



Charlotte City Council
Jobs & Economic Development Committee
Summary
March 4, 2024

COMMITTEE AGENDA TOPICS

- I. Workforce Development Update
- II. Hornets Sports and Entertainment
- III. Performance Management Framework

COMMITTEE INFORMATION

Committee Members Present: Malcolm Graham (CMGC), James Mitchell (CMGC), Ed Driggs (CMGC), Marjorie Molina (CMGC), and Tariq Bokhari (CMGC)

Other Council Members Present: Mayor Pro Tem Anderson

Staff Resources: Tracy Dodson, City Manager's Office
Danielle Frazier, City Manager's Office
Patrick Baker, City Attorney's Office
Steven Coker, Charlotte Business Inclusion
Teresa Smith, CFO Finance
Brent Cagle, CATS

Guests: David Abrams, Inner Circle Sports and Steve Patterson, Pro Sports Consulting

Meeting Duration: 12:00p.m.-1:30p.m.

MEETING MATERIALS

All meeting materials are available online at <https://charlottenc.legistar.com> or viewed online at <https://www.youtube.com/watch?v=zoJ5S0StKh0>

- 1) March 4, 2024 Agenda
- 2) Presentation: Workforce Development Update
- 3) Presentation: Hornets Sports and Entertainment
- 4) Presentation: Performance Management Framework

DISCUSSION HIGHLIGHTS

Council member Graham called the meeting to order, asked everyone to introduce themselves, and provided an overview of the agenda. He suggested that the agenda items be switched and to start with

Workforce Development Update followed by Hornets Sports and Entertainment and Performance Management Framework.

Workforce Development Update:

Staff provided a status update of the HIRE CLT ARPA funded projects and an overview of next steps in the workforce development strategic planning.

Ms. Frazier:

- Out of the \$9.1M ARPA funds, three of the six projects are beginning the contract development stage, or they are being prepared as an RCA for Council to approve in the coming weeks. The remaining 3 projects are still under development. They are currently gathering more information and doing more research for potential partners and vendors.
- She also spoke about the impact measures such as people served, job placement, job retention, wage growth, and credentials obtained that they will be tracking through these projects.
- Sherm Co. Consulting has been brought to the table to help with the strategic planning and implementation of these programs.
- Top of mind processes would include connecting the workforce dots across the organization to Housing, Economic Development, and digital equity to ensure they are aligning workforce development where it makes sense. Also leveraging and accelerating the workforce development ecosystem in our community to achieve outcomes that will impact our talent and businesses.

Questions from Council Members:

- Mr. Driggs wanted to know more about the breakdown of funds that will be used for upskilling and reskilling. Ms. Frazier further explained that they will be working with partners for this service.
- Who is the target audience for the upskilling and reskilling services, who will benefit from these services? Staff responded a wide range of individual such as the unemployed, underemployed, individual in the corridors, or individuals employed and working with the employer to upskill or reskill to advance in the organization.
- While getting the workforce development strategic plan in place, what are some of the short-term interim areas that you are working on? Staff responded that they are working on expanding their inventory of their training providers across our community based on our industries and demands.
- Because the ARPA fund is a one-time fund, a statement was raised about the outcome and measure of sustainability of these programs and what lives on once these funds are depleted.

Hornets Sports and Entertainment:

Staff continued a discussion of the presentation made to full council on February 26th regarding the Hornets practice facility. Questions asked on February 26th was addressed and an opportunity to hear directly from the City's consultants (Pro Sports and Inner Circle Sports) was provided. Staff asked for a recommendation to go back to full Council.

Ms. Dodson:

- Reminded everyone about the proposal that was discussed in full council the week prior to this committee meeting. It included the shift in the PEC (Performance Enhancement Center) proposal with new ownership coming aboard with a larger vision of a medical facility, a vision of developing the entire block, and delivering the practice facility sooner than originally contemplated.
- Another piece of the proposal included shifting money that was obligated from the City from the PEC over to the arena for new work in the arena.
- Within the City, discussions are being had with Legal, CBI, Finance, and General Services. Partners at the table include Inner Circle Sports, Pro Sports Consulting, CRVA, CAAICON, and the Hornets Leadership team. David Abrams from Inner Circle Sports and Steve Patterson from Pro Sports Consulting were in attendance to help answer any additional questions from council members.
- Ms. Dodson circled back around to questions that was raised from the full council meeting the week prior. Questions included: corporate sponsorship and naming rights, City use of the arena, MWSBE participation, Workforce training, and the 2022 vs. 2024 agreements.

