



## Community Recovery Task Force Coordinator Updates

July 6, 2020

Mayor Vi Lyles and Charlotte City Council have assembled the Community Recovery Task Force to support families and businesses through the COVID-19 pandemic and help plan for recovery. The task force will focus on three specific areas: Small Business, Housing, and the Airport. Task force objectives include:

- Anticipating and planning for Charlotte's post-recovery challenges
- Listening to the community regarding the challenges people are facing as they navigate a new working and living environment
- Developing recommendations for how Charlotte, specifically city government, can pivot to support changes needed as a result of the pandemic
- Providing residents with a long-term vision for a healthy, stable economic and civic environment

Each recovery task force area includes four city council members and seven sector leaders.

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**Task Force Group Members:** Ed Driggs (Coordinator); Larken Egleston; Victoria Watlington; Matt Newton; Rachel Geathers, Geathers Enterprises; Lucia Zapata Griffith, Metro Landmarks; Dennis Harris, Former President of NC Airline Pilots Association; Yolanda Johnson, SB&J Enterprises; Erin King Sweeney, King Sweeney Strategies, LLC; Robert Stolz, Former Chair of NC Economic Development Board; Seth Bennett, Charlotte Hornets

### **Task Force Group Coordinator Update:**

The Airport Economic Recovery Task Force last met on May 21, 2020 and voted to approve and forward the draft recommendations to full Council for their consideration. The Mayor and Council had in depth discussions around the different recommendations at both the May 26 and June 1 Council meetings. On Monday, June 1, 2020, the City Council voted in favor 10-1 (Winston – No) to approve the Task Force recommendations as set forth in the attached memo.

### **Current Status:**

The Airport Economic Recovery Task Force will not meet again unless a need arises in the coming months.

# MEMO

**TO:** Charlotte Mayor and City Council

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**FROM:** Economic Recovery Task Force Airport Working Group

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**DATE:** May 21, 2020

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**RE:** Recommendations for Airport Economic Recovery

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## Economic Recovery Task Force Airport Recommendations

The Charlotte Douglas International Airport Economic Recovery Task Force began meeting weekly on April 23, 2020 and has held four meetings. Task Force members heard reports related to the economic and operational effects of COVID-19 on Charlotte Douglas International Airport. Task Force meetings included presentations from the following stakeholders:

1. Meeting 1 – Aviation Department
2. Meeting 2 – Concessionaires and sub-concessionaires operating at CLT
3. Meeting 3 – American Airlines
4. Meeting 4 - Aviation Overview and Concession Recap

The Chair of the Task Force, Council Member Ed Driggs, opened the fourth meeting of the Task Force (held on 5.14.2020) for discussion and questions pertaining to possible Task Force recommendations.

In addition to the steps that the Aviation Department has already taken to address the catastrophic effects of COVID-19 on Charlotte Douglas International Airport, the Task Force supports the Aviation Department's plans to take the following actions:

The Aviation Department will:

1. Utilize North Carolina Airport Improvement Program and Federal CARES Act funds dedicated to CLT to;
  - a. Meet non-PFC and PFC backed debt service obligations in FY2021
  - b. Meet PFC PAYGO capital project needs in FY2021
  - c. Allocate approximately \$50 million of remaining stimulus funds to offset the Aviation Department's FY2021 operating and maintenance expense; which will enable the Aviation Department to avoid a reduction in staff and maintain its, industry-leading, low Cost Per Enplaned Passenger (CPE)
2. Provide Airport tenant employees access to a transit pass at no additional cost in FY2021.
3. Provide Airport concessionaires with terminal services, as defined in their contracts, including, pest control and trash removal at no cost to the concessionaire during FY2021.

4. As possible, identify federal agencies and/or local health care providers that may be able to provide low/no cost face coverings for Airport employees.
5. Directly fund replacement of Atrium seating and tables.
6. Directly fund a public information campaign, to the extent permitted by the FAA Revenue Use Policy, that will support the airport and its tenants during the COVID-19 recovery and inform the travelling public of the safety measures in place to help to stop or limit the spread of COVID-19.
7. Continue to work with both prime concession contract holders (HMS Host and Paradies) and their sub-concessionaire partners to provide rent relief, where feasible legally, operationally, and financially. Current items under consideration, include:
  - a. Continue to allow concessionaires to determine operating hours throughout the COVID-19 crisis and recovery – with the understanding that the concessionaires will need to provide the Aviation Department with a reopening plan for review and approval;
  - b. Waive annual certified audit requirement for FY2020 and allow concessionaires to submit annual statements that their CFO or CEO has certified as accurate;
  - c. Adjust annual revenue guarantees for FY2020;
  - d. Provide concessionaires payment flexibility for the FY2020 profit-share settlement; and
  - e. Allow HMS Host and Paradies to defer fixed space rental payments for the period of July 1, 2020 through December 30, 2020 (with repayment terms to be negotiated).

In addition to these 7 recommendations the Task Force further recommends to City Council that the City takes the following actions.

