

**MINUTES OF MECKLENBURG COUNTY BOARD OF COMMISSIONERS**

**NOVEMBER 13, 2007**

**3:00 P.M.**

**NORTH CAROLINA  
MECKLENBURG COUNTY**

The Board of Commissioners of Mecklenburg County, North Carolina, met in Budget/Public Policy Session in Conference Room 267 of the Charlotte-Mecklenburg Government Center located at 600 East Fourth Street at 3:00 p.m. on Tuesday, November 13, 2007.

**ATTENDANCE**

**Present:** Chairman Jennifer Roberts and Commissioners  
Karen Bentley, Dumont Clarke, H. Parks Helms  
Dan Ramirez and Valerie C. Woodard  
County Manager Harry L. Jones, Sr.  
County Attorney Marvin A. Bethune  
Clerk to the Board Janice S. Paige

**Absent:** Commissioners J. Daniel Bishop, Bill James, and Norman A. Mitchell, Sr.

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*Commissioner Bentley was absent when the meeting was called to order and until noted in the minutes.*

*The meeting was called to order by Chairman Roberts, after which the matters below were addressed.*

**(2) LAND ACQUISITION IN THIRD WARD AND SECOND WARD**

General Manager Bobbie Shields addressed land acquisition in Third Ward and Second Ward.

County Manager Jones noted that this discussion was a follow-up from the Board's discussion at the November 7, 2007 meeting with respect to this matter.

**The following was noted:**

**Third Ward**

- A chronology of the events beginning November 2006 to date, with respect to land acquisition in Third Ward and Second Ward
- From the beginning, it was made clear that the County's prime interest was to develop parks in Third Ward and Second Ward.
- The study done by Civitas was noted and the Board was reminded that the study recommended a park site with a connection to Tyron Street, which is in Third Ward. The County pursued that site but was not successful. Then Mr. Michael Smith with Center City Partners spoke with Spectrum who represents Mass Mutual and they agreed to let the County have the site in exchange for property in Marshall Park, Second Ward. Staff has been pursuing this concept since that time.
- It was noted that this did put the County in a position to obtain property that was closer to the property it originally wanted.
- The Novare Group, who currently has a development underway in Third Ward, has given the County \$1 million to go towards the construction of the Third Ward Park site.
- \$9 million in 2004 Park Bonds was approved to develop a Third Ward park site. Those funds were earmarked for site park development - not acquisition.

**Second Ward**

- The culvert underneath Marshall Park will have to be moved.
- The proposed development by Spectrum, called Brooklyn Village, was reviewed.
- It was originally thought that Charlotte-Mecklenburg Schools (CMS) would utilize space in the office building to be built by Spectrum in Second Ward, but instead the Schools have decided that they prefer to have some of their administrative offices located in the Charlotte-Mecklenburg Government Center and at another location.
- When Spectrum's/Cornerstone's plans were prepared, they were anxious to get started because they wanted to tap into the condominium market before it got "cold". They are also interested in the apartment market because there aren't many apartments downtown.
- The City of Charlotte via the Charlotte Housing Authority has an agreement with Spectrum to provide affordable housing units in Brooklyn Village.
- Certificates of Participation (COPs) are needed in order to have funds available if the County needs to make an acquisition.
- In response to a question that was raised regarding the County obtaining a low interest rate from the seller, it was stated that in this particular case, the seller would be two entities (Wachovia/RBC and Mass Mutual/Cornerstone). It was stated that this is important to point out at this time because Mass Mutual/Cornerstone will never own the land that's currently owned by Wachovia/RBC. They have an option to purchase but they intend to let the County exercise that option when the County purchases the land in Third Ward.
- In order to have some type of owner financing, the County would have to work with two entities. Also, Mass Mutual is in the business of making money, often by investing pension funds, and they're not in the business of lending money at low interest rates. Also, with respect to commercial banks, General Manager Shields said he would be surprised if they would give the County a low interest rate loan at this point in time. General Manager Shields said it is an option that could be explored but that it doesn't take away from the need to have some funding available to make the acquisition and to be in a position to be ready to make the purchase if the County needs to use COPs as the funding source. This was the reason, General Manager Shields said, the matter was on the Board's November 7, 2007 agenda and will be back on the agenda on November 20, 2007.
- In response to a previous question about appraised values, General Manager Shields said the same appraiser was used for the new Third Ward site that was used for the South Graham Street site that the County just sold. The difference in the appraisal amounts is because of location. The closer a site is to Tryon Street, the more expensive it'll be.
- **Upcoming actions were noted, which included**

