AGENDA

Meeting Type:	WORKSHOP
Date:	05/04/1998

City of Charlotte, City Clerk's Office

CHARLOTTE

Mayor Patrick McCrory *Mayor Pro Tem Lynn Wheeler*

Rod Autrey
Charles Baker
Patrick Cannon
Malachi Greene
Mike Jackson
Nasif Rashad Majeed
Don Reid
Al Rousso
Tim Sellers
Sara Spencer

Council Agenda

CITY COUNCIL WORKSHOP

Monday, May 4, 1998

Dinner
Room 267

5 00 - 5 10 p m	Next Steps in Budget Process
5 10 - 5 30 p m	Transportation and Economic Development Transit Process Update
5 30 - 6 30 p m	City within a City CWAC Equity Loan Program
6 30 - 6 50 p m	Economic Development Land Disposition Policy
6 50 - 7 15 p m	CWAC and Economic Development Empowerment Zone Application Process
7 30 p m	Citizens' Forum Council Chambers

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: FY99 Budget Process

COUNCIL FOCUS AREA: All Focus Areas

STAFF RESOURCE: Curt Walton

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

This time has been set aside on the agenda to brief the Mayor and City Council on

- the budget materials
- the budget calendar, and
- the decision making process approved earlier by City Council

OPTIONS· N/A

COUNCIL DECISION OR DIRECTION REQUESTED: None

ATTACHMENTS: FY99 Budget Calendar

1998 Budget Calendar and Process

Date	Time	Place	Purpose
May 4	4 00 pm - 5 00 pm	Council Chamber (televised)	Budget Presentation
May 19	3 00 pm - 6 00 pm	Room 267	Council begins adjustments to Manager's recommended budget Adjustments receiving 5 or more votes move on for further consideration
May 19	6 30 pm	Council Chamber (televised)	Joint Public Hearing with Mecklenburg County on the City's proposed storm water rate increase
May 26	7 00 pm	Council Chamber (televised)	1) Public Hearing on the recommended budget 2) Consideration of the storm water rate per the agreement with Mecklenburg County
June 2	3 00 pm - 6 00 pm	Room 267	***Optional*** Budget Retreat
June 9	12 30 pm - 1 15 pm 1 30 pm - 5 00 pm	CH14 Council Chamber (televised)	1) Lunch 2) Straw votes on May 19th/June 2nd budget adjustments Changes receiving 6 or more votes are included in the budget ordinance for final vote June 15, 1998
June 15 (Zoning Meeting)	6 00 pm	Council Chamber (televised)	Budget Adoption

COUNCIL WORKSHOP AGENDA ITEM SUMMARY

TOPIC: Transit Process Update

COUNCIL FOCUS AREA: Transportation/Economic Development

STAFF RESOURCE: Jim Humphrey, Martin Cramton

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

- City Council has made the development of a transit and land use plan one of its top priorities in 1998

- In February, Council approved a process for developing a plan in the City's five major corridors The plan recommendations are to be presented to Council in July, with decision options at that time, including whether and when to recommend a referendum on a half-cent sales tax At the earliest, the Board of County Commissioners could place the referendum on the November 1998 ballot

- The process places a heavy emphasis on public involvement, in addition to the technical work A community-wide kick-off was held March 19 The County's nine elected bodies appointed citizens to the 21-member Transit Planning Advisory Committee (T-PAC) During April, the first round of public meetings was held in the five corridors

- Now that the process is well underway, and the first round of T-PAC and corridor meetings is finished, this update is being given to let you know the outcome of those meetings, and what to look for in the May corridor meetings

OPTIONS: N/A

COUNCIL DECISION OR DIRECTION REQUESTED: Presented for information

ATTACHMENTS: "Transit Process Update," including
- Schedule of Events
- Transit Planning Advisory Committee Update
- Corridor Meetings Summary
- Results of the First Round of Corridor Meetings

