

The City Council of the City of Charlotte, North Carolina convened for Action Review on Monday, October 24, 2022, at 5:02 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Tariq Bokhari, Ed Driggs, Malcolm Graham, Renee Johnson, LaWana Mayfield, James Mitchell, Marjorie Molina, Victoria Watlington, and Braxton Winston, II.

ABSENT UNTIL NOTED: Councilmembers Danté Anderson and Dimple Ajmera.

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Mayor Lyles said I'm going to call the City Council Meeting to order. We're going to start off with introductions. So, everyone is here and there will be others that will join us throughout the meeting. Today we're going to start off with our action review.

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ACTION REVIEW

ITEM NO. 1: MAYOR AND COUNCIL CONSENT QUESTIONS AND ANSWERS

Mayor Lyles said alright. I'd like to make sure Ms. Harris has had an opportunity to respond to the questions, and if there are any additional questions that the Council members would have concerning the consent agenda before we decide if there's any action to take on any of the items.

Marie Harris, Strategy and Budget said thank you Madam Mayor and good evening, Mayor and Council. Before you, you have the information provided so far, but please take a minute to look over that and let me know if you have any additional questions. I know Ms. Ajmera had wanted to comment on a couple of items. I'm not sure if she's available right now. Other than that, there's no items that are being moved from the agenda for this evening for the consent. So, it's all published.

Mayor Lyles said alright. So, are there any items on the consent agenda that the Council would like to pull out for comment? Any item that the Council would like to choose for a separate vote?

Patrick Baker, City Attorney Madam Mayor, I'm not on Council, but I'd like to bring up something that Mr. Mitchell and I have been discussing. I don't know if this is the proper time or not on a consent item. On agenda Item Number 20, which is the Charlotte Mecklenburg Government Center HVAC (Heating, Ventilation and Air Conditioning) Replacement Construction Manager at Risk Contract. Mr. Mitchell and I have been discussing an arrangement that he has with the contractor J.E. Dunn. Mr. Mitchell is going to be more articulate than I will be on this, but essentially, he has an investment interest in J.E. Dunn, such that when J.E. Dunn does better or has more revenues, his investment increases as well.

So, I have gone to the statutes in your rules. The statute is 160A-75. No member shall be excused from voting except upon matters involving the consideration of the member's own financial interest and your rule of Council Procedure 16, duty to vote. Every member must vote unless excused by the remaining members as authorized or required by law. In my conversations with Mr. Mitchell, it seems clear to me, and Mr. Mitchell feel free to add to this, that this particular vote will directly impact his interest in the company in a positive manner, such that this is clearly a direct implication on his financial interest. As such, it would be the type of situation that would be proper for you to consider excusing him from voting on this matter. That would be my recommendation.

Councilmember Driggs said so, Mr. Baker if there is a financial conflict, I thought that's a recusal and the excuse by vote is when there is the possibility of a perception of conflict that is more option. It sounds to me from the circumstances you describe is if state law requires that he recuse himself.

Mr. Baker said so, the state law doesn't require it. That particular state law that we've been talking about a lot is 14-234 and I don't believe that Mr. Mitchell has the level of interest in J.E. Dunn that would require him to legally not vote on the matter, but it is based on again the section that I just subscribed to you. 160A-75. This is clearly a matter based on what Mr. Mitchell has told me, involving the consideration of his own financial interest and this does allow excusal from voting.

Councilmember Anderson arrived at 5:06 p.m.

Motion was made by Councilmember Driggs, seconded by Councilmember Winston, and carried unanimously to excuse Councilmember Mitchell from Item No. 20 on the Consent Agenda.

Motion was made by Councilmember Mayfield, seconded by Councilmember Driggs, and carried unanimously to pull Item No. 20 for a separate vote.

Mayor Lyles said so with this we now have consent agenda items 16 through 39 with the exception of 20. I'm going to pull 23 and 31 for Ms. Ajmera to comment on when she comes in to the meeting.

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CONSENT AGENDA

ITEM NO. 5: CONSENT AGENDA ITEMS 16 THROUGH 39 MAY BE CONSIDERED IN ONE MOTION EXCEPT FOR THOSE ITEMS REMOVED BY A COUNCIL MEMBER. ITEMS ARE REMOVED BY NOTIFYING THE CITY CLERK.

Motion was made by Councilmember Driggs, seconded by Councilmember Anderson, and carried unanimously to approve the Consent Agenda items 16 through 39 as presented, with the exception of Item No. 20 which was pulled for a separate vote and Items No. 23 and 31 which were pulled for discussion.

The following items were approved:

Item No. 16: The Bureau of Justice Assistance's Fiscal Year 2022 DNA Capacity Enhancement for Backlog Reduction Grant Program

Authorize the City Manager to accept a grant in the amount of \$523,047 from the Bureau of Justice Assistance for DNA Capacity Enhancement for Backlog Reduction.

Item No. 17: U.S. Department of Justice Fiscal Year 2022 Edward Byrne Memorial Justice Assistance Grant

(A) Authorize the City Manager to accept a grant in the amount of \$643,254 from the U.S. Department of Justice for neighborhood patrols and crime lab staff overtime, and the Police Cadet Program, and (B) Adopt a resolution authorizing the City Manager, or his designee, to enter into a memorandum of understanding with Mecklenburg County as a law enforcement partner.

The resolution is recorded in full in Resolution Book 53, at Page(s) 527.

Item No. 18: National Sexual Assault Kit Initiative Fiscal Year 2022 Grant Program

Authorize the City Manager to accept funding through the Fiscal Year 2022 National Sexual Assault Kit Initiative Grant Program in the amount of \$2,500,000 from the U.S. Department of Justice.

Item No. 19: Ready Mix Concrete

(A) Approve unit price contracts for the purchase of ready-mix concrete for an initial term of one year to the following: Concrete Supply Co., Stevenson-Weir Southern LLC, and (B) Authorize the City Manager to renew the contracts for up to three, one-year

renewal terms with possible price adjustments and to amend the contracts consistent with the purpose for which the contracts were approved.

Item No. 21: Construct Jordan – Davidson Intersection Project

Approve a contract in the amount of \$1,974,419.15 to the lowest responsive bidder Nassiri Development, LLC for the Jordan - Davidson Intersection project.

Summary of Bids

Nassiri Development, LLC	\$1,974,419.15
United of Carolinas Inc.	\$2,210,553.95
Sealand Contractors Corp.	\$2,287,683.20
Blythe Development Co.	\$2,738,096.90

Item No. 22: Engineering Services for the Implementation of Sustainable Infrastructure

(A) Approve unit price contracts with the following firms for engineering services for the implementation of sustainable infrastructure for an initial term of three years: AME Consulting Engineering, PC (SBE), Atom Engineering, PLLC (SBE), Beacon Engineering, Inc. (SBE), HDR Engineering Inc. of the Carolinas, LaBella Associates, PC, Quality Consulting Engineers (SBE), Tich2-JV, LLP (MBE, SBE), and (B) Authorize the City Manager to renew the contract for up to two, one-year terms with possible price adjustments and to amend the contracts consistent with the purpose for which the contracts were approved.

Item No. 24: Various Architectural Services for City Facilities

(A) Approve an amendment in the amount of \$600,000 with ADW Architects, P.A., for various architectural services for city facilities, (B) Approve an amendment in the amount of \$1,500,000 with Boomerang Design, P.A., for various architectural services for city facilities, and (C) Authorize the City Manager amend the contracts consistent with the purpose for which the contracts and these amendments were approved.

Item No. 25: Construct Storm Drainage Improvement Projects

Approve a contract in the amount of \$3,319,328.32 to the lowest responsive bidder United Construction Company, Inc. for the Collective Storm Drainage Improvement Projects - Series R.

Summary of Bids

Zoladz Construction Co. Inc.	\$2,746,696.70
United Construction Company, Inc.*	\$3,319,328.32
Onsite Development LLC	\$3,013,247.60

Item No. 26: Construct Storm Water Repair and Improvements

(A) Approve a contract in the amount of \$5,085,255.00 to the lowest responsive bidder Onsite Development, LLC. for the Storm Water Repair and Improvement FY2023-D project, (B) Approve a contract in the amount of \$5,044,445.96 to the lowest responsive bidder United of Carolinas, Inc. for the Storm Water Repair and Improvement FY2023-E project, and (C) Approve a contract in the amount of \$4,998,079.30 to the lowest responsive bidder Onsite Development, LLC. for the Storm Water Repair and Improvement FY2023-F project.

Summary of Bids

Action A (FY2023-D)	
Onsite Development, LLC	\$5,085,255.00
United of Carolinas, Inc.	\$5,239,376.71
Blythe Development Company	\$5,291,404.25

Action B (FY2023-E)	
United of Carolinas, Inc.	\$5,044,445.96
Onsite Development LLC	\$5,063,135.00
Blythe Development Company	\$5,288,241.75

Action C (FY2023-F)	
Onsite Development LLC	\$4,998,079.30
United of Carolinas, Inc.	\$5,038,609.71
Blythe Development Co.	\$5,381,816.75
GE Construction	\$10,468,060.00

Item No. 27: Metering Equipment

(A) Approve the purchase of water meters, registers, transmitters, replacement meter parts, and maintenance by the sole source exemption, (B) Approve unit price contracts for the purchase of water meters, registers, transmitters, replacement meter parts, and maintenance for the term of one year to the following: Badger Meter, Inc., Core & Main LP dba L & M Supply, Itron Inc., Mueller Systems, LLC, and (C) Authorize the City Manager to renew the contracts for up to four, one-year terms with possible price adjustments and to amend the contracts consistent with the purpose for which the contracts were approved.

Item No. 28: Paw Creek Pump Station Upgrades Construction Change Order

Approve a change order for \$639,314.37 to State Utility Contractors, Inc. for the Paw Creek Pump Station Upgrades project.

Item No. 29: Construction Materials for Pipeline from Vest to Franklin Water Treatment Plants

(A) Approve a unit price contract with Core & Main LP for the purchase of 16-inch ductile pipe and associated fittings for an initial term of two years, and (B) Authorize the City Manager to renew the contract for up to one, one-year term with possible price adjustments and to amend the contract consistent with the purpose for which the contracts were approved.

Item No. 30: Water Main Replacement Design

Approve a contract in the amount of \$2,801,194 with R.H. Price Inc. for Design-Build design services for the Zone 2 Water Replacement Package 1 project.

PROPERTY TRANSACTIONS

Item No. 32: Property Transactions – Elevated Storage Tanks, Parcel #4

Acquisition of 3,452 square feet (0.08 acres) Access Easement at 211 Peachtree Drive South from TTP Investments, LLC for \$10,936 for Elevated Storage Tanks, Parcel # 4.

Item No. 33: Property Transactions – Shamrock Drive Improvements, Parcel #10

Acquisition of 27 square feet (0.0006 acres) Sidewalk Utility Easement, 1,373 square feet (0.03 acres) Storm Drainage Easement, 532 square feet (0.01 acres) Utility Easement, 327 square feet (0.008 acres) Temporary Construction Easement at 3105 Florida Avenue from Matthew A Francis for \$10,257 for Shamrock Drive Improvements, Parcel # 10.

Item No. 34: Property Transactions – XCLT Tryon to Orr, Parcel #4, 5, and 7

Resolution of Condemnation of 9,958 square feet (0.229 acres) Fee Simple, 5,342 square feet (0.123 acres) Permanent Greenway Easement, 9,514 square feet (0.219 acres) Temporary Construction Easement at 124 and 128 Mellow Drive and 221 Burroughs Street from Victor Murrillo for \$160,000 for XCLT Tryon to Orr, Parcel # 4, 5, and 7.

The resolution is recorded in full in Resolution Book 53, at Page(s) 528.

Item No. 35: Property Transactions – XCLT Tryon to Orr, Parcel #6

Resolution of Condemnation of 332 square feet (0.008 acres) Permanent Greenway Easement, 1,612 square feet (0.037 acres) Temporary Construction Easement at 4725 and 4727 North Tryon Street from Victor Murrillo for \$8,300 for XCLT Tryon to Orr, Parcel # 6.

The resolution is recorded in full in Resolution Book 53, at Page(s) 529.

Item No. 36: Property Transactions – XCLT Tryon to Orr, Parcel #8

Resolution of Condemnation of 8,736 square feet (0.20 acres) Permanent Greenway Easement, 7,292 square feet (0.167 acres) Post Construction Control Easement, 7,640 square feet (0.175 acres) Temporary Construction Easement at 224 Burroughs Street from Victor Murillo for \$100,575 for XCLT Tryon to Orr, Parcel # 8.

The resolution is recorded in full in Resolution Book 53, at Page(s) 530.

Item No. 37: Property Transactions – XCLT Tryon to Orr, Parcel #27, 28

Acquisition of 21,292 square feet (0.49 acres) Fee Simple, square feet (0.02 acres) Temporary Construction Easement at 601 Dawn Circle and 611 Dawn Circle from Roni R. Cook and Timmy R. Cook for \$70,000 for XCLT Tryon to Orr, Parcel # 27, 28.

Item No. 38: Property Transactions – XCLT Tryon to Orr, Parcel #36

Resolution of Condemnation of 3,723 square feet (0.086 acres) Post Construction Controls Easement at Burroughs Street from Victor Murrillo for \$15,625 for XCLT Tryon to Orr, Parcel # 36.

The resolution is recorded in full in Resolution Book 53, at Page(s) 531.

Item No. 39: Charlotte Water Property Transactions – Clarke Creek Basin Pump Station and Forcemain, Parcel #13

Acquisition of 218,750 square feet (5.02 acres) in Fee Simple at 15744 Huntersville-Concord Road from Metrolina Greenhouses, Inc. for \$250,000 for Clarke Creek Basin Pump Station and Forcemain, Parcel #13.

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ITEM NO. 20: CHARLOTTE-MECKLENBURG GOVERNMENT CENTER HVAC REPLACEMENT CONSTRUCTION MANAGER AT RISK CONTRACT

Motion was made by Councilmember Winston, and seconded by Councilmember Driggs to authorize the City Manager to negotiate and approve the total guaranteed maximum price up to \$21,500,000 to J.E. Dunn Construction Company for Construction Manager at Risk Services for the Charlotte-Mecklenburg Government Center HVAC Replacement Project.

The vote was taken and recorded as follows:

YEAS: Councilmembers Ajmera, Anderson, Bokhari, Driggs, Graham, Johnson, Mayfield, Molina, Watlington, and Winston

*Councilmember Mitchell was excused from voting on this item.

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ITEM NO. 2: AGENDA REVIEW

Marcus Jones, City Manager said thank you Mayor and members of Council. Tonight, we have three items for the action review. One will be the proposal of land exchange and Convention Center Plaza enhancements. Our CEO of the Charlotte Regional Business Association, Tom Murray will present. It's good to see you, Tom. Then we will have Shawn Heath, who's the Director of Housing and Neighborhood Services give you an update on pending housing trust fund projects. I will tell you that last month I did signal to the Council that there's some pressure on these four percent deals and nine percent deals. Shawn will come tonight to give you an update. Not necessarily a recommendation, but an update of where we are and a pathway to go forward. Then lastly, I am prepared to do an American Rescue Plan Act update. I will tell you in terms of the time that we have tonight, it's very simple. So, that's something that I could just

put in the packet for next week, but with that said, Mayor, I'd like to turn it over to Tracy Dodson to make the introduction of Tom.

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ITEM NO. 3: ACTION REVIEW ITEMS

Tracy Dodson, Assistant City Manager said good evening, everyone. I wanted to, while Tom is making his way up here, just give a quick intro to this. We've talked many times before about the successful nature of the Convention Center and the growth of the Convention Center, and there's a lot of other factors that play into that as well as the growth of hotel rooms into our city. So, what you're going to hear tonight is a land exchange that has happened somewhat organically. Years ago, we looked at a piece of property incorporated into this project and did not necessarily find the right path forward, but now it's come back around to us and Tom has been a great mastermind in thinking about how we can accomplish what we need to ensure the success of the Convention Center many years forward in a really creative way. So, Tom, with that, I will bring you up.

Tom Murray, Charlotte Regional Visitors Authority said well great. As promised, when I was in front of you on October 10th, we're back now on the 24th to talk about this exchange in public and also to add some additional information that as the process continues that we have been able to add to this exchange. So, I thought I'd just stop and talk about the value of the tourism industry real quickly here. The fourth largest employer segment in our community. So, one in nine people in our community work in the hospitality industry and that's a big industry. We welcome nearly 30 million visitors a year and those visitors spend money. Generate \$7.8 billion a year and growing in our community.

A few years back I wanted to see if we could account for the way we generate economic impact at the CRVA (Charlotte Regional Visitors Authority). Just anything that we attract to this community, or we're involved in, major events, those types of things generate \$1.1 billion in economic activity in our community. So, the hospitality industry is important to this community, it's important to our industry and it's certainly important to our economy. So, we don't take these kinds of decisions lightly. So, we did a lot of research and we hired JLL (Jones Lang LaSalle) to make sure that the Convention Center remains competitive for a long time. We made a big investment in the Convention Center 20 years ago and it has been a very successful Convention Center, but as time went on we realized that we were not adequately competing with some cities that we most often go up against.

So, out of that study came a need for an expanded Convention Center breakout space. So, we came to the City Council a few years ago and asked for permission to expand the Convention Center and you were gracious enough to allow that to happen. We built that project on time and on budget and we're really proud of that. When I say we, the city and the CRVA worked well together on that. There were two other things that came up in that study that hurt our competitiveness and I'll tell you a little bit more about one of them in a second, but there seemed to be a lack of vibrancy around the Convention Center and convention attendee, things to do in close proximity. So, all that area has grown along the Brooklyn Village Way corridor. It still is lacking some amenities and particularly since the Epicenter has closed down. The biggest opportunity really is the fact that we are lacking the amount of hotel rooms that takes most of our big conventions to booking. So, it's much more difficult to do business in our city because of the number of hotel blocks. It is the number one reason why we lose business. The lack of hotel adequate hotel blocks.

So, the studies that we need to work on. Future opportunities for hotel development in near proximity to the Convention Center. They actually like hotels that are connected to the Convention Center in particular. So, this land exchange that we were talking about in the previous council meeting and now today is a land exchange involving parts of two different parcels. One parcel is the parcel on South College and MLK (Martin Luther

King). If you think of the Convention Center sitting on a block of our city, it is the last quarter of that block where Duke has their IT (Information Technology) building and that building has outlived its usefulness and is being marketed. The partner that we're talking about doing this transaction with has won the right to purchase that property. We'll talk about that in a few minutes. The other parcel is a parcel that the city, using Convention Center funds acquired in 1998 and that fund is on the other side of what used to be the NASCAR Tower, now it's called 550 South. It's on the other side of the Convention Center. That property was bought by the city to make sure that we had expansion capability for the convention district.

So, this is the back to the College Street and MLK site. These are the two buildings that are on that site. They are not very attractive buildings because of their use being a data center. They're kind of hardened buildings and if you walk up MLK you look at four or five story windowless cement walls. So, it will be great to have these buildings removed and replaced with something a lot better. It's 2.3 acres, this site, and as I said, it's owned by Duke Energy. The purchase group is Millennium Venture Capital. They are in their due diligence period still. They've gone hard with their due diligence, and they need to close by December 2nd.

So, here's a little bit closer look at this site. So, Martin Luther King is the horizontal corridor at the top of the page and the vertical side is South College Street. So, that green section at the lower part is called the Convention Center Plaza. That is city owned land that is part of the Convention Center, and it is part of the fire escape route but also fountains and a little mini park there as well. So, this opportunity arose as Tracy had just said, opportunistically because the buyer of this property needed a good partnership with the city, but also with the CRVA and the Convention Center because they needed to be able to talk about some easement rights that they wanted both below ground and above ground. So, when that opportunity happened, I was able to explain to them that we would've done with the property if we had owned it and show them that we really were in need of a hotel. As they thought about that, they thought there might be other opportunities.

What they want to do with the property is divide it up into three phases. Phase one there will be apartments. Phase two will be office and phase three is the parcel that we're talking about exchanging with our partners. Phase one and phase three, the lower ground level will be full of retail high end quality food and beverage restaurants and bars. Their idea is to create a paseo along that corridor. So, this site is 2.3 acres. The phase three parcel is 0.7 acres that they're talking about discussing with us. We have a dream for this area that I think is really maybe something that is unfinished business for the City of Charlotte. We invested heavily as a city and in tourism funds in the Levine Center for the Arts and then we connected that to The Green, and then it kind of ends there at the Convention Center Plaza. What they are thinking of now is connecting The Green with the light rail trail by going up the Convention Center Plaza and then along the light rail in a pedestrian passageway that could allow them to rejoin the light rail. We think that's a really attractive feature and will really make for a great attendee area.

This is the Convention Center Plaza an earlier day. Today it is not often used for rented events. It is used as a fire escape for one but also as a place to go out and rest and catch some fresh air and enjoy the fountains along the side. This is what the developer plans on doing. He's really wanting to enhance it. He's actually got a mini stage here which we'll have to deal with whether that works with the fire egress. His idea is to really enliven this area, but also have the amenities that are in his new development, make it really attractive for the community and for the attendees and create kind of a unique only in Charlotte destination.

This is what they are thinking about doing. So, now you're looking at the convention center and you're looking at the office and the apartment buildings that they want to have this type of amenity down lower and then outdoor seating areas and dining areas. You see they have some art throughout this facility. They really want to work with the arts facilities and the museums in Charlotte to think about ways to further their museums into this area. So, a developer really is thinking about ways to improve

Charlotte and create an opportunity to make a major change in the convention attendees experience as well as the community.

