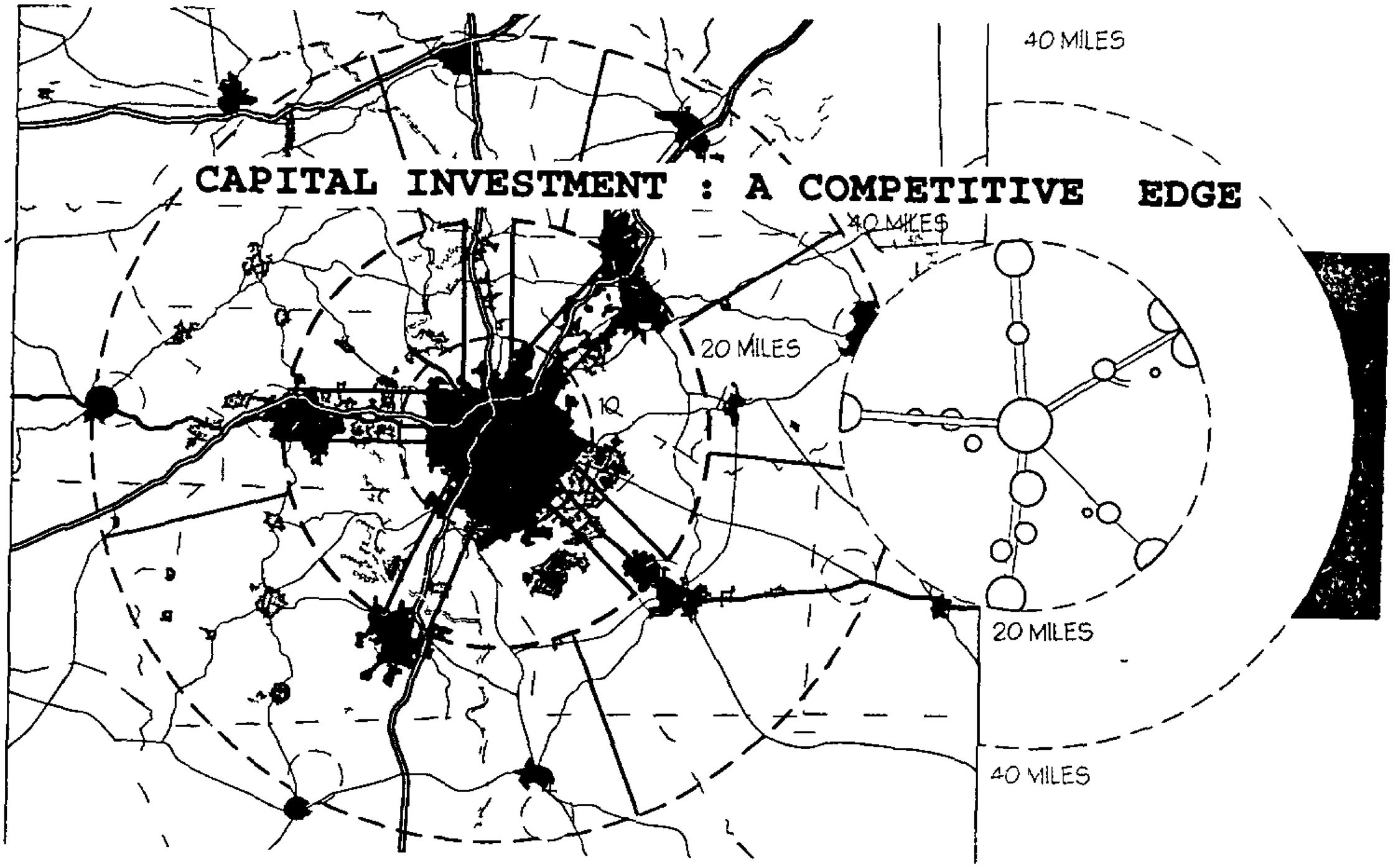
This together with the limit to Charlotte's annexation will move this area toward infrastructure investment to meet three key objectives.