THE WHEELS OF CHANGE

A COMMUNITY IN MOTION

TRANSIT PROCESS UPDATE

Charlotte City Council
May 4, 1998

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Corridor Meetings 3

Summary of April Meetings . . . 3

Expectations for May Meetings . 4

RESULTS OF THE FIRST ROUND OF CORRIDOR MEETINGS 5

South Corridor 5

Northeast (University) Corridor 7

Independence Corridor 9

Airport Corridor 10

North Corridor 11

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Schedule of Events

for Elected Officials, Transit Planning Advisory Council, and Public Meetings

✔	March 19	Public Kick-Off
✔	March 30	Transit Planning Advisory Committee (T-PAC) Workshop
✔	April 20-22	Corridor Meetings (First Round)
✔	April 20-23	T-PAC Meetings (First Round)
	May 4	City Council Update
	May 6	County Commission Update
		Town Board Updates (to be scheduled)
		Additional Briefings of County City and Town Elected Officials To be scheduled as appropriate during the process
	May 18	Transit Planning Advisory Committee
	May 18-20	Corridor Meetings (Second Round -- Locations TBA) • Independence Corridor (May 18) • South Corridor (May 18) • University Corridor (May 19) • Airport Corridor (May 19) • North Corridor (May 20)
	May 21	Transit Planning Advisory Committee
	May 27	Community-Wide Update Meeting (and Regional Officials Reception) Charlotte-Mecklenburg Government Center, 7-9 pm
	June 15	Transit Planning Advisory Committee
	June 15-17	Corridor Meetings (Third Round -- Locations TBA) • University Corridor (June 15) • Airport Corridor (June 15) • Independence Corridor (June 16) • South Corridor (June 16) • North Corridor (June 17)
	June 16	Elected Officials Update (City-County-Schools Joint Luncheon)
	June 17	Transit Planning Advisory Committee
	June 24-25	Town Boards Briefing (tentative)
	July 2	Transit Planning Advisory Committee
	July 14	Presentation of Recommendations to County, City, and Towns
	July 14	Board of County Commissioners
	July 16	Transit Planning Advisory Committee Recommendation
	July 21	Community-Wide Update Meeting (and Regional Officials Reception)
	July 27	City Council
	August 11	Board of County Commissioners

Other Meetings may be added for these groups
Meetings with other organizations (Chamber MPO etc) are also scheduled

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Transportation Planning Advisory Committee (T-PAC)

Composition and Charge

- The 21-member group was appointed by Mecklenburg s nine elected bodies The committe is co-chaired by Johnsie Beck and Jim Palermo T-PAC members include

Nelson Benzing	Ike Heard Jr	Ken Loucks	Edwin D Smith
Daren S Bitter	Rick Hood	Bill Mowry	Frank Tilley
Bob Collins	Steve Horton	Thomas Mussoni	Ed Weisiger Jr
Shellie Marie Davis	Scott Lawrence	James Ross	Joyce M White
David T Hartgen	Mark Loflin	Ruth Samuelson	

- The advisory committee s charge is to
  (1) advise the elected officials, staff and consultants on the thoroughness of the technical and public involvement process,
  (2) in July, 1998, make a collective go/no go recommendation to the Board of County Commissioners on a November referendum for the half-cent sales tax and
  (3) report to their respective governing bodies

Activities To Date

- **Orientation Workshop with Staff and Consultants (March 30)**

  The three-hour session provided
  - background on the project and an overview of the process
  - a discussion of transit and land use principles by the consultants
  - a review of the experience of other cities
  - a discussion of the consultants scope of work and major products expected
  - committee members' selection of corridors to monitor

- **T-PAC Meeting (April 20)**

  The committee received a preview of the first round of corridor meetings as well as
  - background and discussion of the South Boulevard Major Investment Study (MIS) and an explanation of why this corridor is somewhat unique from the other four
  - discussion of related issues, including coordination of the South Boulevard MIS with the time frame of this process and clarification on whether priorities have already been set
  - discussion on other issues, such as the importance of assuring the public that the transit strategy is part of an overall transportation plan that includes attention to road needs

- **T-PAC Review of Corridor Meetings (April 23)**

  Committee members had attended corridor meetings in the previous three nights, and their selected spokespersons reported to the group on each of the five corridor meetings noting
  - their impressions of the level of public involvement, and
  - the key issues and opportunities identified in each of the corridors

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Corridor Meetings

April Corridor Meetings -- The First Round

- **Public Meetings** were held in each of the five corridors, attended by a total of 263 citizens

South	-- April 20 at Nations Ford Elementary (42 citizens)
University	-- April 20 at Druid Hills Elementary (47 citizens)
Airport	-- April 21 at Westerly Hills Elementary (32 citizens)
Independence	-- April 21 at Greenway Park Elementary (60 citizens)
North	-- April 22 at Huntersville Elementary (82 citizens)

- **The land use consultant** (LDR International)
  - presented background information on existing and future numbers of people homes and jobs in each of the corridors
  - discussed factors that determine where development occurs and how land use can be an effective tool in addressing the increasing travel demands on the region
  - discussed consequences of dispersed and focused development and
  - showed citizens examles of development of varying densities that already exist in Mecklenburg County

- **The transit consultant** (Parsons Brinckerhoff)
  - highlighted existing transportation facilities, noting each corridor contains a freeway railroad, and major thorughfare that would be candidates for rapid transit
  - showed examles of three types of rapid transit being considered -- bus rapid transit (BRT) light rail transit (LRT) and diesel multiple units, such as the Flexliner (DMU)
  - emphasized that transit is not a solution to congestion but rather an alternative and
  - stressed that a transit plan must complement a well-planned ongoing roadway improvement plan

- **Citizen work groups**
  - The majority of the meeting time was focused on work groups where citizens discussed their viewpoints on the issues and opportunities in their corridor
  - ☛ *The results of these work groups begins on the page 5*

- **General feedback on the process (comment forms)** -- see page 5 for specific comments in each corridor
  - you guys are doing a great job
  - excellent presentation
  - it ran smoothly
  - the meeting went very well
  - very well done
  - participation by all was a good approach
  - give us lessons from other cities
  - pick topic for each table instead of having us all work on everything
  - want more interaction with the consultants

April Corridor Meetings (continued)

general feedback (continued)

