

Federal and State Lobbying Services contracts

Response to Item #30 – Federal Lobbying Services

The following are illustrative legislative wins that the City of Charlotte has benefitted from over the last several years as a result of our contractual relationship with Holland & Knight. For all of the legislative wins described as well as others not listed, the firm may have worked with House and Senate Leadership, members of Congress and their staffs, congressional committee staffs, and relevant federal agencies to advocate for the needs of the city, as well as advocacy organizations and other lobbyists to build coalitions and develop joint strategies.

Housing:

- In 2018, Holland & Knight worked with the National League of Cities to form the Mayors and CEOs for US Housing Investment coalition. The coalition is composed of 34 US Mayors, including Mayor Lyles. The coalition's goal is to ignite a national conversation that housing is pro-family, pro-jobs, and pro-investment, reinforce the federal government and private sector role in housing, and influence major federal policy and funding reforms for housing and homeless programs implemented at the local level. The coalition engages a variety of stakeholder groups, thought leaders, and academia, including the National Alliance to End Homelessness, Enterprise Community, and the African American Mayors Association.
- In 2020, federal legislation set a minimum floor of 4% for rehabilitation Low-Income Housing Tax Credit (LIHTC) projects. This action was recommended locally by the Charlotte Housing Recovery Task Force in September 2020. For new construction, affordable housing developers also have the 9% tax credit available. The credits are administered in North Carolina by the Housing Finance Agency of North Carolina.
- In 2021 and 2022, after a period of inconsistent funding levels during the previous decade, funding for the core federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs is on a more favorable trajectory. The city receives formula funding directly from these programs and utilizes it to increase the local supply of affordable housing.
- In 2020 and 2021, emergency relief legislation enacted by the US Congress, the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, 2020 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and 2021 American Rescue Plan Act (ARPA) provided total of \$76.5 million for financial assistance for rent, utilities, housing stability and other emergency needs related to the pandemic.
- In 2020, 2021, and 2022, City Council allocated \$70 million of flexible ARPA State & Local Fiscal Recovery Fund and CARES Coronavirus Relief Fund proceeds for housing:
 - \$20 million in 2020 for housing and homeless support
 - \$20 million in 2021 for housing and homeless support
 - \$30 million in 2022 for affordable housing initiatives that support strategic partnerships, reduce displacement risk, and advance staying in place.

Public Transportation:

- Holland & Knight worked with the city to develop and implement strategies to secure federal resources for 2030 Transit Corridor System Plan projects like the LYNX Blue Extension from Center City to UNC Charlotte, and CityLYNX Gold Line Phases 1 and 2. With respect to the LYNX Blue Line Extension, the strategy included: personal outreach from multiple City Mayors to the White House, Federal Transit Administration, and the Congressional Delegation; unanimous support from the Charlotte City Council; and close coordination among the Charlotte Area Transit System, City Manager's Office, and other departments in the planning, design, and engineering efforts. Once the FFGA was secured in late 2011, the firm executed plans to secure

the annual appropriations required for the federal government to fulfill their commitment of \$580 million in federal funding. The line opened in April 2018.

- Firm worked with the City in securing three Local and Regional Project Assistance grants, commonly known as RAISE, BUILD, or TIGER, for: (1) 2011 round of \$18 million for LYNX Blue Line Capacity Expansion; (2) 2015 round of \$25 million for Charlotte Gateway Station; and (3) 2021 round of \$15 million for Charlotte Transportation Center.
- In 2020 and 2021, emergency relief legislation enacted by the US Congress, the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, 2020 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and 2021 American Rescue Plan Act (ARPA) provided total of approximately \$200 million to the Charlotte Area Transit System to ensure that the financial stability of CATS during the pandemic could be sustained.
- In 2021, the 2021 Bipartisan Infrastructure Law (BIL) provided substantial new funding of \$39 billion for transit related capital improvements nationwide. There is a much larger pool of funding available for Capital Investment Grants, which funds the federal portion of construction of rapid transit corridors, and replacement of buses with low- or no-emissions vehicles.
- Over the last several years, Holland & Knight has been working with the City to advance the remaining projects in the 2030 Transit Corridor System Plan by setting the stage for future federal agreements and appropriations once a local source of revenue is authorized by the NC General Assembly and approved by the voters.

