

2010 City Council Retreat
Collaborative Leadership for Charlotte's Future
February 3-5, 2010

Pinecrest Inn
85 Pine Crest Lane
Tryon, NC 28782

Directions

- Take I-85 SOUTH to US-74 (Exit 10B)
- Take US-74 WEST to Highway 108
- Take 108 SOUTH to Columbus, NC
- Continue on 108 passing across I-26
- Stay on 108, bearing left when necessary
- After passing through downtown Tryon, take a left turn on New Market Rd. (turn before crossing the railroad tracks).
- Continue, bearing left
- Take a left turn on Pine Crest Lane

Retreat begins at 2:30 p.m.

Check in time is 4:00 p.m. unless room is available early.

Dress

Business Casual

Contact Information

Pinecrest Inn Phone (800) 633-3001
 Fax (828) 859-9136
 Wireless available

2010 City Council Retreat
Collaborative Leadership for Charlotte's Future
Wednesday, February 3, 2010

DAY ONE

2:00-2:30 Arrival

2:30 – 5:00 Module I

Opening comments and welcome

Mayor Anthony Foxx

**Set Up Retreat Context/Framework
Ensuring a Productive Retreat**

Whitehead/Beamon

“Establish a strong/effective foundation on which to accomplish a scope of work for the next two years”

Alignment of Outcomes, Agreements and Agenda

Whitehead/Beamon

- Identifying individual and organizational 2 year goals
- Developing a high-performing and efficient council body
- Discussion of economy and impact on revenues and expenditures
- Focus Area Discussions – Community Safety, Transportation, Environment, Economic/Job Development, Housing/Neighborhood Development
- Priority Setting – identify priorities for next two years and adoption of top three priorities

Discussion (Goal Setting from Pre-work)

Whitehead/Beamon

*What two goals do you have for yourself personally as a councilperson?
What are two goals you have for the council to accomplish in the two year time frame?*

5:00-5:30 **Break**

5:30 - 6:30 **Collaborative Leadership Exercise I**

Whitehead/Beamon

6:30 - 7:00 **Break before Dinner**

7:00 **Reconvene for Reception**

7:30 **Dinner**

2010 City Council Retreat
Collaborative Leadership for Charlotte's Future
Thursday, February 4, 2010

DAY TWO

7:30	Breakfast	
8:00 AM	Items and agreements for today's agenda	<i>Whitehead/Beamon</i>
8:30-12:00	Module II	
	Budget Overview	<i>Walton</i>
	The economy, the budget and confronting reality "A macro discussion about the economy and its impact on our revenues and expenditures."	<i>Walton</i>
	Begin tactical discussion on Five Focus Areas Focus Item One: Community Safety	<i>Foxx</i>
11:30-12:00	Break	
12:00-1:00	Lunch with Assignments	
1:15 -4:30	Module III	
	Continue Tactical discussion on Five Focus Areas	<i>Foxx</i>
	1:15-2:00 Focus Item Two: Transportation	
	2:00-2:45 Focus Item Three: Environment	
	2:45-3:00 Break	
	3:00-3:45 Focus Item Four: Economic Development	
	3:45- 4:30 Focus Item Five: Housing and Neighborhood Development	
4:30- 5:15	Summary of Day and Data Exchange	
5:15-6:15	Collaborative Leadership Exercise II	
7:30	Dinner	

2010 City Council Retreat
Collaborative Leadership for Charlotte's Future

Friday, February 5, 2010

DAY THREE

7:30	Breakfast	
8:00 AM	Check-in and agenda setting	<i>Whitehead</i>
8:15-12:00	Module IV	
	Identification/Discussion of Priorities Identify and adopt top three priorities	<i>Foxx and Walton</i>
	Priority Setting Continued – Action Items	
	Summary and Commitments/ Team Operating Agreements	<i>Whitehead/Beamon</i>
12:00 PM	Wrap up and next steps	<i>Foxx/Walton</i>
Lunch	Adjourn	

COMMUNITY



SAFETY

HOUSING AND



NEIGHBORHOOD DEV.

TRANSPORTATION



TRANSPORTATION

Mayor and City Council Retreat Budget & Finance

February 3 - 5, 2010

ENVIRONMENT



ENVIRONMENT

ECONOMIC



DEVELOPMENT

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I. Introduction

Overview of our financial position

- FY2010 (current year) projections:
 - ◇ Revenues
 - ◇ Expenditures
 - ◇ Balancing FY2010 General Fund Budget

Financial assumptions for the upcoming FY 2011 budget process

- FY2011 (starting July 1, 2010) financial projections:
 - ◇ Revenues
 - ◇ Expenditures

Capital Budget

Discussion of guiding principles for the upcoming budget process

- Key questions to be addressed at the outset of this budget process:
 - ◇ What is the projection for how long this economic downturn will last?
 - ◇ What is the City's role in leading our community through that period of time?
 - ◇ How do we want to have positioned this community when the downturn ends?
- Implement strategies that support the answers to these key questions
- Maintain our AAA bond rating
- Minimize service disruptions to our citizens

Economic Trends

National

- Leading economic indicators forecast that the economy will continue to improve.
- Due to stronger October and November inventory numbers, Wells Fargo forecasters anticipate GDP growth hitting 5.6% for the 4th Quarter of 2009.
- The unemployment rate is anticipated to remain above 10.0% throughout 2010. As the economy continues to improve, the unemployment rate will rise further as displaced workers reenter the work force.
- Due to sluggish income growth, rising prices of household necessities, and likely increases in both state and local taxes and fees, consumer spending should only improve gradually through 2010.
- Existing home sales fell 16.7% in December of 2009. Wells Fargo analysts anticipate solid gains in the coming months due to the extension of the first-time home buyer credit, but that there is a long way to go until the market returns to equilibrium.
- A recent report by the Rockefeller Institute of Government states that nationwide collection of revenues in the third quarter of 2009 fell 10.9% over last year's collections. 48 states reported year-over-year declines while 22 of these states saw double-digit declines in revenues.

Local

- The unemployment rate through November was 11.8% for the Charlotte-Gastonia-Concord MSA as compared to a 10.8% rate for the state of North Carolina. No delineation is readily available relative to unemployment rates for citizens relocating to the area compared to area natives.
- According to the Chamber of Commerce, Mecklenburg County lost 16,122 jobs from March of 2007 through the end of 2009.
- The Chamber of Commerce also reports that in 2009 Charlotte saw 1,029 new and expanding firms create 15,542 new jobs while investing \$1.4 billion in the local economy.
- The county has seen a decrease in foreclosures for the fiscal year to date from 1,031 through December of 2008 to 1,019 through December of 2009. These are final foreclosures filed with the Register of Deeds.
- The Case-Shiller Home Price Index for Charlotte has seen slight declines in each of the past three months of data.
- The number of combined residential and non-residential building permits in Mecklenburg County has declined by 35.3% from the same time last fiscal year to date.
- The charts on the following page provide information on the status of several key macro economic indicators.

The following articles are included in the *Articles of Interest* section:

- *Economics Group Monthly Outlook*. Wells Fargo Securities, January 13, 2010.
- *Living Standards in the Fifth District*. Region Focus, Summer, 2009.
- *North Carolina Economy Begins Modest Recovery*. Greater Charlotte Biz January, 2010.

The charts below illustrate examples of decline in land development user fee related activity and building permit activity.

Permitting Activity	FY08	FY09	FY10 thru December
Commercial Subdivision Reviews	28	13	2
Single Family Subdivision Reviews	98	13	0
Multi-Family Subdivision Reviews	45	19	1
Mixed-Use Subdivision Reviews	28	7	0
Grading Permits	301	198	46
Commercial Plan Reviews	614	250	73
Urban Plan Reviews	85	54	11
Scheduled Rezoning Petitions	157	85	45

Building Permits 3 Month Totals	OCT-NOV-DEC 2008	OCT-NOV-DEC 2009	% change
Residential Single Family*	349	527	51%
Residential Other	8,661	8,539	-1%
Commercial	6,591	5,130	-22%
Misc. Other	1,161	1,144	-1%
Total	16,762	15,340	-8%
Construction Value	\$705,199,841	\$358,686,702	-49%

*The increase in Residential Single Family permits does not include permits for home renovations. The first time homebuyers credit was responsible for a number of the permits issued in the last quarter of 2009.

The current year budget includes 97 positions dedicated to land development activity. 10 of these are frozen and unfunded. 31 positions have been redirected to non-development projects such as CIP project review and inspections.

II. FY2010 Mid-Year Report

Overview

Economic conditions are continuing to have an impact on General Fund revenues. Estimates indicate that FY2010 revenues will come in approximately \$8.5 million less than projected.

The mid-year budget report estimates that all General Fund Key Businesses will end the fiscal year at or below budget except for Police. Staff estimates General Fund budget savings at \$4.2 million.

The General Fund has \$7.4 million in a reserve for economic deterioration in the current year. The \$7.4 million in combination with the \$4.2 million in estimated budget savings will cover the \$8.5 million estimated shortfall in revenues. More detail is included in the sections that follow.

General Fund Revenues

General Fund revenues are projected to fall below the budget of \$502 million by \$8.5 million, or 1.7%, due mostly to under collection of Sales Tax (\$8.5 million), Business Privilege License (\$900,000), and User Fees (\$500,000).

Property Tax

- Property Tax revenues make up 63.5% of the total General Fund revenue budget.
- FY2010 Property Tax revenues are projected to exceed the budget of \$284.3 million by \$2.4 million, or 0.8%
- Approximately 60% of property tax bills are paid by January 1, 30% during January, and 10% between February 1 and June 30.
- Foreclosures are not expected to impact property tax collection because banks are responsible for paying the tax.
- Based on recent billings, the Mecklenburg County Tax Office thinks our current growth estimate is valid.

Sales Tax

- Sales Tax revenues make up 12.9% of the total General Fund revenue budget.
- Sales Tax revenues are projected to fall below the budget of \$57.5 million by \$8.5 million, or 14.8%.
- Retail sales of goods delivered in Mecklenburg County are taxed 8.25%:
 - ◊ 5.75% to the State (does not apply to groceries)
 - ◊ 2.00% to Mecklenburg and Charlotte
 - ◊ 0.50% to CATS (does not apply to groceries)
- Data in first quarter of FY10 (July-September 2009) indicates retail sales of taxable goods are down by 22% in Mecklenburg County.

General Fund Revenues cont'd

Utility Franchise Fee

- Utility franchise fee revenue, the third largest General Fund revenue source, is projected to meet its \$34.8 million budget.
- This FY10 projection for Utility Franchise fees is driven by higher gas and electric prices and by colder weather contributing to increased utility costs and thus higher gross receipts for utilities.

Other Revenue

- Business privilege licenses are projected to fall short by \$900,000 under the \$17.5 million budget, for a 5.1% decrease.
- Solid Waste Disposal Fee is projected to meet its \$12.1 million budget.
- User fees, budgeted 44% below FY09 levels, are projected to reach 93.6% of FY10's \$8.2 million budget, or \$7.7 million.
- Remaining General Fund revenues are projected to fall short by \$1.6 million of the total \$81.0 million budget or 2.0%.

General Fund Expenditures

General Fund Operating Expenditures are projected to be under budget by approximately \$4.2 million. Key business units have renegotiated contracts, deferred training and travel, held positions vacant beyond the 120.75 unfunded positions included as part of the General Fund budget, and reduced or eliminated facility improvement plans in order to achieve this savings. A portion of the \$4.2 million in savings has been generated from the following areas:

- ◇ \$940,855 in motor fuels and lubricants due to declining fuel prices. Rising fuel prices in early FY2011 may impact this savings moving forward.
- ◇ \$865,489 from landfill services due to an absence of adverse weather conditions that can increase debris volume
- ◇ \$674,515 in contract maintenance services resulting from bringing vehicle maintenance work in-house instead of contracting out to more costly external service providers
- ◇ \$540,473 is delayed in payments for the General Fund share for two Synthetic Tax Increment Financing (STIF) projects that have been slowed due to economic factors. The Metropolitan (Mid-Town) will receive \$317,911 less and the Merrifield Radiator Specialty project will receive \$222,562 less.

General Fund Summary Table

FY10 Mid-Year Status

	<u>Budget</u>	<u>Projected</u>	<u>Incr (Decr)</u>
Revenues			
Property Tax	\$ 284.3	\$286.7	\$ 2.4
Sales Tax	57.5	49.0	(8.5)
Utility Franchise Tax	34.8	34.8	-
Police Services	14.7	14.9	0.2
Solid Waste	12.1	12.1	-
Business Privilege License	17.5	16.6	(0.9)
All Other	<u>73.6</u>	<u>71.9</u>	<u>(1.7)</u>
Total Revenue	\$ 494.5	\$ 486.0	\$ (8.5)
Expenditures			
Key Business	<u>Budget</u>	<u>Projected</u>	<u>Savings</u>
Police	\$ 187.1	\$ 187.7	(0.6)
Fire	96.6	96.4	0.2
Solid Waste	44.8	43.3	1.5
Transportation	21.0	20.7	0.3
Engineering and Property Management	19.8	18.4	1.4
Planning	5.0	4.8	0.2
Neighborhood & Business Services	11.6	11.4	0.2
Mayor and Council	1.2	1.2	-
City Attorney	1.7	1.7	-
City Clerk	0.5	0.5	-
City Manager	15.2	15.2	-
Human Resources	3.9	3.9	-
Finance	8.8	8.6	0.2
Business Support Services	19.8	19.5	0.3
Budget and Evaluation	1.5	1.5	-
Non-Departmental	<u>56.0</u>	<u>55.5</u>	<u>0.5</u>
Total	\$ 494.5	\$ 490.3	\$ 4.2

Note: Numbers above exclude one-time fund balance appropriations for the purpose of comparison.

Use of Reserves for Economic Deterioration

The Council has \$7.4 million remaining from last year as a reserve for economic deterioration. The \$7.4 million capital reserve is the amount remaining from the original \$16 million set aside from last year's amount over 16%. For the FY2010 budget, the Council made several adjustments with staff's recommendation:

\$16.0m	FY2009 capital reserves
<u>- 4.0m</u>	One-time public safety capital costs
\$12.0m	Reserve for economic deterioration
-2.6m	SafeLight/SafeSpeed payment
<u>-2.0m</u>	One-time loss of beer and wine tax revenue from the State of NC
\$7.4m	FY2010 current balance – reserve for economic deterioration

Given current year declining revenues, staff recommends appropriating the \$7.4 million reserve for economic deterioration to offset the loss of revenue and help balance the current year budget. Staff recommends any unused portion, at year-end, of the \$7.4 million revert to Pay-As-You-Go capital for Technology Investments.

Water and Sewer

For FY2010 Utilities projects expenditure savings that will more than offset anticipated revenue shortfalls.

Expenditures

Utilities projects an expenditure savings of approximately \$6.2 million. This amount does not include the \$4 million generated from 97 FY2009 vacancies held unfunded into FY2010.

A change in Utilities' debt financing methodology reduces debt service expenses by approximately \$3.5 million. The change provides access to more favorable interest rates. Additionally, the first debt service payment is not due until one year after the refinancing, thus placing it in FY2011.

All other operating expenditures are projected to produce \$2.7 million, or 1% of the \$251.4 million expenditure budget.

Revenues

Revenue collections are projected to fall short by \$3.5m or 1.3% of the total revenue budget of \$258.7 million from continued reduced development activity, which translates into fewer system connections and less revenue in capacity and connection fees.