- ask individuals who are talking to leave table
- more time for Q&A
- continue group discussions
- more data on regional growth, historic trends
- poll audience to see who is in audience how many commute over 30 mintues?
- meeting well-organized / participation excellent
- involve more North Meck leaders
- give us a better idea of what is expected of this group and what you will do with data
- will any changes result from this process? what happens next?
- format was very good
- have different groups deal with different part of corridor
- start on time (we started at 7 05 and 10+ people were even later)

May Corridor Meetings -- Expectations for the Second Round

- The meetings will be held during May 18-20 Please see the schedule on page 1 for dates of each corridor meeting locations are to be announced later

- The meeting format will continue to emphasize citizen involvement and interaction The consultants will begin the meeting with a presentation, followed by breakout sessions The presentation is expected to cover these aspects

1) **Review alternative land use plans** summarizing
   - corridor features existing plans, and positive and negative trends
   - alternative scenarios for where growth can go, with possible areas of increased densification
   - generic examples of different types of nodes from elsewhere

2) **Comments on alternative potential alignments and station sites**
   - reviewing alignment options from previous studies and other suggestions
   - short-listing options for consideration, and giving their rationale
   - discussing in general terms what technologies might fit

3) **Proposed evaluation criteria**
   - reviewing the major evaluation criteria for selecting a preferred land use plan, station sites, and alignment, and
   - coming to the basic question how are we going to select beteween these land use and transit options to identify a preferred long-term plan and how to get there from here?

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RESULTS OF THE APRIL CORRIDOR MEETINGS

At each of the five corridor meetings several work groups identified the key issues and opportunities in their corridor The following is a compilation of those work group reports

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SOUTH CORRIDOR - APRIL 20

Nations Ford Elementary

42 citizens

Opportunities

- intensify development around Pineville
- develop area between I 77 and the rail line
- redevelop Brownfield areas
- opportunity for parallel or overhead transit
- create a feeder system
- rail crossover used to get people over to the airport corridor
- *development that allows for needs of pedestrians and bikes along corridor & connectors*
- underdeveloped land used to create high density centers

Issues

- how can we get people to and from work? (uptown, SouthPark, South Blvd Arrowood, Pineville)
- can we acquire the existing rail line?
- *can we put bus hubs on the rail route?*
- what about Park n' Ride?

Constraints

- South Blvd as a physical alignment
- should work to preserve existing neighborhoods

Stations would be desirable at:

- Tyvola road
- Scaleybark & South Blvd
- SouthEnd

You should focus on what to do with rail regarding

- connections to neighborhoods & to greenways
- undeveloped land could be put to higher and better use

- Cone Mills in Pineville
- insuring Trolley and light rail compatibility

Parking Lot
- study and plan for intercity transportation as well as intra region
- will 485 really help the current transit situation or will it only open up more land throughout the county for development? Will it only create more problems than it solves?

What they want to see/hear in future meetings
- definitions and preservation of quality of life in affected neighborhoods
- discussion of transit types
- longer time to discuss opportunities
- transit modes discuss advantages/disadvantages of types/ costs/passenger
- capacity and capital expense as well as operational maintenance
- comparisons to other cities of our same size
- what drives people to use transit?
- what pitfalls should we avoid/what didn't work elsewhere?
- have each group concentrate on a separate mode of transit
- some more info on what is being done, i e, commuter traffic patterns studies that have been done, polling results
- what involvement are corporations having in this process?
- can the 5 corridors be tied together near the 485 loop?
- would like to make sure transit can be used to move around the city for
- reasons other than getting to work and back
- talk about general transportation ideas, don't just assume rail is ' the way
- people want details, don't want vague unrealistic ideas
- how will this overlap in center city?
- more visual examples needed
- cost per mile, DMUs vs rail on South Blvd

NORTHEAST (UNIVERSITY) CORRIDOR - APRIL 20

Druid Hills Elementary School

47 citizens

Opportunities

- revitalization of center city i e , Tryon Street mall, neo traditional mixed use
- preservation of greenways
- regional cooperation with other governments in our area
- enhancing/expanding current service i e , adding night owl rates
- use preserved old IBM rail spur (speaker also mentioned use of Graham St spur)
- downtown terminal or the proposed AMTRAK station would enhance development opportunities on this side of center city
- LRT in the median of I 85 (north of Tryon St connector)
- use R of W adjacent to Norfolk Southern mainline to revitalize land use in that area
- hub sites University Place
  Research Park
  36th street/Davidson Arts (NoDa)
  Sugar Creek/North Tryon
  24th Street/N Graham
- maintain & improve the quality of life
- connect UNCC to Uptown
- generally improve accessibility to what uptown offers
- include Beatties Ford area in this
- meet at churches and/or use them to communicate about this process

Issues

- bisecting existing neighborhoods with new rail/ bus/ transit rights of way
- provide a feeder system
- balance the interests of citizens vs the interests of developers vs the interests of government
- time line of transit plan through to implementation Don't wait for things to get worse before they can get better What is driving this process? The "Transit Plan" or the developers?
- how will current residents (in particular those inside Route 4) benefit from increased mobility?
- how will increased density affect the quality of life?
- how will rail transit be integrated with roads, sidewalks, buses, etc?
- cost is an issue
- feasibility of installing system into the existing development and infrastructure
- existing mindset - resistance to concept
- heavy traffic/congestion in N Tryon corridor and in Harris Blvd @ 49 etc
- Beatties Ford area/ JCSU to Hornet's Nest getting them over to this corridor
- need to make sure you have a bottom up/neighborhood emphasis

- you don t know where a bus goes when you get on it
- senior citizens should be better informed about how to make use of EZ Rider
- public planning should override developer interests
- improve existing services

Parking Lot

- I want to know status of Atando extension which was supposed to take truck traffic off N Tryon Street
- I do not see any ideas for N Graham
- should transit hubs be located off rail corridors, most likely routing for transit i e Arrowood to Eastland Mall
- how would a busway on Independence Blvd affect current transit routes on Central Ave and Monroe Rd when people already get convenient services on their streets? would they be likely to travel farther to get transit?