Aviation:

- Holland & Knight worked with the city to develop and implement strategies to secure the new Airport Control Tower at Charlotte Douglas International Airport, which was commissioned in April 2022. Multiple City of Charlotte Mayors were engaged with the White House, Federal Aviation Administration (FAA), and Congressional Delegation. The Mecklenburg Delegation and Charlotte City Council unanimously supported these efforts, and staffs from the Department of Aviation and City Manager's Office closely coordinated their efforts. Once the FAA provided their support, Holland & Knight guided us through the appropriations process to ensure an appropriate amount of funding was available for the FAA to construct the project.
- Holland & Knight worked with key staff to develop and implement strategies to make the city's case before the FAA when the General Assembly enacted the Charlotte Douglas International Airport Commission Act (SB 380) in 2013. The State legislation required the city to transfer sponsorship and operation of the Airport, which the city strenuously objected, to the newly created Commission. In June 2016, the FAA released its policy on evaluating disputed changes of sponsorship at federally obligated airports that required the current sponsor/operator to consent to any changes to sponsorship and operation. In a response to another forced transfer of sponsorship and operations, the firm worked with that City's delegation to have language incorporated into the FY 2021 appropriations bill reminding the FAA of the June 2016 policy.
- In 2020 and 2021, emergency relief legislation enacted by the US Congress, the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, 2020 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and 2021 American Rescue Plan Act (ARPA) provided total of approximately \$300 million to the Charlotte Douglas International Airport to ensure that the financial stability of the Airport during the pandemic could be sustained.
- In 2021, the 2021 Bipartisan Infrastructure Law (BIL) provided substantial new funding of \$20 billion for airport improvements nationwide. The Airport received \$43 million in formula funding earlier this year from the Airport Infrastructure Grants program, which will continue from 2023 through 2026.
- Holland & Knight is currently working with the city to secure the federal commitment to construct the fourth parallel runway and the north and south end-around taxiways.

Highways and Safety:

- The 2021 Bipartisan Infrastructure Law (BIL) provides new funding of \$120 billion for street, bicycle, pedestrian, safety, and other infrastructure needs nationwide. Highlights of funding include increased funding for existing grant programs such as the Local and Regional Project Assistance Program.
- Funding is also available for new programs such as the National Infrastructure Project Assistance Program providing single- or multiyear grants to projects generating national or regional economic, mobility or safety benefits, and the grant program to implement state and local “Vision Zero” programs.

Digital Inclusion:

- The 2021 Bipartisan Infrastructure Law (BIL) provided substantial new funding for States to deploy for digital inclusion purposes including extending broadband to unserved areas and affordability issues. The States may use the funds to award sub-grants to local governments.
 - \$42 billion through the Broadband Equity, Access, and Deployment Program
 - \$1.25 billion through the Digital Equity Competitive Grant Program
 - \$1 billion through the Enabling Middle Broadband Infrastructure Program
- The BIL provides \$14 billion for the Federal Communications Commission to continue tackling affordability issues through the rebranded Affordable Connectivity programs through FY 2026. This program is the successor to the \$3.2 billion Emergency Broadband Benefit program created by the 2021 American Rescue Plan Act (ARPA) to connect low-income households to the broadband.

Sustainability & Resilience:

- In 2011 and 2019, the US Congress appropriated \$50 million each year for funding of security at the Democratic and Republican National Conventions held in Charlotte.
- The 2021 Bipartisan Infrastructure Law (BIL) provides \$62 billion of new funding for sustainability and resiliency needs such as electric vehicle charging infrastructure, flood mitigation, and cybersecurity.
- The 2022 Inflation Reduction Act (IRA) provides \$369 billion in climate and energy programs, including for new or expanded tax credits to promote clean energy generation, electrification, green technology retrofits for homes and buildings, greater use of clean fuels, environmental conservation, and wider adoption of electric vehicles. The administration estimates that the IRA will reduce greenhouse gas emissions by 40% below 2005 levels by 2030.

