

The City Council of the City of Charlotte, North Carolina convened for Committee Discussions on Monday, August 7, 2023, at 5:20 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Danté Anderson, Tariq Bokhari, Ed Driggs, Malcolm Graham, Marjorie Molina, and Braxton Winston II.

ABSENT: Councilmembers Lawana Mayfield, James Mitchell, and Victoria Watlington.

ABSENT UNTIL NOTED: Councilmembers Dimple Ajmera and Renee Johnson.

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ITEM NO. 1: COUNCIL COMMITTEE DISCUSSIONS

Mayor Lyles said good afternoon, everyone and thank you everyone. I just want to say that this is our first Monday, we really dedicate our time to the deeper work that's being done at the committee level. So, we've had, I think every committee has met today and some perhaps with a little bit shorter time. We did have a number of people that were on vacation, and it just so happened that both the chair and the co-chair were out for the Housing Committee and so we will not have a report from them. Why don't we go ahead and take our most important item that's on the agenda and we'll ask Malcom Graham, who chairs the Jobs and Economic Development Committee, if he would give a report to the Council members as for discussion items as well as any other informational items.

Councilmember Graham said thank you, Madam Mayor and good evening, everyone. The Jobs and Economic Development Committee met today, and we had a three-hour meeting, and we got a lot of good work done on behalf of the citizens of Charlotte and advancing two issues for consideration by the entire City Council and the Mayor. The first agenda item that we took up was the Dixie Berryhill Area Infrastructure Update. Project background, we dealt with the Dixie Berryhill Area public benefits, talked about the network and infrastructure improvements. We focused on the current status of public-private partnerships, the West Boulevard Waterline and the Beaver Dam Lake Phase I, Garrison Road South and the Beaver Dam Creek Crossing, and the proposed for future infrastructure improvements on Garrison Road North, Beaver Dam Creek Sewer Phase II, and the adjustment to the 2017 Teague. Most of the infrastructure improvements were already planned, these are some dollars that are already earmarked for infrastructure improvements in the River District concept itself. This also helps advance infrastructure improvements for the area if we were to be fortunate enough to land the Western and Southern Tennis Championships so that those infrastructure improvements were advanced in preparation of hopefully doing a lot of work, Mr. Manager, over the next two years.

The goal is for the tournament to be played in 2026 and if we are selected obviously infrastructure improvement in that area is extremely important and so we advance those dollars today. The action that we are asking the Council to consider at the August 28, 2023, meeting is to request receipt within CIP (Capital Investment Plan) Reimbursement Agreement of \$27 million over three bond cycles for Garrison Road North, and request to amend the Crescent Teague Agreement from \$15 million up to \$25 million and from 15 to 20 years. Both of those items will be on the Council's docket for August 28, 2023. There are some questions that staff will be working to answer on behalf of members of the committee, but we think this is ready for Council consideration on the 28th of August 2023. Secondly, we had a spirited discussion about Eastland and Eastland Mall update. Staff provided an update on the evaluation of the short list of proposals related to the eastern portion of the Eastland development. First, we had the honor of having the master developer, Tim Sittema, at our meeting. He gave us an update on terms of where he is in terms of the construction. As Council can recall, it was last August around this same time, we had the groundbreaking for the Eastland development, senior housing, affordable housing, 18,000 square feet of retail, a four-to-five-acre Mecklenburg County Park, etcetera. Tim provided a comprehensive update in terms of where he is. We're real excited about the progress that he is making. More importantly

he was there today to really begin to talk about the project as a whole. For last several months we've been focusing just on the 29 acres. This gave us the opportunity to see how either of the proposals i.e., QC East as well as Synergy will kind of connect to the major development that's already there. He is weeks away from really wanting to really kind of connect with the other side of the site for infrastructure sewer, water, those type of things, that's really, really important.

So, he was there today to provide some color, for the committee about the importance of one, selecting a project that is consistent with the goals and objectives of the residents of Eastland, that's consistent with the master plan for developing the site itself that's really, really ready to go. He did offer his preference in reference to the two proposals i.e., QC East and Synergy. He recommended that the Council and the committee consider QC East for a wide variety of reasons based on probability of success, timing, and issues related to food and beverage. So, we took that into consideration. We also had the petitioners from both QC East as well as Synergy there to ask and answer specific questions in reference to their proposal, that was proposed by members of the committee. They went back and forth in terms of really kind of outlining their goals, their objectives, their site plans, really giving the Council members the opportunity to kind of dig deep. We thank Councilmember Anderson and Mayor Pro Tem Winston, for joining the committee members today to provide more perspective of based on what they heard today. I think that was really, really good. We left with a motion that carried 3:1, which was to do a couple of things.

Mayor Lyles said I just want to do this because we always try to put safety first, and we have been just notified that we are in the path of a tornado, and it is highly likely that it's going to be here. The Manager has information about this, but the recommendation is that we suspend this meeting.

Marcus Jones, City Manager said Mayor, we have a protocol, and it is just until 6:00 p.m. So, if you could recess the meeting, we could get everyone into the safe place that's in the building.