So, the site that we're talking about that we are going to trade a parcel or a piece of this site with this developer on the other site is a 3.2-acre site. It's on 501 South College Street. As I said, it's adjacent to the NASCAR Tower and the NASCAR Hall of Fame. As I said earlier, it was bought in 1998 by the city using the Convention Center fund in the hopes of expanding the Convention Center. I'll show you what they're thinking about. This is a little bit closer up. It's surface parking today. It's managed by the CRVA. We use it for overflow for the Convention Center, also large truck staging and high vehicle staging and some employee parking.

So, what they are talking about is on the section that is phase two that they're identifying here is the section that they would receive in the trade. We would keep the section that says hotel site pad. Now you may have noticed that the two sites that are being traded are just different sizes. The site on the MLK College Street is 0.7 acres, the site on the Caldwell Street is 2.2 acres. We believe that the appraisers, when they come in, the sites will have different values, and so we think that is a reasonable expectation given the investment that the developer would have to make on the other site. I'll talk about that in a second here.

So, what I want you to understand is that this does have huge benefits for our Convention Center. It helps us get to make sure that we can continue to compete against cities like Nashville and Austin for instance who are two major competitors. We about had the same size of hotel rooms in our downtown corridors in 2014. In 2021, Austin now has 18,000 rooms compared to our 6,200. Nashville now has 13,000 rooms compared to our 6,200. So, you can see how that is starting to cause a dramatic difference in our competitiveness. We are a really highly sought after Convention Center because of the quality of the service, but also the quality of the location. Because of everything being walkable, it's an attractive city for conventions.

We have a full docket for the next few years for the Convention Center, but it's becoming harder and harder to book further out in the future without future hotel development. We also think that connection to the paseo and the enhancement of the experience for the Convention Center attendee is a great thing. It will really include the Levine Center for the Arts as part of the Convention Center attendee experience and the light rail which has become such a success story for Charlotte. We really think that activating with more restaurants and bars will allow the Convention Center attendees not to have to travel too far to find restaurants and bar service if they so choose.

So, what is intended on this transaction, is that this would be a transaction that would not include any dollar funding. It would be a land transaction with two parcels that have equal valuation. So, on the left-hand side here, you will see that the Millennium Venture Capital Group will give us the 0.7-acre parcel that's on the corner of South College and MLK Boulevard. They will demolish the site before hand and clear the site and make it ready for development. That's a very expensive demolition because of the age of the building and the way that it was built. It's really a fortress so, it will be likely \$6 to \$7 million demolition. Then they plan on putting \$3 million improvements in city owned land in that paseo to make that improved. So, we'll take the addition of those three contributions and the appraisal value of the Caldwell site acreage.

Preliminary estimates show us actually that valuation working and that it will actually be more in the favor of the city than it is in favor of Millennium on the valuation of this formula. We haven't gotten our appraisal yet, and we haven't gotten the final appraisal from the Millennium Venture Capital Group's appraisal yet. They are both due before we next meet. So, before we next meet, we'll be able to fill these in with numbers and show you that this is an equal value or a better than equal value deal for the City of Charlotte. So, that's what we're attempting to do as we continue this process. I just thought I'd stop and just remind folks that weren't here last week and those that were here that Millennium is a privately owned German based family office with major investment in real estate, technology, agricultural, philanthropy throughout the world. They are so

interested in Charlotte. They're looking at other sites, but they've already acquired the rights to purchase two sites in Charlotte. One across from the Panther's stadium on 410 South Mint Street and obviously the parcel that we're talking about.

They really have approached us about this opportunity. We didn't start that conversation, but we're really very thrilled that this will work out well for our community and also not require us using funds from the tourism fund to get future hotel growth in the future. With those new sites, we plan on seeing 500 room hotels on each site. We don't see that as a government subsidized venture. We think that's a private sector venture and that would be built by a developer just like the ones that built the J.W. Marriot Francis most recently in our city. They're also employing a developer.

So, Millennium Hotel Venture Group is the investment group. They've hired Allen Morris Company. This is a highly respected developer in Atlanta. We've researched a bunch of their projects. They are all rather impressive and really well executed. We just pulled one out from Miami and Highland Park. You can see the numerous buildings that they built there. The medical office, several residential phases as well. Some of their other notable projects are maintenance in City Center in Orlando. A really cool district called Star Metals District in Atlanta, Georgia, Creative Village in Orlando, Florida, Desert Color Resort in St. George, Utah. The Pelham Hotel in New Orleans and the Kimpton Wade Hotel in Atlanta, Georgia as well.

So, a really good track record with this group and very creative. Works well in tight districts like this and so we're very excited about that. So, as I said before, was here with you before on October 10th. We are now talking in the public meeting on October 24th. By November 14th, both appraisals will be done, and we'll be able to fill in this formula and come back to the city council for you to consider a vote to authorize the city manager to negotiate and execute a final agreement. I put the December date in here to let you know that on the December date they need to close on the land, as required by Duke. In order to close on the land, they need to tell their investors what they're going to be doing with the land. So, that's the reason why this calendar's so important and that we need to continue this process that we've been going through, at least the first two steps. So, with that, I'll take any questions.

Mayor Lyles said alright. Why don't we go ahead and start.

Councilmember Watlington said I have a few questions. The first one, you spoke a little bit Tom, about what makes other cities competitive when people are looking at conventions. You spoke about the hotel rooms. Can you talk about the actual size of the Convention Center? What can our peer cities accommodate versus what we can accommodate?

Mr. Murray said so, both Nashville and Austin's Convention Centers are about the same size as ours, they just have bigger hotels. There are cities like McCormick Place in Chicago. Those do the big mega conventions. DC, Orlando and there's many conventions that we won't go after. We're really at that second-tier size. Not that we're a second-tier city, but we are a second-tier size of a Convention Center. That's a great place to be for us and we are doing 6,000 or 7,000 people today at the Convention Center, we'll do 9,000 next week with Hispanic Engineers. Those are great sizes and fill the city's hotels.

Ms. Watlington said so, would you say about 10,000 would be our capacity then in the Convention Center? I'm just trying to get a gauge of capacity in the center versus hotel rooms.

Mr. Murray said you know, we did 12,500 for dinner for AKA (Alpha Kappa Alpha) for instance. So, we can get a bit bigger than that and now that we've done the expansion, we've now been able to do two conventions at the same time. We just finished that a few weeks ago, but also larger conventions with bigger meeting space which we didn't have before.

Ms. Watlington said okay. So, max, 15,000?

Mr. Murray said yes, I would say that's max. Depending upon what the seating arrangements are and which staging and all the meals and that kind of thing.

Ms. Watlington said versus how many hotel rooms that we currently have?

Mr. Murray said oh I'm sorry. So, you're talking about hotel rooms or Convention Center space?

Ms. Watlington said I want to know both because we can only fit 15,000 people in the Convention Center.

Mr. Murray said we currently have about 6,200 hotel rooms in Uptown.

Ms. Watlington said okay.

Mr. Murray said we have about 32,000 in the MSA (Metropolitan Statistical Area).

Ms. Watlington said okay, 32,000 in the MSA. Okay. My next question is regards to booking conventions further out, I understand that hotel rooms are one factor, but when you look across the industry at trends further out, considering coming back from COVID, and the change in in-person work and those kinds of things, how much of those factors do you think are going to adjust our forecast going forward?

Mr. Murray said our forecast is really strong. We are now at 129 percent above our pace from pre COVID levels. So, 129 percent at pace. So, we're really busy for the next couple of years. We have a bit of a slower '24 because of the booking period that was caused by COVID because most booking are three to five years out, but we're starting to fill that up as well and well into the future. We feel we'll be very strong. Group businesses returned better than pre pandemic. Leisure businesses also returned better than pre pandemic and our business travel has just started over the last few weeks to be at pre pandemic levels.

Ms. Watlington said okay. So, it sounds like net-net.

Mr. Murray said we recovered.

Ms. Watlington said we're in good shape. Okay, I just wanted to make sure. My impression was that we were losing out opportunities to other cities because of the sizes of our hotel space, but it sounds like we are running at a pretty good clip as it stands right now.

Mr. Murray said we're running a pretty good clip. It's just a reason why we lose business because they want more hotels in close proximity in walking distance to Convention Centers. We have that because most of our hotels are close in, but when we get to bigger hotels, we have to compress outward, and people don't want to compress out to Ballantyne or up to University City for instance.

Ms. Watlington said that makes sense. Okay, if you could go back to the slide with the benefits. So, I want to make sure I understand. It sounds like the property that we own today, and please correct me if I misinterpreted it. The property that we own today, there's going to be a hotel built there.

Mr. Murray said well, it's a property we own and we're holding for future expansion of the Convention Center and we're using it temporarily for parking. What we're suggesting is we would take a piece of that land and trade it with the other piece of land. We would maintain a parcel that could be used for hotel development if a hotel developer wanted to invest in our community.

Ms. Watlington said okay. Then when you say here the anchor Convention Center in its current location for decades by adding complimentary development, right now, is there any reason to believe that we would have to move it somewhere based on what you just shared? I'm just trying to get a sense of how many of these benefits are driven by land exchange versus what would exist regardless.

Mr. Murray said yes, I would say that there are times when cities outgrow their Convention Centers. Dallas just announced that they would like to build a \$2.3 billion new Convention Center. We wouldn't know how to fund that right now. So, what we're trying to do is long term planning to make sure that there isn't a day in the future where somebody comes back and says, "We have to build this Convention Center over the freeway or find another site and move the Convention Center away from all of the resources that have developed around it." We wouldn't want to do that. So, what we're trying to do is make sure that we're doing long term planning as well. I think there's interest in building hotels in the near term near the Convention Center. So, that may happen sooner than later. I think that's because of the success that Charlotte's now experiencing today that our numbers are better than they have ever been. I think I said this before, 15 of the 20 highest occupancy nights in the history of Mecklenburg County happened since Marc 5th.

Ms. Watlington said okay, I may be missing it and certainly I will look to my colleagues as they're asking their questions and your explanations for those. It would seem that I can't point my finger at what about this, changes the overall long-term strategy for the Convention Center or the opportunities that I see here. Which brings me to the bigger question. From a community benefit standpoint, what is it that the community is going to get out of this? When I say community, I'm speaking specifically to some of our equity goals as it relates to the 2040 Plan. What is it that this is going to drive within our 10 goals?

Mr. Murray said I would say that the hospitality industry is an incredibly important part of our community and those people that work within the hospitality industry are all walks of life. Lots of entry level jobs as well and so we want to make sure that we continue to keep those folks employed. So, that's a big part of that. The transaction creates a parcel on either end of the Convention Center that allows a connectivity to the Convention Center which is a really attractive thing for meeting planners. That trade would allow that to happen. If we didn't do this trade on the west side of the Convention Center, we wouldn't have that ability anymore. So, that's the reason why we're trying to take advantage of this opportunity and this moment.

We think that their investment in our community, creating this paseo also is very exciting for the community. We all know the success of the rail trail and we want to help add to that as well and make sure that the convention attendees also see that. You know that we just built the bridge across to the Westin and that has enhanced the experience quite a bit I would say, but we'll continue to do that for our community as well.

Ms. Watlington said okay, thank you. Those are all of my questions for now. I will just leave you with I'm sure what you heard the last time. I would love to see a little bit more concrete about how we can do this in such a way that the broader community can participate. That's all. Thank you.

Councilmember Anderson said you talked about the number of rooms versus our peer cities, and it sounds like we're behind by at least 3,000 or 4,000 rooms between the two peer cities that you're mentioning. With this deal, we could potentially bring on 1,000 additional rooms maximum.

Mr. Murray said right.

Ms. Anderson said that would still keep us right around 7,200 rooms, right? How many additional hotels do you think we'd need in this area to become more attractive to get some of these conventions that we're not actually attracting right now?

Mr. Murray said I think two things. One, these particular hotels, if we so choose to do this, will have this unique opportunity to connect to the Convention Center and will be hotels that will be seen as Convention Center hotels which will be really important. We certainly would like to see more hotel growth in our community whether we'll get to where Austin is at 18,000 rooms, probably not in the near term. I used to be a hotel developer and built hotels in a previous life, and hotels have to come in at certain periods of time and they have to wait until new inventory is absorbed. So, the developers will kind of monitor themselves because of what banks are willing to lend to you. We certainly would see Nashville and Austin being peer cities and see no reason why we couldn't keep up with their hotel inventory, particularly given the growth of our business segment, and now the fact that we have finally become a leisure destination market.

Ms. Anderson said are you able to quantify how much business we're losing due to the lack of rooms available and proximate to the Convention Center?

Mr. Murray said I can quantify the business that we've lost, but one would have to acknowledge that we've replaced some of that business with other businesses that were willing to come. For the most part we filled our Convention Center for the next few years, but we certainly have a number of the business that looked at us that said, "Your room block wasn't sufficient for us. So, we've moved elsewhere." We can tell you the number of groups that was. We keep record of all that.

Ms. Anderson said great.

Mr. Murray said I'll bring that back at the next meeting.

Ms. Anderson said thank you. I would like to see that.

Mr. Murray said I can send it to you before as well.

Mayor Lyles said I think if you had the information that you would like to have before the date of that, if you could get it to the manager so that he can get it in everyone's packet to share. That would be great.

Councilmember Bokhari said this is a difficult question. It's more hypothetical. We've talked for a lot of years about the need for more rooms in order to be in that first-tier market for convention business. We've talked about the need for more space to be able to hold and host events of a certain size. Given that it's kind of chicken or egg and you need both, when you look at the proximity of this plot of land and think that while you can build a hotel in a lot of places, you can't expand your convention footprint by basically one quarter of the distance there unless you do something really complex. Did it make more sense to you guys that this highest and best use was hotel and not more convention space?

Mr. Murray said yes, that's why we did the Convention Center expansion first because that was the old first problem. We were able through really smart engineering; we built the expansion on the roof. The message to JLL who did the research is how can we stay competitive for another 25 years? They don't recommend that we would need to expand the exhibit hall. We will get large ballrooms in both of those hotels as well which would be an important part of that development. I'm not saying that we're going to participate in any of those hotels or subsidize them, but likely a bank will require a large ballroom in order to have a hotel with that many rooms.

Mr. Bokhari said so, does this get us into a tier one level or are we not?

Mr. Murray said we'll never compete at the Chicago McCormick Place in my lifetime at least because it takes a long, long time to get to that sized city and you need a bigger population for that.

Mr. Bokhari said for where we want to compete, is this really it in your mind as it relates to giant investments after the last expansion and now this?

Mr. Murray said I think this is an exchange of parcels of land. So, I wouldn't call it a giant investment, but I think it is a very strategic move for us to remain highly competitive. Yes, I think the private sector will build these two hotels but also someday they'll be building other hotels as they've been building over the recent years.

Mr. Bokhari said next question is what happens if the equation on contributions by each side does not equal or greater to on the Millennium Venture side?

Mr. Murray said we'll have to rethink that strategy, but in our draft letter of intent, we're talking about that being a requirement of us moving forward. So that will be what we'll do. I'm confident we're going to get there, but I also don't want to be in front of council without our own survey and let you know that these valuations work. When you take the values of the two parcels and you add the demolition cost and the \$3 million investment into city property, we feel that it's going to be very close.

The developer thinks he's giving us more than he's getting, but that's okay because that corner is really strategic for them as well.

Mr. Bokhari said got it. Last question. I don't know if this is for you or Tracy or whoever, but I noticed on the paseo that it was just kind of a surprising configuration on the rail trail. I don't know where we're at exactly with that rail trail stuff that we had approved awhile back and it's kind of ongoing. What would prevent us from bringing the rail trail directly through the middle of the Convention Center?

Mr. Murray said well we brought a train through the middle. So, that certainly disrupted our world. It's a little bit more complicated than that with the pedestrian traffic if we were going to do that. Right now, we have a bridge from the rail trail that goes right in the Center City. When we have a group like this group, they may want for instance to have security. So, only people with their badges because they're renting the Convention Center come into their facility and sometimes, we'll need to close off those doors. People can walk through the Convention Center, it's a public building. We put a big door on the side of it and a bridge. So, if that happens, then they can continue on to the rail trail.

As valuable as the rail trail to our community, so is the Convention Center, and obviously we need it to function well. There's ways to think about that. What they're trying to do is enhance the rail trail on the other side because as you know it kind of dies right before MLK.

Mr. Bokhari said yes. So, if we could just have a takeaway Tracy or someone to bring us back some analysis there. I mean obviously a big chunk of this is what's best for the Convention Center, the need for hotel, those things like that. I don't want us to overlook the rail trail strategy ultimately here and just kind of make a decision as an asterisk next to a bigger decision. We put a lot of time and effort into that. So, Tracy if we could have some analysis or something back on the options, how we should be thinking about that, I'd appreciate it.

Councilmember Driggs said so, the timeline you described, when would you need a council vote?

Mr. Murray said on November 14th.

Mr. Driggs said so, that's a tight timeline and I think in order for us to reach a conclusion with confidence, we need to stay focused on this notion of a land swap. There's no cash going out from the Convention Center, there's an exchange of properties and the result is that the Convention Center owns these two locations instead of the one, and that there's a strategic benefit to that. I'm going to be looking critically at the numbers that we get back in valuation because the fact is we're being asked to give up three times as

much land as we get. So, we need to think in terms of that smaller land holding that we have in the Convention Center. These are not city owned lands. The compensation that we get because of demolition and the build out of the Convention Center space, that needs to work out. So, I don't want us to be so eager to do this, that we end up on the wrong side of this. Venture Capital Fund, they're not famous for admitting that they came out on the short end of a deal. So, let's just look critically at that. The questions that we will need to address later are the bigger ones about the Convention Center and the hotels.

Councilmember Ajmera arrived at 5:50 p.m.

We've had conversations in the past. There were questions about whether city investment would be needed to realize the construction of those hotels and whether that's a place we want to go. I think we can make this decision without prejudice to those issues. So, if we sort of maintain some separation, reach a conclusion in the near term about the property transaction and recognize that that doesn't commit us to anything else, then as long as we don't think we're hurting the prospects for the Convention Center, and I would like to trust Mr. Murray on that. If the values are right, then we can do this and there will be other conversations that we need to have about the hotels and the future of the Convention Center after that. Thank you.

Councilmember Graham said I concur with Councilmember Driggs that if we just kind of stay focused on the deal that we have in front of us and can we take advantage of the opportunity. Certainly, given the fact that we need to pay close attention to the equal value and/or better than equal value, I think that's the rub, right? Once we get those analysis back to make sure that it makes sense financially in terms of the transaction on paper, but it's a land swap pure and simple. We get the opportunity hopefully to have two 500 room hotels in close proximity to the Convention Center. The Convention Center has already been expanded. It adds to our Uptown inventory hopefully by 1,000. It does create construction jobs. I think the first slide talked about the number of individuals in our community that are working in the hospitality industry. So, the more we invest in this industry and be a player in terms of making strategic decisions, the community benefits kind of speaks for itself in terms of how the overall community benefits from a robust hospitality industry.

Yes, I think the devils in the details. The detail for me is the equal value and/or better than equal value. I think Councilmember Driggs was right. Let's focus on what's in front of us and certainly there are a number of issues that's on the peripheral that deals specifically with how do we expand moving forward. I think that if we just kind of look at what's on this paper and make a decision based on that and allow the numbers to guide our thought process, I think we'll be in good shape. Thank you for the presentation.

Councilmember Winston said so I think on the face, this is a good project for the people of Charlotte in many ways notwithstanding a lot of the good questions and comments that my colleagues have brought up. I think we should definitely get all of that data and analyze and tell the story of why this is good overall, why we need to continue to build our tourism sector to grow revenue in our tourism funds. We're looking to draw down on those over time in a lot of different ways. I agree that we have to focus on the land swap. I did want to just make a comment about an issue that this brings up. This is not something for Mr. Murray or the developer or the investment team, but I think us as a community need to think about.

Over the past few years, I've been able to talk to some rights activists, folks that do work in the space of sexual assault and human trafficking. They told me something that made me think about things a little different. Every time we okay, whether it be in a rezoning or a deal like this, whenever we bring more hotels into our city, a side product of that is trafficking. We are a city that unfortunately has one of the highest rates of sex trafficking in the nation. Like I said, this isn't an issue that the CRVA has to deal with, but us as a community. So, every time we bring hotel rooms into here, whether it be a motel on the side of the interstate or high-end hotels, more of that is coming. As we think about community safety, as we're having these conversations, we need to work

with our partners in the hotel industry and with our law enforcement folks and our activists on all sides to figure out better solutions because we certainly do need more hotels in every sense.

We want Charlotte to grow and be an even stronger destination for people near and far, but this is certainly an issue that we have to deal with. When we bring 1,000 rooms, we should understand what that means in the spectrum of victimization of people from Charlotte or that are brought here from Charlotte. Just something I want us as a community to think about, whether it's this project or any other hotels we bring into the community. Thank you.

Councilmember Mayfield said Mr. Murray, I have a couple of questions for clarification since I am not an attorney. I want to find out is a LOI (Letter of Intent) making its way to council prior to this November 14th date? An actual letter of intent for my colleagues?

Mr. Murray said we are in the process of negotiating a non-binding letter of intent and that is the framework for what we will use later on an exchange agreement. So, yes, we will have a non-binding letter of agreement and we likely will have it before the next time we meet. So, if that's finished then we'll share that with you. It's non-binding but it is a framework to set up the future agreements.