What they want to see/hear in future meetings

- more info on existing plans
- prioritization based on costs
- more input from government, developers and UNCC
- more chance to question consultants, if not at meeting, by phone, fax
- how can we make sure plans are followed?
- more elected officials in attendance
- more time for break out sessions
- want to know about connections between these corridors
- restrict future meetings to means of transit before rail/rapid transit
- discuss the bad aspects of density
- change name to North Tryon corridor
- Derita should be placed in University corridor instead of North corridor
- should discuss schools in area and pupil assignment
- discuss impact of environment
- movement of emergency vehicles
- design rail systems in Derita area
- have more input from everyday citizens

INDEPENDENCE CORRIDOR - APRIL 21

Greenway Park Elementary School

60 citizens

Opportunities

- high density already exists along the corridor
- Independence Blvd widened for multi use corridor (busway/HOV/rail)
- this corridor would change with need of employers in the corridor
- recreation vs commute
- ties between major road (Independence), parallel road (Monroe) and railway
- revitalization of those areas along Independence that are decaying
- have several major modes 1) entertainment (i e , Ovens) 2) shopping, 3) workplace (i e , Crown Point)
- use train to move people into center city
- utilize rail corridors more effectively
- charge a transit tax
- properly develop and integrate vacant land
- get Duke Power to donate ROW usage
- Multiple corridors
- new transit stations encourage great opportunities for new development
- continue to use Independence s HOV lane use what you already have!
- create an entertainment corridor

Issues

- how do the connection points for the corridors work?
- bus lines, busways, bikes, parking lots for autos (wants to know about cross transportation)
- how do we balance mass transit vs rapid transit? (A to B vs A to B to C to D)
- how do we balance development of roads vs building rail or busways?
- what will it cost? What will the impact be on the land be?
- accessibility vs convenience
- incentives to increase number of people who use transit vs drive
- property values vs expense
- integrate with Plaza Central
- connect East West across Charlotte
- use green space to prevent noise pollution
- impact of transit system on adjacent neighborhoods (especially where stations are located)
- cost/benefits for each of the modes of transit
- accessibility how do people use the transit system?

Ideas given

- might extend reversible lanes on Monroe (all lanes *in* in AM/ *out* in PM)
- focus on single corridor now for RDW acquisition - transitional setback
- move RR traffic out of center city, create a RR bypass around city

AIRPORT CORRIDOR - APRIL 21

Westerly Hills Elementary School

32 citizens

Opportunities

- can connect two major generators/attractions of people and traffic the airport and the central business district (CBD)
- help corridor economy for areas like Wilkinson Blvd
- existing, new and expanding job opportunities and people who need transportation to get to these jobs must be hooked up by radial and lateral transit connections
- gives us a chance to connect, strengthen, stabilize and revitalize neighborhoods
- airport s transit contribution might make use of federal matching funds
- replace the Wilkinson bridge over the Catawba with a joint transit/highway bridge
- rail line from Gastonia through Mount Holly to uptown could be made a commuter line by using the old Piedmont & Northern line that is now owned by the state
- stations could be developed at Queensgate and/or Morehead, at Adam Service Center and at airport (airport line would be express)
- redevelopment of Freedom Mall
- great development opportunities but will vary by corridors (more likely to go industrial or commercial less likely to go residential)
- land use planning for Wilkinson 485 link should encourage mixed use high density
- reach out beyond the county line and include Gaston County to use transit
- install communication fiber optics along Wilkinson to help develop density (i e , Blue Line in LA is example)

Issues

- make sure transit links don t de-stabilize neighborhoods
- roadways could capture potential transit riders who might find 485 quicker than transit
- will benefit Gastonia yet Mecklenburg is paying for it
- noise concerns
- land use/zoning issues need to be addressed
- environmental/air quality issues
- cost make sure we get biggest bang for our buck
- how do we create the right regional transit authority?
- two opportunities here - Wilkinson or Norfolk Southern Line, each has issues
- create correct balance between development along transit route and transit speed (speed of access to airport vs redevelopment)
- link between airport and downtown critical, now two major hubs with no link
- where will the industrial truck traffic go?
- what will the cut through points be ? (and how will that impact neighborhoods?)
- where will the designated truck routes be?
- crossings over Wilkinson Blvd (Little Rock Rd, Route 321) are a concern
- Lincoln and Stanley commute in on this route, heavily traveled
- adequate transportation during non-peak hours will encourage employment among chronically unemployed