Mayor Lyles said everyone is invited to join us, but if you have any concerns about your safety and your wellbeing, please feel free to make the choice that you foresee best for yourself. So, we are going to suspend the meeting.

Councilmember Bokhari said just to be clear, if you don't mind, because these are very specific processes that are designed ahead of time, we are not asking anyone to hit the road who is in this building right now. We are asking them to follow procedure.

Mayor Lyles said, we are just going to follow our protocol and procedure, but I also know that these things can require just a different way of looking at them. So, people have to make choices.

Councilmember Driggs said is it our intention to come back here [inaudible]?

Mayor Lyles said yes, at 6:00 p.m. So, we'll be back at 6:00 p.m., please join us.

The meeting was recessed at 5:29 p.m. due to a tornado warning. The meeting reconvened at 5:50 p.m.

Councilmember Johnson arrived at 5:50 p.m.

Mayor Lyles said I'm going to have, Mr. Graham, you were still talking about the discussion that you had in the Jobs and ED (Economic Development) Committee?

Mr. Graham said yes.

Mayor Lyles said are you going to continue to do that?

Mr. Graham said yes, Madam Mayor.

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Mayor Lyles said thank you.

Mr. Graham said before we were interrupted by the storm, we provided the Dixie Berryhill Area Infrastructure Update, we were talking about Eastland Yards Update, which staff provided an update on the evaluation of the short list of proposals related to the Eastern portion of the Eastland development. I think we were at the point where we were discussing the output of the committee, which was to one, to forward to the Council a rank order of the two proposals. Rank order number one was QC East. Rank order number two was Synergy, that we gave both petitioners up until Friday of this week by 5 o'clock, to provide any clarifying information necessary to complete their applications, clarifying information or questions that were outstanding, that were asked by members of the Council, information that staff requested of them that they need more clarifying information not additional information. We felt it was really important to begin to evaluate what was already submitted to be fair to everyone involved. That will be sent to the Council for full Council's consideration at the August 28, 2023, Council meeting and we stand ready to have Council make a decision based on Eastland Yards, based on that recommendation.

Then thirdly, Madam Mayor and Council, one item that we did not get a chance to discuss, because we ran out of time, was the Charlotte Community Capital Fund. It is my understanding that we are going to try to ask Mr. Coker, if he's here, to provide that update to the Council as a whole. I think that's time sensitive as well. So, we want to make sure that the Council hears it in this setting, and I think it's also scheduled for the 28th of August as well. So, Mr. Coker, staff, I'll turn this portion of the meeting over to you to provide that committee report. I think we also have some guests who are here as well.

Mayor Lyles said thank you, Mr. Graham. I have to just compliment the committee. The work that you did with the tone of steadiness and reaching an outcome was really well, well done, and well organized, and well participation. So, we look forward to the continued kind of work that you do in this area because it's really important for us and this is a part of what we are trying to do and accomplish with the Economic Development and the Community Capital Fund.

Julia Martin, Special Assistant to the City Manager, said good evening, Mayor and members of Council. I am here to talk about the Charlotte Community Capital Fund this evening. Have some guests with us, Brett Simmons is joining us virtually, he is the Managing Director of Scale Link. We have Nate Hogan, who is the President of the CLT Alliance Foundation, and Steve Coker, who is our CBI's (Charlotte Business INclusion) Inclusion Officer. So, here's a bit of what we'll be discussing today, like Councilmember Graham said ideally, we'd put this through committee today, but of course robust discussions around Eastland, but we are happy to be here with you tonight to discuss this quick presentation. So, I'll turn it over to Steve.

Steven Coker, Charlotte Business INclusion, said thank you, Julia, and good evening, leadership. As you know, when we look at capital, it really is the lifeblood of business. A business without capital is simply not going to be able to pay its day-to-day bills. It's not going to be able to grow in capacity, and certainly, there's no sustainability to that business. CBI has been working diligently the last several months to lift up a Capital Access Program. We've really, I thought made a lot of progress, then we hit a brick wall in terms of City capital, what can City do with its funding. We wanted a backstop. We learned that you just can't do it, and then this came along, C3 (Charlotte Community Capital Fund), and I just thought it was an ideal, whose time has come right now. We know that our certified firms whether they are minority, women, and small businesses, they have challenges going to the traditional lending sources, that being your major banks. Either low credit scores, they don't have the assets to support those loans, and so their chances of succeeding with a loan is virtually none. So, what we did is we said we would pursue this through the CDFI (Community Development Financial Institutions) channels. We learned that that is the route to take. Again, we hit the brick wall. Then we had the opportunity to learn about this initiative that I believe is tremendous, it will pave the way, and it will be multiple wins on a number of levels. So,

CBI in looking at this wholeheartedly, believe this is the way to go. We think it's something that just makes sense on a number of levels. We look forward to playing a major role in this. Turn it over to you, Nate.

Mayor Lyles said thank you for joining us this afternoon.