Questions/Concerns from Council Members:

- Mr. Graham had concerns around the District concept representing \$60 million the first go around and now it has zeroed out, transit and transportation was part of the initial proposal and now it seems to have gone dark, and because this would be considered a City-owned facility, the number of days available for City use could be more flexible. Brent Cagle was available to answer that the CTC project is still moving forward.
- Mr. Driggs had concerns with the naming rights that was the basis for the 2022 agreement but that's not the same in the 2024 agreement, wanted it to be acknowledged that the City is giving \$30 million for the practice facility and now a portion of that would come back in terms of the team making sure certain space is available for parking.
- Mr. David Abrams responded to the naming rights and wanted to make clear that it was going to be a number of different sponsorship contracts along the district where the CTC was going to be built and not some large outside naming rights contract just for the practice facility.
- Ms. Molina wanted to clarify what our Hospitality funds are used for. Teresa Smith, City CFO, responded that there are statutes that dictate how we can use those funds. For this particular occupancy tax, we can use it for arenas, coliseums, and cultural events as examples.

Motion: Committee to approve what staff has presented today to go back to full council. All in favor.

Chairman Graham deferred agenda item number 3 until April committee meeting.

Next Meeting

The next meeting is scheduled for April 1, 2024

The meeting adjourned at approximately 1:35pm.



Workforce Development Update

JOBS AND ECONOMIC DEVELOPMENT COMMITTEE

March 4, 2024

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AGENDA OVERVIEW

CURRENT PROJECTS UPDATE



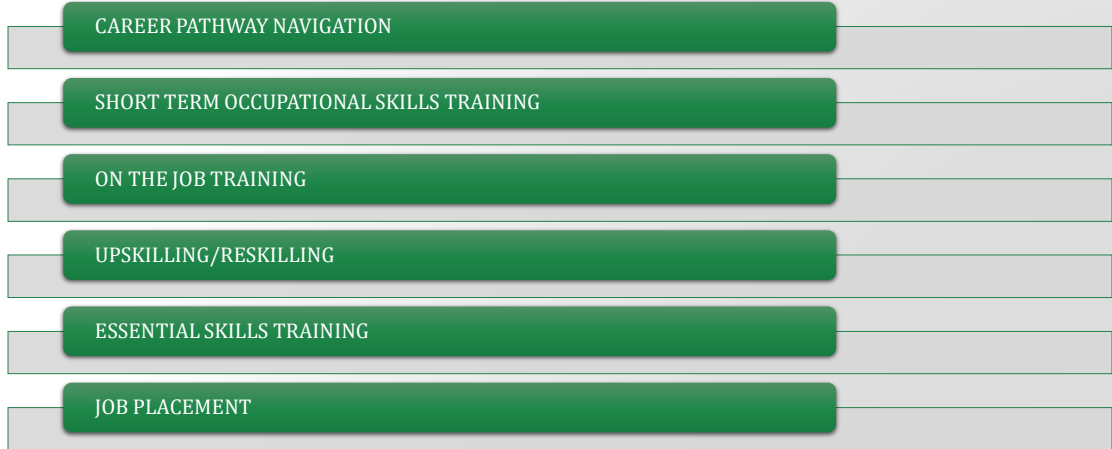
A LOOK AHEAD: WORKFORCE
DEVELOPMENT STRATEGIC
PLANNING

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\$9.1M ARPA Projects Support



3

\$9.1M ARPA Projects



Project/Program	Amount Allocated	Project Status	Contract Start Date	Target Status
Workforce Development Services - Career Pathway Navigators (\$500,000) - Occupational Skills Training, On-the-Job Training, Apprenticeships, Upskilling, Reskilling (\$3,698,400) - Supportive Services (\$494,600) - Administrative (\$247,000)	4,940,000	- Received 10 proposals - Evaluation Committee to make vendor selection and recommendations by March 8	Winter/Spring 2024	
Target Industry Training	1,500,000	- Employer labor market data validation of industries in demand - Identifying training programs to support based on validation results	Winter/Spring 2024	
Talent Connector - Career Pathways - Education/Training Programs - Workforce Development Service Providers - Jobs	1,000,000	- Reviewing existing career pathway technology to determine usability and expansion	Winter/Spring 2024	
Essential Skills Curriculum	1,000,000	- In proposal review process	Winter/Spring 2024	
RENEW HVAC & Clean/Renewable Energy Training	500,000	- In contract development with Goodwill Industries to support 2 cohorts (30 participants) of HVAC training (\$143,888) - Finalizing budget for contract development with Urban League to support 2 cohorts (30 participants) of HVAC training	Winter/Spring 2024	
BankWork\$ Financial Services Training	160,000	- In contract development with Goodwill Industries to support 1 cohort (25 participants) of financial services training	Winter/Spring 2024	
	9,100,000			