1. Where possible, provide local businesses, including small/local sub-concessionaires, information on and access to other City of Charlotte small business support programs.
2. Where possible, provide small businesses information related to other federal or state level business support programs that they may be able to access.
3. Express support for the North Carolina Airport Improvement Program.
4. Recommend that the FAA develop a consistent set of COVID-19 guidelines and rules for Airports.

These recommendations will enable the Aviation Department to:

- Address additional funding needs required due to COVID-19;
- Protect bondholders, and thereby, protect the City's AA Airport credit rating;
- Maintain CLT's industry leading low CPE; and
- Give Airport stakeholders the relief and support that they need during this crisis and recovery period.

Taken together these recommendations will provide Airport concessionaires an estimated \$7 million in rent relief and program support through FY2021. Due to the uncertainty around the speed of recovery, these numbers do not include any estimated amount of rent deferrals or rent abatement for FY2021. However, the Aviation Department is certain, that both HMS Host and Paradies and their sub-concessionaires will be entitled to rent relief in FY2021.

**Task Force Group Members:** Malcolm Graham (Task Force Coordinator); Braxton Winston; Reneé Johnson; Larken Egleston; Lee Cochran, Laurel Street Residential; Kathy Cummings, Bank of America; Fred Dodson, Charlotte-Mecklenburg Housing Partnership; Kim Graham, Greater Charlotte Apartment Association; Anthony Lindsey, NC Real Estate Commission, Coldwell Banker; Deronda Metz, Salvation Army Center of Hope ; Connie Staudinger, Horizon Development Properties/INLIVIAN

**Task Force Group Coordinator Update:**

On April 23, 2020, the Housing Task Force began meeting weekly on Thursday's at 12 p.m. Since the last update, the Task Force has developed recommendations for two sections of its work plan. These sections include: **Increasing the supply of affordable housing including use of the Housing Trust Fund to create and preserve affordable housing**, and for **Community financial assistance in response to COVID-19**. These recommendations will be coming to City Council for consideration soon.

The Task Force continues to work through its work plan (see below) and will be developing additional recommendations related to **Evictions, Homelessness and Supportive Services, and Regulatory and Legislative Issues**. The Task Force has also made recommendations on the allocation of \$10M from the second round of CARES Act funding that City Council has already approved (see below table for details).

Task Force recommendations are being informed by the expertise of the sector members on the Task Force, and also by expert public testimonies that have participated in Task Force meetings. Since my last update, the Task Force has received important presentations from the following people and organizations:

- Matt Martin, Federal Reserve Bank of Richmond
- Victor Agusta, Jr., Bellwether Enterprise and Enterprise Community Partners
- Ralphine Caldwell, LISC Charlotte
- Fulton Meachem, INLIVIAN
- Kathryn Firmin-Sellers, United Way of Central Carolinas
- Tara Peele, Socialserve
- Erin Barbee, Charlotte-Mecklenburg Housing Authority
- Laura Belcher, Habitat for Humanity
- Peter Kelly, Equitable Communities CLT
- Mike O'Sullivan, OneMECK
- Mary Williams, City's Community Relations Department (Eviction avoidance through Dispute Settlement Program/Landlord-Tenant Mediation)
- Rebecca Hefner, City Innovation & Technology (measurement of affordable housing)

**Action Plan:**

The Task Force adopted a 90-day work plan on May 7, 2020. The work plan consists of items in seven key categories:

1. Increasing the Supply of Affordable Housing (complete)
2. Financial Assistance (complete),
3. Evictions
4. Homelessness and Supportive Services
5. Regulatory and Legislative Issues
6. Marketing and Communications
7. General



Sector Task Force members lead each work plan category based on their area of expertise. Time is allotted for public hearings/public testimonies for each work plan category, including bringing in subject matter experts. Leads identify these subject matter experts.

**Overview of Next Steps:**

The Task Force will continue to work on remaining items in the work plan. A final report will be submitted to City Council with recommendations; recommendations related to urgent items will be brought forward as needed.

**Next Meeting:** The next meeting will occur on Thursday, July 23, 2020, with weekly meetings resuming at that time.

**Task Force Group Members:** Julie Eiselt (Co-Coordinator); James Mitchell (Co-Coordinator); Dimple Ajmera; Tariq Bokhari; Sarah Baucom, Girl Tribe, Co-Founder and Owner; Malcomb Coley, Ernst & Young, Managing Partner; Dave Matthews, Bank of America, CIO; Vinay Patel, SREE Hotels LLC, President; Chad Turner, LGBT Chamber of Commerce, President; Mark Vitner, Wells Fargo, Chief Economist; DeAlva Wilson, Business Advisory Committee, Chair

**Task Force Group Coordinator Update:**

The Small Business Recovery Task Force last met on June 30, 2020. Since April 21, the Task Force has had in depth conversations to discuss a strategy to implement programs to assist small businesses and workforce initiatives for those displaced by COVID-19. The first round of recommendations was approved by the Task Force on June 2, 2020 and then approved by Mayor and Council at their Business Meeting on June 8<sup>th</sup>. The vote was unanimous.

**Overview of Next Steps:** Staff will continue to provide updates to the Task Force on programs and initiatives implemented to date.

**Next Meeting:** The Small Business Task Force Co-Coordinators have not determined when their meetings will end.