AGENDA

Meeting Type.	WORKSHOP
Date·	03/03/1997

City of Charlotte, City Clerk's Office

CHARLOTTE

Mayor Patrick McCrory *Mayor Pro Tem Al Rousso*

Charles Baker
Patrick Cannon
Malachi Greene
Mike Jackson
Nasif Rashad Majeed
Don Reid
Ella Butler Scarborough
Tim Sellers
Sara Spencer
Lynn Wheeler

Council Agenda

CITY COUNCIL WORKSHOP

Monday, March 3, 1997

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5 00 pm	Dinner/Approval of Street Resurfacing Contract
5·15 pm	Regulatory User Fee Policy
5:45 pm	Economic Development Strategic Plan: Trends and Organization
6:45 pm	Aviation Master Plan Overview
9:00 pm	Coliseum/Hornets Options Analysis Update

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Spring Resurfacing Contract

COUNCIL FOCUS AREA: Transportation

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

- Availability of Safe, Convenient Transportation

OPTIONS: None

COUNCIL DECISION OR DIRECTION REQUESTED: The City Engineer recommends that the low bid of $5,278,489 00 from Rea Construction of Charlotte be accepted

ATTACHMENTS:

1997 Resurfacing Bid Item
A summary of the resurfacing philosophy will be sent with the Council-Manager Memo Friday, February 28th

1997 Resurfacing Award

Action: **The City Engineer recommends the low bid of $5,278,489 from Rea Construction of Charlotte, N.C.**

MWBE Status	Amount	% of Project	Project Goals
BBE	$321,279	6 1%	6%
WBE	$215,000	4 1%	4%

Explanation of Request: This project will resurface approximately 115 miles of City streets, and will include street milling, approximately 8,000 feet of curb replacement, 120 wheelchair ramps, surface sealing, and traffic control

- This contract incorporates a new strategy this year in combining the annual resurfacing and curb replacement work Use of one contractor for these activities is expected to result in better timing and coordination of the stages of street repair, avoiding situations where a curb contractor installs new curb and there is a delay before a second contractor begins the milling and resurfacing

- In accordance with Americans with Disabilities Act requirements, wheelchair ramps will be constructed at all corners where sidewalk exists along the streets being resurfaced

FUNDING: Powell Bill

Summary of Bids:

Rea Construction Company of Charlotte, NC	$5,278,489 00
APAC, Carolina, Inc of Charlotte, NC	$5,536,152 15
Crowder Construction of Charlotte, NC	$5,897,385 75
Blythe Construction of Charlotte, NC	$6,015,392 75
Blythe Development of Charlotte, NC	$6,270,486 00

COUNCIL WORKSHOP AGENDA ITEM SUMMARY

TOPIC: User Fee Pricing Study for Regulatory Services

COUNCIL FOCUS AREA: Economic Development and Restructuring Government - reengineer government processes and regulations to improve customer service

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

- **Purpose of Study**
  1. Update the 1987 Arthur Young User Fee Study and respond to recommendations in a 1995 KPMG Peat Marwick Study on Land Development Permitting Issues
  2. Look at different options for pricing user fees in four departments Engineering and Property Management, Fire, Planning, and Transportation (Fees have not been updated for three years) The fees pertain primarily to land development regulation and Fire Department inspection fees
  3. Determine the economic development impact of regulatory user fees

- **Focus Group Findings**
  1. Customer/Citizen Focus Groups (30 people participated, 22 developers/business representatives and eight community/neighborhood representatives) Findings included
     - a Regulation and process issues are more important than fees
     - b All participants agreed that fees should be costed using full cost principles
     - c Developers tended to recommend pricing based on direct costs Community representatives favored full cost pricing (both direct and indirect)

- **Economic Development Impact**
  1. Fees, even at full costs, are very small in relation to the overall cost of development (generally 1% or less)
  2. Regulatory user fees have little, if any, impact on the decisions developers make regarding locating in Charlotte or elsewhere according to the consultant

- **Survey of Cities** (11 cities responded to the survey)
  1. Cost recovery practices vary from as little as 8% to 100% of the cost of the service
  2. Phoenix and San Diego recover 100% of fully allocated costs Indianapolis recovers approximately 60% of direct costs Mecklenburg County recovers 100% of direct and indirect costs
  3. Charlotte's current user fee policy, adopted in 1988, is to recover 80% of direct service costs

OPTIONS	Option 1	80% recovery of fully allocated costs (staff and consultant's recommendation)
	Option 2	Phase-in to 80% fully allocated costs 60% first year and 80% second year
	Option 3	60% recovery of fully allocated costs
	Option 4	80% recovery of direct costs (this is the current policy)

COUNCIL DECISION OR DIRECTION REQUESTED:

March 3	Council Workshop, information only
March 4 - April 14	Stakeholder/citizen review
April 7	Council Budget Committee
April 14	Public Hearing on User Fee Recommendations
May 6	Council Budget Retreat (provide direction for the Manager's recommended budget)
May 12	Council amends City Code regarding user fees
June 23	Budget Adoption
July 1	Effective date for new fees

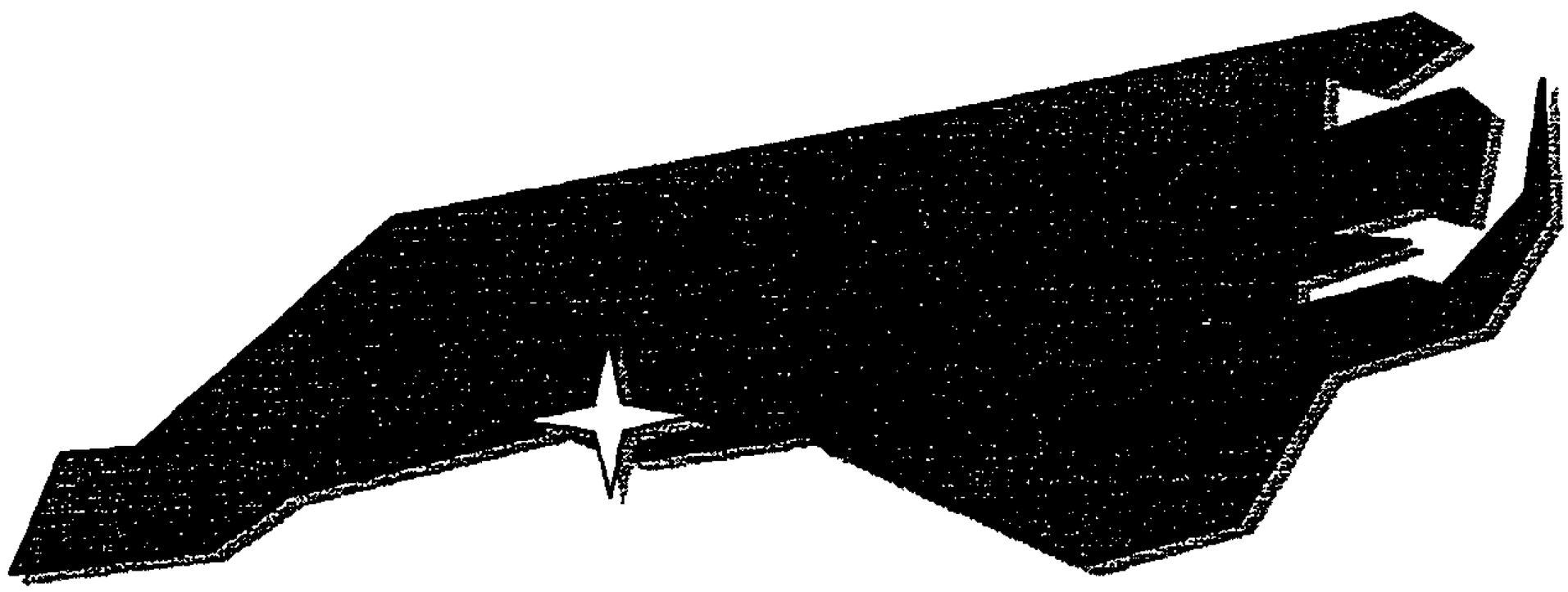
ATTACHMENTS: Executive Summary of Regulatory User Fee Study by VERTEX Management Consultants of Dallas, Texas A copy of the full report is available in the Council Library