Nate Hogan, President CLT Alliance Foundation, said thank you, Madam Mayor. Hello and good evening to everyone, Nate Hogan, CLT Alliance Foundation President. CLT Alliance, just so I orient you, is affiliated very closely with the Charlotte Regional Business Alliance. They're the C6, we're the C3 organization. Happy to be here tonight, wanted to just take this opportunity since I have full Council here, to just to give you a little bit of the lay of the land around the things that we're focused on as a foundation. Our mission is pretty simple. It's all about creating opportunities for social capital, financial capital, and innovative initiatives where we'll try to grow the economy one small business at a time. Our approach is really about leveraging people, programming, and technology, to do this work. The people of our foundation, the programming, you almost never see a stand-up program internally, it is all about trying to find the best in breed or new innovative programming that helps advance our mission and then leveraging technology to really build scale the work that we're going to do across a variety of areas. So, we think about this through the lens of growing businesses and growing business leaders.

The first think you may have heard of, I'm sure you've heard of from the Council perspective is our Scale Up CLT Program, which is a three-way partnership between our foundation, the City of Charlotte, and EO (Entrepreneurs' Organization) Charlotte. We're very excited to be in our fifth cohort this year. It's been our most robust cohort so far in terms of applicants. We've had 98 applicants this year alone. That's more than two times the number of applicants that we've had in all four years prior. So, we're pretty pleased with that. We accepted 21 participants into the process. Its application into interviews is how we get to that final number and it's all really about business acceleration. It's all really focused on entrepreneurs being led by entrepreneurs. So, we're excited about Scale CLT, and we thank the City for your participation and looking forward to doing that in the future as well.

One of the other things that we'll do is develop an Employer Cohort Strategy. So, we'll stand up the strategy this year, and the goal is to have the first cohort the first quarter of next year and what that looks like, is mid-market companies, somewhere between 8 and 12 of them that want to advance their DEI (Diversity, Equity, and Inclusion) practices in two core areas. One is on supplier diversity. So, what do those policies and practices look like from a supplier diversity perspective internally? Making sure that they are equitable and accessible to people who need them the most so that we can help grow the economy through growing businesses and contracting with those organizations. The flip side of that would be the same concept, but really focus on recruiting, retaining, and advancing people of color, again to make sure that people have economic opportunities and can create generational wealth through that employment.

One of the other things we're here to talk about tonight is really the focus here, which is the C3 Fund. We were very instrumental in helping stand up the fund. We're expecting sometime late summer launch, September timeframe. You've heard from Steven earlier, you'll hear from Brett right after this, some more particulars around the C3 Fund. Some of you may have heard of the African American Leadership Academy. It originated in Columbus, Ohio. It's been around for 18 years. They put over 300 leaders through their program and they've seen some good success with watching those leaders advance their careers to that executive level. We're bringing that program here and sort of wiping that Charlotte Way on top of that. Meaning we're going to make sure that there is a defined way of success. How will we measure that? It can't just be another program, right. It's got to be something that really moves the meter for black leaders and so we are sponsoring that at their top level. I'll sit on their governing board, watching our first cohort August 29th. It'll be around 20 people.

You may or may not have heard of CLIMB, C-L-I-M-B, which stands for Charlotte Legal Initiative for Mobilizing Businesses. That's 10 law firms who've come together, that said look we want to come and do some of the same work and make sure that we're creating an equitable environment for our small business owners. So, what they're doing is they are providing pro bono legal services to small businesses. They've done about 1,000 hours or \$400,000 of value in legal services for small businesses to the tune of 80 businesses over the last year or so. It's things like how to go set up the right legal structure for your organization. Let us help you stand up a template contract so you can professionalize your engagement with potential clients as well as make sure you're protecting yourselves. They don't do litigation work or criminal work. It's really around the business focus. We want to take that model and do the same thing in the accounting and marketing professional services phases as well because that's what we hear from small businesses that they need the most.

The other thing that we're going to launch later this year is a Digital Resource Hub, which will allow us to scale the work that our colleague, Tya Bolton, who most of you I'm sure know, and is sitting right over there, is doing where she's really helping our small businesses navigate the vast amount of resources that they have available to them. So, we want to be able to do that at Scale and this technology will help us get there. Then the final thing I'll land on here is our first ever fundraiser for the CLT Alliance Foundation will be October 12, 2023. We're calling it Tate Awards after Thaddeus Tate, who was an entrepreneur in this city and really helped a lot of other businesses stand up during the early 1920s. So, we would love to have the City participate in that with us on October 12, 2023, as well. With that being said, Brett, I will turn it over to you.

Brett Simmons, Managing Director of Scale Link, said okay, you can all hear me, okay?

Mayor Lyles said yes.

Mr. Simmons said okay, so, many of you we've already spoken to. We appreciate your time and availability and questions about Charlotte Community Capital Funds. So, today I'm going to go through these perhaps in a little less detail to leave some time for additional questions at the [inaudible]. So, what we're trying to stand up in Charlotte is really a fund to provide the capital that was just talked about for business owners that don't or can't qualify for traditional bank loans. This fund will work with all small businesses in the City and we anticipate approximately 70 percent of the business owners receiving loans from the entrepreneurs' fund.