NORTH CORRIDOR - APRIL 22

Huntersville Elementary School

82 citizens

Issues

- need to provide lateral connections to rail (i e , feeder lines)
- our current development pattern doesn't support transit
- move the current AMTRAK station from N Tryon into center city
- how we'll pay for it will be an issue
- political will to develop intelligently along that corridor
- corridor too narrowly defined, i e should include Beatties Ford
- downtown feeder
- determine transit stops
- teach public to accept higher densities
- build convenient terminal uptown
- financing unclear
- build clean safe convenient reliable
- financing unclear
- long lead time needed to set this all up

Opportunities

- can learn from other successes/failures
- transit friendly plans in place
- relative low cost to acquire rail line
- too many private crossings on rail line
- problem with highway noise Don't stop at County line
- already have a viable rail corridor
- that corridor has historical basis
- can build feeder system off the rail line that runs through the North Meck towns
- using that corridor could be an economic development tool
- since so much traffic originates out of county, should be able to build regional system
- will reduce congestion
- build greenfields
- build HOV on 77
- good hub sites in towns
- groundwork in place by local citizens/governments

Parking Lot

- please make every effort to target higher densities in areas near where people will tolerate densification, we need people to buy in especially up here in North Meck
- cost of parking is escalating
- need to know preferred mode for corridor, it appears to be rail
- need more info on stops

- how have planning depts from towns been included
- neighborhood and community input is important
- people favor transit, it's uncontrolled sprawl that upsets them
- need behavior modification to make them give up control of driving own cars
- how will train affect protected land, need look at environment
- we need some numbers, costs, population and traffic figures
- marketing proposals need to be made to convince people density is okay
- we should divorce density from transit
- use lots of visuals when you present alternatives so we can see what it will look like
- possibility of how we balance jobs and homes
- what to see some intermediate solutions as well as long term
- tell us about safety issues Will stations link with police, will it be safe to wait there?
- will conductors be trained in first aid?
- are the intersections going to get crossing gates? will someone be in liaison with police and fire (he offered his help)
- can we get more targeted density (mentions Charlie Knox, past mayor) presentation
- give us more demographics
- why aren t we looking at widening 77 north of 485?
- more need to know about this can we do more advertising?
- extend to Mooresville and Statesville
- make sure hubs become more than a sea of parking
- create marketing tools to educate public at rail lines
- instead of frontage roads, make "backage" roads
- lead with transit, development will follow
- have stops at stadium, at arena
- urban institute staffer notes that traffic is terrible past North Meck HS
- ad on Prosperity Church Rd
- what has worked in other towns
- $50 million revenue what time period was used to calculate that?
- cab we connect with airport
- uses free Center City Circuit bus

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: City Within A City (CWAC) Equity Loan Program

COUNCIL FOCUS AREA: City Within A City

STAFF RESOURCE: Stanley Watkins

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

- The CWAC Loan Program allows banks to determine borrower's eligibility and submit a request for City participation up to 20% of the total loan amount In addition, the program has a job creation requirement of one job for each $10,000 of City loan funds Since 1991, the program has made over 90 loans, using 13 banks, with $2 7 million in City Funds leveraging $12 million in bank financing

- The existing program supports small business and job creation within CWAC The current program has no applicant or business type restrictions Businesses may be located anywhere in the City, but owners must hire people living in CWAC

- Increased interest in the program has generated several applications that appear to fall outside Council's current focus for the CWAC Equity Loan Program prompting the Neighborhood Development Key Business to review the program at this time These applications have requested loans for businesses outside the boundaries of CWAC and represented people of high wealth

- The proposed changes will enable the City to more tightly focus its revitalization efforts within the CWAC area The proposed changes occur in the following areas of the program objectives, geographic restrictions, uptown businesses, personal net worth and types of businesses

  <u>Objectives</u>
  - Stimulate small business investments in targeted areas
  - Provide low wealth people access to capital for business start-ups and expansions
  - Create new service and retail businesses to support targeted neighborhoods
  - Create jobs for low to moderate income people living in CWAC *(One job created per $10,000 in City loan funds)*

Geographic Restrictions

- Targeted distressed business districts
  CWAC threatened and fragile neighborhoods
- Uptown loop

Uptown Businesses

- Total of all loans not to exceed $200,000 in a fiscal year

Personal Net Worth

Not to exceed $100,000 in targeted distressed business districts *
Not to exceed $50,000 in CWAC threatened and fragile neighborhoods and uptown loop *

- Maximum lifetime loan for a borrower is $100,000 ($150,000 for manufacturing borrower)

*Excludes personal residence, retirement accounts, automobiles and personal property

Business Type

Prohibit adult businesses, bars and hotels

OPTIONS· 1) Approve the proposed changes, or 2) Allow current program to continue, or 3) Refer issue to Council CWAC Committee for further review (This item was scheduled for discussion by the CWAC Committee on April 29 but the meeting was cancelled)

COUNCIL DECISION OR DIRECTION REQUESTED: Council is asked to choose an option, as listed above, for proposed changes to the CWAC Equity Loan Program