VERTEX

City of Charlotte, North Carolina

Regulatory User Fee Pricing Study

Final Report



Prepared by:

VERTEX
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Suite 104
Dallas, Texas 75234
800-576-3518

February 21, 1997

Chapter I. EXECUTIVE SUMMARY

This executive summary is presented in two parts Part One defines the project's purpose and scope Part Two summarizes our findings and recommendations

Part One: PROJECT OVERVIEW

The purpose of the Regulatory User Fee Pricing Study was to present options for pricing user fees charged to customers of the following four City departments

- Engineering and Property Management
- Fire
- Planning
- Transportation

This study also responds to a 1995 KPMG Peat Marwick Study In 1995 KPMG conducted a Land Development Permitting Process Review with recommendations to improve organization, communication and information systems, permit processing and customer service, and financial management The KPMG study made the following recommendation relating to costing services

> **Develop and implement an automated fee calculation system for all land development activities that is based on an activity based costing analysis to determine the appropriate level of fees and fines.**

Since the 1995 KPMG study, City staff have calculated new proposed fees based on activity based costing VERTEX, a management consulting firm from Dallas, Texas, reviewed the City's activity based costing model and commented on the approach and methodology

The scope of the project included the following

A Conduct focus groups involving developers, contractors, neighborhood associations, and the local business community to review the impact of alternative approaches (See Chapter II, pages 9 - 10 and 19 - 34)

B Provide comments on the economic development impact of land development regulatory user fees (Prepared by Tischler and Associates and documented in Chapter III, pages 11 and 35 - 39)

C Complete a telephone survey of approximately a dozen cities, as approved by the City, to determine what cost recovery philosophies are employed by other jurisdictions (See Chapter IV, pages 12 - 15 and 10 - 46)

D Present options for pricing services, report on innovative options and "best practices" approaches to pricing services (See Chapter V, pages 16 - 18)

E Review the City's activity based costing model and comment on approach and methodology (See Chapter V, page 16)

Part Two: SUMMARY OF FINDINGS AND RECOMMENDATIONS

Customer Focus Groups (Chapter II): Focus groups representing commercial and subdivision developers, zoning process participants, businesses regulated by fire codes and community groups expressed the following major themes relating to regulatory fees

1 Regulation and process issues are more important than fees

2 They support a land development process with the following features

- Regulations that are competitive with comparable cities
- Review and inspection processes that are consistent and efficient
- A fee structure that recognizes the public, as well as private, benefit of the regulatory process

3 Developers or businesses should pay for services in relation to the benefit to them

4 Development user fees are an appropriate cost of doing business in Charlotte and are not out of line with comparable communities

5 The economic development impact of development fees and regulations are less important than broader quality of life considerations

6 All participants agreed that fees should be costed using full cost principles Developers tended to recommend pricing base on direct costs Community representatives favored full cost pricing

Fees and Economic Development (Chapter III): A focus group of local economic development experts met with Paul Tischler, a national economic development consultant The conclusions of these experts are as follows

1 Fees are very small in relation to the overall cost of development (generally 1% or less)

2 Regulatory user fees will have little, if any, impact on the decisions developers make regarding locating in Charlotte or elsewhere

3 The City's economic development competitive position will be enhanced when its one-stop permitting center is fully operational in July 1997

4 Most of the new development will be from internal growth

Survey of National and Regional Cities (Chapter IV): Our survey of the user fee and costing practices in a dozen U S cities resulted in the following major findings

Fee Policies There are a wide range of cost recovery practices, from as little as 8% to 100% of the cost of the service

Cost Accounting and Pricing Cities identify costs of user fees by service areas, but the level of sophistication of accounting practices vary The City of Charlotte, along with Indianapolis, is a leader in cost accounting practices in this survey Charlotte is far ahead of most other cities in their approach to user fees For example, many cities do not establish policies, perform studies, or develop costing models The City of Charlotte is very proactive compared to other cities

The Cities of Phoenix and San Diego recover 100 % of fully allocated costs for user fees The City of Indianapolis recovers approximately 60% of fully allocated costs

Operations and Innovations The survey found no innovative costing or pricing practices Indianapolis and Charlotte are the only cities using activity based costing to determine fees Several cities indicated a move to one-stop development review and inspection service, however, the definition of one-stop varied from city to city

Regulatory User Fee Costing and Pricing Recommendations (Chapter V): VERTEX reviewed the costing models used by Engineering and Property Management, Fire, Planning, and Transportation In our professional opinion, the City understands and applies the principles of activity based costing accurately

VERTEX recommends that the City choose one of four pricing options VERTEX and City staff recommend Option 1

Option 1	**80% recovery of fully allocated costs**
Option 2	Phase-in to 80% fully allocated costs 60% first year and 80% second year
Option 3	60% recovery of fully allocated costs
Option 4	80% of direct costs (this is the current policy)

VERTEX recommends 80% recovery, because in the user fee literature, it is generally interpreted that regulatory services such as land development and fire inspection services have high private benefit The relative amount of private or public good associated with government services can be debated at length Much depends on the perspective (citizen or developer/business) from which you are looking at the service