Status Key



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ARPA Projects Impact Measures

People served

Industry Recognized Credentials
Obtained

Job Placement in In Demand
Occupations

Job Retention – Up to 1 year

Wage Growth

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Workforce Development Strategic Planning

Review: Feedback from Council Strategy Session

SkilledTalent
CredentialAttainment
Industries
MatchIndustryWithOpportunity
BusinessAttraction
CorridorsOfOpportunity
Apprenticeships
GoodJobs
StrongViableWorkforce
DiversityOfTalent
Scalability

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A Look Ahead: Strategic Planning Process

Strategic Planning Consultant

SchermCo is a national social-impact consulting firm that provides strategic planning and implementation services



Phase	Timeline
I: Discovery & Internal Analysis	March 2024
II: Data Review, Inventory, & Mapping	March – May 2024
III: Report Outlining, Creation, and Iterations	June – August 2024
IV: Finalize Plan + Next Steps	September – October 2024



Spectrum Center & Hornets

LEASE EXTENSION & PRACTICE FACILITY UPDATE

WORKFORCE & BUSINESS DEVELOPMENT COMMITTEE
MARCH 4, 2024

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Update Outline

1. Overview
2. City Team
3. Council Questions
4. Next Steps & Timeline
5. Committee Discussion



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New Ownership /New Approach

◀ New ownership presented new proposal *December '23*

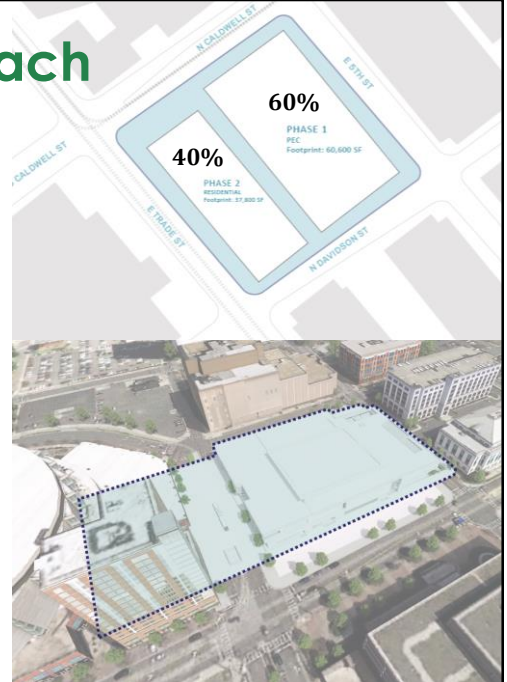
- Larger vision
- Larger private investment
- Desire to control development for earlier delivery
- Deal trade offs between 2022 and 2024 proposals

◀ Arena

- Request to shift city money from PEC to NEW work in the arena

◀ PEC

- Request to pivot to 60% of the gravel lot
- Build larger facility
- Deliver PEC earlier
- Expedite new additional development on remainder of the lot