Ms. Mayfield said so, when we're talking about having that discussion, is that non-binding agreement something that is going to go through our legal department prior to it coming to this council?

Mr. Murray said yes it will.

Ms. Mayfield said you made a comment that currently part of the space we use for large truck staging. If we were to identify that location for this swap, then where would that large truck parking go since we do have events currently at the Convention Center where they need access to that parking?

Mr. Murray said just to clarify. It's not a staging yard, but when people have oversized vehicles and those kinds of things, they'll need street level parking, and we direct them there. We can direct them to other street parking. We use staging yards throughout the community to put the big trucks. A convention may have as many as 70 trucks delivering goods and they need to a place to stage. So, we've staged on numerous sites. Quite frankly, the ones that used to be enclosed are fast going away and so we're staging further out in the community.

Ms. Mayfield said so, there was a reason that I asked that question because right now we currently do have a location that is closer to the actual Convention Center for that loading and unloading for the staging. So, it will be helpful to know if we were to approve this land swap, where would that be? Where are we pushing those individuals and those companies out to because one of the other challenges that we're having is the parking in communities and the impact for residents and for neighborhoods. The Uptown area has grown quite a bit as well as other parts of the city. It would be nice to have a designated plan to share with the community. Thinking about my colleague's question as far as community benefits. It would be helpful for me to know what the community challenges may be by us no longer having that accessibility right there for them to load and unload for larger events. The cheerleader convention, other things. Whatever it is. It would just be nice to know where we are talking about putting these people.

Mr. Murray said right. So, that is not what happens on Caldwell lot today. We don't unload and load on Caldwell. We just put vehicles there that can't fit in our garage.

Ms. Mayfield said right.

Mr. Murray said so, RVs (Recreational Vehicles) and that kind of thing that people are coming to visit Charlotte, see the NASCAR Hall of Fame or attend a convention type of thing.

Ms. Mayfield said okay. So, I'll clarify since you mentioned the staging because I just wrote down your words of large truck staging. Let me know where those vehicles that are currently utilizing that space. Where would they be directed to if this space is no longer available?

Mr. Murray said yes.

Ms. Mayfield said also, you noted that we're a second-tier city which is our niche and even if we were to move forward with this particular swap, we're looking at possibly 1,000 additional rooms. Help me understand how many more events you think you would be able to secure since we are already booked out currently and we're looking at trying to identify conferences in the future. How many more conferences are you anticipating from 1,000 rooms knowing it takes on average, and Mr. Mitchell you can help me with this, over the years, like five to seven years for a hotel to be built. Help me understand. Us having this conversation now and what the anticipated growth for our convention sales might be.

Mr. Murray said so, I used to build hotels for a living as I said before and it takes maybe two, two and a half years starting planning to get a hotel done and built to this kind of size. So, that's kind of what happened to the J. W., those kinds of things. This is not a hotel deal. This is a land swap and we're not talking about whether the hotels come or not. What we're trying to do is make sure we have land available in the future if we were going to do that, but certainly we will always need to remain competitive against the cities we choose to compete against. There may be cities that we could no longer compete against, but maybe Nashville grows so fast that we can't keep up with it. What we will try to do is make sure we stay in the zone that the council and city leadership feels appropriate for us as a convention authority here.

We certainly will book more business, have better opportunities, more valuable business as our offering gets better for our meeting planners and our convention attendees. So, I would say that we will continue to strive to remain highly competitive. I will say that we've made a lot of progress in the last year competing against those cities actually. So, we're proud of that work, but it also needs long term planning and that's what we're thinking about today.

Ms. Mayfield said so, I don't think I really got an answer directly to the question that I just asked, but I do appreciate you sharing that this is a land swap. Throughout this presentation and other conversations, a lot of the focus has been on hotel rooms and nights. So, it can be a bit of a challenge when the language is comfortable for that particular slide to say, "Well this could potentially give us x number of rooms and this could help benefit the growth of our potential additional conferences," but then say at this point, "Well, I don't really have an answer for how many more events because this is really a land swap that we're talking about."

So, having clarity in that is very helpful. Thinking about that specifically, and you may or may not be able to answer and if you can't answer that's fine. What I'm wondering is what do you anticipate to be the challenges at the Convention Center if this land swap does not move forward since we have already stated and we now have on record the fact that we have grown. The fact that we have been able to identify new opportunities currently. We've already made a major investment at the Convention Center and ultimately for this particular conversation, which again is a land swap, has nothing to do with potential hotel spaces. What exactly do you anticipate being the challenges for the Convention Center and your role if this were not to move forward?

Mr. Murray said well, as I said, the study says the number one reason why we lose business is because of our ability to assemble a hotel package. Our hotel package would be further hurt if we didn't have hotels that were adjacent or connected to the

Convention Center. That is also a disadvantage we have against other cities is that some of their large convention hotels are connected exactly to the Convention Center. So, people don't have to go outside to get to the Convention Center. So, that would just make us less competitive and today we're less competitive against some cities. Now we're competitive against other cities, but the cities that we aspire to compete against are building more hotel rooms or have an easier time satisfying the meeting planners in assembling their hotel room blocks. So, it would just make it harder for us. We'll lose more business probably as time goes on, but there are other reasons also why we win businesses. One of the things is that Charlotte's such an attractive city. Our walkable downtown is a really great place to have a convention and people know that. So, it's an advantage. We have advantages and disadvantages against other cities.

Ms. Mayfield said so, final question on this. This is something that the team can bring back. Charlotte just finished hosting the President's Cup. It will be nice to know how many of the rooms Uptown were reserved since we had hotels out at South Park. Any convention we have at this point, it would be interesting to get an idea because I think the number of individuals that we had in the city, not just for the President's Cup, but also for the most recent events we had. James, what did we have? Conclave?

Councilmember Mitchell said Conclave Omega Psi Phi.

Ms. Mayfield said so, other events that we've had throughout this city in the immediate time, it would be nice to know, looking at President's Cup, looking at the Conclave since a lot of that was also tied to the Convention Center. What was our room reservation impact for lack of a better word. Like I said, you don't have to give an answer to that now, if that can come back, unless you know it.

Mr. Murray said I can give you the answer to that. I will tell you that we do economic impact studies in partnership with our companies. President Cup has hired us to do an economic impact study. That's part of our offering to them to come here as well, but we need their mailing list and all those kinds of things to do a proper economic impact study. We've already released the hotel room growth and I'll send you that data along with my other responses on these questions today. The hotel growth was really impressive. The economic impact takes about a month or two to do because we're sending questionnaires out to customers. They're sending them back. We're asking our partner, the President's Cup to give us a bunch of information about how much money they spent doing the build and those kinds of things. So, economic impacts are complicated, but I will certainly furnish the council with the economic impact when it's finished. It'll be in the press as well.

Ms. Mayfield said I apologize if I made that unclear. The economic impact study isn't one that I'm needing right now. I really wanted to get a better idea of what the hotel reservation usage was. Because again, you've stated this is a land swap conversation we're having, but we keep interchanging in that sentence hotel stays. So, it would just be helpful for me to have a better idea of where we are when we have stated in the conversation, we're second tier. We're good at second tier, we're going to grow in second tier, but yet if we do this, we think it may or may not move us forward. So, as much information as possible so that we can take that back to the community would be helpful.

Mr. Murray said sure. We've released it. It's been written about in the paper, but I'll send you the articles and I'll send you our release of the hotel room nights.

Councilmember Johnson said can we go to the slide with the value for value comparisons?

Mr. Murray said yes ma'am.

Ms. Johnson said I'll reiterate. I think if we're considering public land and public dollars, we have to have numbers before the night of the decision in order to make that decision. I understand the appraisal, but in a real estate transaction, the appraisal's one

of the final things that comes in. If there's any type of real estate, market analysis, comp, I think it's responsible of us to be able to see numbers. Especially when we're comparing other costs. If you talk about a land swap, it's not an equal value. You mentioned \$3 million for the construction cost. I don't know how much the demolition cost is, but we're adding that as well.

Mr. Murray said \$67 million.

Ms. Johnson said yes. So, that's \$10 million that they're adding on top of the land value. Mr. Murray said right.

Ms. Johnson said so, how much is the land value?

Mr. Murray said well, we don't know yet because we haven't appraised it. There's people out there that think the parcel is around \$20 million but we don't know and we're not here to represent that at this point. You know, one of the things that we try to do with this kind of analysis is make sure we bring these deals to the council early on. Early on means we won't have all the data yet, but we will have the data when it is ready. We owe that to you to make sure that we've done the proper due diligence on this transaction. Many of you said you want to make sure that this formula is right, we want to do the right work and we're not going to just guess it or pull a number out of the air. We're going to do the proper appraisal and we're doing our own appraisal. We're not even taking the partner's appraisal; we're doing our own appraisal so that we make sure we get the right information.

You could back of the napkin work and figure this out. We've done back of the napkin works. We think it's close, but we're waiting to make sure you actually get the right appraisal.

Ms. Johnson said well I think it's fair for council to have that preliminary information or all of the information that's available. I've asked for that before. So, I think it's responsible for us to know some numbers. Right now, this is all we've seen, is words. So, I think for us to consider public dollars, I think we need numbers prior to us making a decision.

Mr. Murray said we'll do what we can. It's a short two weeks or three weeks before we'll be back in front of you and we'll have the appraisals done by then.

Ms. Johnson said okay, well again, as a council spending public dollars, I think that we as council members need to have numbers before the night of the decision.

Mr. Murray said okay, yes. We will try to get it to you before the night of the decision. Yes.

Ms. Johnson said okay. You also talked about this being a swap and not considering the future value or the opportunity cost or it being a strategic move. I think if there was an unequal value, those are the kinds of things, the intangible that we would need to consider that might make it make sense.

Mr. Murray said I agree with you.

Ms. Johnson said you know, the jobs, the future business, the opportunity costs. So, I just really think we need the values that we can get the numbers. I would like to see preliminary information. I imagine you all had something to consider, or there are some numbers that are being bounced around between you and the potential buyer.

Mr. Murray said yes, I don't want to share numbers with you that are not accurate and incorrect. So, we're just verifying that they're correct, but we will get them to you beforehand. We wouldn't have brought you this transaction if we didn't think this formula would work, but we think it will work but we haven't verified the numbers yet. That's

what we're going to do. I will try to get them to you as soon as I get the appraisers. We'll communicate that with you.

Ms. Johnson said well, in an effort of transparency I can't believe I'm the only council member that even asked for it. These are public dollars. So, again I would expect the numbers would be on the PowerPoint slides so that the public can see what we're spending. Thank you.

Mr. Mitchell Tom, thank you for the presentation. I'm going to try to be brief. There has been some discussion about hotels in some of your statements and I'm a fan of trying to add more to our inventory. Do you have an idea, and don't give all your cards away, but are these a four star, five-star potential properties if the land swap is successful?

Mr. Murray said yes. Well, we'll do what the market wants to do, but the size hotel that we're typically looking at would be a four-star hotel, a convention center hotel like the Westin, like the J.W. Marriott, those type of hotels.

Mr. Mitchell said keeping in line when you're thinking in the future, you mentioned Nashville. Nashville just hosted the NFL (National Football League) draft. So, how do you see, if the land swap is approved, how do you see this going after some big events, the Final Four, the NFL draft? How does this position Charlotte?

Mr. Murray said I think it makes us more competitive, but I don't think it necessarily makes us win or lose. We'll win on our own merit in Charlotte if we get the NFL draft. We won on our own merit with the President's Cup, PGA (Professional Golf Association) Championship, NBA (National Basketball Association) All-Star Game, all those kinds of things. We didn't have the Bohemian and the J.W. at those times. So, I don't know that it's going to make every click and account over with. I think in general it's remaining from an infrastructure perspective competitive against other cities. We're on a good track record as a city and as a community. We have a lot to be proud of. Other cities come to study us because they're trying to figure out how we did it.

Mr. Mitchell said so, one last question, but a bit of information if you don't mind sharing with us. I know you did accomplish a \$110 million expansion of the Convention Center. Can you share the information with Council so we can see what was all added, part of the \$110 million expansion project?

Mr. Murray said sure. It was \$129 million.

Mr. Mitchell said \$129 million?

Mr. Murray said yes.

Mr. Mitchell said okay. My last question. We do own the site, the City of Charlotte, the 2.2 acres on Caldwell Street?

Mr. Murray said yes sir.

Mr. Mitchell said so, I think it's very critical for this Council. We talk about community benefits, but what I would like to see on November 14th is your minority and small win participation. What will be goals since that is our land and it's a top priority for this city. What will be the participation goals for that 2.2 acre? We don't own the other site, but this City of Charlotte does own that site.

Mr. Murray said so, what I would say to you is think about it this way. We're taking a developer who has a piece of land over here who has all the rights within a private citizen of the land development and we're moving our piece over there and his piece over here, right?

Mr. Mitchell said right.

Mr. Murray said so, that doesn't necessarily change his rights as a developer. He still would have to be able to develop within that. Now he has to do all the things that a developer real estate developer does, but because we're not infusing cash into this transaction, we're not holding the developer accountable and we're not developing anything, and we're not funding any development. We have a piece of land that we will likely sell to a private investor, and they'll do what private investors do, develop their land. So, if we want to contribute land or something that would cause us to have a right to demand what the developer does, that would be a different story. We're basically taking a city parcel and a noncity parcel and trading them, and those rights follow.

Mr. Mitchell said so, can I do a follow up Mayor? So, city attorney, if it's part of our community benefits on our land we own to be part of a swap, is there language that we can put in an LOI or kind of these are the guidelines the City of Charlotte will agree to the swap? Is there a language we can add?

Patrick Baker, City Attorney said certainly, if that's the will of the Council and that's the direction that you want to go, we can come up with language on that.

Mr. Mitchell said okay.

Mr. Baker said we're not quite there yet, but we're in the very preliminary stages of trying to assemble what this deal is going to look like. So, at any point in time you have those questions, we can take those back to our partners and try to put together some language.

Mr. Mitchell said okay. Thank you, Madam Mayor. Thank you, City Attorney. Thanks Tom.

Mayor Lyles said I want to thank you for raising that question. I can't imagine that we wouldn't have MWBE (Minority and Women Business Enterprise) goals on a project even though it's not city purchased, it was hospitality purchased that we made.

Mr. Mitchell said right.

Mayor Lyles said so, Tom, I think really significant.

Councilmember Molina said Mr. Murray, thank you for the presentation. I have no further questions or comments. I think my colleagues have it covered.

Mayor Lyles said alright, Ms. Ajmera, do you have any questions? I know that you had a little bit of a late time, and we can get time to kind of schedule something with you.

Councilmember Ajmera said yes. So, I have already seen this presentation before. So, it's not the first time Madam Mayor. I appreciate Mr. Murray, your work and to make our tourism industry competitive. Tourism industry employs one out of nine people in Charlotte. So, I certainly appreciate the work we are doing to even make it more competitive. Just one question that I had asked earlier which I did not get an answer to. This Caldwell Street land, that's owned by tourism funds, right?

Mr. Murray said so, it was purchased in 1988 by the Convention Center Fund for future expansion of convention amenities.

Ms. Ajmera said so, it still falls under tourism?

Mr. Murray said right.

* * * * *

Motion was made by Councilmember Bokhari, seconded by Councilmember Winston and carried unanimously to approve the Consent Agenda items 23 and 31 as presented.

ITEM NO. 23: MUNICIPAL SOLAR ENERGY GENERATING SYSTEMS

Authorize the City Manager to negotiate and approve a contract with Renu Energy Solutions, LLC in an amount not to exceed \$1,700,000.00 for the Municipal Solar Energy Generating Systems project.

ITEM NO. 31: COOPERATIVE PURCHASING CONTRACT FOR BATTERY ELECTRIC BUS PURCHASE

(A) Approve the purchase of battery electric buses from a cooperative contract, (B) approve a unit price contract with Gillig for the purchase of battery electric buses for a term of one year under State of Washington Master Contract #06719, and (C) authorize the City Manager to extend the contract for additional terms for as long as the cooperative contract is in effect, at prices and terms that are the same or more favorable than those offered under the cooperative contract.

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ITEM NO. 4: CLOSED SESSION

No closed session occurred.

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The meeting was recessed at 6:21 p.m. to move to the Meeting Chamber for the regularly scheduled Business Meeting.

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The City Council of the City of Charlotte, North Carolina reconvened for a Business Meeting on Monday, October 24, 2022, at 6:30 p.m. in the Meeting Chamber of the Charlotte Mecklenburg Government Center with Mayor Lyles presiding. Councilmembers present were Dimple Ajmera, Danté Anderson, Tariq Bokhari, Ed Driggs, Malcolm Graham, Renee Johnson, LaWana Mayfield, James Mitchell, Marjorie Molina, Victoria Watlington, and Braxton Winston, II.

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INVOCATION AND PLEDGE

Councilmember Bokhari gave the Invocation followed by the Pledge of Allegiance to the Flag.

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AWARDS AND RECOGNITION

ITEM NO. 7: CHARLOTTE WOMEN'S SMALL BUSINESS MONTH

Mayor Lyles said thank you everyone. In our city, we are very, very fortunate that we have people that are doing significant good work. I'd like to say that we're often recognizing those folks and we have a couple of recognitions today. I'd like to start with our first proclamation of the evening, which is a proclamation in honor of Charlotte's Women Small Business Month.

WHEREAS, women owned businesses are an economic engine and own 40 percent of all U.S. businesses employing 8 percent of our private sector workforce.

WHEREAS, the Charlotte Metro region ranks number one for women-owned firms, for growth in number and economic clout, approximately 92,500 women-owned small

businesses in the Charlotte Metro area are generated \$13.3 billion in sales and employing 70,000 people.

WHEREAS, The City of Charlotte values local women-owned small businesses and celebrates the diversity of ownership and goods and services that they provide as well as the contributions that they make to our community.

WHEREAS, October has been designated as National Women's Small Business Month to celebrate the achievement of women business owners and is also designated as Charlotte's Women's Small Business Month to celebrate the achievement of women business owners in our own region.

NOW THEREFORE, I, Vi Alexander Lyles, Mayor of Charlotte do hereby proclaim October 2022 as

"CHARLOTTE'S SMALL BUSINESS MONTH"

and I commend its observance to all of our citizens.

Councilmember Bokhari said thank you Madam Mayor. Ladies and gentlemen. We have a bunch of very special people in the audience tonight. Last spring, the Panthers, that's right, the Providence Panthers baseball program won their third state 4A championship and became the first team in the state's history to go 34 and 0. The Panthers finished the season ranked number one in the state of North Carolina and three nationwide. Please welcome the 2022 Providence Panthers baseball team. Ladies and gentlemen.

Mayor Lyles said congratulations on your outstanding season, and we thank you for representing our school system and our city and bringing your game on to us. So, thank you all very much.

Councilmember Ajmera said thank you Madam Mayor. I want to wish you all happy Diwali to those who celebrate. It's a festival of lights and today is the Diwali celebration. It's a festival of lights, it's a festival that symbolizes the triumph of light over darkness, good over evil, love over hate and joy over despair. So, I hope this light guides your path, this Diwali and all year long. So, I wish everyone who celebrates, a very happy, safe and healthy Diwali. Thank you.

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PUBLIC FORUM

CMPD Animal Care and Control Shelter Staff

Judy Storey, 4207 Myers Park Lane said good evening. My name is Judy Storey and I'm a volunteer with CMPD's (Charlotte Mecklenburg Police Department) Animal Care and Control Shelter. First before I start, I want to thank the Council members who met with us recently and truly listened to us about what is going on in our shelter. You know who you are and thank you. Tonight, I bring forth the biggest challenge our shelter faces and we desperately need your help. Did you know that our shelter was built 30 years ago when the population of Charlotte-Mecklenburg County was 429,000. Today our shelter supports and estimated 1.2 million people. Although our population has tripled in size, our size and design of the shelter have remained exactly the same. That means we have the same number of kennels today that we had 30 years ago. What's worse, we were built as a catch and kill shelter back then and that was what animal control was.

We are no longer obviously that, yet zero expansion in 30 years to accommodate our booming population and our compassionate model of saving animals. Lack of space means animals are suffering and being euthanized. We are consistently overcrowded, kennel stress is off the chart, disease spreads more rapidly because of our lack of

space to separate the ill. We barely are functional to be very honest. These conditions are difficult for employees and volunteers as well. We continue to fail state inspections, yet we continue to put millions into the facility which are merely band-aid fixes. The fact remains our design and size do not accommodate our population and all the animals that come with it. Did you know that we were allotted tens of millions of dollars to build a new facility just four and a half years ago?

That plan was abandoned due to budget constraints and we've been largely ignored since. We are asking for your help to expand our facility so that we can offer proper capacity of care which our community and our animals deserve. Please help us so that deserving animals don't continue to die because we the people aren't addressing the true needs of our shelter.

Public Safety in Parks and on Greenways

Billy Shue, 1509 West Sugar Creek Road said Mayor Lyles, City Council, thank you so much for the opportunity to be here to speak tonight and thank you so much for all the great work that's been done on the parks and greenways in town. I know it's been a team effort, but those greenways are looking awesome. What I want to talk about tonight is what we can do to enhance patron safety out there on the greenways. We all know about the tragic shootings and murders that happened in Raleigh in recent weeks and areas all over the country where there's been crime in parks and greenways. We've experienced that too. Solutions that I would like to propose tonight would be number one, trying to have more lights on the greenways, particularly in the more vulnerable parts that are isolated from residences and within that, would like to see emergency call boxes with the blue lights.