It is clear from the focus groups that the regulated group argues for a higher percentage of public good while the citizen or community representatives argue for a higher percentage of private good The justification for higher recovery of full costs comes from the notion that government would not be in the business of regulation were it not for the existence of these businesses Also, the higher recovery rate is a compromise for those citizens who would propose that the regulatory fees should be 100%

In the 1994 North Carolina Supreme Court case, Charlotte Homebuilders vs City of Charlotte, the Court ruled that cities may charge 100% of full costs for regulatory user fees

Charlotte's current policy of 80% direct cost recovery for user fees was adopted in July 1991 In 1988 City Council adopted a policy of 50% direct cost recovery for one year and increased the recovery rate to 100% the second year

The City's fees have not been adjusted for several years In that time the City has undergone a number of process improvements Some of the proposed fees are lower because of the improvements made Also, in this time period some regulations have changed and thus impacted the amount of review required Therefore, some of the proposed fees are higher because of new regulations or because services have been redesigned For example, the engineering subdivision review and the 100+1 flood study review have been combined into one service and one fee The Fire Department combined more than 20 categories of basic permit fees into one basic permit fee and combined 9 categories of plan review fees into one plan review fee A chart with the proposed fees and various options are on the following pages The revenue projections for the different options are shown on another chart

VERTEX and City staff recommend an effective date of July 1, 1997 for the new fees The City Attorney will prepare an amendment to the City Code to allow for the new annual fees based on Council's approved pricing policy

Regulatory User Fees

SERVICE	Current Fee (FY95,96,&97)	80% Fully Allocated Cost FY98	60% Fully Allocated Cost FY98	80% Direct Cost FY98
Land Development				
Site Inspection	$360	$373	$280	$335
Commercial Driveway Permit	$140	$118	$88	$109
Tree Ordinance Avg = 17 trees	$133/ 1st tree $229/ 17 trees	$285/ 1st tree $495/ 17 trees	$216/ 1st tree $372/ 17 trees	$285/ 1st tree $445/ 17 trees
Tree Past Compliance	$90/site	$99/site	$75/site	$89/site
Grading Avg site = 10 acres	$292/ 1st acre $1,360 for 10 acres	$344/ 1st acre $1,597 for 10 acres	$258/ 1st acre $$1,198 for 10 acres	$305/ 1st acre $1,416 for 10 acres
Tree Preservation	$105/site	$150/site	$112/site	$135/site
Detention	$269/ 1st acre $1,250/ 10 acres	$478/ 1st acre $2,210/ 10 acres	$359/ 1st acre $1,660/ 10 acres	$429/ 1st acre $1,990/ 10 acres
Engineering Subdivision Review	$444/ 1st acre $2,579/ 14 acres Avg 35 lots = 14 acres	$722/ 1st acre $4,194/ 14 acres	$542/ 1st acre $3,148/ 14acres	$648/ 1st acre $3,764/ 14 acres
CDOT Subdivision Review	$70	$172	$129	$164

Regulatory User Fees - Continued

SERVICE	Current Fee (FY95,96,&97)	80% Fully Allocated Cost FY98	60% Fully Allocated Cost FY98	80% Direct Cost FY98
Planning Subdivision Review				
No Streets	$115	$986	$740	$960
Single Family	$255	$384	$288	$338
Non-Residential	$325	$468	$351	$434
Plan Revisions	$380	$355	$266	$331
Variances & Appeals	$225	$4,364	$3,273	$4,126
Subdivision Final Plats				
Regular	$60	$67	$50	$58
Revisions	$50	$92	$69	$82
Condos	$30	$246	$184	$242
Rezoning Review by CDOT & Eng	$185	$419	$314	$391
Rezoning By Right	$590	$2,414	$1,810	$2,063

Regulatory User Fees - Continued

SERVICE	Current Fee (FY95,96,&97)	80% Fully Allocated Cost FY98	60% Fully Allocated Cost FY98	80% Direct Cost FY98
Rezoning - Conditional	$1,745	$1,707	$1,280	$1,480
UMUD Plan Review				
Major	$1,950	$3,338	$2,504	$2,993
Minor	$575	$1,685	$1,264	$1,499
Planned Multi-Family Review	$725	$1,518	$1,138	$1,325
Text Amendment	$475	$1,049	$787	$929
Administrative Site Plan Review	$100	$204	$153	$186
Right-of-Way Encroachment	$535	$552	$414	$521
Right-of-Way Abandonment	$250 1st $125 additional	$1,011	$758	$951
Fire Inspection				
Basic Permit	Previously more than 20 different categories	$132	$105	$130
Plans Review	Previously 9 different categories	$90	$72	$89

Revenue Projections by Option

	Option 1 80% Full Cost	Option 2 Phase-In 60% to 80%	Option 3 60% Full Cost	Option 4 80% Direct Cost (current policy)
Revenue Projection FY98	$2,563,274	$1,919,791 (1st yr) $2,563,274 (estimate 2nd yr)	$1,919,791	$2,305,386

LIST OF FOCUS GROUP PARTICIPANTS

Developer and Business Representatives

1	Fred Bryant	Planner
2	Mark Cramer	Attorney
3	Tom Dugging	DPR Associates
4	Jim Gamble	Little & Associates
5	Herbert Harriss	Baxter-Harriss Company
6	Karla Knotts	Developer
7	Jim McGovern	James McGovern and Associates
8	Walter McNeil	S C Hondros Associates
10	Cathryn Melvin	The Harris Group
11	David Overcash	Amplate
12	Judy Overhultz	Stonehaven Development
13	Bailey Patrick	Attorney
14	Tom Pearson	Pearson Land Corporation
15	Yates Pharr	Bissell Companies
16	Jay Potter	Desmear, Inc
17	Wade Robinson	Crosland Retail
18	Timothy Ryan	Rohm and Haas Delaware Valley
19	Michael Sawhill	DSAtlantic
20	Scott Stoever	Landcraft Properties
21	Wade Thomas	Shelco, Inc
22	Sam Williams	Yarbrough Williams and Associates

Community and Neighborhood Representatives

1	Chris Bryant	
2	Steven Cartee	Charlotte-Mecklenburg Housing Partnership
3	Gloria Fenning	Former City Council and Planning Commission member
4	Peter Gerns *	
5	Dr Tim Mead *	UNC-Charlotte
6	Walter Shapiro	
7	Betsy Smith *	Village of Raintree
8	Robert Weis	

* Input received via letter, questionnaire, or phone

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Economic Development (Regional Growth Trends)

COUNCIL FOCUS AREA: Economic Development

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

- This is the latest in a series of Council workshops on economic development, growing out of Council's mini-retreat of March 29, 1996