Storm Water

Storm Water projects savings of 1.2 million, comprised of:

Expenditures

- \$392,826 vacancy savings
- \$324,242 savings in contract expenses for technical services, payments to
- Mecklenburg County Land Use and Environmental Services Agency (LUESA), advertising and costs for technology services and Supplies
- \$500,000 projected in over collection of additional work performed in support of CIP projects

Revenues

- Impervious surface fee revenues, interest on investments, and fund balance appropriations are projected to meet the \$48.9 million budget.

Aviation

Aviation projects department-wide net savings of \$9.4 million, comprised of :

Expenditures

- \$22.5 million in expenditure savings are projected including:
 - ◇ \$7.4 million in deferred capital cost in public parking and other operating divisions, lower fuel, cost incurred by the Airport's fixed base operator, Wilson Air Center, and reduced housekeeping services
 - ◇ \$15.4 million in debt/other transfer savings realized due to lower debt transfers and airline revenue sharing

Revenues

- The Airport projects \$13.4 million less revenue due to:
 - ◇ decreased local passenger boardings which negatively affect public parking and concession revenues (food & beverage, retail and rental cars)
 - ◇ lower interest earnings
 - ◇ lower fuel sales than projected by the Airport's fixed base operator, Wilson Air Center

Transit

Charlotte Area Transit (CATS) continues to be challenged with a fiscally constrained Budget. This is due to reduced revenues, balancing the revenue loss with targeted actions to produce savings, the desire to maintain core mass transportation services, and the desire to continue advancement of the 2030 Plan. As of mid-year, the following was reported and will continue to be updated as more revenue and expenditure experience is gained this fiscal year:

Expenditures

- CATS estimates saving \$10.7 million, or 9.6%, of its \$111.2 million FY10 operating budget including:
 - ◇ These savings are the result of a projected \$1.7 million savings in Personal Services as a result of delayed hiring schedules, vacancies, and staff turnover
 - ◇ \$2.3 million savings in fuel and lubricants as a result of lower costs and usage
 - ◇ \$2.2 million savings in light rail operations through inventory management and the reduction of non critical programs
 - ◇ \$230,000 from a process change in servicing ticket vending machines and inventory management
 - ◇ \$713,429 savings from reductions in the purchase of supplies and parts

Revenues

- CATS' revenues are projected to fall short of the FY10 revised budget by \$7.8 million, or 6.3%; a net result that includes the following:
 - ◇ \$5.1 million below FY10 projected sales tax revenue
 - ◇ \$2.6 million less than anticipated in passenger fare income for Bus Operations, Special Transportation, Vanpool, and Light Rail
 - ◇ \$343,000 less in projected State and Federal income
 - ◇ \$400,000 million less in miscellaneous income
 - ◇ \$82,173 partially offsets the shortfall with greater than expected service reimbursements

III. FY2011 General Fund Revenues and Expenditures

Overview

Staff estimates a budget gap for FY2011 in the General Fund of approximately \$9-11 million assuming no employee compensation adjustment. Please note this is a mathematical projection at this point. The recommended budget will be balanced as required by state law.

Sales tax revenues continue to decline in the current year, along with business privilege license revenues and user fees. Property tax is estimated to grow, but at a slower rate than in prior years. The FY2011 General Fund revenue estimate is \$2.4 million lower than the FY2010 current year revenue estimate – a decrease of 0.5%.

Key Business Units continue to hold the line on spending, but several budget drivers will impact the estimate for the FY2011 budget. Even with no pay increase (including Police and Fire), staff estimates growth in the General Fund budget by at least \$6.6 million. Increases in health insurance, retirement system contribution, risk and liability, police staffing, and electric rates are material changes that the City must address. These increases are offset by savings in Solid Waste Services due to the move to single stream recycling and the recent operational reorganization.

Revenue and expenditure estimates will change with additional data and staff analysis through the budget process. Key Business Units are scheduled to submit formal budget requests on February 11th – thus other budget issues may arise not identified in this report. For Council's retreat, combining the declining revenues estimate with projected budget drivers produces a budget gap estimate of about \$9-11 million.

General Fund Revenues & Growth for FY2011

General Fund revenues are projected to decrease in FY2011. Growth in the property tax, utilities franchise tax, police services, and solid waste fees is anticipated at \$4.4 million in FY2011. This amount is projected to be offset by \$6.8 million decrease to business privilege licenses, sales taxes and user fees.

Revenue Changes and Outlook FY2010—FY2011

Revenue Source	FY2010 Budget	FY10 Revised Estimate	FY11 Estimated Budget	\$ Change FY11 Budget over FY10 Budget	% Change FY11 Budget over FY10 Budget
Property Tax	\$284.3	\$286.7	\$287.1	\$2.8	1.0%
Sales Tax	57.5	49.0	51.3	- 6.2	- 10.7
Utility Franchise Tax	34.8	34.8	35.9	1.1	3.1
Business Privilege License	17.5	16.6	16.6	- 0.9	- 5.1
Police Services	14.7	14.9	14.9	0.2	1.3
Solid Waste	12.1	12.1	12.4	0.3	2.4
All Other	73.6	71.9	73.9	0.3	0.4
Total	\$494.5	\$486.0	\$492.1	\$-2.4	- 0.5%

Notes:

- \$ in millions
- Projection assumes no property tax increases
- Property tax levy increases from \$77.3 billion in FY2010 to an estimated \$77.4 billion in FY2011
- Collection rate for property tax remains at 97.2%
- Utility Franchise estimate based on FY2010 YTD revenues meeting estimates
- Projection assumes state restores beer and wine reimbursement after withholding \$2 million for FY2010.
- Solid Waste fees growth rate based on real estate value growth rate from the Tax Office
- Numbers above exclude one time fund balance appropriations for the purpose of comparison

Property & Sales Tax Revenue Update

Property Tax

Building Cycle

- Growth in property tax lags the economy due to the building cycle where plans are executed in a strong economy and then projects completed in a weak economy.
- The time between completion of a building and collection of tax revenue could be as much as 20 months. New construction is added only on January 1st each year and taxes are due the following September.

Reassessment

- The next reassessment will be January 1, 2011 which will make it effective in FY2012.
- Under North Carolina law, the assessed value of real estate is only periodically reassessed, which can be as long as every eight years. Once a value is set, it does not change due to market conditions until the next reassessment.
- In Mecklenburg County, the last reassessment was January 1, 2003. If the market value of a property has changed since that time, it will not be reflected in the tax bill. Furthermore, new property added to the tax rolls are valued as they would have been if they had existed on January 1, 2003. Therefore, if a thriving business location in 2003 is now vacant and decaying, the tax value will not have changed. If a neighborhood has seen dramatic increases in values since 2003, the owners of the homes still pay taxes on the same value.
- This method creates stability and is the reason that during a weak economy, property tax revenues continue to grow.

Liens & Escrow

- Approximately 80% of the property tax base is real estate. The other 20% is comprised of business personal property, individual personal property, state certification, and registered vehicles.
- Most owners of real estate including business and individuals have a mortgage on the property. When banks issue a loan with a deed of trust, they have a vested interest in making sure the property tax is paid because a tax lien will trump a bank lien.
- Most homeowners are required to make monthly payments into an escrow account to cover property taxes and the bank actually pays the bill.
- People who own real estate free and clear of a bank lien likely have resources to pay property taxes and have an interest in not losing the property to a tax lien.
- These safeguards insure that even in a weak economy, property taxes are likely to be paid.

Sales Tax

The City has experienced an unprecedented decline in sales tax revenues from the previous year. Though the recession had technically begun, the sales tax revenues from 2009 did not experience a substantial drop until the fifth month of data. This suggests that for the remaining months of the fiscal year, revenues should not see drops of the same magnitude as in the first few months.

The following factors influence the estimate:

Negative Influences

- The price of fuel is rising, cutting into discretionary spending.
- Reports indicate that retail sales are occurring at low price levels.
- Prices are low, so sales taxes generated are correspondingly low.
- Unemployment is high with further increases expected; consumer confidence is still down.

Sales Tax Revenue Update cont'd

- Credit has been substantially restrained to consumers and businesses.
- A number of retail and restaurant establishments are bankrupt or going out of business.
- Some necessities are excluded from sales tax (food in Articles 43 and 44).
- In the previous recession (2001-2002) sales tax revenues declined by (7)% in FY2002 and were flat in FY2003.

Positive Influences

- The population of Charlotte and the surrounding area continues to grow.
- Leading economic indicators suggest that the recession is over.
- There is a tendency for prices and sales to rise over time.
- Current low interest rates promote consumer consumption (assuming credit is available).
- Construction and most commodity costs are low.

Other Factors That Influence Sales Tax

- Various sources, including Wells Fargo Securities, have reported that retail sales increased approximately 1.5% for the 2009 Christmas season.
- Schools, churches, governments and non-profit organizations are allowed to request rebates for all sales taxes paid. Major items such as prescription drugs, automobiles, and services are not subject to sales tax.
- Items purchased within the county, but delivered outside the county, have tax receipts credited to the county of delivery.
- Items purchased online or through mail order are taxed and revenue is distributed based on a formula method.
- Furthermore, once sales tax distribution is determined on a county level, the distribution within the county between municipalities and the county government is determined - in Charlotte's case - based on the relative property tax levy. All other things being equal, if Mecklenburg County raises its property tax rate, the City receives less sales tax revenue.
- The above factors make the prediction of sales tax revenues difficult.

Sales Tax Growth Estimates

Below are the estimates for FY2010 and FY2011 as of January 15, 2010. These estimates are subject to change as further data is gathered during the budget process. The Information above is what was used to determine the overall rates:

- FY2010 revised estimate: 5.4% down from FY2009 actual
- FY2011 estimate: 4.7% increase from FY2010 revised estimate

These revenue estimates are for both City and CATS revenues. It is assumed that the distribution percentages for the City are flat. Staff does not know whether Mecklenburg County will raise its property tax rate or not. Therefore, it is safe to keep the distribution rate constant. Further changes will occur as data becomes available.

Budget Drivers for FY2011

Employee Compensation and Benefits

For the current year FY2010, City employees (both Public Safety and non-Public Safety) did not receive a pay increase. The City has two pay plans – Broadbanding and Public Safety:

- The Broadbanding Pay Plan provides a pay-for-performance pay adjustment based on merit. Prior to the recent economic downturn, the typical budget increase for the Broadbanding pay plan was 3%.
- The Public Safety Pay Plan provides a step program for eligible employees in Police and Fire. For Police, eligible employees are Police Officers and Sergeants and in Fire eligible employees are Firefighters and Engineers. Public Safety employees above those ranks are funded from the Broadbanding Pay Plan. Employees within the Public Safety Pay Plan receive a step increase plus a market adjustment until they reach the top step of the plan. Prior to the economic downturn, the step increases were 5% and market adjustments were typically 3%. For Public Safety Pay Plan employees below top step, they received the step increase plus the market adjustment. Those at top step received just the market adjustment.

In FY2010, approximately 74% of the General Fund budget is employee pay and benefits. Of that 74%, over 66% of the employee pay and benefits goes to Police and Fire in the General Fund. Thus, Public Safety pay and benefits makes up the largest portion of the General Fund budget. No decision has been made on any recommended compensation adjustment for FY2011. For FY2011, the estimated funding increase for a 3% Broadbanding and a 5% step plus 3% market adjustment in Public Safety would be approximately \$10.3 million for the General Fund. These costs are not included in the projections discussed earlier.

Two other employee compensation and benefits drivers impact the City's operating budget – health insurance and the estimated increase to cover the non-grant portion of the additional 125 Police Officers added in FY2010.

- Health insurance is reviewed by City staff each year to determine premium adjustments and/or changes to health insurance policy to manage costs. Staff has not completed that review in anticipation of FY2011. However, the City's share of health insurance increased 4% in FY2010. Based on employee experience at this point in the year, staff estimates premium increases and changes to health insurance policies will be necessary for FY2011. If we assume a 7% increase for the City's share in FY2011, then the General Fund increase would be approximately \$2.63 million. Employees would likely have a corresponding increase.
- The addition of 125 Police Officers was approved by Council in August, 2009. 75 of the positions were funded through a COPS grant from the American Recovery and Reinvestment Act (ARRA) and the remaining 50 positions were funded from a reallocation of General Fund budget resources. The net impact to the General Fund for FY2011 is an increase of approximately \$888,290.

The following articles are included in the *Articles of Interest* section:

- *After Year's Break, Raises Set for Return in 2010*. Charlotte Business Journal, December 18, 2009.
- *2010 Compensation Budgets Dip Slightly from Projections*. Hewitt Associates, November 23, 2009.

Budget Drivers for FY2011 cont'd

Local Government Employees' Retirement System (LGERS) Contribution

Staff estimates that the proposed retirement system contribution rate increase will impact the City's FY2011 budget by \$4.5 million for all funds (\$3.5 million for General Fund only).

In November 2009, the Office of the State Treasurer and the North Carolina League of Municipalities informed local governments throughout the state that, effective for FY11, contributions required by local governments to fund the LGERS would need to increase. The current required City contribution rate for civilian employees is 4.80% of salaries; this rate has been in effect since October 1, 1988. The Office of the State Treasurer proposed increasing this rate to 6.35% of salaries effective July 2010, an increase of 1.55%. The current required City contribution rate for sworn law enforcement officers is 4.86% of salaries; a rate that has been in effect since July 1, 2007. It was proposed that this rate increase to 6.41% of salaries effective July 2010, an increase of 1.55%.

At the January 14 meeting of the Large City/County Finance Officers' Association, members and their managers reached unanimous agreement for Association representatives to attend the LGERS meeting on January 21 to ask for reform of the proposed rate increase. The Association includes the Finance Officers from the five largest cities and five largest counties in the state. The group did not believe that current conditions justified the rate increase being proposed by the Office of the State Treasurer and that work should be done with the Treasurer to determine a more appropriate response. As a result of this work, the Office of the State Treasurer revisited their analysis and determined an alternative approach that reduced the proposed rate increase from 1.55% to 1.05%. The Treasurer reached this alternative by considering prior years when the market exceeded estimates which would not normally be included in their analysis.

Greg Gaskins and Tim Mayes attended the Board of Trustees meeting for the LGERS on January 21. At that meeting, the Treasurer's alternative approach to reduce the proposed contribution rate increase from the originally proposed 1.55% to 1.05% was presented. This proposal, introduced at the meeting by the Director of North Carolina Retirement Systems, was defeated by a nine to four vote. The reason stated for these increases were the losses from pension fund investments during the recent economic downturn. Staff is meeting with other local government representatives to develop an appropriate strategy to deal with this issue.