ATTACHMENTS:
CWAC Equity Loan Program Changes
Overview of Existing Loan Programs
Map of CWAC Equity Loan Program
Map of Proposed - CWAC Equity Loan Geography

CWAC Equity Loan Program Changes
CWAC Committee - April 29, 1998

Request: Recommend to City Council changes to the CWAC Equity Loan Program

Program Description: The CWAC Equity Loan Program was approved by City Council in 1991 following the recommendations of the Mayor's West Side Economic Development Task Force The Program allows banks to determine borrower's eligibility and submit a request for City participation up to 20% of the total loan amount Since 1991, the program has made over 90 loans, using 13 banks, with $2 7 million in City funds leveraging $12 million in bank financing This year, the City has made 21 loans Increased interest in the program has generated several applications that appear to fall outside Council's current focus for the CWAC Equity Loan Program The proposed changes will enable the City to more tightly focus its revitalization efforts to meet its current needs

	Existing	Proposed
Objectives	• Increase lending opportunites to marginal borrowers for start-up and expanding businesses • Create jobs for low to moderate income people living in CWAC (One job created per $10,000 in City loan funds)	• Stimulate small business investments in targeted areas • Provide low-wealth people access to capital for business start ups and expansions • Create new service and retail businesses to support targeted neighborhoods • Create jobs for low to moderate income people living in CWAC *(One job created per $10 000 in City loan funds)*
Geographic Focus[1]	• Business located anywhere in City, but must hire from CWAC *(Since 1995 staff has redirected lending to CWAC)*	• Targeted Distressed Business Districts • CWAC Threatened and Fragile Neighborhoods • Uptown Loop
Uptown Loop	• No restrictions	• Total of all loans not to exceed $200,000 in a fiscal year
Personal Net Worth[2]	• Program intent to lend to marginal borrowers, but no specific net worth limit defined	• Not to exceed $100,000 in Targeted Distressed Business Districts • Not to exceed $50,000 in CWAC Threatened and Fragile Neighborhoods and Uptown Loop • Maximum lifetime loan is $100 000 with $150,000 for manufacturing
Business Type	• No restrictions	• Prohibit adult businesses bars and hotels

Footnotes:

1 Targeted Distressed Business Districts, CWAC Threatened and Fragile Neighborhoods and Uptown Loop shown on attached map Businesses may be located within a quarter mile of these areas

2 Personal Net Worth (PNW) includes cash, marketable securities, investment real estate or other partnerships, excluding the value of the business (derived from SBA s eligibility for its 7A and 504 Loan programs) PNW excludes borrower's equity in their personal residence, which is used as a source of collateral by the lender and City Also excludes retirement accounts, cash value in life insurance, autos and personal property In cases where a high networth (HNW) individual(s) co-signs a loan, the total ownership of the HNW individual(s) shall not exceed 30% ownership in the business

Advantages

- Realigns successful program to meet current Council and community needs
- Enables program to continue Marketing a loan program to banks involves months and years of effort to reach into the lending community to reach those lenders working on the front line with the business community

Disadvantages

- Applications would need to be processed that may fall outside Council's intent for this program
- Negative impact on businesses whose plans were based on this assistance

Community Input

- Two meetings were conducted with the City s 13 CWAC banking partners on April 15, 1998 and April 21, 1998 to solicit their input into the proposed changes

Attachments

- Overview of Existing Loan Programs
- Map of CWAC Equity Loan Program
- Map of Proposed CWAC Equity Loan Geography

Overview of Existing Loan Programs

City Within A City (CWAC) Equity Loan Program
The CWAC Equity Loan Program was approved in 1991 by City Council following recommendations of the Mayor's West Side Economic Development Task Force to stimulate small business investments in targeted areas and to create new employment opportunities in CWAC Banks determine the borrower's eligibility or need for additional equity funds and request the City to fund additional equity up to 20% of the total loan amount in order that the bank can approve 80% of a loan The loan program has a job creation requirement of one job for each $10,000 of City loan funds Since 1991, the program has made over 90 loans, using 13 banks, with $2 7 million in City funds leveraging $12 million in bank financing

Economic Development Revolving Loan Program (EDRLF)
Economic Development Revolving Loan Program (EDRLF) was originally approved by City Council in 1978 as part of the Community Development Block Grant Program to assist individuals and businesses seeking to start-up or expand businesses in targeted areas The EDRLF has been amended several times since 1978 to incorporate a financial participation ratio of bank (50%), City (40%) and borrower (10%) The City's financial participation was later amended to convert the program to a "gap financing" program whereby the City would lend only the difference between what the borrower and bank are providing and the total project cost Also, a job creation requirement of one job for each $15,000 of City loan funds was established Examples of loans made under this program include a $219,000 loan approved in 1995 to Aspen Windows Manufacturer located on West Morehead and Freedom Drive and a $500,000 loan to Colorcraft, Inc , approved in 1996 as part of a $3 5 million relocation to Remount Road There are currently 50 outstanding EDRLF loans with a remaining balance of $2 2 million