**On November 20, 2007**

- The Board will be asked to adopt a Park Land Acquisition Ordinance to provide funding (\$19 million) for acquiring urban park land in Third Ward as needed to implement the Center City 2010 Plan consistent with CIVITAS' recommendation. Also, a School Administrative Office Facilities Ordinance (\$9.5 million 08 COPs & \$12 million 09 COPS) to provide funding for replacement space for Charlotte-Mecklenburg Schools administrative staff located in the Education Center and in the Walton Plaza building.
- The City/Spectrum/Charlotte Housing Authority/County Agreement, with respect to the Second Ward land, will be presented to the Board. It was noted that the agreement provides some assurances that the affordable housing units will be built. Also, part of that agreement will be a deed restriction on the land. Further, the City of Charlotte will require that if for some reason the site is not developed by Cornerstone/Spectrum, the City would get the land back that the apartment units would sit on. This is to assure that affordable housing would be in the area.
- The City/County Interlocal Agreement will also need to be amended to allow the County to give the City of Charlotte back the land mentioned in the City/Spectrum/Charlotte Housing Authority/County Agreement and to allow more time for the development to occur. It was noted that staff does not expect that the development by Cornerstone/Spectrum would not occur but these agreements are being put in place as contingency plans.
- Presentation of the schematic designs for Second Ward and Third Ward Master Plans will be made, as well.

**On November 27, 2007**

- If the requested actions for November 20, 2007 are approved then staff hopes to have the City/County/CMS Land Swap completed and City/County/CMS Leases signed by the end of November.

**On December 4, 2007**

- Staff will ask the Board to approve the Notice of Intent to be given for the sale of property to Brooklyn Village, LLC.
- Also, the Notice of Intent to lease property to the Knights, LLC

**On December 18, 2007**

- Staff will ask the Board to approve the sale of property to Brooklyn Village, LLC , as well as, the lease of property to Knights, LLC

**On March 31, 2008**

- The Third Ward Park site should be bought, per the current schedule.

- **Outstanding issues associated with Third Ward that are still being negotiated, which could impact what comes before the Board on November 20, 2007:**
  - A linear park (The design and cost sharing for the construction, and the operation of the linear park is still being negotiated with Cornerstone/Spectrum.)
  - Acquisition of the Third Ward park site and the necessary funding
  - The Wachovia/RBC Land Agreement
  - The Lease Agreement with the Knights
- **Outstanding issues associated with Second Ward that are still being negotiated:**
  - Park design and operation details
  - Culvert Relocation
  - Final subdivision approval (The developer is still working with the City.)
  - CMS relocation (Staff is still working with CMS on this and if the County gets funding to acquire the CMS property then the County will be in a position to continue the progress with getting CMS out of the Education Center. It was noted also that there is some interest in buying CMS' share of the Walton Plaza Building.)
  - Marshall Park buy-back (This is addressed in the City/County Interlocal Agreement.)
  - Housing Agreement – Deed restrictions (There would be a restriction on any developer in the future that they must provide affordable housing at that site.)
- Also, the key milestone at this time is to get funding for the Capital Project Ordinance to acquire new park land in Third Ward.

*A copy of the report is on file with the Clerk to the Board.*

Comments

Commissioner Clarke asked for clarification regarding the linear park and whether what General Manager Shields was referring to the connecting piece. *The response was yes.*

Commissioner Clarke said Brevard Court was basically a strong connection between Tryon Street and the park. Commissioner Clarke said it looks like there needs to be a mid-block crosswalk in that area because of the tremendous amount of traffic that will come down Brevard Court because it's a natural connection.

General Manager Shields said he would make note of this.

Chairman Roberts asked about park development and dollars involved. *The response was that \$9 million was approved for development of a Third Ward park site, 2004 Park Bonds. \$6 million was approved in the FY07-08 budget using pay-as-you go funding. \$3.2 million for the culvert relocation and for some of the road work in Second Ward. Further, no additional funds are being requested for park construction.*

Chairman Roberts asked about the history of the ownership of the Walton Plaza building.