* **Strengthening the CWAC's** (5 mile radius) competitive position and long-term urban livability

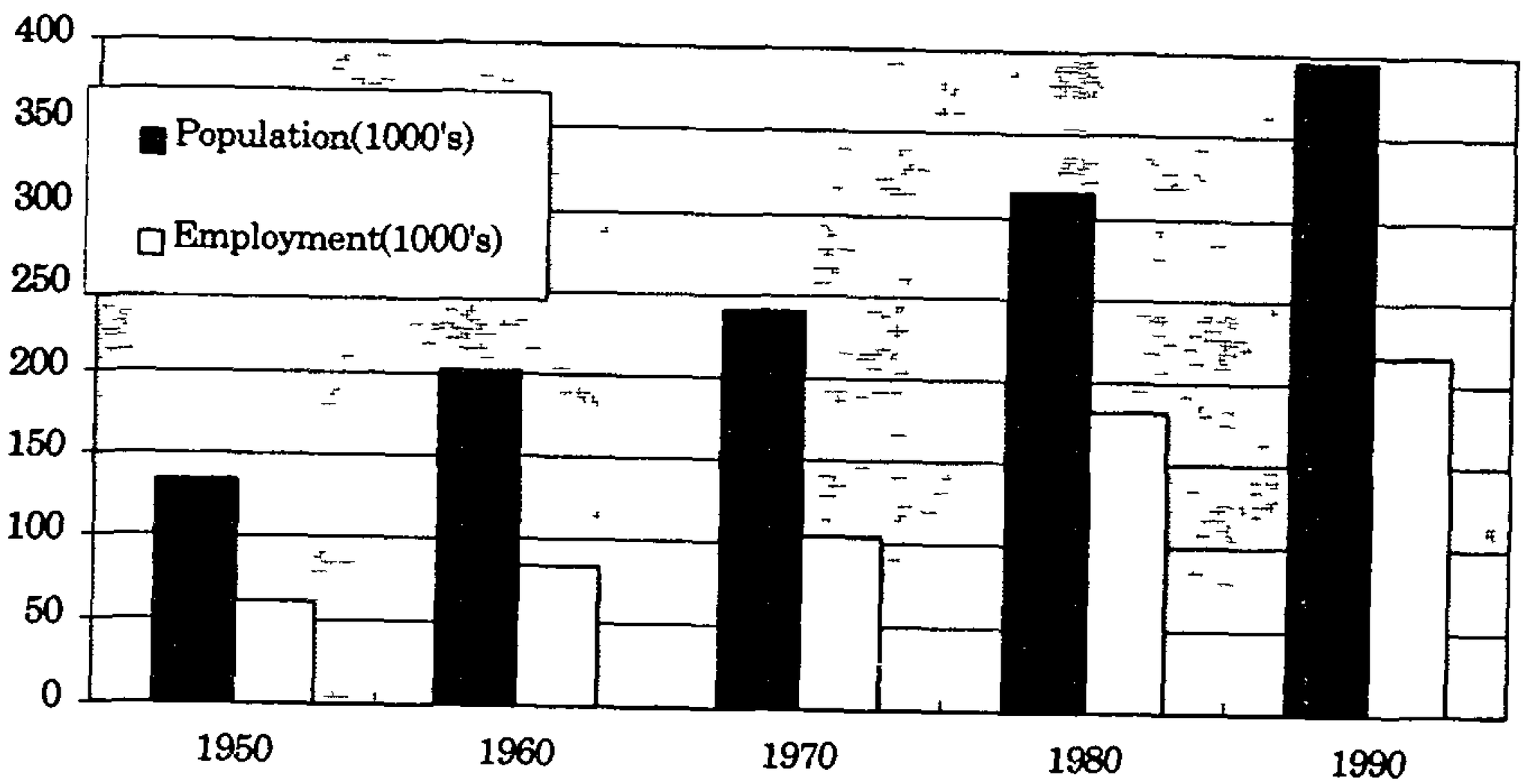
* **Supporting build-out of the suburban ring city** and its predominantly suburban character.

* **Exploiting the metropolitan, community and neighborhood scale development opportunities** associated with business corridors and clusters, and higher density residential possibilities

CAPITAL INVESTMENT : A COMPETITIVE EDGE



The City of Charlotte Has Enjoyed Strong
Population & Employment Growth For Decades



7. BUILDING BLOCKS FOR COMMUNITY INVESTMENT STRATEGY

An infrastructure investment strategy could be fashioned to promote the strengths and respond to the unique characteristics of Charlotte in regards to the following

CITY-WITHIN-A-CITY CENTER CITY (I-277+)

SUBURBAN RING CITY

METROPOLITAN SCALE CONNECTIONS

8. STRATEGIC IMPLICATIONS

Customer Market Areas- COSTS AND BENEFITS CLEAR FOR RESIDENTS

*COMMON COMMUNITY INTERESTS, A COMPETITIVE ADVANTAGE

The 346 square mile central city

*NEIGHBORHOOD FABRIC, THE BASIS FOR LIVABILITY

Neighborhood Assessment I (CWAC)

Neighborhood Assessment II

*METROPOLITAN IDENTITY, A COMMON ECONOMIC INTEREST

Linkages and Partnerships

Advantages to Geographic Focus:

*INTEGRATES ALL COUNCIL FOCUS AREAS INTO CAPITAL PROGRAM AND MORE IMPORTANTLY MAKES THE CAPITAL NEEDS INVENTORY AND CIP MORE THAN A LAUNDRY LIST