Development and Revitalization Loan Program (DARF)
The DARF program was approved by City Council in 1986 to stimulate economic development through public/private partnerships that create jobs having the potential for upward mobility The loans were targeted in four approved redevelopment areas (Beatties Ford, Wilkinson Boulevard, South Boulevard and West Morehead Street) and the "pocket of poverty" The partnerships must benefit either low income, unemployed or underemployed residents, minority and/or women small business enterprises and unique or indigenous enterprises having significant economic value to the community (eg a grocery store) The City's participation is determined through a "necessary and appropriate" analysis and City participation is seen as a last resort lending option for the business The program includes a job creation requirement of one job for each $5,000 of City loan funds Examples of loans made under this program include $337,000 to Harris Electronic in 1991 and $369,900 to Stonewall Associates in 1991 for a medical office building on Kings Drive The $900,000 loan to University Village Service Center, approved in 1994, to develop the new shopping center on Beatties Ford Road was originally approved as a DARF loan, but later funded out of the EDRLF There are currently 9 outstanding loans with a remaining balance of $1 1 million

Real Property
Asset Management

✔ Privatization/Competition Advisory Committee
Asset Management Guidelines
adopted July 25, 1994

✔ "..maximize the City's return (through) tax revenue and eliminating public costs associated with ownership, while meeting the City's public policy objectives."

✔ "..City Council will balance the benefits of the sale of any of its assets with other Council policies and goals."

Current Conditions

✔ First Ward and Third Ward Plans adopted by the City Council

✔ Recent experience with Old Convention Center
- listed with a broker for sale to the highest bidder
-upon receipt of first bid, started upset bid process
-second bid introduced factors other than price

Scenarios for City Owned Land

- ✔ Sale where price is the only objective
- ✔ Sale where price and other public policy goals are the objectives
- ✔ Sale or transfer where price is adjusted to achieve public policy goals
- ✔ Hold land for increase in value or other public policy goal

Methods For Sale of Property

- ✔ Buyer's offer, followed by upset bids
- ✔ Private sale in a redevelopment area w/public hearing
- ✔ Deed restrictions
- ✔ Conditional zoning

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Land Disposition Policy

COUNCIL FOCUS AREA· Economic Development

STAFF RESOURCE: Kent Winslow Susanne Knox

KEY POINTS:

- The disposition of surplus property initiated in 1994 continues To date, 110 properties have been sold by staff and brokers using a simple upset bid process with revenue exceeding $15 900 000

- In the last year area concept plans have been adopted for First Ward and Third Ward and several private sector parties have expressed interest in City owned land for various developments Examples are the Episcopal School Afro-American Cultural Center, land at Cedar and Fourth Streets and the former Naval Yard

- The Privatization and Competition Asset Management Guidelines adopted by City Council in 1994 provides for all public policy goals to be considered in the sale of property However these Guidelines do not provide the specific mechanism for land disposition The Asset Management Guidelines Policy Statement is, ' In seeking to maximize the City s return from its current and future asset portfolio, the City will aggressively manage these assets Maximizing the City's return will include pursuing alternative ownership/management strategies which optimize the benefits of private ownership (tax revenue streams and eliminating public costs associated with ownership) while meeting the City's public policy objectives "

DECISION OR DIRECTION REQUESTED Legal constraints on the sale of property and alternate mechanisms for disposition of land will be reviewed Council is asked to provide input and guidance for staff in the subsequent development of a land disposition policy A recommended policy and process is scheduled for presentation to City Council in June

ATTACHMENTS: None

Empowerment Zone
Round II Initiative

City Council Workshop Presentation
May 4, 1998

Neighborhood Development
"Improving Charlotte s neighborhoods and the lives of people who live in them"

Past Experience

- The City received Enterprise Community status in 1994
- $3 million grant focus on community job training, job development and business development
- Charlotte's three enterprise clusters have enrolled 145 people in training programs, 72 completed training and placed 50 people; Started or assisted 9 businesses.

New Empowerment Zones

- HUD has proposed 20 new zones - 15 Urban and 5 Rural
- Successful communities will be awarded $100 million over 10 year period
- Communities developed holistic strategic plan to address physical, economic and social issues within a geography

Empowerment Zone Communities

- Only six existing empowerment zone communities - *Atlanta, Baltimore, Chicago, Detroit, New York and Philadelphia*
- *Cleveland* and *Los Angeles* added in Year 2000

Eligibility Criteria

- Area - Maximum of 20 square miles + 2,000 acres
- Population - Maximum of 200,000 and minimum of 50,000
- Poverty - Census Tracts with rate of 20%; 90% of census tracts must have 25% poverty
- Distress - High unemployment and general distress

Keys to Selection

- Grant application has to be submitted before October 9, 1998
- Community-wide involvement process
- Quality of Strategic Plan
  - Vision for Change
  - Community-Based Partnerships
  - Economic Opportunity
  - Sustainable Community Development

Potential Issues

- Allocation of staff and resources for the grant preparation
- Structure and governance of steering committee for grant preparation
- Impact on existing Enterprise Communities

Next Step

- Meeting with Enterprise Community and Charlotte-Mecklenburg Development Corporation to discuss feasibility of the grant
- Council approval to proceed with the grant preparation