So, why are we talking about CDFIs? So, as Steven mentioned, CDFIs are willing to take risks that banks typically would not. That expands access to capital, but they face the same challenges that a bank would face. So, the loans still don't generate a lot of income, they tend to take higher losses, and most of the times CDFIs have to provide additional support to both help entrepreneurs finish the application and get their materials together for a loan in the first place, but also it provides some support, when they struggle with repayment. Perhaps they need some additional advice on how to deal with accounts receivable or other challenges that they might make payments or delinquency occurs.

So, how do they afford that? The reality is that there's a lot of philanthropy that goes into CDFIs and small business lending. Scale Link, which is the nonprofit that I run, is a national nonprofit that decided to take a different approach. Our approach is that we work with CDFIs now [inaudible] 26 across the country. We purchase loans directly from them. So, rather waiting for the borrower to repay the principal in order to have additional dollars to go out and lend, we give them capital back right away so then they can go continue living and then we pool some of those loans together and sell them onto to banks who are motivated by the regulatory benefit of the loans. We ask them to pay a high price because they are getting the benefit of the work the CDFI has already done, and we donate that back to the CDFIs. So, we've donated nearly \$5 million back to our CDFI partners through this secondary market mechanism.

So, what does that mean for Charlotte? We were basically asked by Truist, who's an investor in Scale Link, as well as Bank of America, and Ally, how can we stand up a fund in Charlotte that would take some of the expertise in skills and revenue that we generate for CDFIs nationally and do that specifically in Charlotte. So, the first part of that is setting up a way to apply for loans directly without having to go to every different CDFI in the City. So, we'll have a common borrower portal that any small business owner within the City of Charlotte can go to and apply for a loan. That common borrower portal will also be connected to local technical assistance. So, if someone's turned down for a loan, they'll have information about where they can go to get additional advice and support so that when they are ready for a loan, they've built the right resume to get there.

Once a borrower goes through the portal and finishes the application process, they'll be matched to one of the CDFI partners that we're bringing in for this program. That matching will be based on figuring out where they are most likely to qualify for a loan. The different CDFIs involved are BEFCOR (Business Expansion Funding Corporation), which has been a 504 lender that's moving into a traditional small business lending based there in the Charlotte region. Ascendus, which is actually a New York based lender. It lends nationally. They were bringing in order to have more volume potentially early on in the program and meet the demand we think is there in Charlotte and currently underserved. ASPIRE Community Capital, is a new CDFI that's emerging and starting to lend now, and we hope to use this program to help them continue to grow and they're based there in Charlotte.

Councilmember Ajmera arrived at 6:04 p.m.

DreamSpring, is national lender that we've partnered with in other markets, and it's going to be a participant here as well. Again, they've done lots of volume and can help meet demand early on in the program. Spread Capital is based out of Raleigh, it does lend across North Carolina now, but doesn't do significant volume in Charlotte. So, they'll be doing some ramping up in order to support this effort.

Then finally that acronym stands for Carolinas Small Business Development Fund, which is CSBDF. They will also be a participant and based in North Carolina. The loan products are really geared towards helping the CDFI scale what they know and are good at doing. So, they will define what their loan products are. We will define the loan sizes and the interest rates so that there's consistent economics for all applicants to the program. Again, we developed that common application portal so that we can accommodate all of these different types of underwriting boxes and make sure that applicants are going to the place where they are most likely to get approved.

Loan sizes will range from \$1,000 to \$250,000 so everything from new, home-based businesses with small capital needs or business owners that maybe have larger business but have damaged credit and need to build more of a track record, can start with a small dollar loan all the way up to the \$250,000 loan that will really serve entrepreneurs who are taking on bigger contracts or are looking to move to the next stage of growth. The interest rates in these are intentionally just above what banks would charge right now for prime customers. So, the rate range is nine to 12 percent, with the higher rates on smaller dollar loans and the lower rates on the larger loans. There'll be both an origination fee plus a contribution fee to a loan loss reserve account. That loan loss reserve account is being matched by the State of North Carolina through their Capital Access Program, which are funds that they received from the U.S. Department of Treasury through the SSBCI (State Small Business Credit Initiative) Program. So, this will take advantage of some of those North Carolina dollars at the state level.

We do anticipate losses in the six to eight percent range and had to build the economics of the model to accommodate that as those are dollars that go out the door that we don't get back. As we grow, we can adjust the levers here, because we own the application. So, if we're not taking enough risk we can dial in more risk. If we feel like we're taking too much, and there's too much delinquency in the fund, we'll tighten things

up. The goal here is to make this a dynamic program that meets the needs of as many entrepreneurs in Charlotte without taking undue risk with the funds that are being output.

The goal here over the first four years, is to hopefully lend \$40 million which would be about 2,000 small businesses. Scale Link will contribute about \$9 million towards that, not directly from the \$9 million we have sitting around but from selling loans on to banks who are interested in purchasing. Hopefully after those first four years with those loan sales, this will be a sustainable vehicle for the City of Charlotte. All of our models are built around a seven-year target for financing investors. Really at that point it would be a question of do the programs successfully scale local CDFIs and do we need to continue the fund? Is it serving a good purpose into gratuity, or did we achieve the scale necessary for local lenders and don't need to fund anymore?