I know it's been said from different entities when the creeks floods, that could short out the wires. Well a solution I believe would be to have a concrete pedestal where you can have it elevated high enough off the ground where flooding wouldn't be an issue with it and people could be able to access it if they need it. Beyond that, would also like for there to be more police patrols, like on their bikes patrolling across the greenway, again, in those isolated spots. I know right now CMPD is shorthanded, but where's that's possible, have a more police presence. Also, the third thing I would like to mention, having community watchmen who could be out there, who go through a vetting process to make sure that they're appropriate and that they're credible for doing that. Their job would be to alert police when something happens and do what they can reasonably to try to thwart off the potential attack. Just yesterday, I have a friend who told me that her son was competing in a cross country meet and he said, "I hope I don't get shot and I hope I don't get attacked out here on the greenway." Let's do what we can to make our greenways as safe as they can be. Thank you for your time.

Protect Plaza Milwood

Adam Loeber, 1525 Landis Avenue said oh, thank you. Okay, I'll start. Good evening, it is a pleasure to finally meet everyone in person. We're here tonight to speak about the Lyon Court Drainage Project's impact on the ecosystem in Plaza Midwood. The root cause to why we're here, loss of trees. I work in banking but engages with over 14 agencies related to this project. All of the subject matter experts provided intel and shared expertise to identify solutions. We started as three concerned neighbors and today we're over 400. Through the process, I personally learned a lot and I've been moved by some of the sad stories. One story continues to resonate with me. A neighbor in her 90s explained that how the disappearance of trees has severely impacted the environment and the wildlife she used to watch daily from her window has now vanished.

Here are four solutions that we request, and the residents will highlight tonight. One, a comprehensive plan for planting large replacement trees such as swamp oaks that will thrive along the creek banks that will provide homes for birds, bats and other wildlife. Two, the development of a maintenance program that will ensure that the creek gets restored back to a permanent home for wildlife. Three, the conservation of the empty

city owned parcels into a pocket wildlife refuge completes with trees and native plantings. Since the project was designed in part to accommodate upstream developments, which will increase property tax revenue, the city should use some of the revenue to remedy the environmental damage done by this project and the increased development. Four, an assessment of the drainage issues to ensure that they have been addressed and will not turn into a long-term problem.

In particular there are two areas that need to be evaluated. One for design effectiveness and one for safety. A video provided to me by our neighbor on Hammerton Place depicts a strong current during a rainstorm that could easily wash away a child or a pet. I want to conclude with a personal story. Several weeks ago, my fiancé screamed. Concerned I ran downstairs to find a 5-foot snake intertwined in a glue trap. We think the snake was displaced and seeking shade in the cool garage. Luckily my fiancé and the snake were unharmed, but like the snake, I want Plaza Midwood to get out of this sticky situation. I hope you consider the four solutions tonight, and most importantly bring back the beautiful trees to Plaza Midwood. Thank you.

Martha Connerton, 1609 Nassau Boulevard said thank you. Thanks Adam. Hello and thank you for letting us speak this evening. I'm Marth Connerton, Director of Kinetic Works Dance Company which gratefully receives operating support funding from the City Council Infusion Fund, and I thank you for that support. I have lived in Plaza Midwood since I moved to Charlotte from New York in 1993. As you can imagine, I have seen it change from a very iffy transitional neighborhood to one of the most desirable real estate locations in the city. The central commonwealth corridor has gradually become among the busiest strips for residents, tourists and weekend warriors throughout the city. Yet, despite all of this growth, we have maintained a quiet neighborhood feel with a sense of natural surroundings in our yards and public spaces.

This however I feel is beginning to change through decisions that are being made about urban density in housing and commercial development, and the storm drainage project has been one indicator that there is a general disregard for the natural landscape and beautiful historic attributes of this neighborhood. I live one block from where the Hammerton land project has cut through the heart of our residential properties. I walk these streets on a daily basis, especially during the pandemic shutdown over the past two years, my walks were a salvation. I watched this project progress from street to street with shocking disregard for our tranquility, our vegetation and our privacy.

I have been grateful that my house and yard are not in the direct path in that invasive destruction. For many years I've loved on my early evening walks, hearing the owls who lived in the trees at the corner of Tippet and Kensington. They would call to each other as night set in, a mysterious slightly spooky and deeply comforting sound. It continually reminded me that there is wildlife all around us, even in this evermore urban environment. I also loved hearing the bullfrogs who would chant to me as I walked past the pond at the VanLandingham Estate.

Claudia Day, 1618 Chatham Avenue said good evening, Mayor and Council members. Thank you for allowing me to speak. My name is Claudia Day and I live on Chatham Avenue in Plaza Midwood. I'm a few blocks away from this project area we're talking about. I just moved to Charlotte last December. I'm here to speak about maintaining the creek and I used the county GIS (Geographic Information System) website to gather some historical information about the creek and the properties that are on it. Today they're about 20 private properties with houses on them that border or are crossed by the open creek. That number doesn't include the ones with culvers. Before construction began, about half of the 20 were separated from the creek by a buffer of vegetation, while the rest had the creek actually crossing some part of the property.

The creek would've been much smaller and covered by a canopy of trees and vegetation that would've prevented erosion and attracted wildlife. The new creek today has encroached on all 20 of the properties and it's not the same the creek. For one thing, it's huge. The photos that you may have gotten to, if you look at the last photo,

number 10, that's a photo that I took last week. That is Adam Loeber standing at the bottom of one of the creeks that's on Tippet Avenue.

I can't imagine being one of the 20 homeowners who will be expected to maintain that creek. There are places where I would have to use climbing gear to get in and out of the creek. So, we've also heard that there's live stakes being planted along the sides of the creek that are supposed to reduce the need for maintenance, but if they don't or if there's additional maintenance required, that's what concerns us. That's why we're asking for the city to work with the property owners to develop a plan.

Kristin Sjöholm, 1803 Kenwood Avenue said yes. Hi, thank you so much for the time this evening. My name is Kristin Sjöholm. I am a supply chain practitioner and I recently moved to the Plaza Midwood area as well. I wanted to speak this evening because my husband and I decided to move to Charlotte after an extensive search of many cities across the country. We chose Charlotte specifically because Plaza Midwood neighborhood offered exactly what we were looking for in a community. That being an established urban neighborhood, it's safe, it's well-maintained, there's a lot of green space with mature trees and a very strong sense of community.

As we were looking to purchase our home, we talked to realtors as well as people in the community about the Lyon Court Project and were told the city planned to "Restore the natural habitat in and around the channel," which we also confirmed reading through the public meeting notes on the City of Charlotte website. As we watched the project near a close, we understand that the city also planted inch high live stakes, it sounds like, to support the creek, but also as a mechanism to account for the more than 1,000 mature trees that were taken down. Which is my opinion is not an appropriate nor good faith fulfillment of the commitment to restore the natural habitat.

Therefor the protect Plaza Midwood community would like to see the empty city owned parcels on Landis Avenue be developed into a pocket wildlife refuge complete with trees and native plantings. Lastly, in support of this request, I'd like to highlight key elements of the 2040 Comprehensive Plan for Charlotte's future that are aligned with our requests. Two key themes align very well. They are protecting and creating a healthy tree canopy and create more meaningful and accessible tree canopy, parks and open space, as well as healthy and sustainable vision. Which is a healthy and sustainable city incorporates environmental protection and sustainability to improve public health for all.

Cuong Nguyen, 1521 Landis Avenue said yes, hi there. Thank you for having me speak here. I'm Cuong Nguyen, I'm the interventional neuroradiologist working at Presbyterian Hospital here in town. I've been here for about seven years, and I've been at my current neighborhood with these wonderful neighbors here for about a year and a half. One of the main reasons that I chose Plaza Midwood was because it's a beautiful urban neighborhood that is filled with large mature trees and has this amazing tree canopy. Within about two months of us moving into our house, about a year and a half ago, all of those trees were taken down.

So, the character of the neighborhood completely changed overnight, actually in one morning. I actually could see. I had the day off and I was working outside and all the trees along the creek were taken down. So, it's completely changed the character of our neighborhood. There are all the benefits of having trees and a bunch of benefits that Adam talked about, but as a physician, I'm really interested in the health benefits of having trees there. It's established data to show that there are health benefits to having trees. For example, there's a trial that was published in 2016 in the Journal of Health and Place that looked at 8,000 residents of an urban neighborhood and the proximity to trees have a direct correlation to reduction of obesity, hypertension, diabetes, and asthma. Also, it increases social cohesion through having trees.

So, our ask here is that if the council would help us with working with the city for us to develop a plan to replace the trees that were taken down along the creek.

Funding for Transitional Housing for Homeless

Evelyn Poe, 1830 Ripple Way said hi my name is Evelyn Poe. I'm working on a project on Beatties Ford Road Corridor at the 1700 Montana Drive. It was Queen City Living Assistant Homes, and I'm trying to do a transition home for women and children. The reason why I'm doing this project is because I am a foster mom and I've been opening up my home for women with children, especially in Beatties Ford Road when they got evicted from their homes, sleeping in cars and stuff. So, the owner who is working with me from Hong Kong, he is interested in the project that I'm doing. So, this is my relative who's been back and forth talking to the realtor.

Parking Signs

Kayla Robson, 1514 Wilmore Drive said hi. My name is Kayla Robson. I have a business in the Wilmore area where there's a lot of development of clubs and bars. However, my concern as a business, I do detailing, and we have high end cars that are locked up in our gates around our building. However, when the clubs and bars have their patrons, they park on the street that clearly has signs that say, "No parking" and a number for us to call. Our street is residential with our business on the end and those patrons block the resident's homes, their driveways. We've asked them, "Hey, the sign says no parking," however when we reach out to CMPD they said they won't come until something's escalated, or something happened.

One of the neighbors has already sold their home just because they were tired of fighting back and forth with the city and trying to get people to come tow the cars in front of their house. A gun has been pulled out on our business when we told them we were going to tow your car from being on our business. Late night means drunk people. So, we have plenty of times where people come on our property and relieve themselves because they didn't have time where they were at. It's just getting frustrated being a young business. We're three years in that area. We're a young Black business.

So, it's getting real frustrated when we go and tow the cars that's on our property. We have signage on our property, the streets that say hey, "No parking or you will be towed." We got reported because we towed someone's car and they said that we stole their car. It was like, I have you on camera saying you read the signs. you knew the rules and you were at fault. So, it's like what as a business owner can we do? I don't want anything on my property to get damaged and I definitely don't want my client's cars to get damaged because those are some people you all don't want to talk to later because I don't. That's just my concern. Thank you.

Transitional Housing and Transportation for Nonprofits

Apryl Lewis, 3720 North Tryon Street said wonderful. I'll make it quick. I'm pretty direct in what my asks are. As many of you know, I am a housing organizer with Action NC and there are very concerning issues when it comes to the state of housing. Most notably the Housing Justice Resolution was submitted and the response that was provided causes a great deal of concern when it comes to housing innovation and actually seeking an immediate need to house our working families within Charlotte.

Most notably, I know Ms. Watlington, actually you are over the Econo Lodge. I am one of those organizers that has been working there and what has happened in that community, it is very disturbing. What I am simply asking for now is more further conversation when it comes to what type of innovation we will have access to within the city. I understand there's a NEST (Nuisance Enforcement Strategy) Commission. I would like and request action and seek to be put at that table. I will also like for the city council to really take a real look at how you are rezoning and allowing developers to come in and actually displace families that are working and not being held accountable to what the expectations are for providing services.

I understand that we definitely do have the Community Relations Committee that is over eviction prevention. I will say they were not present at the Econo Lodge, therefore

Action NC took up the major part of organizing those tenants to mitigate or reduce the displacement within that community. With that being said, I believe that Action NC along with Housing Justice Coalition and other community members need to be brought to the table to bring you real life stories and real solutions. Most notably, cooperative housing, which means obtaining extended stay housing, hotels, to purchase them, obtain them and turn them into immediate short-term housing, cooperative housing, social housing. I do have a report to submit. Also, the rent relief. That is something that needs to be discussed. I also have a report on our findings that was done with the Center for Popular Democracy that actually identifies a lot of gross misconduct when it comes to assessing the community for the needs of housing. There are too many people that are being displaced each and every month due to inactivity of the City Council.

The following persons submitted written comments regarding this item pursuant to S.L. 2020-3, SB 704. To review comments in their entirety, contact the City Clerk's Office.

Lisa Dillard, lisa.a.dillard@gmail.com

Emily Elliott Gaffney, Emily.gaffney22@gmail.com

Joseph Quisol, joseph@quisol.co

Jimmy Vasiliou, jvasiliou@gmail.com

Michelle Zuniga, mez.pace@gmail.com

Public Safety on Greenways

Lisa Landrum, 3021 Brookridge Lane said so my name is Lisa. I am on the board of Charlotte Running Club as well as the founder of Run Charlotte Run which is support for the running community of Charlotte. As well, I am a coach to primarily youth athletes and also a mom. So, I am here to speak also about safety on our greenways and in our parks and public places. I'd like to echo what Billy mentioned in terms of some possible solutions. Lighting on greenways, those could be solar. Call boxes, the presence of those have been found to deter attackers and also some increased surveillance on greenways.

We had a forum last week. Runners are pretty motivated people and we're pretty driven and we also love our city. We would like to thank you for all of your efforts thus far. As Charlotte gets bigger and our community grows, our hope is that it becomes an active community. We want everyone to feel safe and comfortable on our greenways and in our parks exercising, running, walking and just enjoying our awesome community. So, we're here to support you. We'd like to keep this conversation going and we would love to be active participants and just really come together to see how we can move Charlotte forward.

Housing Resolution

Jasmine Johnson, 6605 Leafcrest Lane said hello everyone. My name is Jasmine Johnson. This is actually my second time speaking here at the City Council Meeting. The first time was with Lake Arbor. Thankfully everyone in Lake Arbor was replaced. Me and my family was replaced into a home, but recently me and children lost that place because of the cost of living in this recession, this inflation that we're dealing with. Last year I caught COVID while seven months pregnant, and the result of that, it caused me to end up in ICU (Intensive Care Unit). I was in a coma, and I had to learn how to walk again. I pretty much had to learn my whole life again. My baby was born early. She was three pounds, eight ounces. She ended up in the NICU (Neonatal Intensive Care Unit) and everything that I went through pretty much caused me to not be able to work.

We lost our place because of the rent. The rent is just going high. Everything is going high. You're looking at a single mother here who's dealing with a premature baby, who pretty much had to learn life all over again due to COVID. I didn't ask to get COVID, and

my baby didn't ask to get COVID either. We literally almost lost our lives. The doctors called my mom and said, "Get the family together because your daughter might not make it," but here I am. I'm here and I'm telling my story and I feel like everyone in here, we all can agree that rent increase here in Charlotte, North Carolina is just going up and up and up. I feel like as a single person, we should be able to get help. Some type of help. Me and my baby should not be on the streets again because of the rent increase. I feel like what I went through because of COVID and whatever, I should've had some type of help and everybody else. We should have some type of help, some sort of way. Like I said, you're looking at a mother who had to literally learn her life all over again. My baby just got out of the hospital just on Tuesday for respiratory problems because she's still having respiratory problems from being born early. So, I'm here asking you all to just help us out.

Housing Trust Fund

Ismaail Qaiyim, 4938 Central Avenue said I actually have had the pleasure of talking to several of you, but I'm here today basically alongside the Housing Justice Coalition, SEIU (Service Employees International Union), Action NC, working people's collective basically to talk about the issue of housing. Not just housing, the fact that in this city we have different decision makers and power brokers. We know that some are more influential, some have more money than others. We're basically here to represent the people of this city that really when it comes to housing, when it comes to the right to remain in Charlotte, when it comes to displacement, the people that really don't have a voice. The communities that are disappearing. What we're really here to say is that, unequivocally we are not going anywhere, and we are not going to back down on the issue of housing justice first and foremost.

To that end, we submitted a resolution. Oftentimes I've heard you all talk about community members presenting solutions to the city council and that's what we've done. We've done the research, we've done the work, we've reached out and we've talked to you all and we received basically what was a slap in the face from the city attorney. I'm an attorney myself and I obviously don't agree with the arguments the city attorney made, but in addition to that, many of the arguments have to do with policy questions, which policy has to do with political will. When we really boil it down, it's really a question of who you all prioritize and who you all really care about. Do you stand with the people, or do you stand with developers and landlords? The people who are displacing people. The organizations and corporations displacing people.

That's a question that all of you have to ask for yourself. So, I'm not going anywhere, Housing Justice Coalition isn't going anywhere, and to that end, what we would like to see is, we would like to have a meeting with the Mayor, with the Mayor Pro Tem and the city manager because from the very beginning, we've tried to approach this issue with the concept of trying to put forth solutions and work in a way that's going to be beneficial for community benefits, tenants' rights and anti-displacement strategies. If we can't get a meeting and we can't make that happen, we're going to continue to do what we do in the news, in the streets and however else. Thank you for having me here today.

Affordable Housing

Jimmy Vasiliou, 3001 Shallowood Lane said my name is Jimmy Vasiliou. I am also a member of the Housing Justice Coalition. I come here to you tonight to tell you all about an experience that we had on April 30th where we came together with other folks who are in the neighborhood, who are residents who are being displaced. Folks with Action NC who are really feeling the burden of rent. The increases in the cost of living. People not knowing whether or not they can stay within their apartment building. I joined the Housing Justice Coalition in 2019 as a vice president of the Plaza Shamrock Neighborhood Association.

The reason I joined Housing Justice Coalition was because there was a woman who was 75 years old. Her name was Ms. Trina. She was a fixture in the neighborhood. Her place of business, she didn't have a lease and the reason she didn't have a lease is

because she trusted her landlord. Well, her landlord died, her property was sold and her heirs played a parlor game with this woman's housing at the end of the day. Nobody in this city was doing anything about housing. So, I joined this coalition to find a solution that wasn't being offered by City Council, by County Commission or anybody. What I found through this entire process is every time we've tried to argue, we've tried to ask, we've tried to have a civil conversation about this, we've been met with derision. We've been met with condescension; we've been met with essentially that we're just thinking of pie in the sky stuff.

Everybody on this dais who considers themselves a progressive politician, I mean, some of your endorsements at the end of the day. Some of the people who are putting money into your campaign offers. What is going on? So, we're here to say we want to be able to do this and we want to be able to present an alternative. Thank you very much.

Sustainability Goals

Jerome Wagner, 110 Summerlake Drive, Southwest said good evening and thank you for this opportunity to address you. Congratulations and sincere best wishes to the new members of the council as well as to returning members. Thank you for all stepping up to serve the residents of Charlotte. My name is Jerome Wagner, I'm the lead organizer for 350 Charlotte which is a grassroots climate and equity focused group of volunteers. Late last year the Charlotte Mecklenburg Climate Leaders instituted the SEAP (Strategic Energy Action Plan) Accountability Committee. I convened that committee. Since early this year, we have been closely reviewing progress on the SEAP and engaging with the city's sustainability staff.

The sustainability staff is led by Ms. Sarah Hazel. We applaud the hard work of Ms. Hazel and her staff, and we appreciate the progress that they've been making. We also appreciate the purchases being contemplated tonight relative to sustainability. The Sustainability and Resiliency Resolution approved by the council set this city on a path to two important goals. First that the city's municipal operations would be carbon free by 2030 and second that the whole city, private residences, institutions and businesses would be low carbon by 2050. That low carbon attribute equates to less than two tons per year of CO2 equivalent per person, per year. The starting benchmark is about 18 tons per year. That changed from 18 to 2 is a very significant challenge.

Just one of the embedded challenges is to transition all city owned and managed transportation off of fossil fuels by 2030. At this point, the committee is concerned that this city will not meet its sustainability goals. We intend to continue engaging in the pending budget process and to continue engaging with Ms. Hazel and her staff and with the City's administration. We also advocate for an intentional and more robust effort relative to workforce.

Mayor Lyles said thank you very much. If you'll submit your written remarks to the City Clerk, we'll make sure that we all get an opportunity to read them.

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POLICY

ITEM NO. 10: CITY MANAGER'S REPORT

Marcus Jones, City Manager said so, thank you Mayor and Members of Council. At the action briefing earlier tonight we had three items, and we were able to get through one and the third item, the ARPA (American Rescue Plan Act) update, I mentioned that I would just give that to you in your packet. So, what we have tonight is for the manager's report, Shawn Heath will provide you an update on some of the funding gaps if you will for some of our nine percent and four percent live tech credits. In other words, the Housing Trust Fund.

I did mention in September that we would have this gap and we would come back to you with some refined numbers. So, I applaud Shawn and his team for actually going back out and asking what are some of the gaps that we have. So, not a point that you would have to decide anything tonight but providing you with the most up to date information that we have. I will say that Shawn and his team have also reached out to some of our other partners such as LISC (Local Initiatives Support Corporation) to see how these gaps could be closed. So, with that said, I'll turn it over to Shawn. Thanks Shawn.

Shawn Heath, Director of Housing and Neighborhood Services said thank you Mr. Manager. So, as Manager Jones alluded to, this is really intended to be part one of a two-part conversation with the emphasis on what we're calling Housing Trust Fund projects. I just want to take a moment to make sure we're level set on exactly what types of projects we're referring to. So, these would be city supported affordable housing projects that were approved by council over the last couple of years. Predominantly all of these were Housing Trust Fund related. There's one that had another funding source. In all instances, when council takes those actions, you think about the development cycle, you're basically making a commitment to provide gap funding for a particular project. Then the project goes through a natural phase of closing, financing and then ultimately initiating construction to bring the units online.

