

Committee Members: MPT James Mitchell (Chair), Dante Anderson, J.D. Mazuera Arias, LaWana Mayfield, Victoria Watlington.

Meeting Summary: May 4, 2026

What follows is a high-level summary. Verbatim comments, specific questions and answers may be found by viewing the [City's YouTube page](#). All meeting materials are available on the [Charlotte Legistar Site](#).

1. Opportunity Zones 2.0

Presenters: Todd DeLong, Arta Osmanaj, Economic Development

Staff presented an overview of the federal Opportunity Zones 2.0 (OZ 2.0) program and requested Committee action to support a staff recommendation for census tract nominations. Opportunity Zones are census tracts certified by the U.S. Treasury to receive private investment through Qualified Opportunity Funds (QOFs). The program was originally created under the 2017 Tax Cuts and Jobs Act and was reauthorized in 2025 as a permanent, recurring component of the federal tax code, with designations updated every 10 years. Key tax incentives include temporary deferral of capital gains taxes, a step-up in basis through holding-period-based adjustments, and permanent exclusion of new capital gains from Opportunity Fund investments held for at least 10 years.

OZ 2.0 includes several notable changes from the original program. The program is now a permanent part of the tax code rather than a one-time designation. Income eligibility thresholds have tightened, moving from median family income at or below 80% of the metro median to 70%. The contiguous tract rule exception has been removed. Rural incentives have increased from 10% to up to a 30% basis step-up. The total number of designated tracts nationally will decrease from approximately 8,764 to approximately 6,500, and enhanced transparency and reporting requirements have been added. The designation timeline calls for NC Commerce to accept public feedback through June 7, 2026, Governors to submit nominations to the U.S. Department of the Treasury by September 29, 2026, new OZ 2.0 designations to become active January 1, 2027, for the 2027–2036 cycle, and the OZ 1.0 map to formally sunset December 31, 2028.

Of 74 eligible census tracts in Mecklenburg County, staff recommended nominating 13 census tracts as new Opportunity Zones, prioritizing primarily commercial corridors with alignment to existing City initiatives including Strategic Investment Areas (SIA) and Corridors of Opportunity, and with the potential to catalyze private investment. The recommended tracts span seven areas: Northlake (Census Tract 61.12), Sugar Creek/I-85 (Census Tracts 53.01 & 53.05), North End (Census Tracts 51 & 52), West End (Census Tracts 45, 46 & 48), West/Wilkinson (Census Tracts 39.02 & 39.03), Nations Ford/I-77 (Census Tract 38.07), and East Charlotte (Census Tracts 16.07 & 19.22).

Following the presentation, Committee members engaged in extensive discussion. Councilmember Mayfield raised significant concerns about displacement and gentrification, noting that the first round of OZ designations lacked anti-displacement language and that data on community impact from OZ 1.0 remains limited. She cited the Kinship at Camp North End development — a market-rate project within an existing OZ — as an example of investment that benefited investors but not original residents and called for staff to provide a pre- and post-OZ overlay showing where investment occurred and who it impacted. Dr. Watlington echoed with these concerns, expressing hesitation about approving a recommendation without more data on anti-displacement strategies, and questioning whether the city has a mechanism to ensure community benefit alongside private investment. She also asked whether the City's zoning and permitting processes could be accelerated for OZ projects, and staff confirmed that a permitting cost-coverage tool was deployed during OZ 1.0. Councilmember Anderson asked staff to clarify why only 13 of the 74 eligible tracts were recommended, and staff explained that selections were based on eligibility, investment readiness, and alignment with existing

City programs and Corridors of Opportunity, along with the goal of layering anti-displacement tools to mitigate gentrification risk.

Councilmember Owens advocated strongly for District 6 representation, noting that District 6 contains 7 eligible census tracts and none were included in the initial 13 recommendations. She highlighted that developers frequently cite the absence of a qualifying tract as the reason projects in District 6 do not pencil and requested that Committee consider tracts along South Boulevard or in the Monroe-Rama area, or at minimum a tract adjacent to Districts 3 or 5 to direct some investment energy toward District 6.

Councilmember JD Mazuera Arias also requested reconsideration of the East Charlotte tracts, advocating that the city consider substituting Census Tract 16.07 (Eastland Yards, which has already received significant public investment) for Census Tract 19.17 to bring opportunity to the Far East area, which has received less public and private attention. Councilmember Graham and Councilmember Anderson both expressed support for maintaining existing designations in Districts 1 and 3, particularly among the Nations Ford corridor and in the North End and Sugar Creek areas which have experienced decades of disinvestment and cautioned against reducing tracts in those historically underinvested communities.

Chair Mitchell summarized the discussion and noted the June 7 submission deadline, asking the Committee how to move forward. Councilmember Anderson made a motion to approve the original 13 recommended census tracts and add a 14th tract within or adjacent to District 6, with staff directed to determine which of the two eligible District 6-adjacent tracts best meets the selection criteria. The motion was seconded by Councilmember Mayfield. Councilmember Mayfield then offered an amendment, which was accepted, clarifying that staff should clearly note in the minutes that the expectation is that if a strong correlation can be identified, the District 6 tract be ranked within the top 13 priorities — rather than defaulting to 14th position — so that it has a competitive chance of being selected by the state. The Committee voted 4-0 in favor of the motion as amended. Chair Mitchell also requested that staff schedule a full City Council workshop on June 8 to present the final tract list and provide all Council members with the opportunity to weigh in before the June 7 submission deadline and noted that further conversation around anti-displacement data and transparency should continue as OZ 2.0 implementation progresses.