- During the fall of 1996, Council workshops included
  1 Staff overview of key issues and priorities
  2 Council's discussion of the City's interest and role in economic development
  3 Private sector views of the City's role from a panel of John Connaughton, Carroll Gray, Jim Lovell, and Tommy Norman

- The Workshop focuses on regional growth trends and how they affect the prospects for Charlotte's economic development Dr Al Stuart of UNC-C will present his study entitled "Suburban Sprawl in the Charlotte Region " An executive summary and a full report are attached The study uses building permit records and other data to document the location and intensity of residential and commercial growth in the region

- In addition to Dr Stuart's presentation, staff will give a brief overview of the organizational framework that will be used to carry out City Council's economic development objectives

- The next step, at the April workshop, will be to discuss short-term project priorities To set the stage for that discussion, a list of potential projects will be distributed at the March 3rd workshop

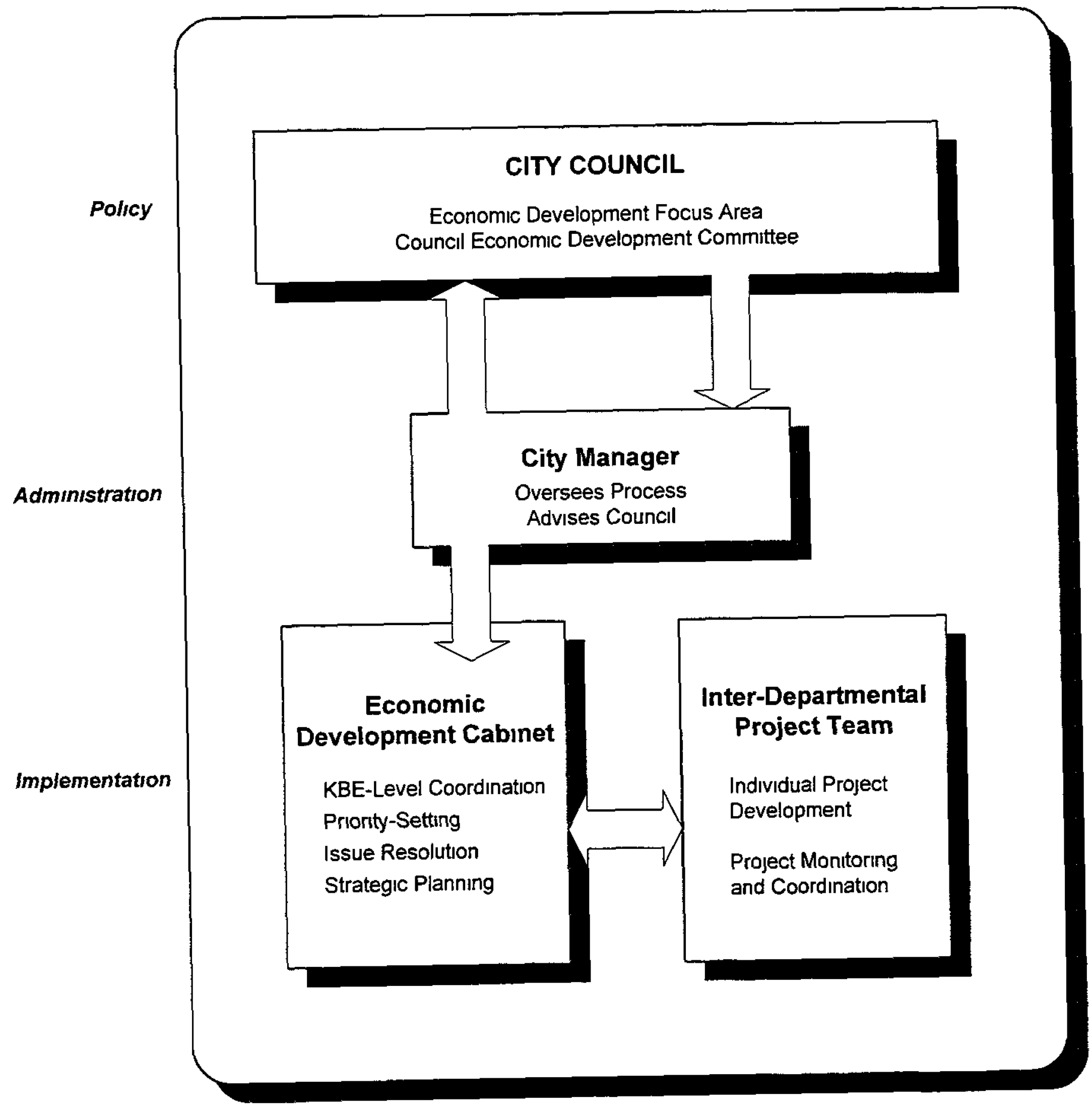
OPTIONS: Not Applicable

COUNCIL DECISION OR DIRECTION REQUESTED: Receive Dr Stuart's presentation and report as information, to be used as a basis for discussion of the City's short-term economic development priorities at the April 7th Council Workshop

ATTACHMENTS:

- City of Charlotte Economic Development "Organizational Framework" chart
- Executive Summary of "Suburban Sprawl in the Charlotte Region"
- Enclosed is a full report of "Suburban Sprawl in the Charlotte Region," by Dr Al Stuart

Organizational Framework
For Carrying Out City Council's Economic Development Objectives



(February 19 1997)

SUBURBAN SPRAWL IN THE CHARLOTTE REGION

SUMMARY

by
Alfred W Stuart
Professor of Geography
University of North Carolina at Charlotte

• The purpose of this study was to determine the extent to which Charlotte's growth is producing more sprawl of population and employment The region studied included the seven-county Charlotte-Gastonia-York, N C /S C Metropolitan Statistical Area (MSA) plus two other adjacent counties, Iredell and Lancaster, S C

• Charlotte has grown rapidly as a major Southern metropolitan area. Its previous experience as a business center for a dispersed industrial region that specialized in textiles manufacturing prepared it well to participate in the rapid growth of the South after World War II

• The emergence of a more global economy and office-based information processing businesses have favored Charlotte Hundreds of foreign-owned companies have moved here, including over 160 that are the U S headquarters of foreign-owned companies Office space has grown from five million square feet in 1972 to over 24 million square feet in 1996 Meanwhile, during a similar period, textile and apparel plants lost 40,000 jobs,mostly in surrounding counties, further concentrating growth in Charlotte

• Population in the region grew by 30 percent between 1980 and 1995, reaching a total of 1,442,480 people in 1995 (Table 1) Charlotte-Mecklenburg's share of the regional population gained steadily, reaching 40 percent in 1995 The number of permits issued for housing units shows a similar trend (Table 1)