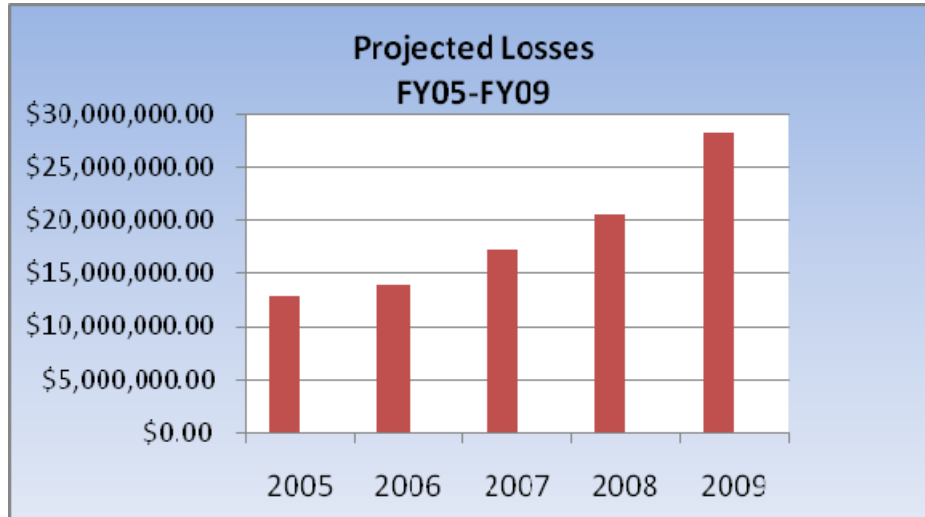
Budget Drivers for FY2011 cont'd.

Risk Fund

Since the mid-1980's, the City of Charlotte has been a self-insured governmental entity. The move to self-insurance was necessitated by the unavailability of reasonably priced commercial insurance. Self-insurance is most accurately described as self-funding. This means that we pay losses for which we become legally liable from our self-insurance fund, which is funded through payments into that fund from our available revenue sources. In addition to the self-insurance fund, we purchase excess insurance to cover catastrophic losses – general and automobile liability claims over \$2 million and workers' compensation claims that exceed \$1 million.

In order to ensure adequate funds to pay for losses, the City of Charlotte established a loss reserve trust in 1986. That trust is used to pay "self-insured" losses as they are incurred. On an annual basis, the City has obtained an actuarial evaluation of its losses in order to receive guidance on the level of funding needed year over year. Over the last five years, actuarially projected loss costs have risen significantly. The chart below illustrates how costs have nearly doubled in five years with annual increases ranging from 9 – 37%.

Costs have been rising due to three primary factors including: workers' compensation, adverse court judgments and an increase in catastrophic events. The City Manager has established an Executive Level Risk Management Task Force that is in the process of evaluating the causes of loss and will propose actions we can take to slow the growth of losses. The ultimate goal is to eliminate and/or minimize risk through the employment of enhanced risk management techniques.



Budget Drivers for FY2011 cont'd

Electric Rate Increase

In December, the North Carolina Utilities Commission approved a two-step agreement to allow Duke Energy to raise rates Jan. 1 by an average 3.8 percent, followed by a 3.2 percent increase in January 2011. This increase in electric rates will impact the budget in key areas such as street lights, power for pumping, and general operations.

At mid-year, projections indicate that expenses for FY2010 will likely be narrowly within budget. We will continue to monitor the impact of the rate increase closely. Staff estimates electric costs for FY2011 could increase from \$11.8 million to \$12.3 million in the General Fund depending on weather conditions.

Solid Waste Services Savings

At Council's January 25th dinner briefing, staff presented an update on the change to Single Stream Recycling. The shift in approach along with the every other week collection produces savings that begin in FY2011. Staff estimates savings of \$1.6 million in the first year plus an additional savings of \$468,000 resulting from Solid Waste Services reorganization of garbage, yard waste and bulky operations. Thus, these two Solid Waste Services program changes produce approximately \$2 million savings for FY2011.

Additionally, budget savings may be higher should the bids for carts come in below staff's estimate.

FY2011 General Fund Conclusions

Staff estimates a budget gap for FY2011 in the General Fund of approximately \$9-11 million assuming no employee pay increase. Please note this is a mathematical projection at this point. The recommended budget will be balanced as required by state law.

Sales tax revenues continue to decline in the current year, along with business privilege license revenues and user fees. Property tax is estimated to grow, but at a slower rate than in prior years. The FY2011 General Fund revenue estimate is \$2.4 million lower than the FY2010 current year revenue estimate – a decrease of 0.5%.

Key Business Units continue to hold the line on spending, but several budget drivers will impact the estimate for the FY2011 budget. Even with no pay increase (including Police and Fire), staff estimates growth in the General Fund budget by at least \$6.6 million. Increases in health insurance, retirement system contribution, risk and liability, police staffing, and electric rates are material changes that the City must address. These increases are offset by savings in Solid Waste Services due to the move to single stream recycling and the recent operational reorganization.

Revenue and expenditure estimates will change with additional data and staff analysis through the budget process. Key Business Units are scheduled to submit formal budget requests on February 11th – thus other budget issues may arise not identified in this report. For Council's retreat, combining the declining revenues estimate with projected budget drivers produces a budget gap estimate of about \$9-11 million.

General Fund

	FY2010 Budget	FY10 Revised Estimate	\$ Change FY10 Estimate to FY10 Budget	FY11 Estimate Budget	\$ Change FY11 Estimate to FY10 Budget
Revenues	\$494.5	\$486.0	\$ (8.5)	\$492.1	\$ (2.4)
Expenditures	494.5	490.3	4.2	501.1	(6.6)
Gap			(4.3)		(9.0)

Notes:

- Dollars in millions
- The \$4.3 million estimated gap in FY2010 is covered by the \$7.4 million Reserve for Economic Deterioration

State of North Carolina Budget Update

Statements below were taken from the January 2010 Fiscal Research Division's General Fund and Economic Outlook Update.

- Despite being on target with respect to revenue collections, budget pressures will continue to mount as the prolonged weaknesses in the economy affect revenue collections in the second-half of the fiscal year.
- Net income tax withholdings on wages and salaries are down 4.1% through December. That compares with 3.8% through November.
- Net sales tax collections, including tax law changes are up 6.5%; however budget targets projected a 11.5% increase. The result is net sales tax collections are \$120 million short of expectations.
- From September through November the State's economy added almost 16,000 jobs (seasonally adjusted). This still leaves employment short of pre-recession employment by 240,000 jobs.
- A looming issue on the horizon will be the FY2011-12 revenue picture. Temporary taxes are set to expire, fiscal stimulus money dries up, and early projections indicate revenue growth will not be sufficient to close the gap.

State Revenue Reform

- The State has formed a Joint Senate and House Finance Committee to examine the sales tax structure in North Carolina.
- The committee is examining the history and current structure of sales taxes in North Carolina as compared to examples from other states with a focus on fairness and the principles of what makes a tax a good tax.
- The in-depth study of the rate structure and exemptions so far has centered on problems in key areas such as the business privilege license, food, medical, economic development, agricultural, and industrial taxes due to arbitrary exemptions coupled with a lack of clarity and simplicity.
- Suggestions for the future of the tax recommend the inclusion of many services as a means of capturing untapped equity, increasing horizontal fairness, and revenue stability.
- The committee is contemplating the policy issues, administration costs, taxpayer education, and implementation time of expanding the tax base.
- Potential reforms may have a significant negative impact on City revenues.

IV. Capital Budget

Capital Debt Capacity

General debt capacity is primarily impacted by and sensitive to the following factors:

- Property tax growth (including annexation, vehicle values, and business personal property)
- Other revenue growth
- Interest rates on invested funds
- Rate of spending on bond funded capital projects
- Interest cost of borrowed funds

Based on recalculation of the City's General debt financial model, staff estimates available General debt capacity for the FY2011-2015 General Capital Investment Plan (CIP) at \$40 to \$50 million.

Use of Capital Reserves

By Council policy, the City maintains a target of 16% unrestricted fund balance in the General Fund. Upon completion of the annual financial audit, any unrestricted General Fund balance in excess of 16% is designated for transfer to the General Capital Investment Plan's Pay-As-You-Go (PAYG) capital program. For the FY2011-2015 CIP, the General Fund has \$15.1 million for transfer to PAYG. The City Manager has recommended the \$15.1 million go towards Technology Investments consistent with the organization's technology improvements initiative.

Upcoming November 2010 Bond Referendum

The adopted five year General Capital Investment Plan (CIP) includes a proposed bond referendum in November 2010. Staff will recommend adjustments to the proposed November 2010 bond referendum based on new capital project requests from Key Business Units, changes in debt capacity and feedback from Council through the budget process prior to City Manager's recommended budget presentation in May.

At this point, with the exception of the additional \$40 to \$50 million debt capacity identified by Finance, there is no funding available in the General CIP for future General bond referendums past November 2010.

Following is the list of projects in the current draft of the November 2010 bond referendum. This list is subject to change through the budget development process both from staff and Council.

Draft November 2010 Bond Referendum (subject to change)

	Draft 2010 Bond
<u>Housing and Neighborhood Development</u>	
Neighborhood Improvements	\$25.0
Neighborhood Improvements - Boulevard Homes	7.0
Affordable Housing	10.0
Area Plan Projects	5.0
Traffic Calming Program	3.0
Pedestrian and Traffic Safety Program	2.0
Sidewalk Construction Program	15.0
Total	\$67.0

Transportation

Bridge Program	2.0
Farm-to-Market Road Improvement Program:	
- Oakdale Road Improvements	8.0
- Robinson Church Road - Planning/Design	2.5
- Johnston-Oehler Road Improvements	14.3
- Tyvola Road Improvements	1.5
Minor Roadway Improvement Program	1.5
Intersection Improvement Projects:	
- Ballantyne Commons/Elm Lane	7.2
- Scaleybark/South Boulevard	2.0
Public-Private Participation Program	6.0
Thoroughfare and Street Projects:	
- Beatties Ford Rd (Capps Hill Mine to Sunset)	13.0
- Brevard and Eighth Street Improvements	5.5
- Idlewild Rd (Piney Grove to Margaret Wallace)	8.0
State Highway Participation Program	3.0
Street Connectivity Program	4.0
Traffic Control Devices Upgrade Program	4.0
Traffic Flow Enhancement (coordinated signals)	5.0
Bicycle Program	2.0
City Center Transportation Implementation	4.0
NE Corridor: Access Improvements	6.5
Total	\$100.0

Economic Development

Business Corridor/Pedscape Infrastructure	4.6
North Tryon Redevelopment	9.5
Total	\$14.1

Total Draft 2010 Bond Referendum **\$181.1**

AAA Bond Rating Background Information

The City's AAA bond rating is a critical component of the City's strong financial position.

The following credit profile publications are included in the *Articles of Interest* section:

- *Fitch Ratings for Charlotte, North Carolina*. October, 2009.
- *Moody's Investors Service Credit Profile for Charlotte, North Carolina*. October, 2009.
- *Standard & Poors Credit Profile for Charlotte, North Carolina*. October, 2009.



FY2011 Strategic Focus Area Plan - **DRAFT**

“Charlotte will be the Safest Largest City in America.”

The City of Charlotte will be the safest large city in America, a community in which citizens feel safe in the areas where they live, work, and spend their leisure time. Citizens in a safe community have confidence in their public safety agencies to proactively identify and address issues related to crime, disorder and personal safety. The Police and Fire Departments have the most direct impact on public safety. Other city departments, such as [Neighborhood & Business Services](#), Engineering, Transportation, and Planning also have a role in creating safe and strong neighborhoods.

The City Council supports the Charlotte-Mecklenburg Police Department’s policing strategy which focuses on crime and disorder at the neighborhood level. Police staffing plans promote high visibility throughout all of the Department’s 39 response areas, each of which is served by a Response Area Team. Response Area Teams, led by a Sergeant, are responsible for crime reduction in their assigned areas and the engagement of the community as partners in keeping their neighborhoods safe. Each team develops enforcement strategies specific to their areas that target both crime and chronic offenders. They work closely with specialized police units to address criminal issues such as gangs, assaults, drugs, and firearms.

One of the ways that police build trust and confidence is through a diverse workforce. CMPD is committed to recruiting strategies that result in a more diverse workforce that is proactive in community engagement and quality customer service.

Collaboration is critical to making Charlotte the safest large city in America. Police partner with a variety of public and private agencies in a holistic approach to crime and disorder issues. One key partnership is between Police & [Neighborhood & Business Services](#). Police work closely with Code Enforcement and Neighborhood Specialists to address conditions that increase criminal activity and implement strategies that ultimately strengthen and empower neighborhoods. CMPD also partners with other city and county agencies as well as other members of the Criminal Justice System in a proactive effort to prevent crime before it happens.

Making Charlotte a safe community also requires strategies to reduce loss of life and property damage. The Fire Department plays a major role in that process both through proactive inspections and education programs to prevent fires and injuries and by rapid response to those fires and medical emergencies that do occur. The Fire Department also takes the lead in homeland security preparedness and works with partners around the Charlotte region to ensure that emergency personnel have the training, equipment and strategies to respond effectively to natural or man-made disasters.

Community Safety

Reduce Crime

- CS.1 Focus Area Initiative: Decrease crime throughout Charlotte-Mecklenburg through enforcement and problem solving strategies that target criminal activity and chronic offenders at the neighborhood level**
- FY11 Measure: Crime rate per 100,000 population for FBI Uniform Crime Report Part One offense categories (Homicide, Rape, Robbery, Aggravated Assault, Burglary, Auto Theft, Larceny, and Arson)
 - FY11 Target: 5% reduction in crime rate per 100,000 population
~~7% reduction in crime rate per 100,000 population in FY10~~
 - FY09 Target: 5% reduction in FBI Uniform crime rate per 100,000 population
 - FY09 Actual: 22.5% reduction
- CS.2: Focus Area Initiative: Enhance citizen safety through increased police visibility and engagement of citizens as active partners in crime reduction**
- FY11 Measure: Survey ratings on citizen satisfaction with police service and safety in their neighborhoods in November 2009 and November 2010
 - FY11 Target: Ratings of 7 or above on a 10 point scale on questions related to police services and citizen perception of safety
 - FY09 Target: Ratings of 7 or above on a 10 point scale on questions related to police services and citizen perception of safety
 - FY09 Actual: 73% on overall impression of police; 79% on courtesy; 80% on professionalism; 73% on feeling safe in their neighborhoods
 - FY11 Measure: **Adopt a Police Facilities Strategic Plan which establishes a building schedule for new police division offices that increase police visibility and accessibility and facilitate the delivery of police services at the neighborhood level**
 - FY11 Target: TBD - new measure for FY11
- CS.3 Focus Area Initiative: Develop recruitment strategies that attract a more diverse applicant base to the Police Department**
- FY11 Measure: Number of women and minorities included in applicant pool
 - FY11 Target: 5% increase in each of next two years
 - FY09 Target: N/A – new measure in FY10
 - FY09 Actual: Baseline – 349 women and minorities in applicant pool

Community Safety

CS.4 Focus Area Initiative: Partner with other city and county agencies as well as other members of the criminal justice system in enforcement and prevention efforts that reduce crime and enhance the quality of life in our community

- FY11 Measure: Crime reduction on major city corridors through collaboration with other city agencies
FY11 Target: 5% reduction in Uniform Crime Report Part One Crimes (Homicide, Rape, Robbery, Aggravated Assault, Burglary, Auto Theft, Larceny and Arson)
FY09 Target: N/A - new measure in FY10
- FY11 Measure: Reduction in national and international gangs operating in Charlotte-Mecklenburg
FY11 Target: In conjunction with other state and federal law enforcement agencies, identify and dismantle one gang per year
FY09 Target: N/A - new measure in FY10
- FY11 Measure: [Work with the District Attorney's Office on an information technology plan that includes a case management system with an interface to CMPD's Electronic Case Papering System](#)
FY11 Target: TBD - new measure for FY11

CS.5 Focus Area Initiative: Reduce loss of life and property damage from fires through proactive fire code enforcement and rapid response to working fires