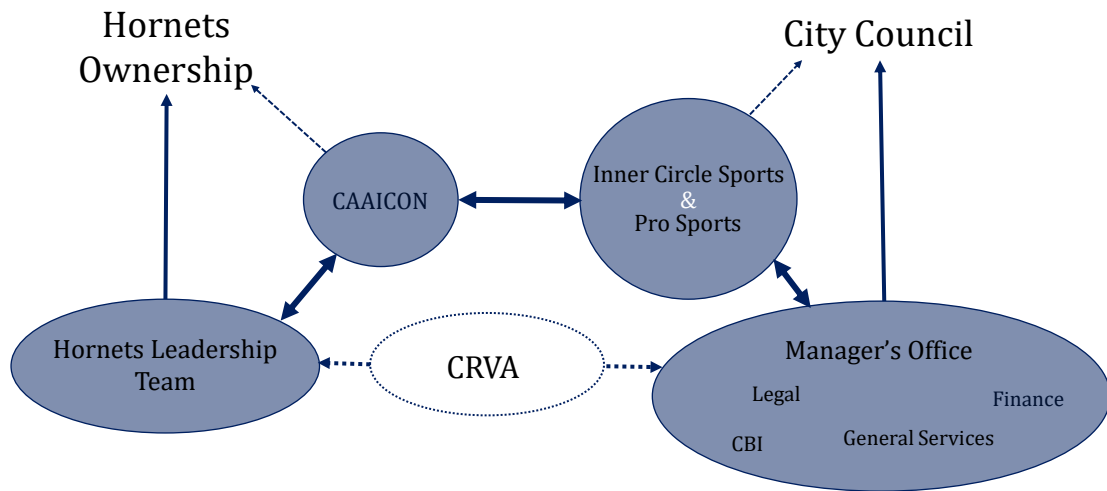


New Ownership /New Approach



Conceptual Massing Only

Partnership Structure



Council Questions / Comments

1. Corporate Sponsorship & Naming Rights
 - a) PEC revenue sharing
 - b) Future of district naming rights
2. City Use of the Arena
3. MWSBE participation
4. Workforce Training
5. 2022 vs. 2024 Comparison



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Council Questions / Comments

2. City Use of the Arena

City's Use of the Arena – *From Arena Use and Operating Agreement*

1. Section 6.6.1 City Dates During each operating year, the Authority shall have the right to use the Facility (excluding suites and restricted Team Areas) for up to twelve (12) days
2. 6.6.2 Scheduling of City Events Operator shall have absolute priority to reserve on the Event Schedule to following dates: all dates on which NBA Home Games have been scheduled or that the Team is required to reserve for the scheduling of NBA Home Games under NBA Rules and Regulations
3. 6.6.5 Special Events Operator shall cooperate with the Public Entities in their efforts to bring to Charlotte (a) events of significant regional, national or international importance or significance, including NCAA post-season tournament basketball games, the Atlantic Coast Conference basketball tournament, the CIAA basketball tournament and other high-profile sports and entertainment event that occur no more than once per year

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Council Questions / Comments

3 & 4 – MWSBE & Workforce Training

Spectrum Arena – Current work

1. MWSBE Participation – Steve Coker

Project models best practices and is actively achieving city priorities

MBE – 16%

SBE – 14%

2. Workforce and MWSBE Training – Danielle Frazier & Steve Coker

Turner Construction and D.A. Everette partnership

- Workforce development and MWSBE capacity-building a priority
- Turner School of Construction
 - Curriculum was tailored to the SCR project and city/public procurement processes
 - Assisted firms with preparing for SCR project, prequalification, and bidding
- Support of Contractor Developer Program
- Workforce development community partnerships
 - She Built This City, Goodwill, CMS CTE Pathways



Turner celebrating WOMEN IN CONSTRUCTION WEEK 2023



5. Compare 2022 vs. 2024

	2022	2024	
City Investment Arena (\$173 Obligated)	\$215M	\$245M	\$173 Obligated, \$42M for 15-year extension
City Investment in PEC – City Owned	\$60M		
City Investment in PEC – Hornets Owned		\$30M	
Total City Investment	\$275M	\$275M	
Funding from naming rights	\$60M	-	Naming rights revenue still possible / timing unknown
Net hospitality funding	\$215	\$275	
Parking			
100 for players	3.50		City owned facility – City responsible to provide parking
250 for shared events (50% cost)	4.38		City owned facility – City responsible to provide parking
Gained 250 spaces for City employees		(8.8)	Team to fund replacement parking for current City employees on gravel lot
Other requirements			
PEC maintenance/repairs to owner	5.00		
Shared PEC naming rights		5.00	
Risk of Penalty (50% of \$9M)	4.5		
Gravel Lot			
Additional 10% from 50% to 60%		3.29	
Remaining 40%		13.16	Hornets only have 5-year option to develop
Total additional obligations	17.38	12.65	
Future property tax revenue		(12-18)	From all or portion of PEC and other ½ lot development (revenues to City only)
Net additional cost	17.38	0.65 to (6)	
Net Cost Savings		16.73-22.73	

Staff Recommendation

◀ Pursue new proposal

- Decrease city investment in PEC and increase city money in city owned asset
- 2022 proposal created risk for penalties and increased risk of exposure to inflation costs
- Value of Hornets “give” exceeds value of the gravel lot
- Expedites development potential and tax revenue for gravel lot
- More development that can contribute to district vitality

Proposed Next Steps & Timeline

- ◀ Committee Discussion & Recommendation – March 4th
- ◀ Council Consideration & Vote – March 25th

Questions?