Who is behind this fund? So, you know Scale Link. We've just talked about us, and our status as a nonprofit and national CDFI. Locally there, Truist Bank has committed \$5 million in debt, \$8 million is coming from Bank of America. Atrium Health has committed \$2.3 million in subordinated debt, and Ally Bank, through their foundation, has committed \$3 million in subordinated debt. Finally, there's a \$2 million commitment from the Foundation for the Carolinas to help to cover some of the initial grant cost of standing up. So, I think at this point, Julia is going to talk to you about the request to the City.

Ms. Martin said so, thank you, Nate. Yes, tonight we are talking about some of the City Council's support for this. So, we have proposed \$2 million from ARPA (American Rescue Plan Act), based upon some of the conversations and input from Council, we have modified this slightly from what you had seen last time. So, proposing using \$1.5 million from the Community Vitality bucket in ARPA, and \$500,000 from the Workforce Development Jobs and Minority, Small Business bucket of ARPA. The reason we think this is a great investment is, as Steven said, we tried to do something similar with our own CBI, but ran into some challenges there. Additionally, I'll remind Council at the Annual Strategy Meeting this year, one of the new priorities added was Minority and Small Business Development and so this is a great initiative to support that new priority that Council identified back in January. So, the next steps, we are at step one, so presentation to full Council. What we're seeking tonight is guidance from you all to put this on the agenda for August 28, 2023, for a formal vote. Then, in terms of the fund itself, Nate and his team at the Alliance, are really leading the marketing of this fund, of course working in close concert with the City and the Corridors Team, because of all the engagement we do out in the community and looking for a launch date in September. So, I'll close it out, turn it back to Councilmember Graham. We can go to questions.

Mr. Graham said thank you very much and I'll turn it over to the Mayor.

Mayor Lyles said are there any questions or discussion by the Council members about the program and the initiative? I was told that we would have this on the agenda and so I'm glad to place it on the agenda for August 28th. So, any discussions I have, Ms. Johnson, followed by the Mayor Pro Tem.

Councilmember Johnson said thank you, Madam Mayor and thank you for the presentation. This looks like a great program. I just have a couple questions. You mentioned Columbus, Ohio, the program in Columbus. There are two programs I can think of that's where I'm from. So, what program in Columbus, Ohio?

Mr. Hogan said it's formally called the African American Leadership Academy.

Ms. Johnson said okay, thank you and this is just for-profit business, right or nonprofit businesses?

Ms. Martin said I will turn it over to Brett.

Mr. Simmons said I believe it's just private.

Ms. Martin said yes, just for profit.

Ms. Johnson said okay and if the organization is interested in watching, what would be the next step. What organization [inaudible] contact? Who's going to be the organization that houses this program?

Mr. Hogan said yes, that's a great question. So, we're working on at the CLT Alliance Foundation, we're working on the broad Marketing and Communications Plan, but one of the main conduits into the program will be the CDFIs because they'll be the ones who are originating the loans. Then Tya Bolton on my team is always a ready resource as well for them, but we'll be rolling out some pretty detailed community engagement around it as well. We'll do that not just at the launch of the program, but throughout the life of the program as well because we want people to constantly hear and know that it exists for them.

Ms. Johnson said okay, and my last question one of the barriers that business owners in the community have found is that there's a minimum salary or earning requirement. Will there be that type of minimum in this program? I know one of the programs that my hairdresser was interested in, I think the minimum was \$100,000 or \$250,000 in earnings. Is there going to be that type of cap or minimum in this program? Because if you're still considering it, that is an area there there's an opportunity to reach a lot more people to reduce that minimum salary because entrepreneurs just aren't making that kind of money starting out.

Mr. Hogan said yes, I will let Brett answer that.

Mr. Simmons said there's really no specific revenue or income level that anyone has to meet. It's really tied to the loan itself. So, if someone needs a \$50,000 loan, we're going to say over 36 months what are the payments each month and do you with that revenue have enough capital to cover each one of those payments? So, it's all relative to the loan size that they're seeking and the amount of the term itself. There's no minimum amount. It's just can they cover the payments, and we want to make sure that people have a loan that they can pay back.

Ms. Johnson said thank you, I'm looking forward to hearing further discussion.

Councilmember Winston said I guess I'm just going to say what I said in the small group meeting that we had around this. I think this is a great idea in general. I would like it if we do give money to this to think about how we can drive some of Council priorities or topics that Council members have brought up over the years that have been difficult for us to support. So, for instance, I know we, over several different budget cycles for instance, Council members have tried to find ways to support early childhood education programs, particularly in-home, early childhood education and daycare options as we've thought of different ways of looking at how we deal with economic development and providing more equitable opportunities for people across the income scale. It seems like this could be an avenue to do something like this where we don't necessarily have a specific mandate to do that within our own kind of vehicles in any of our departments. So, I'd just like for us if we do buy into this, think about how we can spread our scope and spread all of the types of businesses we're able to touch as a City.

Councilmember Anderson said I'm okay. I don't have any questions right now.