- FY11 Measure: Percent of fire code inspections with an annual state-mandated frequency conducted each year
FY11 Target: 85%
FY09 Target: 85%
FY09 Actual: 96.7%
- FY11 Measure: Percent of alarms first-due responder companies on scene within 6 minutes of call receipt
FY11 Target: 80%
FY09 Target: 80%
FY09 Actual: 79.35%
- FY11 Measure: Percent of fire education programs delivered to CMS third grade classrooms that are within city limits
FY11 Target: 80%
FY09 Target: N/A - new measure in FY10

Community Safety Focus Area Plan FY2010 Mid-Year Report

Reduce Crime

CS.1: Decrease crime throughout Charlotte-Mecklenburg through enforcement and problem solving strategies that target criminal activity and chronic offenders at the neighborhood level

Target: 7% reduction in crime rate per 100,000 population in FY10

✓ Mid-Year

Status: 19.5% reduction in crime rate per 100,000 population

CS.2: Enhance citizen safety through increased police visibility and engagement of citizens as active partners in crime reduction

Target: Ratings of 7 or above on a 10 point scale on questions related to police services and citizen perception of safety

- Mid-Year

Status: Survey has not yet been conducted; will be conducted prior to end of fiscal year

CS.3: Develop recruitment strategies that attract a more diverse applicant base to the Police Department

Target: 5% increase in number of women and minorities in applicant pool

✓ Mid-Year

Status: 84.2% increase in women and minority applicants (measured on calendar year 2009 vs. calendar year 2008)

CS.4: Partner with other City and County agencies as well as other members of the criminal justice system in enforcement and prevention efforts that reduce crime and enhance the quality of life in our community

Target: 5% aggregate reduction in Part One crimes on five major city corridors

✓ Mid-Year

Status: 16.5% aggregate reduction in Part One crimes along the five target corridors: Beatties Ford Road, Eastland Mall, North Tryon, Rozzelles Ferry Road, Wilkinson Boulevard/Freedom Drive

Target: Identify and dismantle one gang per year, in conjunction with other state and federal law enforcement agencies

✓ Mid-Year

Status: Objective on track to be met

CS.5: Reduce loss of life and property damage from fires through proactive fire code enforcement and rapid response to working fires

Target: 85% of fire code inspections with an annual state mandated frequency conducted

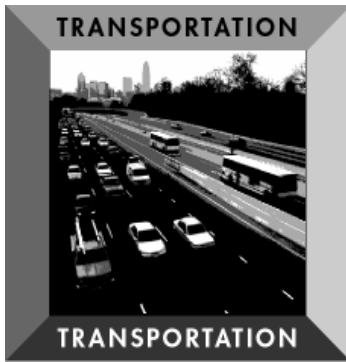
✓ Mid-Year
Status: 38.9% of the 17,991 state mandated inspections have been completed during the first five months of the fiscal year

Target: 80% of alarm first due responder companies on scene within 6 minutes of call receipt

✓ Mid-Year
Status: 81.1% of alarm first due responder companies on the scene within 6 minutes of call receipt

Target: 80% of third grade classrooms within city limits receive fire education programs

✓ Mid-Year
Status: 50.5% of the 424 third grade classrooms have received fire education programs as of November 30, 2009; objective on track to be met



“Charlotte will be the premier city in the country for integrating land use and transportation choices.”

Safe, convenient, efficient, and sustainable transportation choices are critical to a viable community. To that end, the City Council has identified Transportation as a priority. The City of Charlotte takes a proactive approach to transportation planning and management. Success is measured through five key strategic initiatives and the action steps necessary to achieve the City's overall goal of becoming the premier city in the country for integrating land use and transportation choices.

The City's **Transportation Action Plan (TAP)** details the City's transportation strategies and programs that are necessary to accommodate the City's future growth. The TAP is a comprehensive document that includes and addresses Charlotte's Transportation mission statement and vision, Transportation goals, objectives, and policies, existing and future conditions impacting transportation, and financial resources and constraints.

Since the TAP's adoption, the City has moved forward with key strategic initiatives, such as:

- Implementation and dissemination of the TAP annual status report
- Implementation of the 2006, 2008, and 2010 transportation bond projects
- Creation of the Committee of 21's Transportation Task Force which studied City and Regional transportation funding shortfalls and recommended solutions for advancing transportation projects
- Adoption of the Urban Street Design Guidelines to create complete streets.
- Ensuring land use and transportation decisions are consistent with the overall goal of maintaining the City's livability and long-term growth

Another cornerstone of integrating transportation and land use is continued investment in and implementation of Rapid Transit. In November 2007, Charlotte opened the first light rail line in the Carolinas. The opening of the LYNX Blue Line (South Corridor) marks the completion of the first of five corridor rapid transit investments and a cross-town streetcar line from the MTC adopted **2030 Corridor System Plan**. The 2030 Corridor System Plan includes a prioritized implementation schedule for the remaining corridors, the streetcar project, expands investments in local and express bus service, and increases opportunities for regional partnerships (CATS). The LYNX Blue line continues to exceed the original ridership projections. Building on this success, preliminary engineering is being advanced on the LYNX Blue Line Extension (BLE), the LYNX Red line (North Corridor Commuter Rail) and the cross-town Streetcar with funding from the City of Charlotte. Although the LYNX BLE and the LYNX Red line remain the top two priorities in the MTC adopted 2030 Corridor System Plan; the economic recession has significantly reduced the revenue anticipated for the implementation of the plan. The result is that the 2030 Corridor System Plan adopted in 2006 is no longer financially achievable under the current schedule and that new funding schedules and options must be explored.

Charlotte and the surrounding region will continue to grow rapidly, making the implementation of new transportation strategies even more imperative. These strategies are particularly important now, given the State's transportation revenue shortfalls and backlog of important transportation projects. The City is committed to identifying and prioritizing transportation strategies that ensure the City's long-term viability and to seek ways to secure adequate funding to implement improvements along state and local transportation corridors. the Transportation Action Plan. These include 1) taking steps to improve the equity share formula used for state transportation funding and pursuing federal transportation reauthorization opportunities to enhance federal funding directly to urban areas, state funding for planning, constructing, and maintaining multi-modal transportation facilities, 2) finding ways to reach and maintain avoid air quality nonattainment, thereby preserving valuable federal funding for necessary transportation improvements, and 3) pursuing the goals and recommendations of the Committee of 21.

Transportation

Develop Collaborative Solutions

TRAN.1 Focus Area Initiative: **Continue implementing Centers, Corridors, and Wedges Growth Framework**

- FY11 Measure: % of residential and office developments located within centers and corridors
- FY11 Target: Minimum of 40% of new housing unit permits and 70% of new multi-family unit permits in the city located within the centers and corridors
- FY09 Target: 40% and 70% respectively
- FY09 Actual: 55.8% and 71.9% respectively

- FY11 Target: Minimum of 75% of new office development square footage and 75% of new employment occurring in the centers and corridors
- FY09 Target: 75% and 75% respectively
- FY09 Actual: 97.6% and 91.4% respectively

TRAN.2 Focus Area Initiative: **Collaborate with local and regional partners on land use, transportation, and air quality to enhance environmental quality and promote long-term regional sustainability**

- FY11 Measure: Annual hours of congestion per traveler, as measured by Texas Transportation Institute, for the Charlotte Urban Area compared to top 25 cities
- FY11 Target*: Percentage change in annual hours of delay per traveler in Charlotte will be less than the 5-year average percent change for the top 25 cities in the nation
- FY11 Measure: Increase the % of City population within ¼ mile of parks, schools, shopping, and transit greater than the 2004 baseline
- FY11 Target: Increase the % of population within ¼ mile of parks above 16.9% FY09 Target - 16.9% Actual of 15.7%
Increase the % of population within ¼ mile of schools above 13% FY09 Target - 13% Actual - 13%
Increase the % of population within ¼ mile of shopping above 45.6% FY09 Target - 45.6% Actual - 52.7%
Increase the % of population within ¼ mile of transit above 63.5% FY09 Target – 63.5% Actual - 56.2%
- FY11 Measure: Working with MUMPO **and the Centralina Council of Governments**, the City will conduct a study to evaluate the strengths and weaknesses of various Metropolitan Planning Organization structures used across the country.
- FY11 Target: Complete study by ~~June 2010~~ **January 2011**

* The City will track congestion levels/annual hours of delay per traveler for the top 25 cities in the United States as reported by the Texas Transportation Institute and annually compare them against Charlotte congestion levels.

Transportation

Provide Transportation Choices

TRAN.3 Focus Area Initiative: Prioritize, design, construct, and maintain convenient and efficient transportation facilities to improve safety, neighborhood livability, promote transportation choices, and meet land use objectives, and make progress on a plan to reach a pavement survey rating of 90 over 5 years

- FY11 Measure: Improve the pavement condition survey rating over the previous survey
 - 2008 Survey: Survey rating - 82.0
 - 2006 Survey: Survey rating - 86.0
- FY11 Measure: Accelerate and implement the 2030 Corridor System Plan as conditions allow
 - Target: ~~Update the financial plan and implementation schedule by December 31, 2009 (CATS)~~
 - Target: ~~Complete a LYNX Purple Line (North Corridor) Implementation Plan by December 31, 2009 (CATS)~~
 - Target: ~~Develop a Streetcar Implementation Plan based upon the Economic Development Study recommendations and Council direction by May 31, 2009 that seeks and pursues any and all state, federal, and private sources of funding. (CATS)~~
 - Target: ~~Complete the LYNX Blue Line Extension's Draft Environmental Impact Statement and 30% Design by June 30, 2010 (CATS)~~
 - FY11 Target: Advance key tasks of the LYNX Red Line (North Corridor) Work Plan by June 30, 2011 (CATS)
 - FY11 Target: Advance Streetcar preliminary engineering to 30% for key elements by December 31, 2010
 - FY11 Target: Complete the Final Environmental Impact Statement for the LYNX BLE by June 30, 2011
- FY11 Measure: Achieve 5 of 6 targets supporting this initiative
 - FY11 Target: 1.) In light of the current economic environment, grow or maintain **current** transit ridership
 - FY09 Target: 4% increase
 - FY09 Actual: 12.2% increase
 - FY11 Target: 2.) Complete a minimum of 10 miles each of new sidewalk and new bikeways annually
 - FY09 Target: Complete a minimum of 10 miles each of new sidewalk and new bikeways annually
 - FY09 Actual: 17.8 miles of sidewalk and 18.7 miles of bikeways completed
 - FY11 Target: 3.) 90% of transportation bond road projects completed or forecast to be completed on schedule

Transportation

FY09 Actual: 93% of transportation bond road projects were completed or forecast to be completed on schedule

FY11 Target: 4.) Decrease in vehicular accidents per miles traveled and decrease in pedestrian and bicycle accidents per capita

FY09 Target: Decrease in vehicular accidents per miles traveled and decrease in pedestrian and bicycle accidents per capita

FY09 Actual: Vehicular accidents per miles (2.9% increase), pedestrian accidents (9.2% increase) and bicycle accidents (23.3% increase)

FY11 Target: 5.) Maintain a citywide annual average intersection crash rate less than 2 crashes per million entering vehicles

FY09 Target: Maintain a citywide annual average intersection crash rate less than 2 crashes per million entering vehicles

FY09 Actual: 1.0 crashes per million

FY11 Target: 6.) ~~Establish baseline to~~ Track increase in bicycle usage over previous year

➤ FY11 Measure: Continue to implement the Urban Street Design Guidelines (USDG)

FY11 Target: Continue to apply the USDG to 100% of Area Plan and CIP projects

FY11 Target: Staff to recommend for Council's consideration a set of amendments to the City Code based on the USDG by **December 2010**

➤ ~~Measure: Implement clear lines of authority to the Planning Director for determining the application of USDG in the development review/rezoning process. (Planning?)~~

~~Target: Issue guidelines and process for resolving issues related to the application of the USDG in the development review/rezoning process by September 30, 2009~~

Enhance Customer Service

TRAN.4 Focus Area Initiative: **Communicate land use and transportation objectives as outlined in the Transportation Action Plan (TAP)**

➤ FY11 Measure: Complete and present annual TAP Status Report to the City Council

FY11 Target: January 2010 **2011**

Transportation

- FY11 Measure: The City will continue to implement a multifaceted and multi-departmental communication and public outreach plan that explains the City's transportation plans and growth strategy. The communication plan will include specific tools and measurable outputs to determine the community's understanding of the City's transportation plans, priorities and growth strategy.
- Target: ~~Include updated information on the City's website and Charlottefuture.com to reflect the City's land use and transportation strategy by December 2009~~
- FY11 Target: The City will conduct an annual survey, to benchmark existing community awareness of the City's transportation plans and growth strategy by December ~~2009~~ 2010.
- FY11 Target: The City will work with its regional partners to **produce a work plan and schedule by September 2010** to update the MUMPO 2035 Long Range Transportation Plan ~~by March 2010~~.
- FY11 Measure: ~~Determine how satisfied Customers are with the Quality of CATS' services.~~
- FY11 Target: ~~85% of Customers rate CATS Quality of Service as "Good to Excellent"~~

Expand Tax Base & Revenues

TRAN.5 Focus Area Initiative: Seek financial resources, external grants, and funding partnerships necessary to implement transportation programs and services

- FY11 Measure: Prepare a legislative agenda to fund the Transportation Action Plan by seeking additional revenue sources and by ensuring that Charlotte receives increased funding for planning, constructing, operating, and maintaining multi-modal transportation facilities and services
- FY11 Target: December ~~2009~~ 2010
- FY11 Measure: City Council, in partnership with the County and the Charlotte Chamber of Commerce, will **continue to** consider the Transportation Task Force Committee of 21's funding and process recommendation to the legislature as needed for implementation.
- FY11 Target: December ~~2009~~ 2010
- FY11 Measure: **Monitor federal transportation reauthorization legislation and identify opportunities to increase and steer federal transportation funding directly to urban areas**
- FY11 Target: **December 2010**

Transportation Focus Area Plan FY2010 Mid-Year Report

Develop Collaborative Solutions

TRAN.1: Continue implementation of Centers, Corridors, and Wedges Growth Framework

Target: Percent of residential and office developments located within Centers and Corridors:

New Housing Units – 40%

New Office Sq Ft – 75%

New Multi-family – 70%

New Employment – 75%

✓ Mid-Year

Status: As of mid-year, all categories are exceeding target:

New Housing Units – 42.1%

New Office Sq Ft – 84.2%

New Multi-family – 71.6%

New Employment – 93.6%

TRAN.2 - Collaborate with local and regional partners on land use, transportation, and air quality to enhance environmental quality and promote long-term regional sustainability.

Target: Increase the percent of City population within ¼ mile of parks, schools, shopping and transit greater than the 2004 baseline:

Parks – 16.9%

Schools – 13.0%

Shopping – 45.6%

Transit – 63.5%

X Mid-Year

Status: As of mid-year, only one of four categories (Shopping) is achieving the target:

Parks – 15.6%

Schools – 12.8%

Shopping – 51.9%

Transit – 55.1%

Target: Percent change in annual hours of delay per traveler in Charlotte will be less than the 5-year average percent change for the top 25 cities in the nation. (0.5%)

✓ Mid-Year

Status: According to the 2009 Texas Transportation Institute Annual Mobility Report, Charlotte's 5-year delay per peak traveler decreased 2.1% while the 5-year average for the top 25 congested urban areas increased by 0.5%.