COUNCIL WORKSHOP AGENDA ITEM SUMMARY

TOPIC: Empowerment Zone Round II Application

COUNCIL FOCUS AREA· City Within A City/Economic Development

STAFF RESOURCE· Stanley Watkins

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

- The U S Department of Urban Development has announced the designation of 20 new Empowerment Zones fifteen for urban areas and five for rural areas Currently there are 11 Empowerment Zones

- Charlotte was awarded Enterprise Community status in a competitive process in 1994 The City is one of 90 Enterprise Communities nationwide and the only urban area in the Carolinas If the City is successful in an Empowerment Zone grant application the City's Enterprise Community designation will be upgraded No new Enterprise Communities are being proposed under this process

- Successful communities will be awarded $100 million over a 10 year period paid in installments of $10 million annually Funds must be expended in accordance with a strategic plan developed by the community and can be used for a wide range of purposes Economic Development, Job Development, Housing Infrastructure, Social Services, etc

- Existing Urban Empowerment Zone cities are Atlanta, Baltimore, Chicago, Detroit, New York and Philadelphia Cleveland and Los Angeles will officially become Empowerment Zones in the Year 2000

- Grant eligibility and selection criteria include

  Zone Area: Maximum population of 200,000 and minimum population of 50,000 Area can be a maximum of 20 square miles plus 2,000 acres Area can include non contiguous areas

  Poverty: All census tracts in the selected area must have a poverty rate of 20% with 90% of the census tracts having a poverty rate of 25%

Zone Area	Maximum population of 200 000 and minimum population of 50,000 Area can be a maximum of 20 square miles plus 2,000 acres Area can include non contiguous areas
Distress·	Demonstrated high unemployment levels and general distress
Selection	Based on the quality of Strategic Plan and the quality of the commitments made in connection with the plan

- Application Process

Developing an Empowerment Zone application will require a major effort on the part of local government the residents of the selected zone area the business community and non profit organizations Major features of the grant development process are the citizen participation process, developing the strategic plan (grant's focus purpose strategy, action plan and organizational structure) and commitments to the success of the grant implementation This could take 90 to 120 days to accomplish and require the reassignment of City resources to administer the process or the hiring of a consultant The application has to be approved by both the City Council and the State of North Carolina before submission

Currently Neighborhood Development is coordinating a meeting between the Enterprise Community Board Presidents and Charlotte Mecklenburg Development Corporation (CMDC) Board Members Both have expressed interests in exploring an Empowerment Zone application After discussion and consensus from the group City Council will be asked whether the City should pursue making a grant application If Council approves, we will organize a planning committee and develop a budget for preparation of the grant

The federal due date for grant applications is October 9, 1998 The decision on awards will be made by January 1, 1999

OPTIONS: N/A

COUNCIL DECISION OR DIRECTION REQUESTED: This agenda item is for information only After further staff discussions with the community, Council will be asked to consider preparing an application for an Empowerment Zone grant

ATTACHMENTS: Summary of Empowerment Zone Requirements

Summary of Empowerment Zone/Enterprise Community Round II

The U S Department of Housing and Urban Development (HUD) has extended a notice inviting applications for the Second Round Designation of 15 Urban Empowerment Zones and 5 rural designations Designations are contingent on the passing of the bills HR 36522 and S1927 that are before Congress These bills total $1 5 billion in U S Department of Health and Human Services (HHS) Empowerment Zone/Enterprise Community Social Services Block Grant (EZ/EC SSBG) funds Under this proposal, each Urban Empowerment Zone would receive $10 million a year for 10 years, for a total of $100 million per Empowerment Zone The bills are expected to be passed in September 1998 and EZ applications are due October 9 1998

If the City of Charlotte decides to apply for the Empowerment Zone designation, the City's Enterprise Community designation would be upgraded The Empowerment Zone designation brings opportunities to leverage a variety of federal resources for neighborhood revitalization These resources include, but are not limited to, special tax incentives that have been created under the Taxpayer Relief Act of 1997 for Tax -Exempt Bond Financing and Increased Section 179 Deduction Other resources include technical assistance from HUD One Stop Capital Shops, Qualified Zone Academy Bonds Access to Capital initiatives (Community Development Financial Institutions and Community Reinvestment Act), Welfare to-Work Grants and lending initiatives under Ginnie Mae Also under the Round II designation a new rule for developable sites has been added to expand the maximum 20 square mile urban zones by 2 000 acres which can be non-contiguous sites for commercial and industrial uses

No nominated area can exceed 200,000 in population and must be at least 50 000 in population Selected urban areas must meet the following poverty rate criteria

1. Poverty rate for each of the census tracks within the nominated urban area must be at least 20 percent
2. Poverty rate for at least 90 percent of the area's census tracts must be at least 25 percent
3. Census tracts with populations of less than 2,000 will be considered as meeting the 25 percent poverty criterion if more than 75 percent of the tract is zoned for commercial or industrial use and the tract is contiguous to one or more tracts that have a poverty rate of at least 25 percent

HUD encourages a comprehensive strategic planning process to get contributions and input from every sector, including residents, local businesses, nonprofit entities, community-based organizations, local government, banks, religious groups, schools, social service organizations, K-12 education systems and institutions of higher learning The process would be a collaborative process that draws stakeholders together to create and work from a shared vision The shared vision would then drive the goals, specific actions, and well-defined milestones to measure performance