Councilmember Ajmera said first, I just wanted to thank Steve Coker and his team for implementing this, I think we've come a long way with the CBI in past six months or year. So, I appreciate your leadership. I've seen you out in the community outreaching to minority, women-owned businesses, certainly appreciate it and your team has been able to route a lot of minority women-owned businesses to get certified in a very timely fashion. So, appreciate the work that's been done. Just one question. I noticed that there was some source of funding coming from Bank of America and others. Are we getting any funds from the Mayor's Racial Equity Initiative for this? So, is that the Foundation For The Carolinas' allocation?

Ms. Martin said yes.

Mr. Ajmera said okay, that's great. Thank you.

Mayor Lyles said so, any other comments or questions about it? We will have this on the 28th agenda. Thank you very much for the presentation and have a great evening.

Mr. Graham said that concludes my presentation, Madam Mayor.

Mayor Lyles said alright, thank you, Mr. Graham. So now we will come to our next committee, and I will recognize Ms. Ajmera for her report.

Ms. Ajmera said Ms. Anderson will be doing the report.

Ms. Anderson said thank you, Madam Mayor. So, for the Budget Governance and Intergovernmental Committee meeting today, we had two key topics on our agenda. The first one was to specifically address the attendance policy for all of our boards, committees, and commissions that we have that support all of the work that we do on Council and for the City. Council had asked us to take a look at that policy and recommend additional amendments where appropriate and so we came back with an update. Now, we do have the opportunity to have excused absences on a subset of some of those boards, and committees, and commissions. Previously there were no excused absences, but as we move forward members can take an excused absence as it relates to medical illnesses, funerals, adoptions, typical life events where you would have time off from work. So, while we cannot extend this to the entire body of all of our boards and commissions because some of those boards and commissions really support the everyday inner workings of city government. A good percentage of them will be allowed to have excused absences now. So, that will hopefully take some burden off all of the volunteers that we have in the City who give their time to help us move forward in some of our critical issues. So, that was our first topic.

Our second topic was just an update on our Federal and State Legislative Agenda, which Dana provided a really good update. As you all know we are now in the second half of 2023, and the City and staff, and our legislative team have been very successful in achieving several of our federal and state objectives and they're pushing forward as we move into the back half of the year on some of the balance of our key priorities. So, our lobbying teams will continue to do that, both at the federal and state level. From a federal level, as many of you already know, the Senate will return. They are on holiday now, they're on break. They will return on September 5, 2023, and then the House will return on September 12, 2023. There are a couple of key updates there. The Senate Appropriations Committee has reported on all 12 appropriations bills on a bipartisan level. So, the Senate has moved forward, while the House Appropriations Process has reported 10 out of the 12 bills and there is some consternation there that could potentially impact extended appropriations process as well as a potential government shutdown down as we've been hearing about in the national news. So, more to come on that, but we do have three-line items that are held up in that process that are near and dear to our objectives here in the City.

One is the CMPD (Charlotte Mecklenburg Police Department) CARES (Civilian Assistance Response Engage Support) Team Fund, the West Side Community Land Trust Fund, and the Hospital-based Violence Interruption Program. So, those are three-line items that we need to have appropriated at the Federal level. So, hopefully there will be a conclusion to that soon. A couple of key updates that some of us might know about, but perhaps not all. We were able to secure FY (Fiscal Year) 2023 Low and No Emissions Bus Funds. So, that enables us the opportunity to purchase battery, electric, and hybrid electric-diesel buses to the tune of \$30.9 million, which will of course help us reach our SEAP (Strategic Energy Action Plan) goals and that transition of where we want to be with our CATS (Charlotte Area Transit System) fleet. In addition to that, we were able to secure the 2023 Airport Terminal Program Funds, which allocates funding for Concourse E renovation to the tune of \$32 million. A couple key points, I'd be remiss if I didn't underscore. We were also able to secure FY2023 RAISE Grant for Corridors of

Opportunity for our East Sugar Creek Corridor to the tune of \$12 billion that will help mobility and walkability of that Corridor, which happens to sit in District 1. So, we love to see that, yes absolutely, and there were a couple other key infrastructure items that we were able to be awarded that will impact the overall City as well.

Then lastly, on the state priorities, we may have been hearing in the news that there's some consternation at the state level from a General Assembly perspective, but there are a couple of things that we care about as it relates to the business of the City. The Homestead Act, of course, which is legislation increasing the threshold to support older adults aging in place was not introduced due to some constitutional issues. So, that will impact some of our plans that we have as well as the tenant and HOA (Home Owner Association) changes, which is House Bill 551, Secure the amendment to ensure the City's source of income discrimination policies in the City's supported housing can continue. So, as you all know even before I was on Council, that was a huge topic of this Council and so that is a key update at the State level that we were briefed on today and we're happy to see that go through.

So, in terms of next steps, of what we can expect from a federal and state legislative perspective, as you all know a new City Council will be sworn into office on December 4th and that Council will continue the work, the balance of the work on a Legislative Agenda. In 2024, there will be short sessions for the U.S. Congress as well as the North Carolina General Assembly. So, staff will come back to our committee and present a staff proposed 2024 State and Federal Legislative Issues to the Budget and Governance and Intergovernmental Committee on January 2nd and then after that there will be a series of next steps, that we will update the Council and bring items back to the larger Council. With that I conclude my update, Madam Mayor.