Workforce & Business Development:

- In 2020, 2021, and 2022, City Council allocated \$80 million of flexible American Rescue Plan Act State & Local Fiscal Recovery Fund and CARES Coronavirus Relief Fund proceeds for the following purposes:
 - \$16 million in 2022 for workforce development and employment.
 - \$16 million in 2021 for workforce development and employment
 - \$58 million in 2020 for support to small business and impacted industry

Public Safety:

- In 2011 and 2019, Congress appropriated \$50 million each of those years to the city for additional security expenses related to the 2012 and 2020 presidential nominating conventions held in Charlotte.
- In 2021, City Council allocated \$5 million of flexible State & Local Fiscal Recovery Funds from the American Rescue Plan Act of 2021 for reducing and/or responding to violent crime.

- The FY 2021 federal budget resumed Urban Area Security Initiative funding to the ten-county Charlotte region after two years of no funding. Revenues for city FY 2022 and FY 2023 were budgeted at, respectively, \$2.8 million, and \$4 million. The resumption of funding is attributed to FY 2021 appropriations language that was strongly supported by the City's Congressional Delegation.
- The FY 2022 federal budget included a \$1 million earmark to expand alternatives to violence efforts in Charlotte and Mecklenburg County. The firm is working closely with our Delegation to secure a second \$1 million earmark in the FY 2023 federal budget, which is expected to be considered later this month.

Environmental:

- The 2021 American Rescue Plan Act (ARPA) appropriated \$500 million nationwide for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program to assist such households with paying for these services. This funding is administered by State governments. Charlotte Water has secured approximately \$2.5 million to defray total arrearages of approximately \$10 to \$12 million.
- The 2021 Bipartisan Infrastructure law (BIL) provides \$55 billion of new funding for water, wastewater, and stormwater infrastructure needs. The federal Environmental Protection Agency (EPA) directs funding to state governments to administer loan programs to water agencies. The programs of relevancy to Charlotte Water and Stormwater include:
 - Drinking Water State Revolving Loan Fund was authorized \$30 billion over five years for capitalization grants, lead service line replacement projects, and to address emerging contaminants.
 - Clean Water State Revolving Funds was authorized for \$16 billion over five years for capitalization grants and to address emerging contaminants

Grantmaking:

- Holland & Knight summarizes the new grant opportunities offered by the federal government, which is one of many sources that city departments have to identify federal grant opportunities.
- Holland & Knight, when requested, works with city staff, including departments, to discuss grant opportunities in further detail. They offer their insights into the thinking of federal agencies and Congress when the programs were approved that have proven very helpful in guiding departments to determine the breadth and scope of their grant proposals.
- Holland & Knight, when requested, will work with the City Manager and city departments to develop, and implement plan of actions to secure grants before and after submission.
- Holland & Knight, when requested, will work with our Congressional Delegation to secure letters of support for grant applications.

Response to Item #31 – State Lobbying Services

The following are illustrative legislative wins that the city has benefitted from over the last several years as a result of our contractual relationship with KTS Strategies. For all of the legislative wins described, as well as others not listed, the firm may have worked with House and Senate Leadership, members of the General Assembly and their staffs, committee staffs, and relevant state agencies to advocate for the needs of the city, as well as advocacy organizations and other lobbyists to build coalitions and develop joint strategies. The firm is also very adept at communicating with key legislators of the unforeseen circumstances that may result from legislative actions that preempt local authority.

Aviation:

- The 2022 state budget raised the annual appropriation for the NC Airport Improvement Program from \$75 million to \$100 million sustaining, recurring funding, which increased the allocation for Charlotte Douglas International Airport \$26.5 million in FY 2022 to \$35.4 million in FY 2023.
- Since NC Airport Improvement Program revenues started flowing to CLT in FY 2019, funding has been used as follows:
 - \$25 million for airport entrance land acquisition (FY 2019).
 - \$58.2 million for existing debt service, which reduced the cost basis for the airlines operating out of CLT during the pandemic (FY 2020 and FY 2021).
 - \$26.5 million for Phase II of Concourse A Expansion and Charter Terminal Expansion and Renovation (FY 2022).
 - \$35.4 million for Phase II of Concourse A Expansion (FY 2023).