ACTION: The Committee voted 4-0 to authorize staff to submit the recommended eligible census tracts — including a 14th tract to ensure District 6 representation, with prioritization to be determined by staff — to the North Carolina Department of Commerce for consideration under the federal Opportunity Zones 2.0 initiative and potential nomination by the State of North Carolina to the U.S. Department of the Treasury for designation as Qualified Opportunity Zones. Per an amendment offered by Councilmember Mayfield and accepted by the maker of the motion, it is noted in the minutes that the expectation is that if a strong correlation can be identified, the district 6 tract be ranked within the top 13 priorities to ensure it has a competitive chance of selection by the state.

2. **Hospitality Funding Discussion**

Presenter: Matt Hastedt, Chief Financial Officer

The City's Chief Financial Officer and Finance Director presented an update on hospitality funding as a continuation of the strategy session discussion, providing context on revenue sources, affordability modeling, and horizon projects. The presentation covered the City's four hospitality fund streams: the Convention Center fund (supported by 1% Prepared Food & Beverage tax and 3% Occupancy tax); Tourism T1 (supported by 3% Occupancy and 1.5% Rental Car taxes); Tourism T2 (supported by PAYGO Transfer, City and County TIG, and 2% Occupancy tax); and the NASCAR Hall of Fame fund (supported by 2% Occupancy tax, which sunsets in FY 2039). The Hospitality Revenue Capital Investment Policy, approved by Council in 2021, guides all decisions through three principles: Fund Balance and Debt management, Evaluation Criteria (economic development impact, financing, and socio-political considerations), and Reporting and Evaluation.

Year-to-date hospitality revenue through March showed mixed trends compared to FY25. Prepared Food & Beverage grew 3.1%, while Convention Center Occupancy declined 4.6%, NASCAR HOF Occupancy declined 4.6%, Tourism Occupancy declined 3.1%, and Rental Car revenue declined 7.8%. U-Drive-It revenue grew 7.3%. Staff noted that fund balance does not equate to affordability, as balances may be programmed for debt service and operating expenses in future years. Affordability modeling for each credit entity — Convention Center, Tourism, and NASCAR HOF — factors in prior year actuals, existing debt, estimated growth rates, and interest rates. For illustration purposes, staff shared that a \$5M debt commitment in FY 2027 would reduce baseline affordability from \$31M to \$24M in FY 2028 and from \$95M to \$86M in FY 2032, while a \$5M cash commitment would reduce it to \$18M in FY 2028 and \$84M in FY 2032.

Staff presented horizon projects across the Convention Center, Tourism T1&T2, and Non-Hospitality/CIP fund streams, including the Convention Center, Tennis Complex, Truist Field, Hockey Practice Facility, BOplex, Discovery Place, Mint Museum (Randolph), Charlotte Ballet, World Military Games, Charlotte Gateway Station, Five Points Mixed Use, and Office Conversion Opportunities. Specific funding requests currently before the city include Charlotte Ballet, Truist Field, World Military Games, and the Gantt Center's Ruth E. Carter Afrofuturism in Costume Design exhibit. Potential and anticipated requests include Discovery Place, BOplex (MEP Study and parking), the Convention Center, and a Tennis Facility. Staff noted that slides covering horizon projects and funding requests need to be better aligned in future presentations so that the projects listed and the funding requests presented are clearly connected.

During discussion, Councilmember Lawanda Mayfield stated for the record her support of the Gantt Center project. Councilmember JD Mazuera Arias encouraged the Committee to more intentionally examine how tourism dollars are being utilized, calling for a broader conversation around maximizing the impact of those investments for Charlotte's communities. Councilmember Anderson noted that the Horizon Projects and Funding Requests slides need to be better aligned in future presentations so that the projects listed and the funding requests presented are clearly connected and easier for the Committee to evaluate together.

Next steps include continuing to monitor hospitality revenues, developing a special event evaluation process, evaluating the appropriate amount to reserve for Bojangles/Ovens with the MEP study currently underway, and evaluating specific affordability scenarios to be brought back to the August Economic Development and Workforce Committee meeting for further direction.

ACTION: Informational. Staff to return to the August Economic Development and Workforce Committee meeting with specific affordability scenarios and further detail on horizon projects and funding requests for Committee direction.

3. **Charlotte Has a Lot**

Presenters: *Christi Floyd, Economic Development*

The presentation provided a recap of Charlotte Small Business Month and a look ahead at upcoming events for June and July 2026. Charlotte Small Business Month concluded with record-breaking results, including 44 events — a new Small Business Month record — 190 kickoff attendees (also a record), 3,700+ video views, and 30,000+ LinkedIn impressions through the #31DaysOfBiz campaign. Highlights included the Small Business Month Kickoff on May 4 and the Mayor's International Community Awards (MICA) on May 20.

Looking ahead, Charlotte Has a Lot for June and July includes:

- Banana Ball in CLT at Truist Field; June 4-6
- Taste of Charlotte Festival (Uptown); June 5-7
- Top Chef: Carolinas Finale (Bravo TV and Peacock); June 8
- Charlotte Fintech Week; June 8-12

- University City Juneteenth Art Fest; June 19
- Do Greater Sparkhouse Ribbon Cutting; June 19
- U.S. Taekwondo National Championships (Convention Center); July 1-5
- School Nutrition Association National Conference; July 12-14
- MLS All-Star Game (Bank of America Stadium); July 29

ACTION: Informational

Next Meeting:

The next Economic Development & Workforce Committee meeting is scheduled to take place at 11:00 a.m. on August 3rd, 2026, in Room CH-14.