So, for all of the projects that are being referenced this evening, none of them have closed their financing. None of these have started construction and in fact none of these have received the city financial support yet because the way these deals are structured, the city financial support is not initiated until financing is closed and construction commences. So, tonight's an opportunity to dig a little bit of what's the current status of the Housing Trust Fund, talk about some of the challenges associated with these pending projects and then also as Manager Jones alluded, share with you what we've been up to over the last 30 days as we initiated a request for proposals from the developers that are advancing these particular projects.

So, tonight based on the questions that you posed, the feedback that you provide, that will provide staff with hopefully enough information that we could come back to you as early as next month with a set of options and specific recommendations. So, think of this as a twostep action review which is a little unusual for us, but what you're about to see tonight is a little out of the ordinary. So, we felt like that would be the best way to do it without feeling rushed.

Go ahead if you could, populate all the bullets on this slide. Thank you very much. Quickly, a background on the Housing Trust Fund. As you know it was established here in the City of Charlotte in 2002. We celebrated our 20th anniversary this year. Since the inception of the Housing Trust Fund, over 11,000 units have been supported that would not exist but for the Trust Fund which is really focused on gap funding for affordable housing projects in order for the economics to pencil out. In terms of what the city gets in exchange for making these investments, the value proposition here, bullet point number three on the slide, emphasizes a commitment to affordable units at 80 percent AMI (Area Median Income) and below and you'll recall that for a number of years now, there's been an additional requirement that at least 20 percent of the units be devoted to 30 percent AMI households and below. So, that's a key part of the value proposition, is getting these affordable units into the marketplace. Then the second part, just as important, is having long term deed restrictions in place, which for Housing Trust Fund supported multi-family developments has generally been 30 years. So, those are the key aspects of the value proposition.

In terms of the source of funds for the Housing Trust Fund, it's through the Biennial Housing Bonds and you'll recall in 2016, the bond was \$15 million. That was increased in 2018 to \$20 million in concert with \$50 million that was raised by the private sector and now being administered by LISC through the Charlotte Housing Opportunity Investment Fund. Then in 2020 there was another \$50 million bond that was supported by voters. So, that's where the funding comes from for the trust fund itself. The last point on here is just a reminder that historically the way that we put Housing Trust Fund

dollars to work is through RFPs (Request for Proposal). It's a very efficient and equitable way to identify opportunities and bring funding recommendations to you instead of having a lot of one-off opportunities with the exception of the naturally occurable affordable housing which by nature, some of those are kind of opportunistic. So, we've kept some capacity over the last few years to pursue projects like that.

Real quickly, looking forward into the November time frame. Of course, there's another referendum that'll be put to voters here for the housing bonds in early November and all of the committees, of course the Housing Safety and Community Committee will focus their only committee meeting in November on the Housing and Jobs Summit. I only mention that now because of everything we're talking about here in this presentation is housing related, but staff as a recognition that council is expecting us to find new ways to connect investments across your priority areas. Housing, workforce development, job creation, we understand that we can't build our way out of an affordable housing crisis. I think there's certainly a role to be played for things like the Housing Trust Fund, but really growing this community through economic mobility will require us to do many other things at the same time obviously.

The punch line here is right now in your Housing Trust Fund you have a balance of \$6.7 million and just quickly to explain how we got to that number. The 2020 bond allocation of \$50 million was put to work through three RFPs. So, there was an RFP recommendation brought to you in April of 2021, recommendations in September of '21 and then again in April of 2022. Through those three RFP cycles, the projects were identified that earmarked that full \$50 million. So, as of April of this calendar year, the Housing Trust Fund was depleted with one foot note, which is as is your practice in the April HTF (Housing Trust Fund) recommendations, when we bring the nine percent LIHTC (Low Income Housing Tax Credit) deals to you for consideration, we know that generally some of those nine percent LIHTC deals will not ultimately receive LIHTC funding. So, the state of North Carolina goes through a competitive process on the nine percent deals which is different than the four percent deals and they announce their awards in the August/September timeframe.

So, we never know how many they'll approve, how many of ours they'll approve. This year, of the four 9 percent deals that you approved in April, one was approved. So, if there's silver lining in that, it meant that \$6.7 million that you approved in April was replenished back into the fund because those nine percent deals will maybe take another swing at things next year. So, we it from zero to \$6.7 but it's still a relatively modest number compared to times in the past.

So, yes, populate all these on here. This starts to drive out more specifically what's going on with the pending projects. You can see here current state, City of Charlotte has 17 previously approved city supported projects that have not closed on financing. For shorthand, being referred to as pending HTF projects. As I mentioned before, one of them relied upon a different funding source. It's not unusual to have pending projects at any point in time. So, that in and of itself is not strange, but number two here on this slide is what's different. The extraordinary market conditions over the last 12 to 18 months has created new funding gaps for these particular projects. You can see on bullet point number three, the state of North Carolina stepped in and provided some additional funding for nine percent deals, including the one 9 percent project that the City of Charlotte has that's in a pending status. That financial assistance did not extend into the four percent LIHTC developments.

Number four, we were aware anecdotally over the past year that some of these projects were facing some cost challenges. We'd had some conversations with developers, but we wanted to take that anecdotal understanding and translate it into something more tangible. So, in September we put out a request for proposals requesting that each of the developers provide us with updated financial information on sources and uses of funds for their project, the full proforma, all of the types of financial information that we historically request during a normal HTF RFP. So, we received that information in early October. We're not done with the analysis yet, but we're far enough along that we wanted to share with you what we're seeing so you know what we know.

The last item on here is a just a reminder that we're not contractually obligated to provide additional gap funding above and beyond what was in our initial commitment when these projects initially came to Council.

In terms of the responses that were received, there were 11 of the pending projects that submitted funding requests for new gap funding. This second bullet point here is a bit of a simplification of the type of analysis that we're doing, but in each instance, we're evaluating the total amount of the revised request, how does that translate to a revised cost per unit? Importantly, we're looking at what strategies have the developers leaned on to reduce their new funding gaps. One of the things that we articulated with the developers as we were going into this RFP is that we need to get comfortable with the developers doing everything they possibly can to exhaust other avenues to close their gaps, and that we would be a gap of last resort so to speak.

Then construction readiness is an important consideration here. Most of these projects are on the cusp of being ready to close and construction ready, but it varies to some degree. That's something we wanted to be mindful of because as we receive more feedback from you, it'll help us shape a strategy based on how quickly you may want us to move or not move. It's helpful for us to know if a particular project is ready to move very quickly.

In terms of big picture what we're trying to solve for over the next month, first I would say we're trying to remain traction on projects that appear to be viable and still cost effective because keep in mind that for any of these projects, even if you were to approve projects next month and even if financing were to close immediately and construction was to commence immediately, we're still probably talking about 12 to 15 months before new units are online. So, everything we're about to look at on some of these slides, some of the units, would be things that wouldn't be real until early 2024 likely. In addition to bringing the units online, I think it's fair to say that because some of these cost per unit numbers is much larger than what you're accustomed to, we want to be responsive to your expectations around being good stewards of public resources. We also want to be good stewards of the relationships with these affordable housing developers. We have longstanding relationships with these developers. This community has built up a portfolio of firms that are doing great work as our partners and we want to be mindful of that as we go through this process.

Apologize if this is a bit hard to see, I know it is for me. So, these are the 11 responses that we received and if I could quickly go from left to right to make sure we're oriented on what's on the slide, the first very small column there shows the district location for the projects. We have six of seven districts represented here. So, it's a pretty diverse mix of locations. The second column is just the development name. Moving into the type, the four percent and nine percents are just the references to those being LIHTC projects. We do have one project. The River District, which is a conventional project, no LIHTC funding. We have one homeownership project in the mix. The Lakewood Apartments, as I mentioned on previous slides, this was the one project where the HTF was not the funding source. This one was eligible through funding through the HUD (Housing and Urban Development) home program. Then the very last project on the list is a supportive housing project.

So, I'll pause for just a second on that because we've listed all of these together on one slide, but I think it's always helpful to remember that sometimes it's a bit of an apples and oranges comparison across different project types. So, I wouldn't suggest that all of these should have the same kind of cost per unit profile, but we wanted you to see them all in one place at one time.

Continuing to move left to right, number of units are shown. I didn't include the total, I should have. The total number of units for these 11 projects is 886. You can see the previous city award. This would've been the award approved by a previous council as I mentioned before. In no instances has the money been released yet, but this was the commitment that was made at a point in time to provide the gap funding necessary for the economics to pencil out. What you see in the shaded column, these are the new

funding requests. So, this is the new gap incremental to what was provided before and then combining those two columns, you get a total investment and the revised city cost per unit takes the total investment, previous award plus the new request, divided by the number of units.

One comment I should make here in terms of what the specifics look like in the funding proposals. As I mentioned before, us having an understanding of the types of strategies that the developers are relying on to close gaps on their own is a key part of the analysis. In all instances, developers are finding other ways to close gaps and no two projects are identical to one another, but all of them are attempting to advance creative solutions. It's also worth pointing out that the developer fee associated with each of these projects is held constant in all cases. So, in none of these scenarios does the funding request translate to a higher developer fee associated with the project.

I know we'll have a lot of conversation on this particular slide. I just have one or two more and then we'll open up for questions. This is not intended to be a firm staff recommendation, but in fact really, we thought it would be an illustrative way to demonstrate what we're grappling with here because we have finite resources that we're dealing with. This takes the exact same projects listed on the prior slide which I neglected to inform you. These are listed from lowest cost revised cost per unit to highest cost per unit. So, as I mentioned earlier in the presentation, currently your Housing Trust Fund balance is approximately \$6.7 million. If you were to pursue a strategy where you chose to just live within the means of your existing Housing Trust Fund balance and support those projects. Even with the revised funding request, have the lowest relative cost per unit, then you could accommodate the first four that are shaded in green. That would be approximately \$6.4 million. That would leave everything else on this list that's not in green on the outside looking in.

I did highlight the one near the bottom, the \$800,000 simply because as I mentioned before, it's a HUD home funded project. We do have some HUD home capacity. So, just for illustrative purposes, if you wanted to do some that met the HTF number, you could do that with the four listed above. If you wanted to do the one that was HUD home, there's some HUD home resources that could be used for that particular project. So, once again, this is not our recommendation, it's just an illustrative of the size of the challenge that we're faced with relative to the resources that we currently have available.

In terms of timelines and next steps, we are in early conversation with LISC and Ralphine Cadwell continues to be an active partner of ours. As I mentioned before, the \$50 million in private sector funding that was brought to the table in 2018 when the City of Charlotte increased its bond from \$15 million to \$50 million, has all been committed. Thanks to the CHOIF fund, Charlotte Housing Opportunity Investment Fund, the city and LISC were able to partner on over 1,000 units during that time period. So, Ralphine and team are in the midst of a fundraising effort in order to recapitalize CHOIF for a round two and the hope is that that will be a successful fundraising effort and LISC will be able to join us in our next Housing Trust Fund RFP. So, historically we call it our "Winner RFP" and that's when we bring recommendations to council in the April timeframe.

So, we will continue to have that as our goal. In the interim, we're also working with Ralphine to identify whether there are possible other LISC funding sources that could be made available to partner with us on these particular pending projects. So, there's nothing more definitive I can share with you here tonight other than to say that LISC is committed to working with us to try to identify opportunities to come by our side on some of these pending projects.

So, from a staff perspective, our hope is to be ready to come back here on November 14th for a second action review conversation that has more definitive recommendations in hopes of that staging for a subsequent vote, at a subsequent council meeting. Then separate and distinct from these projects, pending voter approval of the housing bonds in early November, our desire would be to move forward with an RFP on our normal

cadence where we'll get that going in December and then be back in here in the April timeframe next year with recommendations. So, that's the high-level tour of where we're at today. Be happy to receive feedback and take any questions.

Mr. Jones said thank you Mayor and Members of Council. Thanks Shawn. I don't know if you can actually level set twice in one presentation, but I'd like to level set also Shawn. So, great job. I enjoyed your measured approach. There aren't staff recommendations tonight, but some examples of how this could work. Shawn, I don't know in a previous life whether you were an educator or a professor, but I really appreciate the way you set this up.

One of the things that, maybe struggle is too strong of a word, but I'll use it. One of the things that the team is struggling with is that typically we have a council that is elected in November, sworn in in December, and January we have this thing called an annual strategy meeting. People call it a retreat; we don't call it a retreat. It really gives us an opportunity to level set what the priorities are. So, we're in this strange place where we have issues that are coming up that span between two different councils and we're trying to push out as much information as we can when we know it. With that said, we also know there are going to be additional challenges that are going to face us over the course of the next weeks and months. So, what do I mean by that? So, we will have the same pressures on our CIP (Capital Investment Plan), we'll have the same pressures on our budget as we're trying to come to you with good solutions.

So, I guess as you have this conversation and give us some guidance, a few things that would be really helpful to highlight again. So, again, we're starting of at this \$6.7 million because not all of the nine percent credits were approved. Shawn, can we just go to slide eight for just a second? I see people pulled out their pens and their calculators and I know Mr. Driggs is already there. If we can get that. So, if you start to think about this, let's say if one of these projects is one, for whatever reason that you don't want to move forward on, not only do you not have this additional expenditure, but whatever you allocated the first go around could be moved up for another project. So, there's one concept that most likely you fund them all. There's another concept that you fund them in a particular way. So, what do I mean by that? The Mayor sent out a referral to all committees that the first item that will be discussed at the committee day on November 7th is this Jobs and Housing Summit, which we did not do, but we wanted some feedback from you.

So, the different AO committees for instance with we'll say budget and intergovernmental may talk about well what's the strategy that's related to going to the legislature. Don't know, but I do believe we're at a good point to get guidance from you before we come back with any recommendations. So, Mayor I just wanted to lay that out.

Mayor Lyles said alright. So, appreciate those of you who came that spoke about our housing needs in this community for staying and seeing how challenging and difficult this can be, particularly at this moment in time. Whereas if we had all of the things that we wanted to see done, we would've more than 886 units financed through our programming. Right now, we're at 886. Some homeownerships, mostly rental and mostly with our policy for 30 percent below being a major portion of what we're doing. It's going to be difficult and we're going to need your feedback. I appreciate you being here and giving us this time to think it through because we are going to be challenged by these decisions. I would hope that our council committees will be first to talk about it, but we also have some way to hear from the community as we're doing this as well.

So, I don't know the timing, and Shawn this is one of the things that I don't know, how each one of these is worked out. Because they probably all have their financing plans, their banking and whatever lined up, having some dates around when some of these decisions have to be made. Then I would also say to the council. We have been talking about, "Well these are our priorities," but this is a new council, and we need to have a priority setting from everyone that's on this board that will serve until next year in 2023. I want to say that I've talked with the Mayor Pro Tem and talked with others about how do

we actually determine these priorities especially some of the constraints that we can predict that will be available to us just as an opportunity. I'm saying it's an opportunity, but it should probably be the challenges that we will see going forward. Every aspect of what we do is central services, from paving the roads to housing, to maintaining the kind of presence we need with our employees. This is going to be I think a tough year, so I hope we're all up for the challenges. So, what I would like to do again is thank the community and let's figure out a way to engage the community as we're going through this process.

Councilmember Ajmera said Shawn, great presentation. It really is. It gives us an insight into the challenge we are having. We have limited amount of resources and how do we spread it in a way where we can get everything completed. Certainly not an easy challenge here. I have a couple of questions. If you could go to slide number six where you have highlighted certain criteria to evaluate these proposals. Are we looking at any specific share by the developer to us reducing the gap? I see we are looking at strategies implemented, but I was wondering if you have a goal in mind and I think we should because if we want to get all of this completed, we have to have some goal in mind where we are truly working as partners to solve the gap funding here.

Mr. Heath said so, to me it's like Rubik's Cube in a way because as we've been looking at this, each face of the cube in isolation provides some insight, but then we find as we look at other sides of the cubes, there are insights to be found as well. So, I think what we will need to do when we come back next month is have something outlined that demonstrates these were the specific factors or variables that we evaluated, and this is how a particular deal was assessed on each of those dimensions. It may not be as simple as a numerical score. So, don't hold me to all of that, but I think we're going to have to look at it like that. More direct to your question. Two of the things that we're very interested in. One is what is the percent increase in the total development cost? So, we're evaluating that because the percent increase the TDC provides some indication of the quality of the original submittal that was made a year or two ago and the ability of the developer to manage cost risk. So, that's I think important for us to evaluate.

Second, regardless of what the answer to the first question is, whatever their gap is, to what extent have they been successful finding other ways to close the gap? So, I can tell you that based on that not all 11, because as I said some of it is a little bit apples and oranges, but eight of the projects that I felt were more comparable, there's a range between 25 to 50 percent in terms of the amount of the overall gap that they are now seeking for the City of Charlotte to help them close. It ranges anywhere from 25 to 50 percent, which is a fairly wide range and translates to pretty significant differences in the magnitude of their requests. So, that most certainly would be the sort of thing that we're evaluating.

Ms. Ajmera said that's very insightful Shawn. On slide seven, where you actually have more details on each one of these, if you look at the revised cost per unit, it's ranging from anywhere from 22,000 to 222,000 right? I think the question comes how do we prioritize this? Because obviously if we were to fund 22, 000 deals over 122,000 you're going to get five more units. So, that shows how obviously the majority of us on the council are committed to tackling affordable housing crisis, but I think prioritizing some sort of methodologies in helping us tackle affordable housing crisis. I just think \$122,000 per unit takes away from the resources that we could put towards more affordable housing at a lesser cost. At the same time, we also have to look at other very important criteria, like is it next to a great school or is it next to the light rail. Some of these amenities are very valuable. So, I will be looking for that.

Is all of this cost increase, is that because of higher construction costs? You said there was no increase in developer fees, is that correct?

Mr. Heath said that's right. I've looked through all of the proposals and the developer fee was held flat. There are a number of variables that are driving the increase, but the hard construction cost are the most significant variable generally speaking across all of these deals. Rising interest rates of course are putting pressure as well, but the

increase in construction costs generally speaking has been in the 35 to 75 percent range. So, taking the assumed construction cost in the original proposals that were approved by council at a point in time, what we're seeing in these deals is an increase of anywhere from 35 to 75 percent is where most of them fall. There's some outliers outside of that range, but that's generally what we're seeing.

Ms. Ajmera said I cringe when I ask you this next question. If we don't figure out a way to fund some of this gap, would this mean these projects won't get completed?

Mr. Heath said I would have to speculate. I think that it's fair to say that the longer we go, the more challenging it would be for developers. There could be scenarios where developers will have to walk away from a project, but that would really on a case by case basis.

Ms. Ajmera said yes, and that is concerning. As a council I think we need to prioritize addressing this while working with the developers to figure out how do we address this gap funding with the resources that we have. Thank you. That's all I have.

Councilmember Mitchell said Shawn, I'm going to echo the compliments for putting together this presentation. I'm going to try to brief because I know we have to go around. Can you go to slide number five? The third point, Mayor and council I want to know, Shawn do you think this could be an intergovernment take away? Particularly as it said the state assistance was not provided for the four percent. Is this an action item we could take on; we talk about to our legislature about what's important to us that we lobby for more financing of four percent?

Mr. Heath said the short answer is I'm not sure. I think that the state was also dealing with finite resources and with the nine percent deals being the competitive deals, that's where they started first which wasn't a surprise. I don't know whether anything could be done that would be helpful for this particular mix of projects, but maybe on a go forward basis, there could be something done through intergovernmental.

Mr. Mitchell said Shawn, if you can, go to slide number six. Let's go back to the point the Mayor made and if I could make a suggestion. On the next handout you give us, the construction readiness, I think that would be very important to council if you could put when the projects are ready to be developed. That'll help us prioritize what's ready to go and what's down the road.

Mr. Heath said agreed.

Mr. Mitchell said I think you made a valid point. I think council needs to understand. Even if we approve this, this won't go to the market until 2024. So, we heard our needs from our community earlier what's important. Let me go to source of fund. City Manager, I want to make sure I'm correct because on your American Rescue Plan that we're not going to get to, but I saw a source in there for housing. So, we had 6.7 million currently now, correct?

Mr. Jones said correct.

Mr. Mitchell said a \$50 million bond, voters please support the bond, if the voters approve in November. Then on the American Rescue Plan, I see \$39 million. City Manager and Shawn, is that correct?

Mr. Jones said all the math is correct, yes.

Mr. Mitchell said okay. Okay, so I just want to make sure all our buckets of potential source of funding, that we recognize that. Thank you, Shawn.

Councilmember Johnson said it was nice to hear from the community, but we hear from the community all of the time. I've been talking to the domestic violence survivors that were here a couple of weeks ago, trying to help them find housing after they were

evicted from the shelter after 90 days. Some of them are running into barriers because they have criminal records. So, I've talked to you about this before. This is \$6.4 million. We've already awarded these organizations tax credit. I think we raised the bar for the \$6 million, and just like we did with the source of income discrimination. We said, "If you want our dollars, you have to serve our most vulnerable." So, I would suggest that the requirement for this gap funding be that they cannot discriminate against formerly incarcerated individuals who are seeking housing. I think that's a direction that we really need to focus on as a council. Many of homeless citizens, they can afford to live hotels and motels. They pay more in rent, in mortgage than we do. It's because of their history, and many times criminal offenses.

So, I would say we raise the bar in all of the requirements on slide number six. These are financial requirements. We're not a bank, we're a city and public dollars are for what? The public good right? So, I say that our requirements include outcomes and impact for our most vulnerable. So, that's my suggestion. Thank you.