Public Transportation:

- The 2021 state budget restored funding for the State Maintenance Assistance Program for transit maintenance, which had been zeroed out by the NCGA in 2020. This represents \$9 million annually for CATS. The Metropolitan Transit Commission strongly supports the State Maintenance Assistance Program as it allows CATS to devote more funding for bus services. The funding was maintained in the 2022 State Budget.

Highways:

- The 2022 state budget redirects a portion of State General Fund sales and use tax revenues to the State transportation maintenance and construction funds. By the time it is fully implemented in FY 2025, an estimated \$628 million in new revenues annually will flow to the maintenance and construction funds. This new funding should be able to restore some of the State transportation projects that were delayed in 2020 and 2021.

Digital Inclusion:

- In September 2022, Governor Cooper announced an initiative that is supportive of the city's priorities related to digital inclusion. Utilizing funding received by the State from the 2021 American Rescue Plan Act, the State Office of Digital Equity and Literacy has launched a \$24 million competitive grant program to help North Carolinians afford high-speed internet, obtain digital devices and access digital literacy resources. Of the funding, \$10 million will be available to state government entities to develop or expand digital inclusion programs, and \$14 million for municipalities and nonprofits, community-based organizations, and key stakeholder groups for local digital inclusion projects and device distribution.

Public Safety:

- In 2019, the General Assembly passed legislation to authorize the City of Charlotte to employ out-of-state law enforcement officers during the 2020 Republican National Convention.
- The 2021 General Assembly enacted several pieces of legislation providing for wide ranging police reform including:
 - Establish law enforcement decertification index.
 - Establish database to track critical incidents.
 - Require that written notification of Giglio material (credibility issues that would make an officer open to impeachment by the defense in a criminal trial) be reported to the appropriate law enforcement standards commission.
 - Require that law enforcement officers receive training on mental health and wellness strategies and receive a psychological screening for law enforcement officer certification or employment.
 - Create a duty for law enforcement officers to intervene and report an excessive use of force by other law enforcement officers.
- The 2021 state budget provided funding of \$900,000 to pilot Support Team Assisted Response (STAR) programs in the Cities of Charlotte, Greensboro, and Greenville, for the purpose of providing alternative mental health responses. The funding for Charlotte-Mecklenburg Police, \$330,000, is being used to supplement resources for the CARES Team.

Sustainability & Resilience:

- In 2021, the General Assembly passed, and Governor signed into law HB 951, Energy Solutions for North Carolina that supports the sustainability elements of the Strategic Energy Action Plan goals around carbon reduction. Key aspects include:
 - Seeks to (1) reduce electric power sector greenhouse gas emissions by 70% below 2005 levels by 2030 and (2) attain carbon neutrality by 2050.
 - Requires all new power generation to choose the least-cost electricity to power the state's grid in order maintaining reliability.
 - Maintains the authority of the North Carolina Utilities Commission in regulating public utilities and reinforces public participation.
 - Allows for refinancing certain coal plant costs through low-interest, ratepayer-backed bonds.
 - Institutes a multi-year rate structure for Duke, allowing them to recoup the costs of its investments without having to seek annual approval from regulators, and would decouple, or break, the link between the company's revenues and energy sales — something that has been a historical barrier to energy efficiency and distributed clean energy.
 - Creates on-bill financing for energy efficiency improvements in residential buildings. This can accelerate decarbonization in the residential sector and create opportunities for low-income homeowners to reduce their energy bills

Municipal Elections:

- The municipal elections bill passed by the General Assembly moved Charlotte Mayor and City Council elections to the summer of 2022 from the fall of 2021 due to the delay in receiving census data on a timely basis and preventing potentially costly litigation.