Attorney Bethune said when the County got ready to buy the Walton Plaza building the price was \$6 million. The Board of Education indicated that they wanted to put some offices in Walton Plaza and the County allocated in value, \$4 million to the building itself and the footprint of the

building, just the land directly around it; and \$2 million for the remainder of the site. The County issued COPs to buy the land and to buy some land out in Mallard Creek. The Board of Education agreed that they would pay essentially half of the \$4 million portion of the COPs over time. Therefore, as a result of the Board of Education making payments to the County, which was used to pay for the COPs, that was used to buy the building and land, the Board of Education has a one-half undivided interest in the building and a right to park on the remaining land.

Attorney Bethune said at the time that Walton Plaza was acquired it was the vision of the County Manager (Gerald Fox), that someday the County would put another office building down at the other end of that parcel. However, as a result of development that has occurred downtown, there's a different vision now with respect to how that property should be used and that the County contemplation now is that it would become a part of the private sector; and to move employees housed in that building somewhere else. The Board of Education would also like to relocate employees they have housed there as well. It was noted that resolving the issue of the Walton Plaza building so there would only be one owner, makes it easier for the County to enter into a process with the private sector to sale the property. It also gives the Board of Education the additional resources they need to build or acquire additional office space for their employees in the Walton Plaza.

Chairman Roberts asked about the \$7.75 million with the notation of CMS-Walton Plaza. *The response was that this was the maximum amount of what staff feels is the value of the Schools' interest in the Walton Plaza building.*

Commissioner Ramirez asked for clarification on the current CMS property (The Education Center). *The response was that the County agreed in the Interlocal Agreement to pay CMS \$13,750,000 for the Education Center, however, they will not receive a check. CMS will receive land or buildings for the purpose of providing them with new administrative office space. In other words it will be an acquisition of real estate as oppose to a cash payment to the Board of Education. It was noted that the \$13,750,000 is in addition to the \$7.75 million for Walton Plaza.*

Commissioner Ramirez asked about the possibility of the County using a commercial lender. *The response was that staff doubts if a commercial lender is going to loan money to the County at 0% or 1% interest, although that is an option that can be pursued.*

Commissioner Ramirez asked about the status of the lawsuit filed by Jerry Reese. *The response was that the Superior Court Judge did dismiss the lawsuit, however, Mr. Reese has filed an appeal. The appeal was filed on November 9, 2007.*

*It was noted that Cornerstone has said that as long as there's a lawsuit pending, they would not be in a position to do an exchange with the County or to acquire title to the property. This is why the County is looking into the alternative of a sales contract with Cornerstone or Brooklyn Village, LLC. to allow them to buy that portion of the property for development, at a time when the lawsuit is completed; but giving the County, now, the option to go ahead and buy the property in Third Ward to move forward with building the park.*

Attorney Bethune explained that the County is getting the Marshall Park property and the Education Center property, which then has to be subdivided and a portion of which is to be sold to Brooklyn Village, LLC. The land in Third Ward is owned by a subsidiary of Mass Mutual and RBC a subsidiary of Wachovia. The \$19 million is needed to purchase the land in Third Ward.

Commissioner Ramirez noted that originally when this whole matter started it was to be a mutual land swap, but now \$19 million is needed. *The response was that the lawsuit filed by Mr. Reese impacted this matter and thus the land swap cannot occur as it was originally planned.*

*It was noted that the amount the County needs to spend to acquire the land (\$19 million) is the same amount the County will receive in return from the sale of land in Second Ward.*

Commissioner Bentley asked about the County's risk in spending the \$19 million if Mr. Reese is successful with his lawsuit. *The response was none really because the County would still own the land.*

Commissioner Clarke also asked about the County's risk for purchasing the property in Third Ward if Mr. Reese is successful and how does that impact the property in Second Ward. *The following scenario was outlined: The County gets the property in Second Ward from the City of Charlotte and the Board of Education. The Board already approved \$6 million to develop a park in Second Ward, plus \$3.2 million for some road improvements and to relocate the culvert. If the County wanted to, it could proceed with developing the park at that location. General Manager Shields stated further, he believes there are other developers who would be interested in developing a site that's surrounded by a park like the one the County wants to build. He stated that the County would also own the park site in Third Ward. General Manager Shields said it may end up being an issue of time but that history has shown that property in the Center City appreciates over time.*

Commissioner Clarke said he feels the County should "act like a business" and consider its risks and go into it knowing that you can never predict the future but you do take risks in order to accomplish your objectives. He said this is something that has been an objective of the County for a long time, a park in Third Ward.