Mayor Lyles said thank you. Are there questions for Ms. Anderson on budget or legislative issues?

Ms. Ajmera said Ms. Anderson did a great job covering everything. We did have a couple of wins. One was the Pretrial Integrity Act that CMPD and our District Attorney was advocating for and that was part of our State Legislative Agenda. The second thing we did have was we had seen lot of street takeovers and that was an issue throughout the City where State has passed this new law that gives CMPD another tool to address the street takeover and I thought that was important. So, there were two major wins that I wanted to highlight, that Chief [inaudible] excited about. Thank you.

Ms. Johnson said, I just wanted to clarify House Bill 551. Do you know if there were any changes? Because I know there was some proposed language that was concerning that was proposed I think by the Home Owners Association, so, I wanted to know the final outcome. Were there any changes to our ordinance due to the 551 source of income discrimination and if we can ask Dana?

Ms. Anderson said I think we should ask Dana. I'm not sure if he's here still, but as we were briefed earlier today there were no stated changes, however, he would have the definitive answer.

Ms. Johnson said, and I could ask offline if I need.

Mayor Lyles said any other questions in this area? I know that Ms. Burch went out to see if he is around, so we can come back. Why don't we just keep going and now, we'll go to Transportation and Planning and Mr. Driggs.

Mr. Driggs said thank you, Madam Mayor. Committee met this morning at 10:00 a.m. consisting of myself as Chair, Ms. Anderson as Vice Chair, and Councilmembers Graham, Johnson, and Mitchell. We had two topics we talked about. There was an update about CATS and a UDO (Unified Development Ordinance) update. On the CATS update, I think we should really lift up that point that was just made about the \$30 million grant. That was an extraordinary accomplishment and particularly relevant in the context of the efforts we're going through right now to address issues at CATS. So, very

good news, I think 10 times the largest grant we had received previously, a terrific job by CATS!

Brent Cagle briefed us on his progress with the kind of score cards issues he's tracking as a result of the some of the revelations earlier this year. So, we're looking at staffing issues, we're looking at the maintenance questions, and basically reported very good progress on all fronts. I know there was no headline news as such, but we're moving ahead very nicely and I think CATS is now actually is in a good place with new management and with significant strides addressing a lot of the concerns that have come to light. The issue that will take longer to fully address is the maintenance questions, but we do have contracts, and a definite plan, and we have funding in order to perform any kind of remediation that's needed on these trains and get them current with their maintenance. So, I think CATS is in a good place.

I'll mention also that the bus management contract there's an RFP (Request for Proposal) out. We had two bids come in, neither of them from the current management company. So, we are going to be working with a new management company and I think an emphasis as we engage with them and negotiate is to have better controls than we had under the old contract where there were some issues that we weren't able to do much about, just because of the legal terms of our relationship. So, I then reported on the activity of the working group, so we have created also an ad hoc working group to kind of dig into a lot of these matters with Mr. Cagle. That group met and heard a report from Management Partners, the consulting company that worked on CATS last year and they essentially went through the report from that review and gave us a commentary on it and then we were able to ask questions. I think the good news about that is the working group includes now two members of the MTC (Metropolitan Transit Commission) Mayor Bales and Mayor Higdon, and it was excellent cooperation between Charlotte and the MTC as we go to address the issues. Two key things that I would highlight from our conversation with Management Partners, was one the situation they described in the slides last year was pretty bad. I said, "Are we working on all of the problems you identified?" They said, "Yes, you are working on the all of the problems we identified." Then I said, "Do you see a major improvement since then?" They said, "Yes, we do." We will engage with Management Partners to address issues that may require further research by them. So, we have an ongoing relationship with them and to the extent that we need the advice from consultants, we can use them. Looking ahead what we're going to do is tackle a lot of the risk management issues that basically Mr. Bokhari has so helpfully outlined for us to ensure that we don't encounter new challenges that maybe hadn't arisen before, but that we're safe from having the problems of the kind that we had going forward.

The other part of our meeting today was about the UDO and Ms. Craig presented there on four different items. One of them was some text amendments that are needed to the UDO of a sort of technical nature just to make sure that it actually does what it intends to do. I don't think anybody will see a challenge in there in terms of a policy change. It really is just refinements. She also talked about the referral from Council on the May 22, 2023 business agenda related to N-1 (Neighborhood 1) definition. You'll recall we had quite an animated conversation on that subject. So, the staff is now looking at whether further language might help to clarify what we really want to see in the N-1, especially on kind of larger infill sites. They made a recommendation that perhaps we could suggest a 30 percent single family detached component within the mix of housing in it, that that might be around the edge of the property. They said there were other criteria that they really wanted to look at and thought we should think about, and their recommendation was that they go back to the UDO Advisory Committee, because a new one was appointed when the UDO became effective, and work with them to address some other issues that come out of the discussion about N1 and how it works. So, we will hear back, she thinks, in the next couple of months and we'll have another opportunity as full Council to talk about that.