*GIVES COMMUNITY/NEIGHBORHOOD FOCUS TO NEEDS GOES BEYOND ASSUMING INDIVIDUAL AGENCY LISTS ARE A COORDINATED PACKAGE LINKED TO A BALANCING OF GOALS

*TAKES A PROACTIVE ROLE TO ASSURE LONG-TERM VITALITY AS CHARLOTTE'S ROLE IN THE REGION CHANGES AND EVOLVES, IE , WE HAVE A SENSE OF WHAT IT TAKES TO BE SUCCESSFUL AS BOTH AN URBAN AND SUBURBAN CITY **Our Competitive Strength.**

*FINALLY, WE ARE HELPING CITIZENS OF THESE SUBAREAS TO UNDERSTAND **How Government is addressing their expectations** FOR COMMUNITY AND NEIGHBORHOOD VITALITY

Priority focus

* THE GOAL FOR INFRASTRUCTURE INVESTMENT IS AN ALL AROUND HEALTHY CITY INCLUDING THE MOST URBAN (cwac), SUBURBAN AND METROPOLITAN PIECES

* INFRASTRUCTURE IS A KEY COMPONENT IN THE PLATFORM FOR ECONOMIC HEALTH

* **A PROCESS IS REQUIRED THAT RESULTS IN A BALANCED, COORDINATED INVESTMENT IN INFRASTRUCTURE NETWORKS AND FACILITIES**

INFRASTRUCTURE: PLATFORM FOR ECONOMIC DEVELOPMENT

9. PRINCIPLES

BALANCED, COORDINATED INFRASTRUCTURE INVESTMENT STRATEGY FOR CITY AND COUNTY TOGETHER WITH RELATED PARTNERS

* NEED CONTINUE AND STRENGTHEN CURRENT 10 YEAR NEEDS ASSESSMENT PROCEDURE

* NEED IMPROVE CAPITAL IMPROVEMENT PROGRAMS, IE SETTING PRIORITIES ACROSS JURISDICTION LINES

* NEED MATRIX ASSESSMENT OF COMMON INTERSTS AND PRIORITIES FOR LIMITED RESOURCES, IE CWAC JOINT USE OF FACILITIES

DEFINE INFRASTRUCTURE MOST APPROPRIATE FOR STRATEGIC ACTION AS PARTNERS

***NETWORKS** - TRANSPORTATION, WATER/SEWER, OPEN SPACE, POWER AND COMMUNICATION

***FACILITIES** - ADMINISTRATIVE, EDUCATION, CULTURAL, SOCIAL, HEALTH AND WELFARE

10. COUNCIL FOCUS AREAS

PICTURE OF THE FUTURE Role of government in the Community, Platform for Economic Development

NOVEMBER 1994 RETREAT - PRIORITY AREAS

***ECONOMIC DEVELOPMENT**

***CITY-WITHIN-A-CITY**

(SUBURBAN RING CITY NEIGHBORHOODS)

***MOBILITY**

***COMMUNITY SAFETY**

***RESTRUCTURING GOVERNMENT**

STRATEGY: CAPITAL INVESTMENT REVIEW PROCESS

GOALS, STRUCTURE AND TIMETABLE OUTLINE (3/6/95)

QUESTION

ARE WE PROCEEDING IN ACCORD WITH COUNCIL'S EXPECTATIONS ?

March 2, 1995

City Council Members,

I, for one, resent the idea of enforcing a 35 MPH speed limit on Sardis Road This seems to be the only city in the world that improves its thoroughfares and then reduces the speed

The city bureaucrats say that the road doesn't have good visibility and has too many low spots to allow for a higher speed limit However, from Sardis Lane looking towards town, you can see past the Medearis entrance, quite a distance. From Landsdowne Road you can see past St Stephens and up the hill towards Sardis/Rama Roads.

It seems strange to me that the speed should even consider being lowered to 35 MPH. As the work is undertaken on Carmel Road, the speed limit there has been lowered to 35 MPH Are they then saying that the condition of the newly improved Sardis Road is the equivalent of Carmel Road under construction? How can they both warrant a speed limit of 35 MPH.

I would say that the conditions on Sardis Road are better and the visibility better than the conditions and visibility of Sharon Road, Sharon Amity, Wendover and many other thoroughfares in this city, and yet those streets have greater speed limits

I would like to see some sanity come to this issue, and allow a speed limit of 40 MPH Unbelievably, the street had a saner speed limit when it was a two lane road of greater low spots. How can that be? Where is the logic?