Target: Working with MUMPO, the City will conduct a study to evaluate the strengths and weaknesses of various Metropolitan Planning Organization structures used across the country.

✓ Mid-Year

Status: In progress. Study to be completed by June 2010.

Provide Transportation Choices

TRAN.3 - Prioritize, design, construct and maintain convenient and efficient transportation facilities to improve safety, neighborhood livability, promote transportation choices and meet land use objectives.

Target: Improve the Pavement Condition Survey rating over the previous survey:
2008 Survey – 82.0 2006 Survey – 86.0

- ✓ Mid-Year
Status: The survey is conducted bi-annually. The next survey will be conducted in 2010.

Target: By December 31, 2009, update the financial plan and implementation schedule of the 2030 Corridor System Plan
- ✓ Mid-Year
Status: The updated financial plan and implementation schedule of the 2030 Corridor System Plan was completed by December 31, 2009

Target: By December 31, 2009, complete a LYNX Red Line (North Corridor) Implementation Plan
- ✓ Mid-Year
Status: In view of the lack of funding for the North Corridor – the MTC approved a work plan on October 28, 2009, which is a combination of project specific and legislative steps to try and secure funding and advancement of the North Corridor

Target: By May 31, 2009, develop a Streetcar Implementation Plan based upon the Economic Development Study recommendations and Council direction that seeks and pursues any and all state, federal, and private sources of funding.
- Mid-Year
Status: Staff presented the Streetcar Project funding issues to the Transportation Committee in September 2009. On December 8, 2009, the Federal Transit Authority (FTA) issued notice of an opportunity to apply for the Urban Circular Grant program which could provide up to \$25 million in grant funding for the Streetcar project. Applications for this grant must be submitted by February 8, 2010. On January 25, 2010, Council authorized the submittal of the City's application for the FTA Urban Circular Grant for a first phase of the Streetcar project. FTA will announce the grant recipients in early 2010.

Target: By June 30, 2010, complete the LYNX Blue Line Extension's Draft Environmental Impact Statement and 30% design.
- ✓ Mid-Year
Status: On schedule. The traffic analysis has been completed, including number of turn lanes and storage length recommendations along N. Tryon Street, and submitted to NCDOT. The project team has resolved all outstanding issues related to alignment and station locations. The project team approved the alignment and profile to be used for the 30% design and draft Environmental Impact Statement on November 17, 2009.

- Target: In light of the current economic environment, grow or maintain transit ridership.
- X** Mid-Year
Status: Through the first four months of FY2010, transit ridership was down 12.3%. During November 2009, ridership improved somewhat, but still reflected a 9.5% reduction from ridership levels in November 2008.
- Target: Complete 10 miles of new bikeways annually.
- ✓** Mid-Year
Status: 14 miles of bikeways have been completed through mid-year 2010
- Target: Complete 10 miles of new sidewalks annually.
- ✓** Mid-Year
Status: Transportation has implemented a significant number of new sidewalk miles this year, and will exceed the 10 mile target by year end.
- Target: 90% of transportation bond road projects will be completed or forecast to be completed on schedule.
- ✓** Mid-Year
Status: 93% of transportation bond road projects in FY2010 will be completed or are forecast to be completed on schedule
- Target: 5% decrease from prior year in vehicular accidents per mile
- X** Mid-Year
Status: Results will not be fully calculated until year-end, but recent trends reflect a continuing difficulty in meeting this target. Prior year (FY2009) results showed a 2.9% increase in vehicular accidents.
- Target: Decrease from prior year in pedestrian and bicycles accidents per capita.
- X** Mid-Year
Status: Results will not be fully calculated until year-end, but recent trends reflect a continuing difficulty in meeting this target. Prior year (FY2009) results showed a 9.22% increase in pedestrian accidents and a 23.34% increase in bicycle accidents.
- Target: Maintain a citywide annual average intersection crash rate of less than two crashes per million entering vehicles.
- ✓** Mid-Year
Status: Target is calculated on an annual basis and will be completed in July 2010. 2009 results – 1.03 crashes per million vehicles
- Target: Establish a baseline to track the increase in bicycle usage over previous year. (2010 is the baseline year. Tracking will begin in 2011)
- ✓** Mid-Year
Status: Staff currently developing a strategy to initiate bicycle counts at selected locations, including the use of cameras to track bicycle usage, and expects to have the baseline data complete by year-end.
- Target: Continue to apply the Urban Street Design Guidelines (USDG) to 100% of Area Plan and CIP projects

- ✓ Mid-Year
 Status: 100% of City-implemented road designs in the current year to date are consistent with USDG, and CDOT and NCDOT worked together on numerous designs, including the design of Graham Street Extension, to meet USDG.

Target: By January 2010, staff to recommend, for Council's consideration, a set of amendments to the City Code based on the USDG
- ✗ Mid-Year
 Status: CDOT and Planning staff continue to work on updating City codes and ordinance to reflect the USDG. Staff expects to bring these revisions to City Council during summer, 2010.

Target: By September 30, 2009, issue guidelines and process for resolving issues related to the application of the USDG in the development review/rezoning process.
- ✓ Mid-Year
 Status: Complete. The Guidelines and process have been issued.

Enhance Customer Service

TRAN.4 – Communicate land use and transportation objectives as outlined in the Transportation Action Plan

Target: By January 2010, complete and present annual Transportation Action Plan Status Report to the City Council.

- ✓ Mid-Year
 Status: The Draft Transportation Action Plan Status Report is complete and will be presented to City Council Transportation Committee in January 2010.

Target: By December 2009, include updated information on the City's website and Charlottefuture.com to reflect the City's land use and transportation strategy.
- ✓ Mid-Year
 Status: Complete. Charlottefuture.com has been reformatted to address growth strategy efforts and is now an active portal to numerous City growth-related activities.

Target: By December 2009, conduct an annual survey to benchmark existing community awareness of the City's transportation plans and growth strategy.
- ✗ Mid-Year
 Status: The UNCC annual transportation survey has been revised to meet this target. The revised survey is 50% complete and is expected to be implemented in Spring 2010.

Target: By March 2010, the City will work with its regional partners to update the MUMPO 2035 Long Range Transportation Plan.
- ✓ Mid-Year
 Status: The update of the MUMPO 2035 Long Range Transportation Plan is on schedule and will be completed by March 2010.

Target: 85% of customers rate CATS quality of service as "good to excellent".

X Mid-Year

Status: Due to budget cuts, no survey will be conducted in FY2010

Expand Tax Base & Revenues

TRAN.5 – Seek financial resources, external grants, and funding partnerships necessary to implement transportation programs and services.

Target: By December 2009, prepare a legislative agenda to fund the Transportation Action Plan by seeking additional revenue sources and by ensuring that Charlotte receives increased funding for planning, constructing, operating and maintaining multi-modal transportation facilities and services.

X Mid-Year

Status: Staff continues to work with Council to advance legislative priorities. Staff is awaiting Council's direction on the timing to advance the Committee of 21 funding recommendations. To date, the City has not secured a dedicated funding source for non-transit transportation.

Target: By December 2009, City Council, in partnership with the County and the Chamber of Commerce will consider the Transportation Committee of 21's funding and process recommendations to the legislature as needed for implementation.

X Mid-Year

Status: The Committee of 21 presented their findings and funding recommendations to City Council. Staff will continue to work with Council regarding when to pursue these funding recommendations at the state level.



FY2011 Strategic Focus Area Plan - **Draft**

“Charlotte will become a national leader in environmental initiatives to preserve our natural resources while balancing growth with sound fiscal policy.”

The City of Charlotte recognizes that environmental stewardship both now and in the future is fundamentally important to our quality of life and essential to maintaining a vibrant economy. Protecting our natural resources, promoting conservation on all levels, and improving the environment enhance our City’s mission to preserve the quality of life for our citizens.

Charlotte’s economic vitality presents challenges to maintaining a healthy environment. The City is committed to:

- *promoting environmental best practices and protecting our natural resources: the air we breathe, the water we drink, and the natural ecosystems we cherish, including the tree canopy;*
- *recognizing important interrelationships among air quality, water resources, land preservation, and energy and resource conservation;*
- *making sound land use decisions regarding our future growth and development supporting sustainability so as not to jeopardize our future generation of citizens;*
- *achieving our goals of becoming a national leader in the successful stewardship of our environment by maintaining a cooperative and open agenda with Mecklenburg County, our regional neighbors, and the business community; and*
- *leading by example and promoting sound, cost effective environmental and energy conservation practices in City operations.*

The City of Charlotte will take a proactive leadership role in modeling best practices for its citizens. The City recognizes that conscientious environmental stewardship and concern for the public interest requires more than meeting mandates and minimum standards. The City will evaluate environmental conditions and opportunities in order to determine what approach is best for our community’s optimal environmental sustainability. By always being conscious of the need to meet regulatory compliance standards and the needs of future generations, the City will avoid costly remedial action.

The actions associated with the other City Council Focus Areas – Community Safety, Housing and Neighborhood Development, Economic Development, and Transportation - are supported and enhanced by stewardship of our natural resources and the environment. In addition, specific initiatives in Economic Development and Transportation Focus Area Plans relate directly to Charlotte’s environmental goals including initiatives for renewable energy and green industry, and land-use planning and transportation choices.

Environment

Safeguard the Environment

ENV.1	Focus Area Initiative:	Support environmental sustainability by making wise decisions regarding growth and development, recognizing the interrelationships between air quality, water resources, land preservation, and energy and resource conservation
➤	FY11 Measure:	Percent of residential and office developments located within centers and corridors to continue implementing Centers, Corridors, and Wedges Growth Framework
	FY11 Target:	Minimum of 40% of new housing unit permits and 70% of new multi-family unit permits in the city located within the centers and corridors
	FY09 Target:	40% and 70% respectively
	FY09 Actual:	55.8% and 71.9% respectively
	FY11 Target:	Minimum of 75% of new office development square footage and 75% of new employment occurring in the centers and corridors
	FY09 Target:	75% and 75% respectively
	FY09 Actual:	97.6% and 91.4% respectively
➤	FY11 Measure:	Percent of rezoning decisions consistent with adopted plans and/or staff recommendation
	FY11 Target:	95% of rezoning decisions consistent with adopted plans and/or staff recommendation
	FY09 Target:	95% of rezoning decisions consistent with adopted plans
	FY09 Actual:	93.4% rezoning decisions consistent with adopted plans
➤	FY11 Measure:	Percent of rezoning decisions consistent with adopted environmentally sensitive site design policies
	FY11 Target:	80% of approved re-zonings incorporate environmentally sensitive site design components as per the General Development Policies-Environment
	FY09 Target:	N/A – new measure for FY10
➤	FY11 Measure:	Implement the General Development Policies Phase II - Environment
	FY11 Target:	Initiate strategies to address four two additional General Development Policies—Environment and continue implementation of the strategies initiated in FY2008 to focus on policies dealt with by previous Focus Area Plan targets
	FY09 Target:	Initiated strategies to address five of the 15 GDP-E by June 2009
	FY09 Actual:	Initiated strategies to address six additional GDP-E
	Target:-	Implement Environmental Inventory Strategy to include internal use of existing map and determine process, stakeholders, and potential implications of designating environmentally sensitive areas by June 2010

Environment

ENV.2 Focus Area Initiative: Lead and support efforts to improve Charlotte and regional air quality

- FY11 Measure: Promote long-term reduction in ozone-causing emissions
- FY11 Target: ~~Establish~~ **Implement projects in** partnerships with business/management organizations to encourage increases in travel by alternative modes to/from/**within** two mixed-use activity centers by June ~~2010~~ **2011**
- FY09 Target: N/A – new measure for FY10
- FY11 Target: Adopt and implement a revised Tree Ordinance that will help improve air quality through the preservation and growth of Charlotte’s tree canopy
- FY09 Target: Adopt revised Tree Ordinance by June 2008
- FY09 Actual: Revised Tree Ordinance pending adoption
- FY11 Target: Continue collaboration and participation with COG’s CONNECT Regional Air Quality Work Team, the Regional Air Quality Board and Clean Air Works, Mecklenburg County Division of Air Quality and the State of North Carolina Division of Air Quality to develop and implement strategies to improve air quality
- FY09 Target: N/A – new measure for FY10
- FY11 Target: **Implement the City’s Energy Efficiency and Conservation Block Grant air quality projects**

ENV.3 Focus Area Initiative: Protect natural ecosystems and habitats, including the tree canopy

- FY11 Measure: Maintain a significant and healthy tree canopy
- FY11 Target: ~~Develop a program recognizing~~ **Select and recognize** local developers or businesses annually **on Arbor Day** for excellent tree preservation efforts ~~by December 2009~~
- FY09 Target: N/A – new measure for FY10
- FY11 Measure: Protect stream corridors, ponds, and wetlands through public acquisition of additional conservation easements and enhancing existing buffers
- FY11 Target: Meet mitigation requirements through local rather than state-level restoration efforts 100% of the time when streams are negatively impacted by City projects
- FY09 Target: N/A – new measure for FY10
- FY11 Measure: Maintain permit compliance with treated wastewater
- FY11 Target: 100% compliance with National Pollutant Discharge Elimination System permit requirements for all five wastewater plants
- FY09 Target: 100% compliance
- FY09 Actual: 5 violations - 99.9% compliance

Environment

ENV.4	Focus Area Initiative:	Lead by example, adopting sound environmental practices in City facilities and operations
	➤ FY11 Measure:	Implement strategies to reduce City fleet emissions to improve air quality
	FY11 Target:	Reduce the amount of harmful emissions from the CATS bus fleet by reducing idling by 5% maintaining the 5% idling reduction from previous FY's FY10 baseline data in CATS' fixed bus fleet, including emissions reduction equipment on the engines of all new fixed route buses, and procuring hybrid buses as funding allows
	FY09 Target:	Reduce idling by 5% from FY07 baseline data in Charlotte Area Transit System's fixed route bus fleet
	FY09 Actual:	Reduced idling from 35.15% to 30.30%
	FY11 Target:	Improve the efficiency of the overall City fleet by purchasing alternative fuel vehicles as funding allows and by seeking grant funding to outfit current vehicles with emissions reducing technology
	FY09 Target:	Increase percentages of City fleet using alternative fuel or emission efficient technologies
	FY09 Actual:	37 hybrids; 337 flex fuel vehicles (excludes CATS)
	➤ FY11 Measure:	Incorporate environmentally responsible elements actions in the design, construction, and operations of City facilities and in other operating practices
	Target:	Maintain energy use practices so that City facilities' compare favorably with available benchmark information in the South Atlantic region (measured in thousands of BTUs per square foot)
	FY11 Target:	Implement adopted Policy for Sustainable City Facilities and conduct first year review of effectiveness
	➤ FY11 Measure:	Reduce greenhouse gas emissions from City facilities and operations
	FY11 Target:	Establish the City's targets to reduce Greenhouse Gas Emissions for City facilities and operations
	Target:	Approve the City's Greenhouse Gas Emissions Inventory Action Plan by December 2009, pending funding
	FY11 Target:	Implement the City's Energy Efficiency and Conservation Block Grant projects for City facilities
	FY09 Target:	Develop Greenhouse Gas Emissions Inventory Action Plan by December 2008
	FY09 Actual:	Developed Greenhouse Gas Emissions Inventory Action Plan, as part of Energy Strategy
	FY11 Target:	Develop a pilot program to perform costs/benefits analysis on and implement a City-wide environmentally preferable products and develop a methodology for reporting and rating green product performance and usability by July 2009 purchasing policy by July 2010