• The economy grew even faster, by 43 percent between 1980 and 1994 Services and trade passed manufacturing as the leading employment sectors Slow growth or declines in surrounding counties coupled with Charlotte-Mecklenburg's expanding economy to cause commuting into the regional center to jump from 45,000 to over 103,000 between 1980 and 1990 There are some indications that employers are locating along major highways to intercept some of these commuters who still make up about one-quarter of Charlotte-Mecklenburg's workers

• Rapid economic and population growth has steadily spread to the outer margins of Mecklenburg County The fastest growing Census Tracts in the region accounted for most of its

1980-90 growth and most of them were located on both sides of the Mecklenburg County line This trend continued into the 1990's Virtually all of Mecklenburg County's growth of 85,908 people between 1990 and 1996 occurred along the outer edges of the county (Table 2)

•Residential building permits issued in the region between 1990 and 1995 reinforce this picture of sprawl The map (Figure 1) displays the rate at which building permits were issued for housing units, as a percentage of the housing stock that was in place in 1990 A close examination of those areas on the map that had the highest growth rates reveals that 57 percent of all of the newly authorized housing units in the region were in fast growing areas (Table 3) Furthermore, 71 percent of these fast growing areas were located either on the outer edges of Mecklenburg County or in parts of adjacent counties that touched Mecklenburg's boundary Another measure of this sprawl is that almost exactly half of the new units authorized in high growth areas were in parts of the eight other counties, outside Mecklenburg County altogether

• Over $2 2 billion in permits for non-residential projects were issued between 1990 and 1995, over 62 percent in Charlotte-Mecklenburg The central county dominated in permits for commercial and institutional construction, consistent with its primacy as a regional trade and service center In industrial projects, however, it trailed Iredell County, receiving just 24 percent of the regional total This may be harbinger of future trends, as industries take advantage of cheaper industrial sites and a large pool of suburban labor to locate outside the regional core

• The outlook is for even more sprawl The continual spread to the suburbs of middle income housing will draw to them more retailing and services Together, they will attract more office and business park developments, such as the new Kings Grant project in Cabarrus County

• The completion of the Outer Belt highway, I-485, will increase accessibility within Charlotte-Mecklenburg's outer fringe more than it will the central city, supporting more suburban growth It will make it easier for businesses there to attract workers but its major effect may be to allow businesses in adjacent counties to reach into the Charlotte suburbs for workers and markets

• The central part of Charlotte-Mecklenburg has a strong economic and population core It is not likely to decline but simply become less dominant of the region However, care should be taken to avoid the central city decline that has plagued many older cities Attention should be shifted away from emphasizing new growth toward ensuring the continued sustainability of the regional core More attention needs to be placed on business retention, labor force training, making the regulatory environment more user friendly, redeveloping brownfield sites and taking care that central city workers are not left stranded by the continued suburbanization of jobs

• It is increasingly apparent the Charlotte region's economic future depends heavily on offering competitive advantages at a national and international level Properly responding to the issues posed by suburban sprawl will not only produce a healthier city but also will enhance the region's economic position in the 21st century

February, 1997

TABLE 1
BUILDING PERMITS AND POPULATION CHANGE

Residential Buiding Permits

County	No Units Permitted 1990-95	New Units % of Region Total	Total Units 1990	Total Units % Region	Permitted Units % of 1990 stock
Cabarrus	7,995	9 3	39,713	7 5	20 1
Gaston	6,716	7 8	68,562	12 9	9 8
Iredell	8,991	10 4	39,191	7 4	22 9
Lancaster	2,964	3 4	20,929	3 9	14 2
Lincoln	2,587	3 0	20,526	3 9	12 6
Mecklenburg	37,299	43 3	216,416	40 6	17 2
Rowan	4,732	5 5	46,264	8 7	10 2
Union	9,177	10 7	30,760	5 8	29 8
York	5,702	6 6	50,438	9 5	11 3
REGION	86,163	100 0	532,799	100 0	16 2

Population

County	1980 Total	1990 Total	% Change 80-90	1995 Total	% Change 90-95
Cabarrus	85,895	98,935	15 2	110,407	11 6
Gaston	162,568	175,093	7 7	178,478	1 9
Iredell	82,538	92,931	12 6	103,564	11 4
Lancaster	53,361	54,516	2 2	56,300	3 3
Lincoln	42,372	50,319	18 7	55,673	10 6
Mecklenburg	404,270	511,433	26 5	577,773	13 0
Rowan	99,186	110,605	11 5	118,963	7 6
Union	70,380	84,211	19 7	98,134	16 5
York	106,720	131,497	23 2	143,800	9 4
REGION	1,107,290	1,309,540	18 3	1,443 092	10 2

Sources Population- U.S Census and the North Carolina Office of State Planning, Building Permits- Centralina Council of Goevernments.

TABLE 2
CENSUS TRACT POPULATION CHANGE
MECKLENBURG COUNTY
1990-1996

Tract Areas	No Tracts	1990	1996	Net Change	Change
Suburban High Growth	20	110,289	193,128	82,839	75 1%
Other Tracts	85	401,144	404,213	3,069	0 8%
Total County	105	511,433	597,341	85,908	16 8%

Note High growth tracts had an increase of 20 percent or more, suburban tracts are either adjacent to the Mecklenburg County line or contiguous with another high growth tract that is Suburban/high growth tracts meet both criteria

Source. 1990 data from the US Census; 1996 estimates were prepared by the Charlotte-Mecklenburg Planning Commission.