Councilmember Mayfield said Shawn, thank you for the information that you provided. A couple of questions. So, we're looking at this gap funding. Is this gap funding to help pay for the cost of the current affordable units or additional affordable units?

Mr. Heath said so, in all cases, these are projects that have not closed financing. Really the rub here is for affordable housing projects, when they have an increase in cost, but they're constrained on their revenue because the revenue stream can't change because we need to keep those units affordable. So, it's like the whack-a-mole game. So, all of sudden, boom, we have new costs that need to be covered, if that answers the question.

Ms. Mayfield said so, this is all the additional costs because I know specifically with Evoke Living off of Morris Field, that one has been under construction now for I guess about a year or so. They have a number of units, but it hasn't completed. So, they're saying in order to potentially complete, if we're talking about this funding not being approved until 2024, I'm trying to see the disconnect there. We have some of the projects that are listed here that are currently in development right now.

Mr. Heath said yes, because we have so many projects with Crosland that have the same name, Evoke Living at fill in the blank. I'm not aware that any of these are actually under construction. That would not have been consistent with the request for proposal that we released.

Ms. Mayfield said you're right, because this one is Evoke at Morris Field and there is another Evoke off of Hebron. Another question. Johnny Baker is not here. So, you may be able to answer this question. When we're looking at potentially additional funds, can we have a very real conversation around voucher first. So, we have a number of residents who have been in Charlotte for a number of years who are voucher recipients and who have been on the wait list where we have other individuals who know how to maneuver the voucher system or subsidy system a lot more efficiently that move into the city and are able to move into some of our new units. If we're considering additional dollars, can we consider putting some very specific language, since we have multiple wait lists out there, where we can actually get to those on our current wait list that have been on the wait list for a while to try to help those individuals?

We just heard this evening of one particular instance. We have vouchers out there that are not being utilized and those vouchers are not being utilized because we don't have the housing. If we are to put a priority on who receives access to this housing, I know for me that would feel much more comfortable with looking at an additional cost if we're going to put a priority on our Charlotte residents and not just say first come first serve. Like, even if you go in and look online, you'll see here's what the application fee is and that's not really creating a specific gap filling for the needs that we have right here in our city right now, not including any new residents that will move to the city.

Mr. Heath said understood. I think that we know we'll have to the extent any of these units are advanced.

Ms. Mayfield said right.

Mr. Heath said a certain percent devoted to 30 percent AMI and below. We know that we'll have source of income protection built around all of these regardless of whether they're Housing Trust Fund or not. I understand the broader point, similar to Councilmember Johnson's that to the extent, we're considering incremental investment. Is there a way for us to grab incremental value from it as well. So, I understand that.

Ms. Mayfield said one last piece. This is maybe a question for our City Manager. Why we're having these discussions, since this is looking at 2024 and we know we have clear needs today just as previous years, maybe through the ARPA funding or others, can we look at the gaps that we might have now on some projects that may be delayed? Looking at how do we create an opportunity to put a clear expectation to see if there's a way that we might be able to help those developments that are currently happening in order to look at some immediate needs.

Mr. Jones said sure.

Ms. Mayfield said just like when we reallocated funds for the sidewalk project from a different project. Can we look at something that's a little bit more nimble to address the needs that we're having right now? Thank you.

Councilmember Winston said so, Mr. Manager, I want you to keep me honest here if there's anything that's off base.

Mr. Jones said okay.

Mr. Winston said Council, I think we really need to consider three things moving forward. In the short term, staff is asking us what we are going to do about our existing Housing Trust Fund capabilities and priorities. This is the presentation that Mr. Heath is presenting. We're going to have to make some decisions that may be tough, but that's what I hear staff asking us. However, once we get past that, we have to look towards the medium term. The way I see it is over these past few years, we have learned a lot about how to use our Housing Trust Fund in a much more diverse way than the 15 years prior to it. We've done more things around NOAHs (Naturally Occurring Affordable Housing), we're starting to do things around homeownership. We've really looked at how we are splitting the four percent and the nine percent deals, but we're going to have to talk to each other and our community and get clear guidance of what those Housing Trust Fund priorities are going to be moving forward. It might be a situation where we might not be able to do all of the above and we might have to give some tools more weight than the others over these next couple of years.

In the long term, we really do need to think about the long term. It looks like we will have to govern under an economic climate that none of us has governed before. While we certainly don't look to burden future councils, it is certainly our responsibility to have long term vision that sets our city up for success. Inflation may be sticky, and the federal funds rate may remain elevated for a significant period of time. There seems to be a restructuring of the way our global economy works which we are of course a part of. I think this is what the Manager was alluding to when he mentioned the potential challenges ahead. The potential is not if challenges will come but rather how they will come, how they will present themselves.

While we won't have a crystal ball, but if we really dig in with our staff and partners, we can continue to be great stewards of tax dollars. It's likely that we will be operating under different realities on both our general funds and with our CIP investments over the next few years in different ways that our community has been used to. So, I think we're really going to have to work hard to wrap our arms around these issues and be able to give staff very clear guidance of what our priorities are and how we are going to

divide this pie moving forward. That's going to be really about us working together and figuring this out. Off base at all?

Mr. Jones said not at all.

Councilmember Driggs said so, I have to say I'm a little flabbergasted that this situation has developed and that we're hearing about it after it got as far as this. Basically, the request we have now according to my approximate arithmetic are about almost two and a half times what they were before. Shawn, did I understand you correctly that the state is not prepared to adjust the amount of its four percent tax credit to reflect the new cost structure? Is that right?

Mr. Heath said well with one caveat. For one of the ways in which all of the four percent deals will close their gap is due to the fact that the eligible cost basis is going up which will enable them to attract more tax credit equity. In terms of the state intervening and providing additional direct funding, that's not something that's being done for four percent deals.

Mr. Driggs said so, therefore the value of the tax credit goes up a bit maybe, but essentially it looks like we are being asked to absorb the entire cost of the increase and the cost of the project. I mean we're going from \$30,000 a unit to \$70,000 a unit. Obviously, we can't do all that. So, I suppose my question is assuming that we choose a few projects, and we tell the others no we can't do that, what happens to those?

Mr. Heath said well, each of them will have a unique commitment agreement that was established, and I believe in each instance these commitment agreements have expiration dates. So, if they're unable to close financing by that date, then those commitments would relinquish back into the Housing Trust Fund.

Mr. Driggs said right. So, from our standpoint I guess that means that our exposure is, as you pointed out, is capped. It also means that a lot of the projects on this list may not happen now, right?

Mr. Heath said it's possible.

Mr. Driggs said because it was predicated on an assumption about public funding which we are now unable to fulfil because I don't see us finding another \$32 million to realize these projects. So, I'm just a little concerned that we got this deep in and what you're suggesting is that we choose a couple of projects that can be saved by virtue of the six and a half or so million dollars that we do actually have and therefore tell everybody else, "We're sorry, we can't do that."

Mr. Jones said so, Councilmember Driggs. That's not what Shawn is saying. We were clear not to put a recommendation on it.

Mr. Driggs said that was the recommendation.

Mr. Jones said yes.

Mr. Driggs said I get that, but the fact is that we are looking at an ability to satisfy a little more than a fifth of what we were told was needed. When we asked for the funding request, did we get an updated capital stack for each of these deals? So, does that reflect the fact that they didn't think they could get more in loans? The loans for example are tied to the rents which are tied to income, and I assume that those don't change even though the cost has gone up because that's exogenous, right? That's a whole separate thing.

Mr. Jones said yes.

Mr. Driggs said that's right. So, the loans don't go up and the state doesn't really do more. So, in this process we made a request that kind of assumed that we would shoulder basically most of the shortfall.

Mr. Heath said no. If I could. So, if you think about the total gap that was created for each of these deals, on average the request that we received was that the City of Charlotte step in and fill 25 to 50 percent of the gap. That's what we saw across 8 out of the 11 deals here. So, for the percentage that they're not requesting that we cover, they've addressed that through other means. The additional tax credit equity. Some of them have secured HUD loans. Some have identified opportunities for a second mortgage with below market debt. Some of them have done value engineering, some of them have deferred more of their developer fee. So, there's a long list of things that each of them have attempted to do in order to tamp down the gap before they came to us with their request. This is just a reflection of the magnitude of the increase in the construction costs that they're experiencing and their inability, unlike a market rate developer, to redo their proforma and assume that they can charge \$2,400 a month in rent.

Mr. Driggs said so, I guess I'd have to see more numbers. I don't see how we got to \$32 million in additional money needed on the basis of only covering a portion of the shortfall because that says that the increase was some staggering number.

Mr. Heath said right.

Mr. Driggs said I know there's been a lot of inflation, but when were these originally priced? Are these all from the same year?

Mr. Heath said a vast majority of these were approved by Council in April of 2021 or September of 2021.

Mr. Driggs said wow. So, 80 percent increase in the cost? Okay, but I guess we have an illustration, but we don't really a suggestion about where we go with this. To me, the fact that we worked on these projects, and we identified them as being helpful to our plans, and now we're in a position of having to just let them fail. I'm absolutely not proposing that we come up with 32 million extra dollars. I just think we're in a bad place here. I don't know what to say. Thank you.

Mayor Lyles said let's try to look at some of the sunny side. It was 17. Six of them are on the way. We didn't talk about how many units there were, but at least we know that we have six that are coming up. Mr. Bokhari?

Councilmember Bokhari said yes. In that glass half full manner, I just want to first recognize and thank all the community members that are with us tonight and they were able to hang on for a little bit of that conversation. So, I think that the bottom line here is the same thing I've been saying for five years, that it's just not gotten any traction, which is we keep throwing money at the problem in large record breaking bond amounts and we spend all of our time and energy discussing how we're going to increase that dollar amount, where we're going to get it and where we're going to award it. Whether it's these results we're seeing with the higher costs and the challenging environment, or just the normal environment that we're in, it's the same thing. We're throwing pebbles into an ocean of a problem and it's not even remotely making a dent.

It's fair to characterize this now as we're not even treading water anymore. It gets worse every year that we've seen it, even though I haven't seen the accurate update, it has gone from \$21,000 to \$26,000 to \$32,000. I don't know what the gap in the crisis in the unit is other than the fact that it is not going down and we are throwing record breaking amounts of money at it. I think we're going to keep having this exact same outcome every single year if we only focus on record breaking dollar amounts of bonds and choosing how we're going to deploy this money. Because it's the old model where it's for some profit and some people have figured out how to make some profit off of it, therefore they'll do it and we don't get anything solved.

So, until we sit back and recognize this is not an affordable housing solution we're looking for, affordable housing is a tool and we're looking for an upward mobility, sustainable outcome of which affordable housing goes alongside. Transportation, workforce training and development, clothing, food, everything else that is part of a not vertical but horizontal outcome. We aren't going to make a single difference here in the end. We're going to keep having the same conversation and we haven't been able to get serious about that conversation even once. Think about over the last five or six years how much time we spent talking about these exact tables that we look at. All of these exact things and then compare that to how many comprehensive outcomes that we discuss where it's that horizontal piece of the ultimate sustainability in housing. The answer is you can't divide by zero. So, there is no answer.

So, ultimately this is why whether it's that or it's having a serious conversation about the over 30 percent in overhead costs that our permitting and zoning processes add to the lack of affordability, we don't give any of that airtime. While I've tried and pleased with all of you and then supported the bonds every single year, I'm no longer doing that. So, until the community out there hears it, I know this topic is so valuable, but I would encourage you to join my perspective which is we can't vote for these kinds of housing bonds anymore until we get our priorities right for outcomes. I won't be voting for the housing bond this year until we get serious about these conversations, and unfortunately, it's come to that point. We're going to keep having the distraction of all of this is looking at the \$32 million or whatever ultimately it is. That's terrible unto itself, but that is not the bigger picture here. The bigger picture is we refuse to look at the root cause and the ultimate solution to this.

So, this is just sad that we're at this point, but it's really par for the course in my experience here in the last couple of years.

Councilmember Anderson said thank you Madam Mayor. Shawn, I want to thank you for a great presentation here and I also want to thank the community for coming out and voicing your concerns and you all need to have input and be with us along this entire process. Shawn, I just wanted to clarify a couple of things as we've gone around the dais. So, there's no construction currently going on, on any of these projects. Nothing has been broken, nothing has actually began right?

Mr. Heath said that's correct. These are all projects that are still facing construction cost risks, interest rate risks until they close on the deals.

Ms. Anderson said right. So, I would actually like for us to take a step back and think about the environment that we're operating in now. So, from a macroeconomic perspective, the fed's rising interest rate that's impacting always, very first, the construction industry and the development industry. The banks that support those spaces have gone back over the last 30 to 45 days Shawn and revised their outlook tremendously. Like cutting earnings by close to 50 percent and in some cases over 50 percent. So, the housing industry is going to feel that impact first and that's what we're living in now, but what will happen later is other industries that are laggards will have that impact six, nine months down the road.

So, when I look at this gap that we have and this opportunity, it's great that we have these opportunities to spend these dollars to directly impact affordable housing, but I think about nine months from now how will those hard construction costs look relative to today. So, if there has been a 30 percent increase, and I'm not sure that that's correct, but if there's been a double digit increase in construction cost since April 2021 until today, if there's a way for us to go back Shawn and have a revision of our cost per unit, City Manager as well. To think about how would that would look from a nine to twelve month outlook. Because in reality if we were to approve spending and allocating these dollars today, which I know you're not asking us to do that, we would be impacting around 370 units due to extreme high construction costs. In a few months, we may be able to double that if not more so, because the market dynamics are going to change, and costs are going to come down.

It's just that the moment of time of where we're at as it relates to the macroenvironment. So, I'd love to see if you could, for these projects a revised cost per unit for development and then if we could couple that with the construction readiness number, assessment to see which ones are ready to go and when, then we can have a more strategic conversation around how to allocate those dollars. I'm actually at a race that when we're in committee for the budget as well, Ms. Ajmera, that as we think about managing and looking forward to the budget for the next fiscal year, we think about all these macro and economic activities that are going on and what we might be able to capitalize from a lagging perspective.

Councilmember Watlington said thank you Madam Mayor. So, firstly thank you Shawn for the update and I know we've talked a little already. It's been interesting to hear the perspectives around the room. I agree with quite a bit of what I heard. I know that we've been having these conversations about what do we do with our Comp 2040 plan. So, we've cast a vision and what does that look like in terms of real strategy development and deployment?

I do think that we've started to turn that corner in the sense of how do we operationalize some of these goals into policies into metrics. I think that's what it's going to take as we think about where we want to go and who we are, what our competitor advantage is and who we're not. We have to be willing to say at this point this is where we are. We can't be all things to all people. So, as I think about an overarching strategy, we have to start thinking about our region and how that impacts policy, how it impacts our legislative agenda. Because when we think about affordability in Charlotte versus our surrounding areas, I would submit to your point that we have to think like investors. Where are the best places our public dollars can go? It's in the path of progress or just ahead of the path of progress. So, that may not be within our city limits, and I know that that means that there are some governmental things and challenges that we'll have to deal with, but we have to start down that path if we're really going to operate like a major metro area in this country.

So, that being said, specific to this environment, I have a few questions, suggestions, things to offer in the way of thinking a little bit differently about this. I want to confirm. Shawn, I know you probably won't have this answer right now, but as I understand it there was a time, we had significant or substantial units across the city but we just had them at the wrong price points. I don't know if that's still the case or not. If that is, then that means we should have some opportunities like the Housing Choice Vouchers and things and which maybe it would make more sense to use our dollars to help convert some of the market rate properties into Housing Choice Fund units because we know that there are some barriers there and we've been talking about how to incentivize owners to do that.

So, that may be a place that we can use dollars that have already been allocated through Housing Choice Vouchers to actually utilize without having to construct. Does that make sense?

Mr. Heath said yes. On the mismatch between some residents that are in units that are either above or below the AMI level?

Ms. Watlington said right, and by virtue of that we may have total enough units across the city, but unfortunately because some are at market rate that people can afford.

Mr. Heath said right.

Ms. Watlington said so, we may not at this stage have a construction problem, we have a mismatch in our economics. So, that being said, ways that we can programmatically change that dynamic to shift that supply demand curve.

The next thing that I wanted to ask about is I know we've already talked about the state and how they've been impacted and what they're willing to offer up on the four percents. How are we thinking about some of our other programs like our TIGs (Tax Increment

Grants) for instance? I know obviously that we traditionally used that for some of our economic development and business recruitment projects, but as it relates to any kind of transportation improvements that have to be done to some of these projects, is that another tool that we could potentially use where it makes sense?

Then I'll also ask as we think about, we've said this before but I don't know if it had any legs, as we think about our ability as a procurement agency as the city, are there ways that we can impact material cost for these developers? Obviously, these are not the only projects they're doing. So, I'm sure they already have some level of bulk buying, but if you look at this and we're talking about upwards of \$50 million in front of us, I'm wondering what role can we play to help create some bulk discounts there to impact the supply chain itself. Then on the labor side of the coin, Councilmember Bokhari talked about how do we use our workforce development tools together when we have plenty of programs in terms of workforce development. People are working to get their journeyman card, etc., etc.

Are there ways that we can help create partnerships so that labor, we know the top two costs in mostly anything is materials and labor. So, are there ways that we can leverage our economic development and workforce development dollars to help provide labor to some of these projects? I'll stop there for now. I know you weren't necessarily asking for other kinds of ideas of as we think about the fact that we're in a new place, there may be other ways to use our dollars versus putting it all in construction because we know that's going up. Thank you. I apologize for not saying any of this to you earlier today.

Mayor Lyles said I want to echo Shawn and the Manager's fortitude in bringing this to us as a way to address something that's bigger. The wisdom and the commitment around this council has obviously been recognized in your thoughtfulness in what we're trying to accomplish. I agree that we can start with the committees, but I also really do believe that we have bigger issues that are going to require this. If you will recall, we had a meeting scheduled for resilient cities and it was about jobs and housing. It was really to the idea that we have to figure out how to deal with upward mobility, but we weren't ready. I think that this actually brings a real focus to us with ideas and what we need to and nobody is saying, "Well you know, I'm not so sure about this summit anymore," Shawn. So, that's not even an issue. You have our full attention on this.

Our attention has to be a commitment as we are going through this, and we have our residents and citizens voting on the bonds coming up. We still need that vote and support, but how we use that should be something that we are all thoughtfully engaged in. We'd like to figure out anything possible that will work and you've talked a lot about the ideas and we know what the cost drivers are, but we also know that if we're doing this in the long term, if we don't change the way that people have the ability to afford to live here, then that's going to be a real issue that we will continue doing the same thing and getting the same results.

So, I also hope that we'll engage a number of the people in our community that are really looking at what their own issues are as they have done this work in the past and it's not just our affordable housing developers, it's really people that understand the work that we do in finance, the work that we try to do for the community, what the subsidies are, all of these opportunities. Mr. Manager, I would really like to see if we could do something, I know we ask a lot of each other, but right now I feel like this is what we're being asked to do for this community, is to actually figure out how to get something done before the end of the year that begins the introduction of this. It's not just about the list of projects here today, because as many of us have recognized, we can't do \$30 million of this and it has to be something that's done in a way that is a longer-term plan, a longer term commitment to the people that live here that deserve the ability to live here.

Mr. Mitchell said Madam Mayor thank you. I want to follow up though on something you said earlier, and the City Manager touched on as priorities from the previous council, but we haven't defined priorities for this council. I do think it's very important, not only this issue but future demands on us. So, I know the holidays are approaching us, but we

can find time to really define our priorities for this current council, I think is very important.

Mayor Lyles said I think we ought to try to do this before the end of the year. I know we're asking a lot of time and I know that sometimes people think that we can actually be efficient in the use of our time, which I think there might be some possibilities there. If we actually really set out a real agenda for determining our priorities and addressing those priorities, I think we'll be in a better place. So, we'll talk about that. You know, we have calendar on our agenda for tonight as well for the many things that are going on. So, I was going to actually ask you to wrap this up for us because it's time to figure out where we're going.

Mr. Jones said thank you Mayor and Council. This is a tough subject and I really appreciate the way that council helped us navigate through it. It's difficult enough to bring something like this in front of the council, but it's very helpful when we have this type of discussion. I will say that I really like the way that Councilmember Watlington began to wrap this up. There are a lot of things that you should take credit for and it's a shame that Ms. Mayfield's not in the room because we started some of these thing's years ago. So, it's not just nine percent credits and four percent credits. You have single family homes now. You have done naturally occurring affordable housing. You have a partnership with the county where the county and Peppertree. Maybe we could've done better, but still some things are happening. So, it's not as if when the summit occurs or when the reaffirming priorities occurs, it's not that we will be starting from scratch. So, we just really appreciate the hard work that you put into this, and we stand ready for the next step.

Mayor Lyles said alright. So, Shawn, thank you very much again. Thank your team because I know that you have a good group of people that work with you and those that are working with us that are outside of our own organization. So, we have a few more agenda items to do.

Mr. Mitchell said the City Manager sent out a memo to us Friday that he titled procurement process update. I think it's important as we're talking about building credibility in the community with our small businesses that City Manager, if you can give a highlight of the memo just so people are comfortable that we are taking immediate action to address that issue?

Mr. Jones said sure.

Mr. Bokhari said is this part of the agenda? Is that the procurement thing in your manager's report?

Ms. Mayfield said what I'm hearing from colleague is a request for an update during the manager's report.

Mr. Mitchell said right. On the memo he sent to us on Friday.