Environment

FY09 Target:	Develop pilot
FY09 Actual:	Pilot program with Wake Forest and UNCC completed; assessing software and methodologies for cost/benefits analysis
FY11 Target:	Increase recycling within City facilities through employee awareness
FY09 Target:	N/A – new measure for FY10
Target:	Adopt a Policy on Sustainable City Facilities by October 2009
➤ FY11 Measure:	Operate a best-in-class bio-solids program that safely recycles and manages bio-solids while mitigating environmental and health impacts wastewater treatment facilities that continually seek efficiencies and minimize environmental risk
FY11 Target:	Receive Achieve ISO 14001:2004 ISO certification for the Utilities Residuals Management Program (Bio-solids) Environmental Management System for the McDowell Creek Wastewater Treatment Plant by December 2009 2010
FY09 Target:	Receive certification
FY09 Actual:	Received Bio-solids ISO 14001:2004 certification
➤ FY11 Measure:	Advance renewable energy projects, including biodiesel, methane and solar initiatives
FY11 Target:	Complete a master plan of Utilities' properties viable technologies, including financing models and implementation steps, by December 2010
➤ Measure:	Develop and implement pilot project(s) for renewable energy
Target:	Develop and implement a solar energy pilot project on airport-owned property by June 2010
Target:	Develop and implement a bio-fuel and/or methane-to-energy pilot project at a wastewater treatment plant by June 2010

Develop Collaborative Solutions

ENV.5	Focus Area Initiative:	Collaborate with local and regional public and private partners and neighborhoods to enhance environmental quality and long-term sustainability
➤	FY11 Measure:	Continue collaboration and actively participate in public and private sector partnership's environmental and visioning initiatives
	FY11 Target:	Continue collaboration and participation with Centralina Council of Governments, Duke Energy, UNC-Charlotte, CPCC, CRVA Green Team, and other partners' current initiatives
	FY09 Target:	Continue collaboration and participation with SEQL, Centralina Council of Governments, Regional Visioning Council and other partners' current initiatives

Environment

FY09 Actual:	Active in COG-sponsored Regional Growth and Regional Environment Cabinets; participated in CRVA Green Team, Coca-Cola "Recycle and Win," CPCC, Duke Energy and other partners' current initiatives.
FY11 Target:	Implement the City's Energy Efficiency and Conservation Block Grant projects for energy investments in revitalization areas, the neighborhood energy challenge, and catalyst projects
➤ FY11 Measure:	Increase awareness of the environment as a priority for the community and the organization
FY11 Target:	Continue implementing the internal and external communication plans, including the Pledge to Improve Our Environment and the Energy Efficiency and Conservation Block Grant public outreach and education campaign for City employees
FY09 Target:	Continue implementing the internal communication strategy for the environment focus area
FY09 Actual:	Developed and distributed pledge cards to improve our environment, dedicated employee CNet page to the Environmental Focus Area, featured environmental data in FYI and FYIcast, and Earth Day activities
Target:-	Implement the external communication plan for Charlotte-Mecklenburg citizens by the first quarter of the fiscal year
➤ FY11 Measure:	Continue a leadership role in regional water resources planning
Target:-	Lead the group with Utilities' staff as chair of the Water Management Group and be actively involved in committee work in 2009
FY11 Target:	Actively support North Carolina's defense of the North Carolina versus South Carolina water rights lawsuit to protect the interest of Utilities' customers
FY09 Target:	Lead the group with Utilities' staff as chair of the Water Management Group and be actively involved in committee work in 2008
FY09 Actual:	Utilities' staff led the Water Management Group
➤ FY11 Measure:	In support of State recycling goals, increase single family recycling participation to achieve a 20% increase in annual tonnage of recycled materials
FY11 Target:	Implement single-stream recycling collection program by July 2010
FY09 Target:	Implement single-stream recycling program by July 2010
FY09 Actual:	N/A – (target is for single-stream - not yet implemented)
➤ FY11 Measure:	Continue implementing the multi-family recycling education program
FY11 Target:	Educate 20 non-participating multi-family property managers on the benefits of recycling by July 2010

Environment

FY09 Target:	Educate 20 non-participating multi-family property managers on the benefits of recycling by July 2009
FY09 Actual:	46 managers trained (230% of target)

Environment Focus Area Plan FY2010 Mid-Year Report

Safeguard the Environment

Env.1: Support environmental sustainability by making wise decisions regarding growth and development, recognizing the interrelationships between air quality, water resources, land preservation, and energy and resource conservation.

Target: Minimum of 40% of new housing unit permits and 70% of new multi-family unit permits in the city located within the centers and corridors

✓ Mid-Year
Status: 42.1% of new housing unit permits and 71.6% of new multi-family unit permits

Target: Minimum of 75% of new office development square footage and 75% of new employment occurring in the centers and corridors

✓ Mid-Year
Status: 84.2% of new office development square footage and 93.6% of new employment occurring in the centers and corridors

Target: 95% of rezoning decisions consistent with adopted plans and/or staff recommendations

✗ Mid-Year
Status: 92.9% of rezoning decisions consistent with adopted plans and/or staff recommendations

Target: 80% of approved rezonings incorporate environmentally sensitive site design components as per the General Development Policies - Environment

✓ Mid-Year
Status: 82% of approved rezonings incorporate environmentally sensitive site design components as per the General Development Policies--Environment

Target: Implement Environmental Inventory Strategy to include internal use of existing map and determine process, stakeholders, and potential implications of designating environmentally sensitive areas by June 2010

✓ Mid-Year
Status: On target to implement the Environmental Inventory Strategy

Target: Initiate strategies to address four additional General Development Policies - Environment and continue implementation of strategies initiated in FY2008

✓ Mid-Year
Status: Four General Development Policies initiated

ENV.2: Lead and support efforts to improve Charlotte and regional air quality

Target: Establish partnerships with business/management organizations to encourage increases in travel by alternative modes to/from two mixed-use activity centers by June 2010

✓ Mid-Year
Status: CDOT and CATS are on-schedule to meet this target. Surveys and focus groups are being set-up for the February-April timeframe, to collect information about travel-related needs of employees in the identified Activity Centers.

Target: Adopt and implement a revised tree ordinance that will help improve air quality through the preservation and growth of Charlotte's tree canopy

✓ Mid-Year
Status: Tree Ordinance Stakeholder Committee is reviewing cost-benefit analysis of recommended revisions and staff anticipates delivering final revision recommendations to Council by June, 2010.

Target: Continue collaboration and participation with COG's CONNECT Regional Air Quality Work Team, the Regional Air Quality Board and Clean Air Works, Mecklenburg County Division of Air Quality and the State of North Carolina Division of Air Quality to develop and implement strategies to improve air quality.

✓ Mid-Year
Status: CDOT continues to collaborate and participate with all named groups on their efforts to meet the region's air quality standards.

ENV.3: Protect natural ecosystems and habitats, including the tree canopy

Target: Develop a program recognizing local developers or businesses annually for excellent tree preservation efforts by December 2009

✓ Mid-Year
Status: 75% completed; Staff has developed an awards program.

Target: Meet mitigation requirements through local rather than state-level restoration efforts 100% of the time when streams are negatively impacted by City projects.

✓ Mid-Year
Status: 100% on target to meet mitigation requirements

Target: 100% compliance with National Pollutant Discharge Elimination System permit requirements for all five wastewater plants.

- ✓ Mid-Year Status: 100% in compliance with National Pollutant Discharge Elimination System permit requirements for all five wastewater plants.
- ENV.4:** Lead by example, adopting sound environmental practices in City facilities and operations
- Target: Reduce the amount of harmful emissions from CATS bus fleet by reducing idling by 5% from previous FY's baseline data in CATS' fixed bus fleet, including emissions reduction equipment on the engines of all new fixed route buses and procuring hybrid buses as funding allows.
- ✗ Mid-Year Status: Previous FY baseline data was 30.46%; mid-year status is 28.48%
- Target: Improve the efficiency of the overall City fleet by purchasing alternative fuel vehicles as funding allows and by seeking grant funding to outfit current vehicles with emissions reducing technology.
- ✓ Mid-Year Status: There have been 183 flex fuel vehicles and zero hybrid vehicles since July 1st. Grant Funding was researched and the departments chose not to participate due to budget constraints. Business Support Services has reviewed NC Green Business Funding (NCBF) Opportunity. The NCBF goal is to promote the growth of economic activity in North Carolina around environmentally preferable technologies and practices. At this time we have not chosen to participate.
- Target: Maintain energy use practices so that City facilities compare favorably with available benchmark information in the South Atlantic region (measured in thousands of BTUs per square foot)
- ✓ Mid-Year Status: On target with a score of 63.8 (should be less than 68)
- Target: Approve the City's Greenhouse Gas Emissions Inventory Action Plan by December 2009, pending funding
- ✓ Mid-Year Status: Greenhouse Gas Emissions Inventory Action Plan was approved as a part of the City's Energy Efficiency & Conservation Block Grant
- Target: Develop a pilot program to perform costs/benefit analysis on environmentally preferable products and develop a methodology for reporting and rating green product performance and usability by July 2009
- ✓ Mid-Year Status: Pilot program completed in partnership with Wake Forest University. Business Support Services is currently working on development of a methodology and is on target.

- Target: Increase recycling within City facilities through employee awareness
- ✓ Mid-Year Status: Baseline data in development and is on target
- Target: Adopt a Policy on Sustainable City Facilities by October 2009
- ✓ Mid-Year Status: The City adopted a Sustainable City Facilities Policy in October 2009
- Target: Receive ISO 14001:2004 certification for the Utilities Residuals Management Program (bio-solids) Environment Management System by December 2009
- ✓ Mid-Year Status: ISO certification for the Utilities Residuals Management Program Environmental Management System is complete
- Target: Develop and implement a solar energy pilot project on airport-owned property by June 2010
- ✓ Mid-Year Status: Staff is currently working on the structural report and the RFP, and the project is scheduled for completion by June 2010.
- Target: Develop and implement a bio-fuel and/or methane-to-energy pilot project at a wastewater treatment plant by June 2010
- ✓ Mid-Year Status: The bio-fuel and methane-to-energy projects are progressing. The bio-fuel project currently has the master plan, economic analysis, vendor analysis and test crop are all underway. For methane, a preliminary engineering report is being conducted at McAlpine Wastewater Management Facility to verify electrical power production and heat generation.

Develop Collaborative Solutions

ENV.5: Collaborate with local and regional public and private partners and neighborhoods to enhance environmental quality and long-term sustainability

Target: Continue collaboration and participation with Centralina Council of Governments, Duke Energy, UNC-Charlotte, CPCC, CRVA Green Team, and other partners' current initiatives

- ✓ Mid-Year Status: On target

Target: Continue implementing the internal communication plan for City employees

- ✓ Mid-Year Status: On target with a 50% completion rating

Target: Implement the external communication plan for Charlotte-Mecklenburg citizens by the first quarter of the fiscal year

✓ Mid-Year
Status: On target with a 50% completion rating

Target: Lead the Water Management Group with Utilities' staff as chair and be actively involved in committee work in 2009

✓ Mid-Year
Status: Utilities led this group and target has been completed for 2009

Target: Implement single-stream recycling collection program by July 2010

✓ Mid-Year
Status: Program implementation proceeding on schedule

Target: Educate 20 non-participating multi-family property managers on the benefits of recycling by July 2010

✓ Mid-Year
Status: 49 property managers have been educated to date



FY2011 Strategic Focus Area Plan - **DRAFT**

“Charlotte will be the most prosperous and livable city for all citizens through quality economic development.”

The City of Charlotte’s long-term economic health is in large part driven by the City’s ability to facilitate private sector job growth and investment through partnerships with agencies such as the Charlotte Chamber, Charlotte Regional Visitors Authority and the Charlotte Regional Partnership. These partnerships have resulted in a diversified local and regional economy, which requires public investment in public services and facilities and infrastructure. A healthy economy also requires a commitment to **strengthen and grow existing businesses, small business enterprise, entrepreneurship, business corridors and adjacent neighborhoods**. In order to foster effective economic development, we must coordinate the commitment from both the public and private sectors.

Several significant structural changes have occurred in the economic environment that will impact the City’s economic development. These include:

- ~~The freezing of the lending market has slowed commercial development as developers struggle to find loans for office, multi-family and retail construction~~
- The **recession, high unemployment and de-leveraging of the economy has slowed consumer spending and significantly slowed** commercial and residential development.
- The sale of Charlotte’s largest employer, Wachovia, to Wells Fargo ~~with yet to be determined job loss consequences for Charlotte~~ **the resultant loss of high-paying jobs**
- The shrinkage and dramatic realignment of the financial services sector, ~~which has been one of Charlotte’s key engines of economic growth~~
- Fluctuating fuel prices and the economic recession have impacted the airline industry, raising uncertainty about US Airways and its 6,000 Charlotte employees

There are opportunities for continued economic growth ~~as Charlotte has enjoyed stable housing prices, moderate construction slowdown, relatively stable employment and reinvestment in the City’s core and adjacent business corridors (\$819M in FY08) in~~ **Charlotte through the continued attraction and growth of energy and energy engineering firms, such as Duke, Shaw, Toshiba, Areva and Siemens. Continued investment at both the Charlotte Research Institute (UNCC) and the NC Research Campus (Kannapolis) will lead to growth in both technology and bio-tech companies in Charlotte.** A well educated workforce and available Center City office space also provide opportunities for economic growth, ~~as does the opening of the Airport’s third parallel runway. The opening of several new cultural facilities at the Wells Fargo Cultural campus in 2009 and the NASCAR Hall of Fame in 2010 will also help grow Charlotte’s hospitality and tourism sector. Additionally, the completion of the Southwest Water Transmission Main will provide increased water supply to southwest businesses and residents and allow for increased development of the west side from Wilkinson Boulevard to the South Carolina state line. All of these factors, along with Charlotte’s regional economic indicators, position Charlotte to be one of the first regions out of the recession. In addition, Bank of America’s acquisition of Merrill Lynch is a positive indication that Charlotte will continue to be a strong market for financial and professional services. However, the loss of Wachovia’s headquarters will result in job losses and increased Center City office vacancy. This, along with the broader economic recession, will have ripple effects in other professional services, retail and hospitality sectors, and will~~

~~impact the housing market as dislocated workers put their houses on an already saturated market.~~

Charlotte's continued success will be influenced by our diverse economic base and efforts with our partners to ~~grow and broaden into~~ **develop** growing business sectors, including: renewable energy, green industry, healthcare and high growth/high tech. ~~This success can also build upon previous year's Business Corridor Revitalization planning effort.~~ **This economic growth will continue to be assisted by the American Recovery and Reinvestment Act including: Recovery Act Bonds; Energy Block Grant; and Neighborhood Stabilization. We will also need to focus on improving support for small businesses and high growth entrepreneurs.** Our success will rely heavily upon **the collaboration brought about through the newly organized Neighborhood & Business Services Key Business.** Since private capital will be harder to find, the City will need to become more aggressive in pushing forward to ensure the economic ~~growth and~~ health of the corridor businesses and the adjacent neighborhoods. This is also a time to lay a foundation for the next wave of growth by **implementing** business-friendly process improvements and ~~updating~~ **completing and implementing** plans for major employment centers in the Center City and the University Research Park. ~~To grow the hospitality and tourism sector of the economy, the City can build on recent investments in hospitality and tourism infrastructure scheduled to open during FY10, including the NASCAR HOF and South Tryon Cultural Facilities.~~