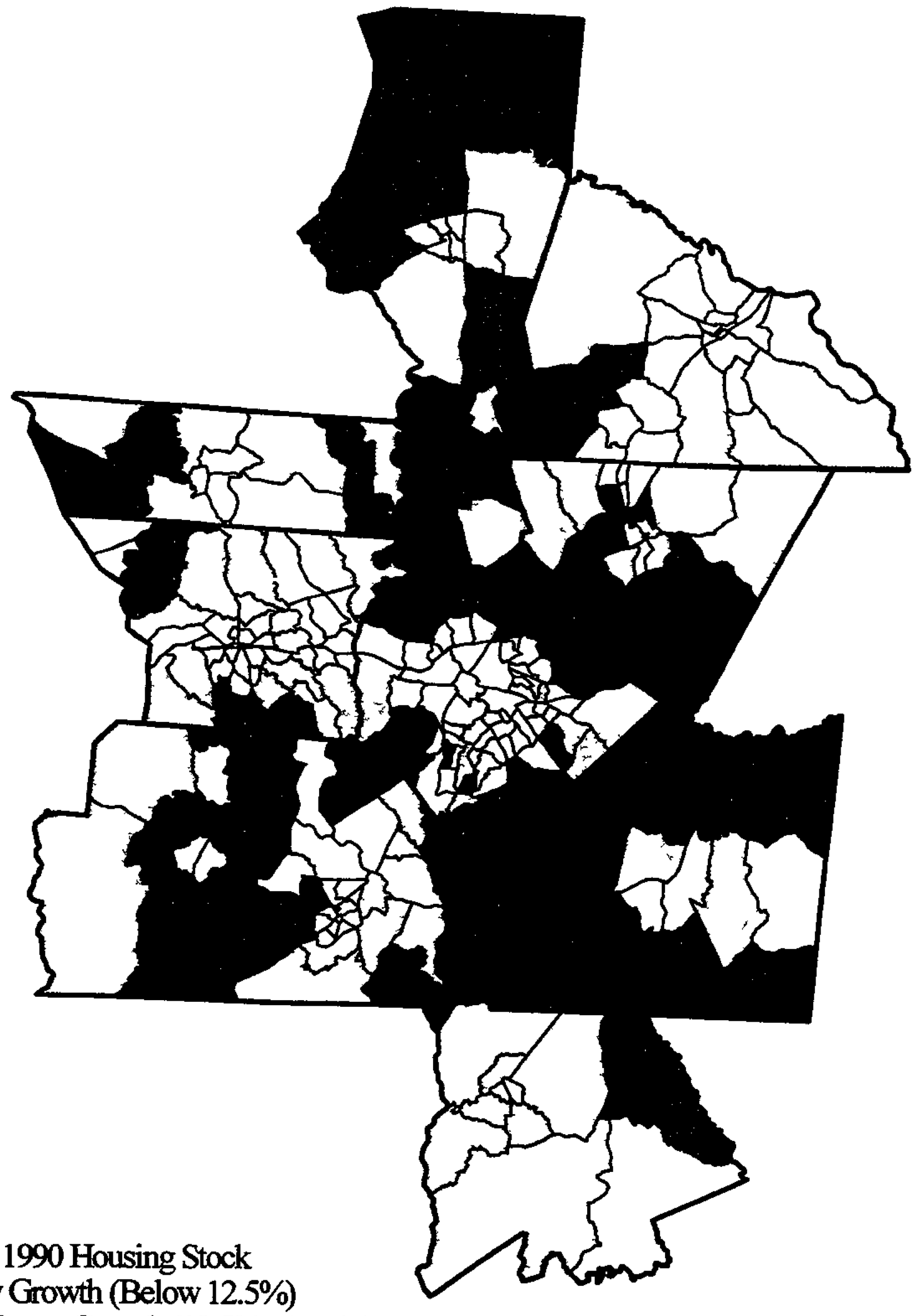
TABLE 3
RESIDENTIAL BUILDING PERMITS
CHARLOTTE REGION
1990-1995

(Number of Dwelling Units)

Area	SF Units	All Units
All Tracts	51,789	86,163
High Growth Tracts	30,845	49,488
Suburban Meck	15,704	20,963
Adj to Meck	9,360	14,195
Others	5,781	14,430
Slow Growth Tracts	20,944	36,675

Source: Centralina Council of Governments, Centralina Information Services.

Figure 1
New Housing Units, 1990-1995 as Percent of 1990 Housing Stock



Percent of 1990 Housing Stock
- Low Growth (Below 12.5%)
- Moderate Growth (12.5% - 22.9%)
- High Growth (23.0% and above)

N

Source Centralina Information Services

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Airport Master Plan Update & Noise Compatibility Study Update (21st Century Development Program)

COUNCIL FOCUS AREA: Economic Development

KEY POINTS (Issues, Cost, Change in Policy) The purpose of tonight's workshop is to discuss the economic benefits of the airport, land use planning in the airport vicinity (Southwest District Plan Update) and the following key points of the Airport Master Plan Update

- Acquisition of an estimated 1,000 acres between Airport and Outer Belt to accommodate a new north/south runway
- A new 9,000 foot runway 3,700 feet west of existing runway
- A 2,000 foot extension to the existing 10,000 foot runway (Runway 18R/36L)
- Extend Sound Insulation Program to the 65DNL noise contour
- The Planning Commission is examining the land use impacts through the update of the Southwest District Plan

OPTIONS: Not applicable

COUNCIL DECISION OR DIRECTION REQUESTED: Approval of Master Plan Update and Noise Compatibility Study Update after the March 19th Public Hearing

ATTACHMENTS:

- Workshop presentation outline
- Vision statement for Charlotte Douglas International Airport
- Goals/objectives and recommendations for Airport Master Plan Update and Noise Compatibility Study Update
- Economic Impact of Charlotte Douglas International Airport
- Annual airline cost of delay and taxi time
- 21st Century Development Program timeline

CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
City Council Workshop Presentation Outline
March 3, 1997

I Remaining Competitive - Michael Gallis

II 21st Century Development Program - Jerry Orr

- Master Plan Update
- Noise Compatibility Study Update
- Key Decision Points
- Recommendations

III Report on Airport Neighborhood Issues Discussion- Bill McCoy
(Materials will be sent with Council Manager's Memo Friday, February 28th)

IV Land Use Planning (Southwest District Plan Update) - Martin Cramton

Charlotte Douglas International Airport

Vision Statement

Charlotte Douglas International Airport (C D I A) is one of the 29 national FAA designated Large Air Traffic Hubs which is seeking to position itself for continued growth as a major US domestic and international passenger and freight air complex As one of only two major air hubs in the nine state Southeastern region, (excluding Washington D C , Texas, and Florida) the C D I A is strategically located in the East Coast, North-South air corridor to serve as a national passenger and freight transfer point in a multi-state market

The Charlotte Metropolitan Region has emerged as the commerce, finance, media / sports, population, and urban center of the Carolinas Located in the center of the Charlotte Metropolitan region and directly adjacent to interstate I-85 and the Norfolk Southern main line, the C D I A has the resources available to emerge as a major intermodal and multimodal transportation center

Within the coming decade, the construction of the I-485 outerbelt and the continued development of commercial and residential land in the region will permanently fix the outer boundary of the airport and define the critical edge of its long term growth The C D I A has the opportunity today to define how it will effectively develop and operate within this established geographic frame

This Charlotte Douglas International Airport Masterplan is intended to define the key issues, outline alternative choices, and develop the best configuration to maximize the potential of the airport and its impact on the Charlotte metropolitan region, southeast, nation, and world

- The CDIA seeks to become a fully integrated and comprehensive multi-modal transportation center
- The CDIA seeks to continue to expand its role as a major domestic passenger air hub through enhanced passenger service and domestic connections
- The CDIA seeks to become a significant international air hub with the ability to expand service to greater international destinations
- The CDIA seeks to strengthen and enhance the city, metro, and regional tax base and employment by developing a highly desireable location for major national and international industries