Mr. Bokhari said right. I'm just asking point of order. Did you put this on the manager's report for tonight's agenda?

Mr. Jones said no I didn't but typically we don't list things under the manager's report.

Ms. Mayfield said never has unless you know of something.

Mr. Bokhari said right, just point of order. It takes, to put something on the agenda that wasn't there and he wasn't planning on saying it, 11 votes.

Mayor Lyles said well I don't think it's an agenda item for action. I don't know. Let me look at the manager's report. Usually, it's just a list of topics that he provided.

Mr. Bokhari said I just asked if he was planning on saying it and he said he was not. So, if we want to talk about it, we can get into it, but I wouldn't suggest that.

Mr. Jones said so, you've asked a question.

Mr. Mitchell said yes.

Mr. Jones said so, there's a memo that I put out late last week that deals with CBI (Charlotte Business INClusion).

Mr. Mitchell said yes.

Mr. Jones said so, just a couple of takeaways is that the concept is for some of our procurement opportunities between \$10,000 and \$100,000 beforehand, we did not have a list of certified vendors through CBI for the different departments to have before we went through those types of purchases. So, we will make sure that we have that. The second piece is that as we build the next year's budget, what we're having as a budget kick off this week, actually Thursday, a little teaser on Wednesday, but a kickoff on Thursday. One of the things we're trying to do as we move forward is as the different departments have services that they identify that we unpack it a little bit in the budget process to identify what those services really will be and to see what opportunities we have once again from the CBI on the front end. Then I think lastly, we will have our finance department on the back-end monitor how the departments have utilized those opportunities. So, I would feel good about where we're headed with that and we will have again a series of conversations with the department heads as we have the budget kick off this week.

Mr. Mitchell said then to the Manager. I like how you ended. You're saying these changes should be effective December 1, 2022.

Mr. Jones said that's correct.

Mr. Bokhari said these changes that you're doing at this point in time. Did you find that there was an incorrect process? Did anyone do anything wrong that you have found at this point in relation to that?

Mr. Jones said I have not. The concept is how can we make sure that there is more opportunity for our businesses that are registered through CBI, and this allows us to have more.

Mr. Bokhari said we just learned the other day. One it's good to hear you say without a shadow of a doubt that there was no wrongdoing found in that. Two, if we're looking for opportunity to expand, we just went through an entire exercise in the disparity study that showed that we're actually over performing in spending with minority businesses that are inside.

Mr. Winston said no.

Unknown said no.

Mr. Bokhari said that is an absolute 100 percent. So, I'm struggling a little bit to understand why we need new protocols at different levels when in fact we found that for example in Black owned businesses, 2.5 percent is what we've spent with a pool of two percent available. We've over clocked a 120 percent where we spent there, yet you seem to be indicating that we're doing something wrong and something needs to change. I don't follow.

Mr. Jones said no. I haven't said that at all. What I said is there are opportunities for us to be more intentional as an organization when it comes to providing opportunities for some of our minority organizations that are registered with CBI. So, it's that gap up to

\$100,000 where we really don't have that process and it's just putting a process in place that provides for more opportunity.

Ms. Mayfield said Mr. Manager, thank you for clarifying and for us to have full transparency since that needs to be held for our constituency. There are conversations that because of a recent interview and reportings by local reporters, it identified that specifically in our Economic Development Department, that there was an allocation of funds in a contract that was identified that utilized some of the ARPA funds. Over a four-year period, this particular vendor received around \$400,000. It's not necessarily the direct question about anything being illegal, yet, council has had many conversations and promoted to our business community an expectation to work within our MWSBE (Minority, Women, Small Business Enterprise) programs, our minority women small business. When staff then has the ability to do outside of what we are asking our partners to do, whether it is perceived as improper or it is actually illegal, the conversation is if you're not adhering to the policies that we are saying is important as a council, and agreed upon, there's a challenge.

We have Steve here. Unfortunately, I feel like my colleague was very misleading as far as the breakdown of the numbers within the study and the total impact that has happened in the community and the lack of investment in certain areas. We have our lead in our CBI department right here tonight, that if we needed to ask a direct question, he can share that information with us. We need to be very transparent, and I think it's helpful the direction you're moving, even though I have shared with you on the front end versus the back end. It is the back end that we learned that an individual was identified and given a contract who was not a certified business, who was not a minority owned business. Whatever else is included in that, having an individual that has the ability to just create contracts and potentially put city in a position to be liable in a lawsuit because of perceived nepotism, that is a challenge.

So, when we look at these opportunities on the front end, it should be identified in partnership with CBI to say here are the companies that potentially are available, then you move forward from that direction. Not we will do a review annually or even semi-annually because those contracts have already been established at that point. So, I appreciate the direction we're going, but it would be helpful to avoid having another conversation where we have outside sources. Whether those outside sources receive that information from a sitting council member or someone else, to say look into this, and you find out \$400,000 has been allocated to a business that does not fit our goals.

So, this is a good step, and to have transparency so the community understands we heard you. We identified it and the City Manager is taking steps to move forward without having individual council members try to be like, "Oh no, I'm going to be a champion for this person." It's not about the individual, it's about the process. The process needed some tightening up. I believe this can help us do that.

Mayor Lyles said alright. Thank you.

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PUBLIC HEARING

ITEM NO. 8: PUBLIC HEARING ON A RESOLUTION TO CLOSE A PORTION OF THE ALLEYWAY OFF OF ROZZELLES FERRY ROAD, LAKEWOOD AVENUE AND OREGON STREET

Mayor Lyles declared the hearing open.

Motion was made by Councilmember Bokhari, seconded by Councilmember Watlington, and carried unanimously to (A) conduct a public hearing to close a portion of the Alleyway off of Rozzelles Ferry Road, Lakewood Avenue and Oregon Street, and (B) Adopt a resolution and close a portion of the Alleyway off of Rozzelles Ferry Road, Lakewood Avenue and Oregon Street.

pti:mt

The resolution is recorded in full in Resolution Book 53, at Page(s) 518-522.

ITEM NO. 9: PUBLIC HEARING ON A RESOLUTION TO CLOSE AN UNOPENED PORTION OF WHITTINGTON STREET

Mayor Lyles declared the hearing open.

Motion was made by Councilmember Winston, seconded by Councilmember Driggs and carried unanimously to (A) Conduct a public hearing to close an Unopened Portion of Whittington Street, and (B) Adopt a resolution and close an Unopened Portion of Whittington Street.

The resolution is recorded in full in Resolution Book 53, at Page(s) 523-526.

ITEM NO. 11: EQUITY IN GOVERNANCE FRAMEWORK

Mayor Lyles declared the hearing open.

Motion was made by Councilmember Ajmera and seconded by Councilmember Winston to approve the Environment, Engagement and Equity Committee recommended Equity in Governance Framework as an approach to address racial and other inequities and work towards a more inclusive, healthy, thriving, and equitable Charlotte.

Councilmember Ajmera said I just want to highlight committee's work to lead equity and governance framework. I think it's perfect timing from all the conversations we had to talk about the equity. I also recognize committee members vice chair, Ms. Johnson, Mr. Winston and appreciate the entire Council and community's feedback along the way. I'll recognize Sarah, Federico, Willie Ratchford, Terry Bradley and the entire team for just following through on this tall order in a very short time frame. I appreciate the work that you have done.

This really helps us intentionally incorporate lens to everything that we do, whether it's procurement process, economic development, housing or even environment. Equity should not be an afterthought and one of the agenda items that we have today that we approved earlier was the transition to electric buses. That is not just about environment, but it's also about equity because as you can see from ridership, a lot of our Black and Brown community members ride our public buses. So, that transition also helps us tackle equity. So, there are a number of items that I think Council has done to tackle equity, but that's just one of them that I wanted to highlight. So, again thank you everyone for the job well done.

Councilmember Winston said the committee did work very hard with staff in the short amount of time to get something done. I think that's something we should be proud of. I just want to note that what it says in some of the bullets that you at home may have not read, that this framework is a living document and as we implement it, we are going to learn about how to put an equity lens on our different policy making decisions. The last bullet under the proposed framework states that in support of Council's approval of the framework, the City Manager will direct staff to ensure that Council members are provided with information that supports the use of equity lens guiding questions and policy development and decision making.

So, to me that highlights that, really when we get into the starting line. We have created something that again helps staff to do a very difficult task of helping the 12 of us up here how do we discern what is equitable as we make our own decisions. Again, this is something that staff does not necessarily always feel comfortable doing, but we charged them with this and we're giving them more work to do to learn from us, to learn from the community and to again help future councils make more equitable decisions. So, again, this is going to take more work between us as council members with our staff to inform

them about we make decisions as well as them coming back to us and present data about how we might measure equity in our various decisions. As Ms. Ajmera gave an example around buses, we make a whole lot of different decisions. So, the way we procure buses might not be the same as we procure paint. It might be different than how we make zoning decisions versus how we go through our consent agenda or look at policy decisions. So, the work is just going to start and I look forward to continuing to work with staff and colleagues to determine how best to utilize this framework moving forward. Thank you.

Ms. Ajmera said I just want to recognize the Mayor because this was really her vision. She established the EEE Committee to specifically tackle the equity issues. So, Mayor, thank you for the opportunity to lead this work and lead this committee. I just applaud your vision for thinking long term on equity.

Councilmember Johnson said yes, I'd like to thank you also as the former vice chair of the committee. This was an honor to serve on this committee. One of the words I use a lot is intentional and I think this policy allows us to be intentional in looking at all of our policies through an equitable lens. One of the things that I'd also like to see is for us to eliminate the term unintended consequences because so many times things are foreseeable. So, looking at things through an equitable lens allows us to reduce those unintended consequences because there are just things in our work that are foreseeable if we take a step back and look at it from an inclusive and equitable lens.

I'd also like to recognize the ASL (American Sign Language) interpreter. That's one of the outcomes of this group, to have an ASL interpreter at all of our meeting. So, it was an important committee and I thank you for the opportunity.

Councilmember Driggs said I really struggle with this. I have been committed to the goals of racial equity and to a better more just society. I've done that through my actions as well as my words. I've been on the board of Good Will, which mainly benefits people who have been in the system who are trying to get work again, most of whom are Black, Communities in Schools, a dropout prevention program and other financial support. My wife is a guardian ad litem, a board member of The Relatives. I look at this and the difficulty I have with this is I think it's still as I felt our 2040 Plan did, it conjures up a kind of us versus them situation.

It talks about, as Mr. Rios says, "Racism, racism," several times during his presentation and I'm a them. We're not well represented here, but I am a "them." I believe that we need to work with them. We don't need to make them feel as if they're being held responsible for the crimes of their ancestors. I believe we need to work with them and I don't think that by implicitly shaming them through these repeated references to the abuses of the past, as true as they may be. I'm not denying any of the past. I will point out to you that I'm old enough to remember a lot of the things that other people read about. I remember when Dr. King was killed, when Robert Kennedy was killed. I remember Watts and Detroit, the riots, personally. I lived then and I've seen how we have evolved from those times to where we are today and I just think we have a great opportunity to try and promote more of a conversation of collaboration on tackling in our education, in our housing, the legacy problems of some horrible things that happened in the past. I think we have the opportunity to do that. I speak at churches, I speak at the Rotary Club Uptown and what I see is a lot of people who are saying, "How can we help? What should we do?"

So, I say, "Well try to interact more. Try to go to other churches or try to do this or try to support programs that create opportunity." We have a template in the form of the equity taskforce report on the issues that we need to address. So, as I say, I don't want to look like I disagree with any of the values that are expressed by this plan, but I'm not sure this is a good way to go about it. I'll tell you that there's one word in there that particularly struck me and that is, it says "Prioritize. Prioritize disadvantaged communities." We need to support them. We need to support them, we need to do what we can for them but let's not talk about it in a way that we're going to accomplish that by taking something away from somebody else and giving it to them instead.

That to me as one of “them”, is what the word prioritize means. I suggested when we talked about this the last time, that maybe we should just say support. We can all win here. There is no need to make this out to be a zero-sum game in which some people come out ahead of others. What we want to do is we want to help certain people come out ahead. That’s what it’s about, and I think them can do more to help bring that about if they don’t feel through the use of words like racism and constant reminders of the ugly behaviors our ancestors, our predecessors, than we can through a policy.

I will remind you that this council, including myself has been incredibly equity conscious already. We have the Business Inclusion Program, we have our housing initiative which started with the Community Action Plan that the Mayor proposed after the Keith Lamont Scott thing and it’s grown from there. The Mayor’s raised equity initiative, police reform, the transformation program is pervaded with goals of social justice and equity. The UDO (Unified Development Ordinance), the SEAP, all of them have equity in them. So, it feels to me like we are doing this and I don’t want to support a plan as a “them” that promotes the perception that we need to resolve a continuing conflict. Let’s fix this together. Thank you.

Councilmember Bokhari said I’ve said it before, and I’ll just say it again. The greatest threat to achieving equity is ensuring that you have a mechanism and approach to make sure you’re not falsely diagnosing it and where there’s disparity. So, this council has no problem remembering to incorporate the question is there disparity? Are we achieving equity in a conversation we’re having. We do that every single time, every single day. That is not a problem. The problem is we don’t have a structured way to have that tough conversation as a group and it has reared its head today multiple times. We will look at hard data that is handed to us and it will either be massaged and manipulated in one way or it will be straight up told to us in another and we can’t sit there and have a real dialogue about it.

When I hear the word framework, that’s what I’m looking for to be laid out that we know the rules of the road and how we’re going to have those tough conversations. There is inequity scattered around this community. The problem is it seemed to be diagnosed in every conversation we have and that’s ultimately going to be at the expense of finding the true inequity and rooting it out. So, I’ve had working sessions since our last meeting with Federico and the team. I am committed to doing the next body of work which is create the actual framework that’s necessary. What we have right now is a set of questions that have distilled 30 plus pages of information that essentially reminds us to ask the question are we considering equity. That is not a framework and that is not a problem that we have right now.

If we can structure a real framework in the next steps, I’m in. I’m in for that work. I think it’s too critical not to do, but again, we can’t just go around and pat each other on the back like we achieved something when we didn’t. So, I’m a no today.

Councilmember Watlington said so, Mr. Driggs, I hear what you’re saying in regard to an us versus them. I would offer to you that you are not a “them” unless you choose to be a “them.” If you are on the side of trying to create equity, you are an “us.” It’s not your whiteness that makes you a “them”, it’s where you stand. Based on what you’ve described, you are saying that you are in fact one of us and I think that conversation that is laid out in such a way that not by virtue of your values, but your skin tone, you’re creating us versus them, I think that is perpetuating a negative connotation of equity. I don’t think that’s what anybody around this dais is going after. So, I would caution you that while I can appreciate that there’s probably some things that may trigger you, if we focus on the goal at hand and who’s working towards that, I think you can refrain that conversation and equity won’t feel like such a threatening word.

Mr. Driggs said it’s racism that feels like a threatening word. It was used today.

Ms. Watlington said okay. Racism exists. It’s a noun. It’s a system of things. It’s a system of outcomes. Whether it’s you out here calling somebody some kind of racial epithet, it’s not always that. Racism is a system and it doesn’t necessarily mean that

somebody is going out to do something nefarious particularly because of the color of their skin. It is simply the balls that have already been put into motion continuing in motion. So, to say that we want to address racism is about addressing the things that have happened historically because the outcome still exists today. It's not about assigning blame to you're wrong, you're wrong, you're wrong. It's what are we going to do about it? Councilmember Bokhari was just talking about a real framework, let's do that. This is a first step.

So, while I can appreciate your stance, I don't understand how anything other than a yes is going to get us further down that path. You may disagree, the language that was used, but I would argue that telling the people who's ancestors were oppressed and who have had to overcome things that they didn't get to choose how to talk about it, is a retraumatization. I want to believe, because I know you, that that's not your heart. So, I'm offering this to you so that you can understand what it sounds like and what it feels like to hear a colleague say because of these technicalities, we're going to vote against the vision.

Mr. Driggs said so, do you think the word racism says something nice about certain people? When we use the word racism, doesn't it connote a bad attitude towards Black people on the part of some people? So, I'm just telling you that there are a lot of people I know and maybe I am not exactly like them, but there are a lot of people I know who may not be as actively involved, but the use of that term, they feel applies to them. They feel that they're not guilty. They feel that they are being branded that way because of the behavior of earlier people and many people who live in Charlotte today aren't even descended from the worst offenders when it comes to racism.

We have a problem we have to address. I don't deny it, but when you inspire good will and cooperation in the people that we need in order to eliminate racism, I'm just suggesting you're going to get a better result than using that term and making them feel ashamed. I know more about that because you may well know about the Black experience, I know about the White experience.

Ms. Watlington said Ed, I didn't say you didn't know about your own experience. I didn't say that at all.

Mr. Driggs said no, I'm just telling you that that's what it is.

Ms. Watlington said racism is a noun. If I may respond though. If I may just quickly respond. Racism is a noun. So, if you acknowledge that racism has existed, is the bedrock of this country, period. So, to say that you cannot say racism because that makes people feel attacked, a hit dog will holler every time.

Mr. Driggs said I didn't acknowledge that.

Ms. Watlington said you did. Earlier you said there are inequalities, and I know you're not going to sit up here and say that racism didn't exist in this country and does not still have affects and impacts. That's why we're here doing the work we're doing. So, to attach all of these other things to it that if you're a White person in a room and you can't acknowledge racism, that's an internal thing. Nobody's calling you a racist. Nobody's saying you hate Black people or Brown people or anybody else. We, the collective, have a problem.

The last thing I'll say. I think that it may be helpful, Race Matters for Juvenile Justice does an excellent job of defining racism and how it shows up in our systems. I think being able to unpack that will help folks get on the same page in terms of the language that we're using. So, that is something that I think would be worth investigating for those that would like to participate. Thank you.

Mayor Lyles said it is a great course. I've participated in it and it's one of those things that just helps you recognize the issues and the deep, deep ground these issues have occurred in.

Councilmember Anderson said you know I hope we are not here to dissect the concept of racism and bifurcate that into a variety of buckets. I do want to route us though in the human experience of the residents of Charlotte and Mecklenburg County. A few years back, there was a Chetty Study done that listed us 49 out of 50 and when they cut it by counties, we were in the bottom worst counties in our entire country. We were 98 out of 100. So, they've gone back and they actually refreshed some of that data. Out of the individuals who grew up poor, their families typically earned \$24,000 a year. This is a national number. In Mecklenburg County, our average poor income is \$21,000 a year. So, when you're looking at inequities and the ability to earn and to climb out of that 20 percent bottom 10 percent, for Mecklenburg County, only 2.6 of low-income Black households in the county reached the top 20 percent of income. The median for all counties in the United States of America is 3.3 percent.

So, we are lagging even within the worst of the worst. We are still lagging. We are at the bottom, and we have to acknowledge that this has occurred. It didn't occur in one vote and we won't solve it in one vote. We need to attack and address it through a series of decisions where we're looking at what we do as a body in our work through an equitable lens, and how can we address and level the playing field for those 2.6 percent of Black households in Mecklenburg County who, thank goodness they're able to do something, but what about the balance? We have to help them. We've heard from them tonight. So, I hope that we're all ready to sharpen our tools and circle the wagons to address that inequity, that issue that is a human experience. It's not a race experience, it's a human experience that people are living every single day. Thank you, Madam Mayor.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Ajmera, Anderson, Johnson, Mayfield, Mitchell, Molina, Watlington, and Winston

NAYS: Councilmembers Bokhari and Driggs

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BUSINESS

ITEM NO. 12: NORFOLK SOUTHERN INTERMODAL YARD PROPERTY ACQUISITION

Motion was made by Councilmember Mitchell and seconded by Councilmember Winston to (A) Authorize the City Manager to negotiate and execute a purchase sale agreement and any ancillary agreements with Norfolk Southern Railway and their affiliates for \$14,800,000 to acquire 17.88 acres of land, and (B) Adopt a budget ordinance appropriating \$8,500,000 from the CATS Revenue Reserve Fund to the CATS Capital Projects Fund.

Councilmember Ajmera said so, Ms. Marie Harris helped address some of my questions, but I do have additional questions here. I know that the community and there were several organizations that were looking at this land and potentially using it for a park space. I know that in response to my question, there were no other city departments that were exploring purchase of this land. Are you aware of any other groups whether outside of the city, county or nonprofits that were looking at this space to acquire for park space or green space?

John Lewis, Executive Director, Charlotte Area Transit System said John Lewis, Executive Director of CATS (Charlotte Area Transit System). I'm not aware of any conversations between Norfolk Southern, the owner and any other groups. I have had conversations with the park group that loose knit group that has expressed interest, but I'm not aware of any conversation they may have had with the owner.

Ms. Ajmera said so, I understand that we are looking at this large land and we are looking at it to see if we can use it for CATS vehicle maintenance or a storage facility. Let's say we decide that this may not be the best use of this site. Could we possibly explore other uses or are bound by this proposal?

Marcus Jones, City Manager said John, I think it would be helpful if you go all the way back to 2009 and what your thoughts were around this parcel back then.

Mr. Lewis said so, in 2009, the 2009 period was during the final design and engineering for the blue line extension. This parcel was an important part of that original project design. At the time, there were some concerns about the project being over budget and this was value engineered out of the final project. We did acquire a smaller piece of property immediately adjacent to the property at hand in which we built a very small running maintenance facility that is operating today. In the projection for the Blue Line south corridor, the Blue Line extension and the coming Gold Line, we needed this space originally to handle the ongoing maintenance of our fleet and current storage. Right now we're storing trains in maintenance bays because we don't have enough storage space for the current fleet that we have. So, we're just trying to come back and acquire the space that was originally planned in 2009 to be a part of the Blue Line extension.