Economic Development

Promote Economic Opportunity

- ED.1 Focus Area Initiative:** Promote a healthy business climate by 1) implementing a strong business expansion and retention effort, exploring with the Chamber the effectiveness and metrics of *BusinessFirst* Charlotte, 2) addressing the needs of Charlotte's largest employers, and developing strategies and growing employment in: renewable energy, green industry, health care, hospitality and tourism, emerging industries and high growth/high tech companies (including an update of the City's Strategic Plan and a strategy for use of available industrial land) and 3) working with internal and external partners to grow Charlotte's hospitality industry, including quarterly tracking of hospitality revenue streams and exploring partnerships to expand amateur sports
- FY11 Measure: Job growth in new sectors
 FY11 Target: 5% increase (Develop baseline information in FY10)
 FY09 Target: N/A – New measure for FY10
 - FY11 Measure: Number of existing businesses visited and serviced through *BusinessFirst* Charlotte, the City's business retention & expansion program
 FY11 Target: ~~Total: 400 (Business Corridors:120)~~
 FY09 Target: 400
 FY09 Actual: 180
 - FY11 Measure: Percentage increase in hospitality tax revenues and room nights generated by amateur sports
 FY11 Target: 3% increase in all hospitality tax revenues; 5% increase in amateur sport room nights
 FY09 Target: Increase in tax revenues - hospitality 7%, increase in amateur sports room nights 5%
 FY09 Actual: 19.8% decrease in all hospitality tax revenues
 143,473 room nights, a -1.41% decrease
- ED.2 Focus Area Initiative:** Ensure that small businesses have the opportunity to participate in informal City procurement and contracts through increasing SBE utilization and participation in SBE development programs
- FY11 Measure: Percentage of informal contracting dollars awarded to SBEs
 FY11 Target: 12% (dollar amount will be determined as a result of total FY11 Citywide informal contracting dollars)
 FY09 Target: 10%
 FY09 Actual: 8.33% (\$7.8 million of \$93.9 total Citywide informal contracting dollars)
 - FY11 Measure: Number of SBE submitting bids on informal contracts
 FY11 Target: New measure (develop baseline information in FY10)

Economic Development

ED.3 Focus Area Initiative: Enhance Workforce Development

- FY11 Measure: Number of youth accessing skills assessment and training at JobLink Centers
- FY11 Target: 1,500 youth at JobLink Centers and place 500 youth in jobs
- FY09 Target: 500 (placement for youth participating in the Mayor's Youth Employment Program and Goodwill Youth Job Connection)
- FY09 Actual: 638 trained/150 placed

- FY11 Measure: Promote strategies and develop partnerships to retrain displaced workers
- FY11 Target: Inventory/Evaluation/Adjustment of City's workforce retraining efforts including online services
- FY09 Target: N/A - New measure for FY10

Expand Tax Base & Revenues

ED.4 Focus Area Initiative: Advance Business Corridor Revitalization and Redevelopment

- FY11 Measure: Advance/complete development of priority projects and corridors
- FY11 Target: ~~Eastland Mall (MOU by December 2009)~~
Five Business Corridors:
 - North Tryon (~~Developer by September 2009~~)
(Complete design of Phase I Infrastructure Improvements)
 - Eastland Area (Contract for Central Avenue Streetscape)
 - Rozzelles Ferry (Greenway Business Park 50% occupied completed by December 2011)
 - Beatties Ford (Begin one redevelopment project)
 - Freedom/Wilkinson/Morehead (leverage Bryant Park project and County's Freedom Center)
 - Conduct Urban Market Studies and Recruitment for Corridors
 - Independence Boulevard Phase II (~~Begin Implementation Fall 2009~~) (adopt Independence Blvd. Area Plan by summer 2010) (Ensure NCDOT project meets urban street design standards and meets transportation capacity needs)
- FY09 Target: Complete and implement 100% Council approved plans and studies
- FY09 Actual: Approved changes to transitional setback Independence Boulevard; funded North Tryon infrastructure Improvements Phase I; Completed Streetcar economic impact

Economic Development

analysis; Collaborated on marketing effort for Eastland Mall to potential development partners; Completed draft Independence Blvd. Area Plan by Fall 2009

FY11 Measure: **Review Business Corridor Strategic Plan**
 FY11 Target: **Complete the review**
 FY09 Target: **N/A – new measure**

ED.5 Focus Area Initiative: Promote infill development/redevelopment in the Center City, distressed business districts, adjacent neighborhoods, and transit stations

- FY11 Measure: Building Permit value of construction in the Center City, Business Services Program Geography, and within 1/2 mile of identified transit station locations
 - FY11 Target: \$500 million
 - FY09 Target: \$500 million
 - FY09 Actual: \$564 million

- FY11 Measure: Number of recommended new capital projects implemented in area plans
 - FY11 Target: Initiate two new area plan capital projects
 - FY09 Target: Initiate two new area plan capital projects by June 2009
 - FY09 Actual: Initiated Bryant Park streetscape and NoDa safety improvement projects

Develop Collaborative Solutions

ED.6 Focus Area Initiative: Advocate Business Facilitation/Business Process Improvements

- FY11 Measure: Average number of reviews on all land development permitting submissions
 - FY11 Target: ≤ 2.5 reviews
 - FY09 Target: Average ≤2.5 reviews on all plans submitted for FY09
 - FY09 Actual: 2.2 reviews

- FY11 Measure: Percentage of permitting report initiatives implemented
 - FY11 Target: 100%
 - FY09 Target: Implement 80% of Permitting Report recommendations by end of FY09
 - FY09 Actual: 80%

Economic Development

- FY11 Measure: Conduct "competitive advantage" analysis of permitting systems and processes
- FY11 Target: Elimination of System Barriers/Conflict/Impediments in application of regulations
- FY09 Target: N/A - new measure

Economic Development Focus Area Plan FY2010 Mid-Year Report

Promote Economic Opportunity

ED.1: Promote a healthy business climate by 1) implementing a strong business expansion and retention effort, exploring with the Chamber the effectiveness and metrics of *BusinessFirst* Charlotte, 2) addressing the needs of Charlotte's largest employers and developing strategies and growing employment in; renewable energy, green industry, health care, hospitality and tourism, emerging industries and high growth/high tech companies (including an update of the City's Strategic Plan), and 3) working with internal and external partners to grow Charlotte's hospitality industry, including quarterly tracking of hospitality revenue streams and exploring partnerships to expand amateur sports

Target: 5% increase in job growth in new sectors
400 existing businesses visited and serviced through *BusinessFirst* Charlotte
3% increase in all hospitality tax revenues
5% increase in amateur sport room nights

✓ Mid-Year
Status: As of mid-year, one of four categories is achieving the target. For the others, the data will not be available until year-end.
81% increase in amateur sport room nights

ED.2: Ensure that small businesses have the opportunity to participate in informal City procurement and contracts through increasing SBE utilization and participation in SBE development programs

Target: 12% of informal contracting dollars awarded to SBEs

- Mid-Year
Status: Data not available until year-end

ED.3: Enhance Workforce Development
Target: 1,500 youth trained/50 youth placed and accessing skills assessment and training at JobLink Centers
Inventory/Evaluation/Adjustment of City's workforce retraining efforts, including online services

✓ Mid-Year
Status: 650 youth trained and 282 placed
Inventory/Evaluation/Adjustment of City's workforce retraining efforts, including online services – Report evaluating Workforce Development Board job training programs is 60% complete

Expand Tax Base & Revenues

ED.4: Advance Business Corridor Revitalization and Development

Target: Advance/complete development of priority projects and corridors:

North Tryon (construct Phase I infrastructure improvements)

Eastland Area (complete Central Ave. streetscape)

Rozzelles Ferry (Greenway Business Park 50% occupied by 12/2011)

Beatties Ford (begin one redevelopment project)

Freedom/Wilkerson/Morehead (leverage Bryant Park project and County's Freedom Center to promote additional development)

Conduct Urban Market Studies and Recruitment for Corridors

Independence Boulevard Phase II (begin implementation in Fall 2009)

✓ Mid-Year

Status: As of mid-year, two of seven categories are achieving the target and Council directed staff to cease work on the purchase of Eastland Mall. The other data will not be available until year-end:

Rozzelles Ferry Road – 100%

Freedom/Wilkerson/Morehead – 100%

Target: Review Business Corridor Strategic Plan

✓ Mid-Year

status: According to the 2009 Texas Transportation Institute (TTI) Annual Mobility Report, Charlotte's 5-year delay per peak traveler decreased 2.1% while the 5-year average for the top 25 congested urban areas increased by 0.5%.

ED.5: Promote infill development/redevelopment in the Center City, distressed business districts and adjacent neighborhoods, and transit stations

Target: \$500 million building permit value of construction in the Center City, Business Services Program Geography, and within ½ mile of identified transit station locations

✗ Mid-Year

Status: \$154,000,000

Target: Initiate two area plan capital projects

✓ Mid-Year

Status: One completed (5th St. Streetscape project)

Develop Collaborative Solutions

ED.6: Advocate Business Facilitation/Business Process Improvements

Target: ≤ 2.5 reviews on all land development permitting submissions

✓ Mid-Year

Status: 2.2 reviews

Target: 100% of permitting initiatives implemented

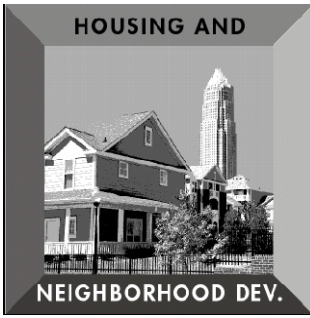
✓ Mid-Year

Status: 100%

Target: Elimination of Systems Barriers/Conflict/Impediments in application of regulations

- Mid-Year

Status: Study 20% complete



FY2011 Strategic Focus Area Plan - **DRAFT**

~~"Creating great neighborhoods in which to live, work, and play."~~

"Creating healthy and vibrant neighborhoods."

The City of Charlotte's long-term health, vitality, and distinction as a leading city is predicated upon its ability to maintain safe, **healthy, vibrant** and sustainable neighborhoods. The City will be responsive to the needs of all neighborhoods and will develop unique approaches and solutions for the City's challenged and transitioning neighborhoods.

Social changes, crime and disorder, physical deterioration, and economic disinvestments create challenges for the City's residential, commercial and industrial ~~neighborhoods~~ areas. The City's housing and neighborhood strategy focuses on strengthening neighborhoods by developing comprehensive neighborhood infrastructure, promoting economic opportunities through collaborative neighborhood and business corridor revitalization, improving quality of life measures, expanding affordable housing, achieving model neighborhood standards, and addressing the growing foreclosure crisis. *(Also see Community Safety, Economic Development and Transportation Focus Area Plans for more housing and neighborhood development initiatives.)*

Housing and Neighborhood Development

Invest in Infrastructure

H&ND.1 Focus Area Initiative: **Improve the safety and appearance of neighborhoods by implementing comprehensive infrastructure improvements**

- FY11 Measure: Number of neighborhood transportation, storm water, area plans and infrastructure projects completed
- Targets: FY11 - 36
FY10 - 24
- FY09 Target: N/A - new measure for FY10

Promote Economic Development

H&ND.2 Focus Area Initiative: ~~Conduct a pilot program to connect neighborhoods to jobs, goods & services and security along a business corridor (to be determined).~~

Determine the number of adjoining neighborhood residents gaining access to jobs, goods and services along the business corridors through City funded programs

- FY11 Measure: Number of adjoining neighborhood residents gaining employment
- Targets: ~~FY2011 - 15~~
~~FY2010 - 10~~
FY11 - TBD
FY10 - Establish Baseline
- FY09 Target: N/A - new measure for FY10
- FY11 Measure: Increase in access to retail opportunities percentage as measured by the Neighborhood Quality of Life Study
- Targets: FY11 - N/A
FY10 - 5%
- FY09 Target: N/A - new measure for FY10
- FY11 Measure: Reduction in crime in the corridor and adjoining neighborhoods
- Targets: FY11 - 5%
FY10 - 5%
- FY09 Target: N/A - new measure for FY10

Strengthen Neighborhoods

H&ND.3 Focus Area Initiative: ~~Undertake~~ **Develop a "Comprehensive Affordable Housing Policy Strategy incorporating all segments of the local affordable housing industry."**

- FY11 Measure: Update the City's Affordable Housing Policies including Council action, if necessary
- Targets: FY11 - TBD
FY10 - 100%
- FY09 Target: N/A - new measure for FY10

Housing and Neighborhood Development

H&ND.6 Focus Area Initiative: Address deteriorating and blighted non-residential structures ~~City Council's adoption of the non-residential enforcement ordinance.~~

- FY11 Measure: **Number of commercial structures inspected and brought into compliance**
The number of inspections and compliances can be more accurately determined after the program is operational.

	<u>#. Inspected</u>	<u># of Compliances</u>	<u># of Units Completed</u>
Targets:	FY11 - TBD	TBD	
FY10 -	100%		
FY09 Target:	N/A – new measure for FY11		

H&ND.7 Focus Area Initiative: Address foreclosures in targeted revitalization areas.

- FY11 Measure: Implementation of the Neighborhood Stabilization Program and number of units completed

	<u>Program Implementation</u>	<u>Number of Units Acquired and or Rehabilitated</u>
Targets:	FY11 - TBD	8
FY10 -	100%	25
FY09 Target:	N/A – new measure for FY10	

Housing & Neighborhood Development Focus Area Plan FY2010 Mid-Year Report

Invest in Infrastructure

H&ND.1: Provide comprehensive neighborhood infrastructure

Target: 24 neighborhood transportation, storm water, area plans and infrastructure projects completed

- Mid-Year
Status: Data not available until year-end

Promote Economic Development

H&ND.2: Provide access to jobs, goods and services along business corridors through City funded programs

Target: Number of adjoining neighborhood residents gaining employment – Establish Baseline

Increase access to retail opportunities by 5% as measured by Neighborhood Quality of Life

5% reduction in crime in the corridor and adjoining neighborhoods

- Mid-Year
Status: The geography has been defined. Staff is currently working with training and employment partners to examine the availability of appropriate data.
Crime reduction – annual data not available until year-end

Strengthen Neighborhoods

H&ND.3: Develop a Comprehensive Affordable Housing Strategy

Target: Update the City's Affordable Housing Policy

- Mid-Year
Status: 20% completed

H&ND.4: Improve the quality of life trends in challenged, transitioning and stable Neighborhood Statistical Areas

Target: Reduce the number of challenged neighborhood statistical areas as measured by the bi-annual Neighborhood Quality of Life Study (QoL) by 18.

- Mid-Year
Status: Data not available until year-end

Target: Graduate one neighborhood from the City's revitalization program

- Mid-Year
Status: Data not available until year-end

Target: Nine out of 12, or a 75% improvement in declining NSAs as based on the bi-annual Neighborhood Quality of Life Study

- Mid-Year
Status: Data not available until year-end

H&ND.5: Increase the supply of affordable housing units, number of units serving households earning 80%, 60% and 30% or less of the area median income (AMI) and number of homeownership units.