Airport Master Plan Update
&
Noise Compatibility Study

Goals and Objectives

- Plan for facilities which strengthen and enhance Airport's role in domestic and international air commerce
- Plan to minimize conflicts with surrounding community while maximizing economic benefits to the region
- Plan for maximum flexibility to accommodate forecast and beyond forecast growth
- Provide appropriate infrastructure to remain efficient and effective with respect to the hub

Recommendations:

- Buy 1,000 acres of land between the Airport and the Outer Belt to accommodate a new north/south runway
  - Most east coast airports are landlocked by high density development
  - West of airport is sparsely developed, however, Outer Belt will significantly increase pressures for new development
  - There is a unique "window of opportunity" to protect and establish the land envelope required for future airport operations
  - Most of the affected land owners are anxious to sell and move on
- Build new 9,000 foot runway 3,700 feet west of the existing runway (between airport and Outer Belt)
  - New runway will save airlines $13 5 million in year in Operating Costs with current schedule

- New runway will allow three parallel arrival streams which greatly enhances and strengthens the domestic hub operation

- Airline hub operation has ten (10) peak periods a day Current airfield capacity is exceeded nine (9) our of those peak periods, causing delays on the ground and in the air

- Current delays are costing the airlines $38 8 million a year based on current demand and capacity

■ Community and Environmental Impacts will be mitigated

- Acquisition and relocation of 177 residences and 36 businesses

- Relocation of Wallace Neal Road (a minor north/south thoroughfare) with a connection to Wilkinson Boulevard

- Home Buyout and Sound Insulation Programs will be extended to the 65DNL noise zone

- Emphasis on nighttime noise abatement

- Airlines have invested billions in quiet Stage III aircraft Stage II totally phased out by 2000

■ Relocate West Boulevard to allow for a 2,000 foot extension to the 10,000 foot runway

- Runway Extension provides the ability for future non-stop service to the Pacific Rim

■ Build Airport Entrance Road with direct access to Wilkinson Boulevard Corridor

- Enhances Wilkinson Boulevard Corridor as Airport's access to and from Uptown and the Outer Belt

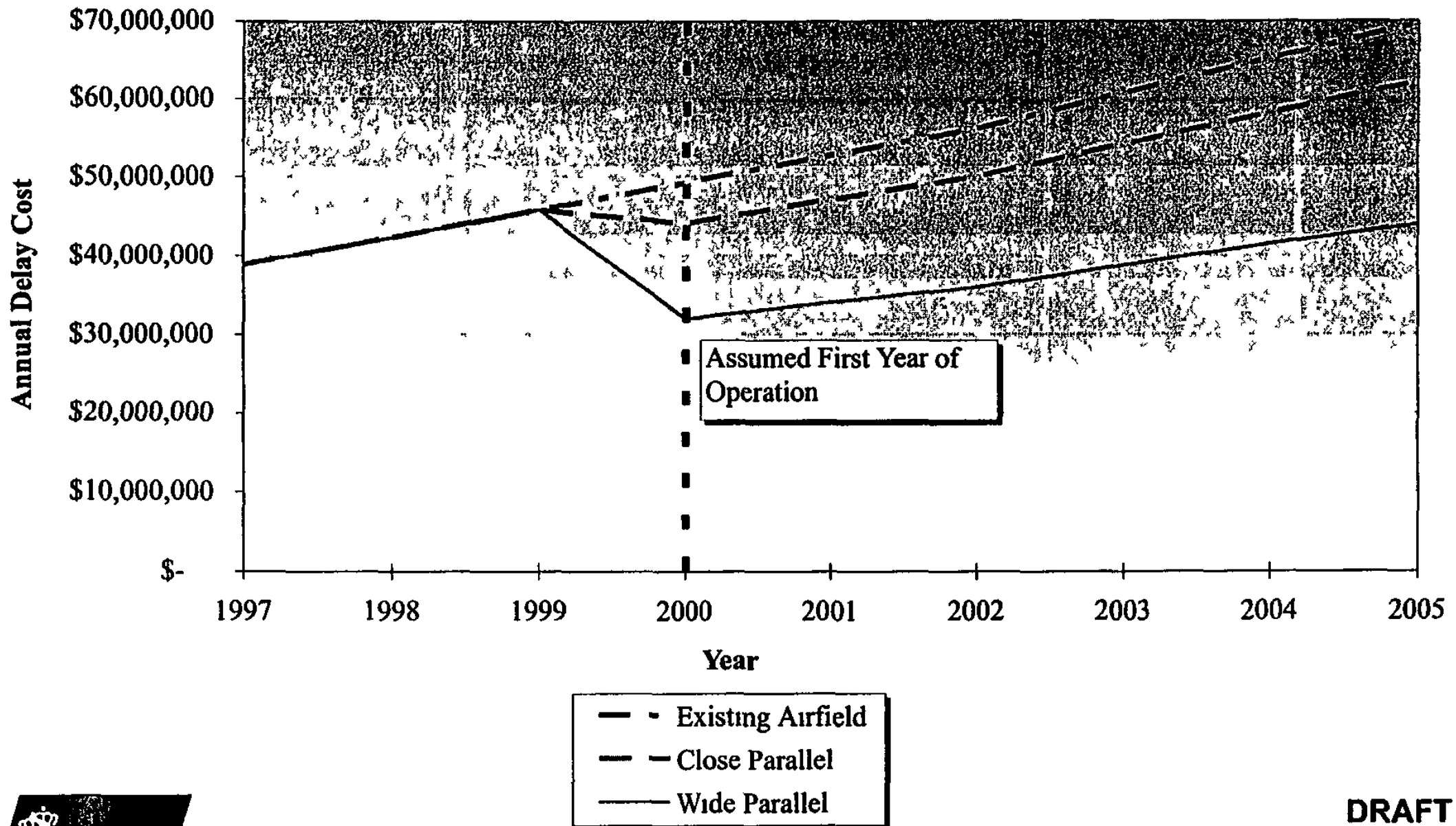
THE ECONOMIC IMPACT
OF
CHARLOTTE/DOUGLAS INTERNATIONAL AIRPORT

The estimated **total** expenditure impact of Charlotte/Douglas International Impact on the Charlotte-Gastonia-Rock Hill Metropolitan Statistical Area (Charlotte MSA) is **$3.7 billion** for 1995 The activity associated with the airport is profoundly important to the regional economy

The **total** earnings impact of Charlotte/Douglas International Airport on the Charlotte MSA is just over **$1.61 billion** for 1995 This total is **6.3 percent** of the 1995 personal income ($25 7 billion)