Sincerely,

Geri

Geri Ridenhour
4112-E Providence Road
Charlotte, NC 28211

March 6, 1995

TO: MAYOR RICHARD VINROOT

FROM: Councilmember Mike Jackson, Chair
"Home Rule" Committee

SUBJECT: PROPOSED CHANGES FOR COMMITTEE

The new Council Home Rule Committee met for the first time on February 27. In addition to myself, Committee members present were Councilmembers Charles Baker and Don Reid. Other Committee members are Nasif Majeed and Ella Scarborough.

HOME RULE POWERS

City Attorney Mac McCarley provided us with an overview of the powers and authority granted to cities by the State of North Carolina.

Cities in North Carolina have no powers other than those constitutionally granted or reserved or those enacted by the General Assembly. In contrast, a number of states across the country have "home rule" provisions which give substantially more authority and power to cities than we have. Such power and authority gives these cities significantly more flexibility in dealing with issues which affect local taxpayers.

To obtain full or limited home rule authority in N.C. would require either major statutory amendments, which could be later revoked by the General Assembly, or a constitutional amendment, which would require a vote of the people.

Committee members cited numerous examples where home rule provisions would benefit Charlotte: funding for the criminal justice system; new revenue sources for needs such as the Committee of 100 (transit; toll roads, etc.); fortified wine sales; new rules for competition (force account work); deferral of senior citizen property taxes, to name a few.

ASSESSMENT OF CHARLOTTE OBTAINING HOME RULE

Committee members agreed that the City's ultimate, long-term goal should be to pursue home rule.

The current division of power is long-standing in this State, and it will not be easily changed. Obtaining home rule will be a very slow process at best. It will take a substantial education and lobbying effort, involving all major N.C. cities, over a period of several years.

The Committee feels that we can spend our time most productively now by concentrating on those issues which will have an immediate benefit to our citizens. As we do this, we can build a base from which to effectively communicate about our long-term goal of home rule.

If we work proactively on the more immediate State issues which affect Charlotte, we will increase our communications and visibility with State legislators. Over time, building these relationships should help break down resistance to the idea of home rule. Positive and ongoing interactions with the City and its elected officials should give State legislators more confidence that a change in the powers granted to the City would be beneficial to all parties.

PROPOSED FOCUS FOR THIS COMMITTEE

We propose that a more useful role for this Committee would be one which helps Council deal more effectively with all intergovernmental issues impacting the City, as follows:

- Change the name from "Home Rule" to "Intergovernmental Relations" Committee.

  We believe this would more appropriately and accurately describe our proposed role. Home rule would be the long-term goal for our relationship with the State, but the immediate focus of the Committee would be the City's relationships with all three levels of government.

- Review and make recommendations about strategies for the adoption of the City Council's adopted Legislative Package.

  Over the years the City has been fairly successful with getting its legislative priorities through the General Assembly. However, the Committee feels that greater Council involvement would enhance our efforts and allow us to pursue significant initiatives, such as a menu of alternative local revenue sources.

  Working with City staff, the Committee would recommend to Council *specific ways in which we would effectively work and communicate with* our Delegation, the League of Cities, legislative leaders and others to obtain support and approval of Charlotte's legislative package.

- Review and recommend to Council actions or positions related to specific intergovernmental issues.

  Working with staff, we would identify issues or changes at the County, State or Federal level which will impact Charlotte in the short-term (six to twelve months) or long-term. We would provide Council with an early alert that the City needs to get involved to protect our best interests.

  The Committee would review the impact of a proposed action or change in law, and recommend to Council actions which the City should take. A recommendation might include ways to maximize the benefit to the City, or alternatively, to minimize any negative impact.

  The Committee could recommend responses to changes being discussed by the other governments, as well as recommend ways for the Council to initiate change which would benefit the City.

  Immediate issues which come to mind are the Police Tax Equity Interlocal Agreement with the County and the Billboard Amortization issue now being discussed in the General Assembly.

  We see the Council becoming more visible and vocal about changes being considered by other levels of government which may impact us. We propose that Council adopt formal resolutions about their position on particular issues. Formal resolutions would have greater impact and would also raise the visibility of the issue with our citizens and encourage more community dialogue and feedback.

  Proposed Council Resolution for March 27 Agenda

  As one of the first Council positions to be recommended by this Committee, we recommend that Council reinforce the philosophy that the City desires full responsibility and authority for any mandates or new initiatives coming to us from the State or Federal governments, i.e. the City decides how best to implement or use programs, services and resources impacting Charlotte citizens according to our local preferences and needs.

  The Committee proposes to bring back a resolution for "local authority/local responsibility" on the March 27 agenda if there are no objections by Council.

c: City Council
Wendell White
Mac McCarley
Julie Burch
Del Borgsdorf
Boyd Cauble