Target: 1,000 total affordable housing units completed and the number of units serving the targeted market

- ✓ Mid-Year
Status: 561 total units (80% to 61% - 178 units, 60% to 31% - 222 units, 30% to 0% - 161 units)
313 homeownership units

H&ND.6: City Council's adoption of the non-residential enforcement ordinance

Target: Adoption

- ✓ Mid-Year
Status: Non-Residential Building Code was adopted on September 28, 2009.
Non-Residential Code Enforcement will begin on April 1, 2010.

H&ND.7: Address deteriorating and blighted non-residential structures
Target: 100% of commercial structures inspected and brought into compliance

- ✓ Mid-Year
Status: 100%

Target: 100% Implementation of the Neighborhood Stabilization Program

- ✓ Mid-Year
Status: 100% program implementation

Target: 25 units acquired and/or rehabilitated

- X Mid-Year
Status: 4 units completed

2010-2011
Priorities

1.

2.

3.

CITY COUNCIL PRIORITIES

2008-2009

Community Safety Strategic Plan

Transportation Funding Strategy

Economic Development-Business Corridor Development

FY2008

Community Safety

Transit/Transportation

Housing and Neighborhoods

FY2007

Community Safety

Housing and Neighborhoods

Economic Development

FY2006

Community Safety

Transportation

Economic Development

FY2005

Community Safety

Transportation

Economic Development

FY2004

Community Safety

Transportation

Economic Development

PREVIOUS COUNCIL PRIORITIES

FY2000

Top Priorities Housing Policy and Strategy
Community Safety Strategy: Safest City in America
Road Improvements
Westside Strategy

High Priorities Business Corridor Revitalization
Eastside Strategy Plan
Financial Policies
Neighborhood Initiatives
North Tryon Strategy

FY1999

Top Priorities Transportation Plan
Policing Evaluation and Direction
State Roads Action: Increased Funding
Transit Plan and 1/2¢ Sales Tax: Implementation
West Side Strategic Plan Implementation

High Priorities Corridor Plan
Planning for the City: The Economic Development and the Center City Plan
Court System: Expansion
Business Retention Strategy and Action Plan
Community Strategic Plan for Housing
Neighborhood/Business Revitalization Strategy
Eastside Strategic Plan

FY1998

Top Priorities Transportation Plan (20 years plus)
Transit Plan and Tax
Westside Strategy Plan
Community Oriented Policing: Evaluation and Direction
Connectivity: Neighborhoods and Road System: Policy Direction

High Priorities Court System Expansion
Parking Garage/Convention Hotel
Trolley
Corridor Plan
State Roads Strategy
Airport Plan: Implementation
Neighborhood Business Revitalization Strategy and Action Plan
Business Retention Strategy and Action Plan

2008-2009 Priority—Community Safety Strategic Plan

Major Accomplishments

Goal 1: Adopt 2008-2012 Community Safety Strategic Plan

- The CMPD 2008-2012 Strategic Plan was presented to Council on December 1, 2008 and was adopted in Spring, 2009. The top priorities of the plan included:

Partnerships to focus on chronic offenders: implemented a Priority Offender Strategy Team in which chronic offenders from all 13 patrol divisions are prioritized and targeted for enforcement and prosecution; included partnerships with District Attorney, Community Corrections, and federal agencies; over 170 of the most prolific chronic offenders arrested in 2009.

Hold delinquent juveniles and parents accountable via juvenile justice system and community resources: Use of curfew ordinance; truancy programs in targeted neighborhoods and schools, expansion of Gang of One programs into more targeted neighborhoods.

Partnerships for prevention of juvenile crime and victimization through academic and social opportunities: Restructuring of PAL to Police Activities League with a wider range of offerings centered on academics, cultural activities and life skills. 33 young people are enrolled in the after school enrichment program at the Bette Rae Thomas Center and 61 are enrolled in the program at the Greenville Center.

Dismantling criminal gangs: Broader efforts to dismantle gangs at the neighborhood level; better efforts to link gang members to crime they commit. CMPD collaborated with federal agencies in the investigation, arrest, and prosecution of key members of MS-13.

Decentralizing patrol services to the neighborhood level: Response Area Commanders assigned to each of 39 patrol response areas; Focused Mission Team for flexible deployment; increased visibility in all neighborhoods; Development of Facilities Strategic Plan for patrol division offices that are more strategically located throughout CMPD's jurisdiction.

Use of technology to predict, prevent, and solve crime at the neighborhood level: Council approved purchase of predictive analytics system; 17 agencies in the 11 county region are being integrated into the COPLINK database with the first 10 expected to go live April 1, 2010.

Relationships with minority communities to build trust and communication: Enhanced efforts to engage citizens at the neighborhood level; outreach to Latino communities, including apartment complexes with predominantly Latino residents.

Serve citizens with a professional well trained work force which reflects the demographic profile of the community its serves; recruitment programs designed to attract a more diverse applicant base to the department; Captain assigned to Recruitment function; Major assigned to Training Academy to serve as Executive Director of Recruitment and Training; review of recruitment process and assignment of tasks.

- The Criminal Justice Advisory Committee (CJAG) has chosen priorities for focus:
 - Align Police Department/ District Attorney Priorities
 - Focus on chronic offenders
 - Technology

CJAG continues to focus on these areas, all of which are aligned with CMPD's strategic plan.

Goal 2: Expand Crime Prevention and Enforcement Strategies

- On May 12, 2008, City Council approved Public Safety Recommendations
 - 100 additional electronic monitors for repeat offenders
 - Funding for technology improvements in the District Attorney's Office
 - Additional staffing in District Attorney's Office to target property Crimes
 - Additional staffing in the CMPD Crime Lab and 911 Communications Center

The additional electronic monitors were added; CMPD actively monitors approximately 165-170 offenders at any given time; two Assistant District Attorneys and three clerical personnel were hired to help move property crimes through the criminal justice system more rapidly and to strengthen the sentences for property offenders; five positions were added to the Crime Lab and 8 positions were added to Police Communications; the case management system has not been developed and the money appropriated for that purpose has not been spent.

- CMPD organizational realignment and creation of 39 CMPD response areas was accomplished in September 2008. Realignment completed with focus on crime reduction at the neighborhood level; in 2009, crime rate per 100,000 population was the lowest in 30 years, attesting to the success of the new organizational structure.
- The County Commission allocated an additional \$3 million to the Criminal Justice System including \$1.5 million for new staff for the DA's Office; \$250,000 to expand diversion program for mentally ill offenders; \$220,000 to buy 120 electronic monitoring devices for chronic offenders; and \$150,000 to study technology systems.

Goal 3: Enhance Communications on Crime and Safety Information

- The CMPD organizational realignment included the goals of enhancing police officer presence and visibility at the neighborhood level, and facilitation of constructive partnerships with citizens, businesses, and other public and private sector service providers.
 - At least 26 new Neighborhood Watch programs were established during 2009 and the establishment of Business Watch programs is a priority for the Crime Prevention Unit.
 - All 39 response area commanders send out monthly e-mail newsletters to residents and businesses in their assigned area; the number of citizens on these e-mail lists continues to grow.

Goal 4: Actively Seek Favorable State/Federal Legislation and Funding

- State Legislative Agenda
 - Criminal Justice System funding/system improvement
 - Stolen Scrap Metal Prevention Act
 - Vehicle Titles with Salvage Sales
- Federal Legislative Request-\$million funding for Gang of One

Gang of One received \$950,000 in federal earmarks in 2009. The money will fund continuation of some programs and enable Gang of One to partner with more grassroots programs at the neighborhood level.

2008-2009 Priority—Transportation Funding Strategy

Major Accomplishments

Goal 1: Communicate the City's integrated transportation and land use growth strategy and infrastructure needs to accommodate the City's projected growth.

- After extensive citizen input, staff is finalizing the draft of the Centers, Corridors and Wedges Growth Framework. The document has been significantly rewritten to address stakeholder issues and to clarify the purpose and intent of the document. A final stakeholder meeting will be held in early 2010 with the adoption process to begin shortly thereafter.
- Staff has reformatted the design of charlottefuture.com to communicate Charlotte's growth strategy and major transportation projects, and has begun migrating information to the website. The production of a Growth Strategy video has been placed on hold for the current fiscal year due to budget restraints. However, video on strategic growth issues from City sources (Queen City Limits, for example) will be available on charlottefuture.com.
- The 2008 Transportation Action Plan (TAP) Annual Report was presented to Council in February 2009. The 2009 report will be presented to Council in February, 2010. The 5-year update of the TAP will begin in 2010.
- Staff continues to implement the Urban Street Design Guidelines (USDG) on City-funded projects and through area plans and conditional rezonings. Approximately 50 City projects reflecting the USDG are now on the ground. An inventory of Subdivision and Zoning Ordinance provisions required to implement the USDG on "by-right" development projects is complete, and an interdepartmental staff team is working with a consultant to draft Code revisions for Council's consideration by Summer 2010.
- EPA's approval of the State Implementation Plan (SIP) has been delayed. A SIP motor vehicle emissions budget was submitted by NCDENR to the EPA in November, 2009. A revised SIP is expected to be submitted by NCDENR to the EPA, in 2010.

Goal 2: Engage community to help define the City's transportation challenges, review current tools and strategies to address transportation needs; develop action steps to enable transportation infrastructure to keep pace with growth.

- Staff assisted the 21st Century Transportation Committee; the Committee reported its findings to the Legislature.
- The Committee of 21 concluded their work and presented their revenue recommendations to City Council in April 2009.
- The MUMPO 2035 Long Range Transportation Plan is being updated, including project ranking and cost estimates, and will be presented to MUMPO for adoption in early 2010.

Goal 3: Explore funding options to address transportation funding needs to keep pace with projected growth.

- Both the 21st Century Committee and the Committee of 21 have compiled a menu of transportation funding options that could be considered to fund city and regional transportation projects. Due to economic conditions, the City chose not to pursue these funding options at this time.

Transportation Revenue Sources Recommended by the Committee of 21				
Funding Source	Annual Revenues	Required Legislative Approval	Used For	Status
Vehicle Registration Fee (add'l \$30)	\$18M	State	Maintenance	Charlotte currently has a \$30 VRF
1/2 Cent Sales Tax	\$81M	State	Construction	State recently enacted an additional 1 cent sales tax with a sunset in 7/2011. This likely limits the ability to raise the sales tax for transportation. Existing legislation allows Meck. County to raise sales tax by .25%
Toll Interstates	TBD	State & Federal	Construction & Maintenance	I-77 and US 74 study is underway. Tolling will require state/federal approval.
Vehicle Miles of Travel Fee	TBD	State & Federal	Construction & Maintenance	VMT Fee will require state/federal coordination and is not likely in near-term.
Other Top Revenues Sources Considered by the Committee of 21				
Payroll Tax (add'l .50%)	\$150M	State	Construction & Maintenance	
5% Gas Tax	\$94M	State	Construction & Maintenance	
Road Impact Fees	\$84M	State	Construction	Widely used nation-wide and several NC communities collect road impact fees.
Land Transfer Fee (add'l .40%)	\$51M	State	Construction & Maintenance	Current legislation allows for a .40% increase

Goal 4: Develop a corresponding legislative strategy to implement the necessary transportation improvements to keep pace with growth.

- The NE Corridor received \$14.7M in FY10 funding; the Streetcar Project received \$500,000 for preliminary engineering.
- The City received \$20.8M in ARRA funding for the renovation and expansion of the North Davidson Street Bus Maintenance Facility and \$3M for the purchase of hybrid buses under the TIGGER program.
- The MTC adopted a legislative strategy for FY2010/11 and a work plan to achieve the goals of the strategy.
- The City's transportation legislative strategy continues to be reviewed and amended as necessary to reflect Council's position on the Committee of 21's and the 21st Century Transportation Committee's recommendations.
- City staff is reviewing federal transportation reauthorization concepts for opportunities that strengthen metropolitan areas and provide more local and MPO control over federal transportation funding decisions.

2008-2009 Priority—Business Corridor Development Major Accomplishments

Goal 1: Focus efforts on priority corridors

Eastland: City Council directed staff to take no further action on the purchase of Eastland Mall because the sellers' asking price of \$22.2M was greater than the amount (\$7.4M) that City Council was willing to pay.

Independence: Phase II Study is near completion. Transitional setback reduction provided additional property for redevelopment. Wal-Mart purchased Amity Gardens Shopping Center after staff worked through several complicated site issues. Staff assisted in the leasing of 45,847 sq. ft. to Roses on Independence. City and NCDOT staffs are currently reexamining Independence Boulevard construction documents and land-use plans to determine actions that could improve conditions on Independence for business retention and redevelopment.

Beatties Ford: Metro Police Station completed. Builders of Hope has received funding through the Neighborhood Stabilization Program to acquire and rehabilitate existing single-family homes in several of the City's revitalization areas. As a result, Builders of Hope is considering locating a local office in the City's North West Service Center. This will enable them to be close to the neighborhoods where they are working.

Rozzelles Ferry: Groundbreaking on Greenway Business Park in July 2008; secured \$492,000 in Federal funding. Business Park infrastructure and one building renovation completed. Building is 50% leased. Renovations to two other existing buildings on site partially funded by City. Neighborhood & Business Services is exploring the possibility of locating the Non-Residential Code Team in the Greenway Business Park.

North Tryon: Completed North Tryon Plan (downtown – 30th Street), identified catalyst sites. City Council postponed the catalyst site RFP due to the economy, but the City is moving forward with the streetscape improvement project.

Wilkinson/Freedom/Morehead: Development agreements for Bryant Park and Wesley Village completed in Spring 2008. Wesley Village apartments opened and Thrift/Freedom Roads realigned.

- Corridor market studies were put on hold due to budget constraints and major changes in economic conditions.
- Private sector investment in priority corridors since July 2008 has been \$44.4M.
- Business District Organization Grant Program revised and expanded to serve corridors. The NorthEnd Business Partners and the Freedom Drive Development Association are working to expand their organizations activities in response to the increased funding available. Additionally, staff is working with other areas on establishing business organizations to utilize the increased funding.

Goal 2: Coordinate and align public services to support corridor revitalization, including Economic Development, Public Safety, and Neighborhood Development

- The consolidation of Neighborhood Development and Economic Development into the new Neighborhood & Business Services Department (N&BS) provides coordinated support of corridor revitalization. A Community & Commerce Division was formed to focus on opportunities for business/neighborhood collaboration.
- *Business First Charlotte* visits to corridor businesses since July 2008 have totaled 82. During these visits, staff seeks to build relationships with local businesses and provides information about available City corridor programs and resources.
- N&BS coordinated with CMPD in response to business concerns about crime on Central Avenue. N&BS & CMPD have combined efforts to raise awareness about crime prevention with residents and business owners. Meetings were held to discuss crime prevention strategies and as a result the corridor has shown a 15.38% decrease in armed robberies.

Goal 3: Promote reuse/redevelopment of underutilized, deteriorated commercial structures

- Business Corridor Programs were revised in 2008; revisions expanded the eligible geography, increased maximum award amounts, and added awards for big box demolition expenses. Since January 2008, the following grants and amounts have been awarded: 5 Brownfield grants: \$79,000; 13 Façade Improvement Grants: \$325,800; 25 Security Grants: \$122,192; and 1 Big Box Demolition grant: \$45,000.

Goal 4: Leverage private sector investment and job creation

- Existing Worker Training grants were awarded to two corridor businesses resulting in the training of 46 employees.
- N&BS is developing programs to promote sustainable green business practices to corridor businesses, and to attract new green businesses to the corridors. This effort is being done in conjunction with Mecklenburg County, the Charlotte Chamber and the Charlotte Regional Partnership.