We were also told to expect in the next month a detailed Tree Canopy Analysis that will provide a basis for a much more substantive conversation about how the Tree Policy works. We have a Tree Policy right now in the UDO, but it's apparent that there are

some things still missing, or that require further work. Basically, we need to answer the very difficult question of how we reconcile our aspiration for trees with our need to create more housing in order to keep the rise in the cost of housing down. The last thing we heard about was the Proposed Streets Manual Amendments from Ed McKinney. Essentially there were a couple of technical corrections there. Two, affecting how the streets manual can be updated in response to issues. Pretty early days on that, so I think the Council will hear more detail from Ed when he knows exactly where he's going with that. That was the meeting. If any member of the committee would like to add, please feel free.

Ms. Johnson said, I just had a couple questions. The first one's about the UDO Text Amendment. I know it was [inaudible] on May 22, 2023. Is there a way, and we can talk about this as a Council, that we can ensure that there's public input during this, as we're reviewing these text amendments? We know that we have hundreds of emails right now asking us for text amendments. I know there was a large contingency in District 4, wanting us to make some changes and it feels like its residents are recognizing the impact of that UDO. There is some input and some engagement that they would like to have. So, is it possible that during this process, as we're looking at the revisions that we ensure that its public engagement, maybe a survey or making sure they understand it this time. I know during the whole UDO process, and we used to talk about, can we get this simplified? Can we have something on government television, or smaller packets of information? Because it's 650 pages and an adult just doesn't have time to look at that? So, if there was a way that we can present this so that our public understands it and they're involved during the process and not after.

Mr. Driggs said sure, I can answer that. Ms. Craig did not propose a public outreach. She proposed some next steps including looking at testing existing prototype sites, evaluating additional data, getting feedback from the UDO Advisory Committee, develop recommendation for TV consideration. So, I think the point is that you can well suggest that, it's not currently in the plan.

Ms. Johnson said Mr. Jones, can we suggest that, that could be part of it, the UDO Advisory Committee? Those are very technical individuals. So, we need to make sure that the everyday resident understands how it affects them and I'd like to ensure that we have public input in process, because again we know that we are receiving emails, and I think there's residents from each of our districts that have concerns with the UDO.

Mr. Driggs said so, Ms. Johnson, excuse me, but six members of my district, six constituents came to the meeting today and gave Ms. Craig an earful. So, I just mentioned in passing, she's had a little bit of that input, but we need to formalize the outreach process.

Ms. Johnson said as far as the tree report, I think the last one was done in 2019, and we know that this City has experienced explosive growth since then. I can speak to [inaudible] specifically. There's currently a petition and I think there's 150 acres of trees, in a forest, that we have to consider and I mentioned this during I think the Triple E meeting, with Ms. Ajmera, that we need to have accurate data as we're making these decisions. So, I just have a concern that we are not looking at current numbers as we're making decisions on the petitions and some of our petitions have very significant tree loss. So, I don't think it's fair or accurate for us to be reviewing these petitions without this current information and I've expressed that concern before. What's the next step for the assessment and how can we incorporate that into our day-to-day work, Mr. Jones?

Mr. Driggs said Mr. Jones, could I just make a comment from the meeting and then I'll kick it over to you? The information we received in the meeting was that this report will be delivered in the fall. It will have data on canopy cover in 2022 and canopy change analysis from 2018 to 2022 and then it will talk about ecosystem benefits, potential planting area, urban heat island mapping, canopy distribution, demographics, canopy growth models. So, this is going to provide a lot of data as a basis for policy, but as to the timeline I'll kick it over to the Manager.

Mr. Jones said yes, what I'd like to do, Ms. Johnson, is talk with Alyson Craig to make sure that we give you accurate information on the timeline and get that to you this week, okay?

Ms. Johnson said that's fine, but what I'd like to do is have current information before we make a decision. There's a petition in my district and I mean there's going to be significant tree loss, and this is why I pushed for the infrastructure meeting in December. I don't feel like we're making truly, truly, informed decisions from a cumulative impact perspective. So, we can talk offline, Mr. Jones, but I do have a concern about a petition in my area and we're not looking at current information.

Mr. Jones said will do.

Ms. Johnson said thanks.

Mayor Lyles said alright, and I think that is the remainder of all of our reports.

Patrick Baker, City Attorney said I believe there's a closed session. Yes.

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ITEM NO. 2: CLOSED SESSION

Motion was made by Councilmember Winston, seconded by Councilmember Driggs, and carried unanimously to go into closed session to discuss matters related to the location or expansion of industries by the business served by the City of Charlotte including agreements on tentative lists of economic development incentives, offers that may be offered by the City of Charlotte pursuant to 143.218.11 (a)(4).

The meeting was recessed at 6:40 p.m. to go into closed session.

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At the conclusion of the closed session, Council returned to open session at 6:58 p.m.

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ADJOURNMENT

Motion was made by Councilmember Winston, seconded by Councilmember Ajmera, and carried unanimously to adjourn the meeting.

The meeting was adjourned at 6:58 p.m.



Ariel Smith, Public Records Program Manager/Lead Clerk

Length of Meeting: 1 Hours, 20 Minutes
Minutes completed: July 31, 2024