The **estimated** total employment impact of Charlotte/Douglas International Airport on the Charlotte MSA is **60,219 full-time** equivalent jobs for 1995 This employment level represents **8.5 percent** of the region's 709,200 jobs in 1995

Source University of North Carolina at Charlotte



DRAFT
February, 1997

Charlotte/Douglas International Airport

Master Plan Update

Annual Airline Cost of Delay & Taxi Time

EXHIBIT
3-5

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Airport/Neighborhood Issue Discussion

The City Manager asked Dr Bill McCoy, UNCC's Urban Institute, to facilitate a series of meetings between airport officials and representatives of the neighborhood The purpose of these meetings was to clarify the differences between these two groups so that City Council would better understand the issues Four meetings were held and participants included Sue Friday, Alma Nimrava, Joe Queen, Jerry Orr, Stan Brookshire and Martin Cramton

The issues discussed included

1. The need for the new runway in the location proposed in the Master Plan
2. Affect of a proposed new runway on the residential future of the Westside
3. Integrity of the Southwest District Plan
4. Cost and benefits of the airport to the westside and the Charlotte region
5. The Airport's environmental impact, other than noise, on the surrounding neighborhoods
6. City capital investment in the Westside that will support and encourage residential development

Report from Dr Bill McCoy will be sent with the Council-Manager Memo Friday, February 28th

Southwest District Plan Amendment Process Update

BACKGROUND:

1 In the fall of 1996, the Planning Committee of the Planning Commission appointed a study group to work with staff to develop recommendations for updating the Southwest District Plan in the airport area The study group is composed of *two* members from the Southwest District Plan Study Group, *three* Neighborhood Task Force members, *two* Airport Advisory Committee representatives, *two* from the Chamber, *one* Planning Commission member and *one* citizen The group has been charged with updating and/or developing land use recommendations for areas impacted by airport noise in light of the proposals being made in the airport master plan update

2 Planning Commission staff began the study group process in December, 1996 To date, staff has held three meetings in December, January and February Most of the discussions have centered on defining issues related to the airport A public meeting was also held in December to get input from citizens in the southwest district plan area The study group process is scheduled to last until July The final report should be completed by September, 1997

Westside Strategic Area Assessment Update

BACKGROUND:

1 In February 1996, Council requested Planning Commission staff to develop a comprehensive assessment of an area defined as the ***Westside*** of Charlotte Expected outcomes of the assessment are a compilation of issues, problems and opportunities along with a list of possible strategies needed to stimulate growth on the ***Westside***

2 Planning staff began work on this project in April, 1996 Staff defined the ***Westside*** study area boundaries as Statesville Road and Park Road to the east, the County line to the west and south and Mt Holly Huntersville Road to the north (See Attached Map 1) This area encompasses 175 8 square miles and includes, *35* census tracts, *2* City Council districts (2 and 3) and portions of *3* County Commission districts (1, 2, and 3)

3 The work needed to complete the plan was divided into **three** major phases

Phase I Data Collection and Analysis
Phase II Issue Identification
Phase III Recommendations/Strategies

STATUS REPORT:

1 Phase I The following information has been collected

- Demographic/Population
- Crime/Community Safety
- Economic/Major Businesses and Private Sector Development
- Local Government Investments

2 Phase II A preliminary issues map was prepared and presented to the Executive Team in November 1996 for review and discussion The Executive Team recommended that the ***Westside*** be the first of a series of city wide problem solving initiatives that will focus on identifying strategic issues and public/private investments needed to stimulate growth in these areas Increased KBE involvement in the issue identification and recommendation phases was stressed

NEXT STEPS:

1 Phase III (Anticipated completion September, 1997)

- Develop recommendations and draft document with involvement from KBE's
- Host series of public meetings throughout the area to respond to issues and recommendations
- Incorporate public comments
- Finalize Assessment Report
- City Council Review and Action

Westside Strategic Assessment Area Profile

- The estimated population of the area is *138,400* of which *50 3%* are Black Population growth is occurring mainly in the Northwest and Southwest portions of the area

- There are approximately 219 neighborhoods and apartment communities in the area for a total of *51,885 households* (Nineteen of the twenty-one fragile CWAC neighborhoods are located in this area)

- In 1990, the average median household income was *$27,274* which was below the City's and County's median incomes of $31,873 and $33,830 respectively

- *13 73%* of the area's families have incomes below the poverty level

- 26% of the *Westside* area's population is under 18 years of age, compared to 24% for the rest of the City of Charlotte

- *Ten percent* of the population is over 65 years of age which equals the City's overall percentage

- Educational attainment in the West area is low-*68 6%* of residents are high school graduates and *12 2%* are college graduates as compared to the City and County's averages of 81% and 28% for high school and college graduates

- The percentage of people who rent and own their homes is almost equal *50 6%* and *49 6%* respectively

- Currently, there are *six* existing libraries, including the new 12,500 square feet West Boulevard Branch Library and Learning Center which opened June 1996

- There are *18 elementary, 8 middle schools, and 4 high schools* within the study area

- Crime rates for total, violent and non-violent crimes as well as for drug arrests are highest in the central city portion of the west area

Westside Strategic Assessment Area Preliminary Issues

1 Land Use

- Airport (noise, expansion, compatible development, buyouts)
- Industrial Expansion (type, quality and impact on residential areas)
- Outerbelt Interchange Development (type of development)
- Coliseum Facility (possible reuse)
- New residential development (location and type)
- Locally Undesireable Land Uses (quarries, petroleum storage tanks)

2 Transportation

- US 74 Bypass (Catawba Bridge Crossing)
- Outerbelt
- Northwest Circumferential Road
- Transit (linking people to jobs)

3 Environment

- Watershed Protection/Water Quality (Catawba River and Lake Wylie)
- Water Contamination (Tank Town)

4 Economic Development

- Retention and Expansion of Industrial/Employment Areas
- Corridor Revitalization (beautification and business relocations)
- Access to shopping and consumer goods
- Expansion of Water and Sewer

5 Neighborhood Revitalization and Preservation

- Concentration of Fragile Neighborhoods (19 of 21 fragile neighborhoods on the Westside)
- Protecting existing established neighborhoods

6 Social

- Unemployment
- Crime
- Low Incomes and Educational Levels

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Coliseum/Hornets Issue Update

COUNCIL FOCUS AREA: Economic Development/Planning

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

- Update status of discussions with 24-Up
- Plans for March 13th Community Workshop
- Review agenda for March 13th Council Workshop on March 13th

OPTIONS: None

COUNCIL DECISION OR DIRECTION REQUESTED: None

ATTACHMENTS: None