Ms. Ajmera said so, have we explored any other sites for that use or was this the only site that we had our eyes on?

Mr. Lewis said this is the only operating rail yard that is within our operating area. So, there are no other rail yards that are available to us. If we were to go somewhere else, we would be introducing a new use into a pristine community. So, really this is the only opportunity for us.

Ms. Ajmera said that's all I have. Thank you.

The vote was taken on the motion and recorded as unanimous.

The ordinance is recorded in full in Ordinance Book 65, at Page(s) 298-299.

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ITEM NO. 13: LYNX BLUE LINE SUGAR CREEK STATION DEVELOPER AGREEMENT

Motion was made by Councilmember Winston, seconded by Councilmember Mayfield, and carried unanimously to (A) Amend the FY2023 Capital Investment Plan (CIP) to include \$250,000 in funding from Third and Urban for the design, construction, and testing of a proposed pedestrian connection to the LYNX Blue Line Sugar Creek Station, and (B) Adopt a budget ordinance appropriating \$250,000 from Third and Urban to the CATS Capital Projects Fund.

The ordinance is recorded in full in Ordinance Book 65, at Page(s) 300-301.

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ITEM NO. 14: AMEND THE 2022 CITY COUNCIL REGULAR MEETING SCHEDULE

Motion was made by Councilmember Driggs and seconded by Councilmember Bokhari to approve amendments to the 2022 City Council Regular Meeting Schedule.

Mayor Lyles said I think that there were some questions about why we were doing some of the changes on the zoning agenda. Is there anyone that has a question about that?

Marie Harris, Strategy and Budget said excuse me Madam Mayor, if I may. Yes, that was the email I sent out that we republished because we were adding this item that was mentioned I believe by Mayor Pro Tem at the Zoning Meeting. So, we're closing the gap on that. So, we're adding this item and at the same time, the fire department is wanting to pull their land acquisition for our 21. So, we just switched it and I apologize if somebody had a hard copy before that, but we did send out an electronic notice on that and online for the public as published as well with the calendar.

Mayor Lyles said okay. I'm sorry that you got a hard copy on Friday, and I don't think that that's what we have on the most current. Okay, I'm assuming there was an email. So, let's go to the item that talks about amend the 2022 City Council regular schedule meeting. Do we have some copies of it Ms. Harris? Raise your hand if you need a copy. This was discussed in the small group planning meetings that we had, to talk about getting a December meeting for zoning as well as the practice of being able to, I want to say this correctly Mr. Baker, to be able to do decisions, consent items of Council. We would be able to vote on the decisions and pull out those that needed a separate vote for decisions, so that we would be able to have a more reasonable time to end the backlog that we have for zoning petitions that are being submitted by the community.

Ms. Johnson said you said start the meeting at 4:00 for zoning meetings on the third Monday. Why are we calling it a backlog as if we're behind?

Ms. Lyles said Alyson is going to talk about the backlog and the number of petitions that are being filed. I want to make sure that we get the accurate numbers Ms. Johnson.

Councilmember Johnson said let me finish the question. Did you have something to say? So, there's a processing time. This is Charlotte. We're an explosively growing city. So, we know that if they file a petition and we're listening to 50 petitions a night, it takes six months or whatever. I consider a backlog as if somehow, we got behind because of a lack of something. There is a processing time and we just had all these people in here being displaced, so we're going to come in an hour early, stay an hour late just to bend over backwards for more displacement and more development? I would just say that the developer knows that if you file a petition, there is a processing time in Charlotte because of the demand. I just don't see the need for us to talk about meeting twice a month on zonings and coming in early or staying late when it's a processing time.

Mayor Lyles said it's once a month for zoning.

Ms. Johnson said I know that.

Mayor Lyles said oh, I thought you said twice.

Ms. Johnson said no, there was some talk about that too. I thought I heard we were going to have more than one zoning.

Mayor Lyles said Alyson, do you want to talk a little bit about why this has come up as the recommendation and is it short term, long term or is it a process issue?

Alyson Craig, Interim Planning Director said sure. Thank you, Mayor, Manager, Members of Council. So, where we are right now is when we say that there's a backlog, there's about six months before we can even start processing the permits. This has occurred for a variety of reasons. It's not one singular reason. There is very high development activity. That is certainly the case right now. I think sites are very challenging. We've heard even tonight about challenges with construction cost, land cost, etc., that makes it harder to find sites to build projects. We have outdated policies which we're working on correcting right now and I would say Mayor to your point, this is a short-term issue ultimately. Of course, we have really high housing demands.

So, there's just a lot of pressure on the zoning process. So, what we proposed is a way to help alleviate that. We really need more time with council. So, you all approved an additional resource for our zoning team this past budget cycle which helped staff

process the applications in a timelier manner. At the end of the day, there's only so much time in the evening to get through the number of petitions. So, I think once we get through this, and get more up to date with the petitions that are being submitted, then I think we could go back to a regular schedule.

I do think moving the decisions to a consent agenda is similar to what you all do for other City business, and so we would only propose those for cases that have not had any changes since Zoning Committee. They would be ones that there's no opposition at the public hearing and ones in which you have a favorable Zoning Committee recommendation. So, I think that could be something that could ultimately be long term, but the rest of it really could be something that is a short-term solution.

Mayor Lyles said okay.

Ms. Johnson said can I have a follow up?

Mayor Lyles said certainly.

Ms. Johnson said thank you. So, another thing is the December meeting. We're proposing have a meeting in December, and I've talked about it to some of my colleagues. I thought that would be a nice opportunity since we have an optional meeting or we're adding a meeting, to take that opportunity and talk about solutions for our residents instead of once again, taking extra steps for developers. That might be a time to talk about infrastructure or affordable housing or solutions, but I just again, this is a fast-growing city, there's a process. We could meet twice a month with zonings and still would have a backlog because of the demand. So, I just think we have to have realistic and smart goals as a council and really consider how we're managing.

Councilmember Watlington said yes. I was going to say something similar to Councilmember Johnson. We keep talking about this strategic look and we need to step back and we say it every single month. There is something to be said for efficiency, but effectiveness goes before efficiency. If we look up down the road and say we have everything done, but it doesn't even necessarily match what the vision was, I don't know that we can call that a win.

So, we've been saying it for long enough. I do think if we're going to have an extra meeting of any sort, it needs to be strategically focused so that we can actually get the ball rolling on addressing that. Because whether you sit up here every month and say we need to be strategic, but I'm going to vote for this or you say we need to be strategic and I'm going to vote against this, we still haven't done the work. So, we have to reconcile that.

Councilmember Anderson said I think we have to look at what the actual challenge is and I don't believe the challenge is adding pushing the meeting up to an hour or adding another meeting. I don't think that's going to address the challenge. I think we could do those things and we'll still be behind. So, I think we really have to look at how these meetings are structured when we look at these zoning petitions and how we can build capacity through the meetings that we have. Last week when we had a Zoning meeting, we left at 9:00 and we left an hour on the table for our cut off time when we could've gone through more.

So, I really believe that we need to think about the structure of these meetings and then what are the conversations that we need to have beforehand, before we walk into the room as it relates to each petition. If that means maybe adding a lunch or an additional meeting where people can get their questions vetted, etc., I think we should do that. I have very low confidence that if we bump the meeting up to one hour, and add another meeting, I have very low confidence that's going to help us get through the backlog that we have any faster.

Ms. Craig said so, if I could add just that we've typically had a December meeting, it just happened to be this year that we didn't. That wasn't on the Council's calendar. So, it is

one that's a normal meeting. The Council does address zoning petitions. So, I think by having that, adding that back to this particular year's calendar, you probably could get through another 30 petitions between the consent agenda and the earlier start time. You could probably get through another 10 or 15 petitions. So, you really could start to really address what's taking a long time to get through the system. So, I just wanted to point out too, I'd be happy to provide a follow up report about what's in the queue, what kinds of projects there are, but these are also projects that are from our nonprofit partners, they're from individual property owners, they're from affordable housing developers. There's a lot of different kinds of projects that are out there. So, this also creates challenges timewise for those petitions to get through and to get through before you all. It's just taking a little bit longer than what we'd like for it to.

Mayor Lyles said I do believe there is a Zoom meeting on Mondays of the Zoning meeting at noon. I think that attendance has not been robust. So, we could try to figure out some ways to improve. I just wonder if we can just try to get through to the end of the year, but that's just until we can actually look at this with a little bit more data.

Councilmember Bokhari said yes. I fully actually agree with Ms. Johnson's point on if we want to add some extra time to something, infrastructure makes all the sense in the world. We never give that its time and we're starting to feel those impacts across the community right now demanding answers and it's only going to get worse over the next years. So, again, I'll make the call that I've made for the last year which is we need an infrastructure investment committee for a day of focus, a month or something on the infrastructure that's going to follow all this jet fuel we just dumped on the community with the UDO and the Comp Plan for growth.

Then secondly, I just think we have the lunch meetings, we have all these other things. Unfortunately, we have to figure out a way to get people to ask some of these questions offline. When we get done at 9:00 it's because we churned through stuff way quicker than anyone would've expected us to. So, I think there's somethings that are points that need to be raised so that the community can hear them and that's fine, but there's some basic questions we continue to ask from behind the dais that there were other outlets and abilities to get those questions answered. It's only going to get worse over the next three years or so. We're going to systematically bring dozens and dozens of rezonings as we rezone the entire city as we go from interpretation to realignment. That's going to be a whole other body of work that isn't included in the current volumes we have. So, hopefully we can get that under control.

Councilmember Driggs said I don't think that we solve anything by dragging our feet in processing these petitions. I mean there are good ones and there are bad ones. The good ones get slowed down with the bad ones. So, the thing is we need to have clear policies. That's what the UDO was supposed to be and I think we're starting to recognize some problems with it, but we need to send a clear message to petitioners about where they can expect to be successful and where they can't. Again, we don't want to slow down the good petitions with the bad ones. We've said we need more housing and the way you get more housing is by allowing people to build more housing. If we're starting to recognize that the UDO or the Strategic Mobility Plan does not adequately acknowledge some of the infrastructure problems we're creating, that's a policy conversation. Slowing down the processing of these petitions simply creates an inefficiency which adds to cost which means our goal of bringing housing costs down is not served.

So, I'm in favor of having the December meeting and not having us be the bottle neck. I'm not convinced myself that there isn't also a staff bottle neck, we've had conversations about that, but let's deal with these things and let's just determine is this the policy that is in effect right now. There's a little confusion about that because the old rules are still in effect. The Policy Map is now effective, and I've suggested to Alyson that we should have a meeting outside of a zoning meeting in order to help everybody understand what the current criteria are by which we judge these things. Again, I don't believe that for us to be a bottle neck is going to serve any purpose. I'm in support of the December meeting.

Councilmember Mayfield said I agree with one of my colleagues that I don't really see how we have a bottle neck. We have projects that were approved when I was on the council previously in 2019 that still hasn't moved forward in community, but I do think we have an opportunity to have a meeting designated for us to work towards a strategic plan so that we can get on the same page as far as how do we see our city moving forward and what our expectation is when we're looking at trying to implement this in between. We have the 2040 Plan, we have the UDO, but we're still looking at inconsistencies because they're caught in limbo.

We need to identify a time to have those real conversations with each other and get on the same page versus trying to figure out how to approve more projects that very well may have a three, five, seven year vested rights, where we're not seeing their immediate impact in the community and we're rushing to get to potential infrastructure challenges because we may be approving something but we don't have the capability. Whether it's water wise, street wise, it would be helpful to have a meeting that's really focused on what do we see as our service to our residents, not just to our business community.

Substitute motion was made by Councilmember Johnson and seconded by Councilmember Mayfield to approve amendments to the 2022 City Council Regular Meeting Schedule to add an infrastructure meeting in December to discuss solutions for our residents.

Mr. Bokhari said can I just make a quick comment? I love the fact that that's happening. I don't think it needs to be an either or proposition. So, I hope you guys continue that. I will support that all the time, but it doesn't need to be an either or proposition.

Ms. Johnson said what do you mean it doesn't need to be either or?

Mr. Bokhari said you don't have to do one versus the other.

Mayor Lyles said I guess what I'm thinking is that we need to figure out if we're going to have in infrastructure meeting, infrastructure is a lot. Someone has to help shape this and get it ready, but we'll think about that as we go on this motion.

Councilmember Ajmera said thank you Madam Mayor. So, I know from my colleagues I hear loud and clear that infrastructure is certainly something that Council would like to discuss. How about we add it to our summit that we have coming up, so we are really discussing housing, infrastructure and jobs because they're all interconnected? I think that would be a great opportunity and it'll give us even more time to discuss really three priorities that we have. Housing, jobs and infrastructure. That's just a suggestion.

Councilmember Winston said yes, sort of what I think Ms. Ajmera was getting at is it's clear that council wants to have a meeting and have a different type of discussion than we've been able to have. So, I would suggest that we work together to better define what that is. I don't think it has to be an either or. I think we need to do our work around our rezoning. I would argue that one of our main jobs as a council or our responsibilities is to set the regulations of what and how building goes. That is what land use actually is. We're going through a time period where we're transitioning because the way our regulations regulate what can be built where are not sufficient for where we're at and where we want to go.

I would also add to Ms. Ajmera's point, when you talk about housing and jobs, infrastructure is that kind of connective tissue to make that happen. So, I would certainly suggest that we use that time to maybe better define this different type of session. I would imagine that whatever this session is, we probably are not going to solve it all in that session. It might be a series of meetings. We've done this before, but we really need to again, as we're working with staff, as we have so much on our plate, we really have to be very specific about the outcomes that we are putting on our staff to come up.

I don't think we have it right there, but again, it is very clear that Council wants to go a different direction.

So, I'm not going to support the substitute motion myself but let's work together to figure out what that actually is. It can't be about infrastructure or something. It has to be a very defined pathway that we can start to go down so that we give it its just due. Again, perhaps one meeting is not the way to go about. Maybe it's a series of meetings like we did for instance when we first were dealing with COVID. We realized that we have our committee work that's going on, we have our regular meeting work, but we have to have a specific task force approach that we come up with deliverables of how we want to get something done. That was very effective. We've done it before, we can figure out how to do it again, but we should not do it on the fly up here.

Mr. Driggs said I don't disagree with Ms. Johnson except I think we can do both. So, I'll vote against this but in the context of advocating as I have been for some time, that we have a separate work session and do not use zoning meetings to make policy. Thank you.

Ms. Watlington said a couple of things. So, I think that certainly we don't have all of the answers. I think the intent of the motion is to start the process. When we decided, we were going to have a housing and job summit, we didn't have all of the answers to the housing and job summit before we decided what the agenda was going to be. So, I don't think that the answer needs to preclude the decision to look that direction.

I would ask if you would accept a friendly amendment because it seems that there is general support to have an infrastructure conversation. So, if we could handle that motion separately from the zoning one, I think we might actually get the 80 for the 20. Whatever you want to do, respect.

Ms. Johnson said I just know I've been on Council since 2009 and three meetings a month we talk about all of these priorities. Infrastructure, stormwater, crime, traffic and then once a month we're supposed to put our head down and continue to vote for growth without addressing these issues. Councilmember Bokhari, believe it or not, I was talking about the last petition where your residents were furious. That's going to happen to every single one of us until we address the issues.

So, I will accept the amendment, but I know that since 2019, you guys go back further than I do, we have to address these issues. We're all afraid to say a moratorium, I call it the M word, but whatever it takes, there's an imbalance in this city and we know it. The more we say, "Well we can't do it on zoning Mondays," it's time to walk our talk.

Mayor Lyles said I actually don't think that we're trying not to do it, I think we're trying to do an effective meeting and I think next Monday when we have our committee meetings, this is one of the things we were actually asking the committees to give us some framework, some points on. So, we have a substitute motion.

Ms. Watlington said an amending substitute.

Mayor Lyles said an amended substitute motion.

Ms. Watlington said that we have a meeting in December to talk about infrastructure.

Ms. Johnson said I prefer it be during the Zoning Meeting so we have the committed time and these number of hours, but okay. We need to be focused. It doesn't need to be with jobs and housing. District 4, their back yards are flooding. Residents are spending \$20,000-\$30,000 because of our decisions. So, we have to do something.

Mayor Lyles said okay, we have a motion to have a meeting on infrastructure in December.

Mr. Bokhari said with no zoning.

pti:mt

Mayor Lyles said with no zoning. Just a meeting on infrastructure in December. You will frame that in your committee discussions and bring up the points. The motion was amended that we would have a meeting of the Council to discuss infrastructure and to ask each committee on the next committee meeting to bring a framework for that discussion because it needs to reflect what the Council wants to accomplish. So, that's the motion.

Mr. Bokhari said what about the zoning meeting? Are we, having it?

Mayor Lyles said it's a separate issue.

Mr. Driggs said so, that had a motion on the zoning meeting.

Mayor Lyles said I know, but she has a substitute motion that is amended.

Ms. Johnson said I had a substitute. I don't think I have the six votes from my motion.

Mayor Lyles said wait a minute. We have a substitute motion. I've restated the substitute motion.

Mr. Bokhari said Mr. Baker would like to chime in on this.

Mr. Baker yes. If I could just clarify. What I'm hearing is Ms. Johnson would like to add a separate meeting into the December that hasn't been decided exactly when, but she wants a December meeting and that's what she's adding. The question is are you adding it to the calendar that's also in front of you for a vote?

Mayor Lyles said we would not be able to add it to the calendar today because we don't have a date for it.

Mr. Baker said right.

Mayor Lyles said on Monday when you have the committee meetings, then we can get the framework and we can look for a date that all of your assistants can figure out for us as a whole. Just like we schedule all these other meetings that you work with your assistant. So, is everybody clear on the motion? Ms. Johnson, this is your motion. So, if I'm saying it incorrectly, we wanted to get it right for you.

Amended substitute motion was made Councilmember Johnson, seconded by Councilmember Watlington, for all those in favor of the infrastructure meeting informed by the Council Committee with a date to be chosen in December.
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The vote was taken on the amended substitute motion and recorded as follows:

YEAS: Councilmembers Bokhari, Driggs, Johnson, Mayfield, Mitchell, and Watlington

No Vote: Councilmembers Ajmera, Anderson, Molina, and Winston

The vote was taken on the main motion to approve and recorded as follows:

YEAS: Councilmembers Ajmera, Anderson, Bokhari, Driggs, Graham, Mitchell, Molina, and Winston

NAYS: Councilmembers Johnson, Mayfield, and Watlington

Motion was made Councilmember Watlington to change the 3 rd Monday Council Meetings to start at 4 p.m.

A vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Mitchell, Winston, Bokhari, and Driggs

Motion failed.

Mayor Lyles said we'll start at 5 p.m. The clerk's evaluation, 2 p.m. November 14th. Please raise your hand.

Mr. Bokhari said if this doesn't get six votes, I don't know what's happening.

Unknown said the clerk's evaluation?

Ms. Ajmera said at 2 p.m.

Mayor Lyles said 2 p.m. on November the 14th.

Ms. Mayfield said Mayor can I ask a clarifying question. One of the challenges is the times that you're doing this. You have some Council members that are around this dais that actually have jobs.

Mayor Lyles said I understand that.

Ms. Mayfield said they are at those jobs during the day. So, creating a 2 p.m. timeframe to try to meet, when people have already based their calendars and for those who aren't going to somebody's job, no one reached out to council to say, "Hey, what do you think about these times?" before these times were presented to everyone.

Mayor Lyles said I think that this was asked for your assistance to look at your calendars.

Ms. Mayfield said staff assistants need to look at our calendars versus reaching out to Council members to verify sometimes on the calendar are two different conversations because you have individuals as this being a part time job, individuals who are at work during the day and cannot just get up and leave to be at a meeting at 2:00 in the afternoon.

Mayor Lyles said completely understand. Agreed.

Ms. Mayfield said I can be here at 2:00, I'm just in school. So, thank you Jalisa for that, but for those who have to go to work, we have to be cognizant and create times that's accessible.

Mayor Lyles said okay, so we will not schedule those evaluations until we get calls from your assistants to you directly to get your comment on the time for November 14th and 21st. That will still keep the date, but we will ask your assistants to actually call you about the exact times on those dates. If you don't want to do it on those dates, tell your assistant that as well.

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ITEM NO. 15: CHARLOTTE MECKLENBURG PUBLIC ACCESS CORPORATION CONTRACT

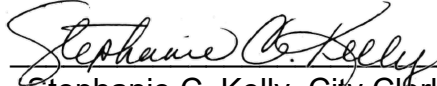
Motion was made by Councilmember Mayfield, seconded by Councilmember Driggs, and carried unanimously to (A) Approve an amendment to the contract with Charlotte Mecklenburg Public Access Corporation for the provision of Public Access Facilities and Support, (B) Authorize the City Manager to negotiate and execute an amendment to the contract with Charlotte Mecklenburg Public Access Corporation to increase the percentage of state-provided video and telecom revenues paid to the Charlotte Mecklenburg Public Access Corporation from 6.6 percent to eight percent, and, (C)
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Authorize the City Manager to amend the contract consistent with the purpose for which the contract and this amendment were approved.

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ADJOURNMENT

The meeting was adjourned at 9:35 p.m. at the conclusion of the Business Meeting.


Stephanie C. Kelly, City Clerk MMC, NCCMC

Length of Meeting: 4 Hours, 24 Minutes
Minutes Completed: February 6, 2024