Commissioner Ramirez asked what happens if the County loses the appeal. *Attorney Bethune noted that the County can't "lose" the appeal. He said what would occur is that the case would be remanded for trial back to the trial court.*

Attorney Bethune said one thing that needs to be kept in mind is that the County has close partners in this matter, the City of Charlotte and the Board of Education; and if this particular transaction was to "be undone," staff feels reasonably certain that there would be some other transaction that could be entered into to make sure the County remains whole relative to what it has expended relative to Marshall Park and the Board of Education site. Attorney Bethune said the Third Ward site was a different deal because the County is buying a park site.

Attorney Bethune said staff does not see this as being a significant risk given the nature of the lawsuit and the strength of the opinion from the trial court.

Commissioner Helms said he doesn't see this as a big risk because even if the case is remanded to trial and Mr. Reese is successful, the County has still bought the most "desirable" site for the Third Ward Park for \$19 million and will own it. He said the parties in Second Ward would still own their property and it would be available for private developers to come in and essentially do the same thing that's currently being proposed. Commissioner Helms said he feels the risk is minimal.

Attorney Bethune noted that the County intends to own Marshall Park and the Board of Education site by the end of this month. He said there is no impediment from doing this other than finalizing some agreements consistent with the Interlocal Agreements.

Chairman Roberts asked about the Interlocal Agreement and the portion that called for the establishment of an Oversight Committee. *The response was that this would not come into being until after the closing. It was noted that there has been a public forum regarding the design of the park in Second Ward but the committee has not been established yet.*

Commissioner Ramirez asked about the appointing authority for the Oversight Committee. *The response was that according to the agreement there should be a representative from the Planning Commission, Center City Partners, the County, and the Second Ward High School Alumni.*

Commissioner Woodard asked about the size of the Oversight Committee. *The response was that the agreement does not specify a number and that this is something that will be worked out.*

Commissioner Clarke said it should be noted in the presentation on November 20, 2007 that it's still in essence a land swap or a substantial equivalent to a land swap, just a different approach because the County will make a purchase for \$19 million and receive \$19 million from a sale.

County Manager Jones informed the Board that although Commissioner Mitchell is out of the

country and will not be physically present at the November 20<sup>th</sup> meeting, he desires to participate via teleconference, and that staff will work on getting this arranged.

This concluded the discussion.

No action was taken or required at this time.

The above is not inclusive of every comment but is a summary of key points.

*Commissioner Clarke left the meeting and was absent for the remainder of the meeting.*

## **(1) PUBLIC LIBRARY OF CHARLOTTE-MECKLENBURG COUNTY STRATEGIC PLAN**

The Board received a report from the Director of the Public Library of Charlotte-Mecklenburg County Charles Brown regarding its Operating and Capital Plans for FY09.

It was noted that the County provides 90% of the funding for operating the Library and that the Library is extremely thankful for that continued support.

The Library's goal over the next several years is to become "America's Best Library."

The report addressed the following:

- A summary of points as summarized by the Library, per the joint meeting held with the Board on September 25, 2007.
- Upcoming changes as a result of feedback at the joint meeting held on September 25, 2007 such as:
  - Staff will ask the Board of Trustees to change the fee structure for meeting rooms, so that beginning January 1, 2008 non-profit groups will no longer be charged for meeting room space.
  - The Library is reorganizing itself to ensure high customer service, deeper community engagement, and more efficient operations.
  - The Library is committed to providing the public with technology and using technology to better deliver services.
- The Library's Operating Budget Key Points
  - Build collections of books and materials (The recommendation is a collections budget of \$7.21 per capita to bring the Library into the upper quartile of libraries of comparable size populations.)
  - Increase maintenance of libraries (The recommendation is a Library facility maintenance budget of \$3.54 per square foot (equal to that of County facility maintenance.)
  - Enhanced literacy programs and outreach (The recommendation is full funding for Library literacy initiatives to expand reading programs for children, literacy programs for adults and outreach programs for underserved communities.)
  - Renovate and update existing library locations, including better identifying them
- The Library's Capital Needs
  - Renovations and new Libraries (The recommendation is that the cost of the new libraries is estimated at \$14,167,046.) (The recommendation is that the cost of renovating libraries is estimated at \$20,020,000.)
  - The voters just approved the purchase of land in Southwest Mecklenburg County and the Library plans to construct a 50,000 square foot Regional Library on this site. The request is estimated to cost \$17 million.
  - The Library is currently exploring the future of the Main Library.
  - The County has funded a planning study that is currently underway regarding the future of the Main Library. The results of the study are expected mid-spring 2008.

Other items noted

- The Library was asked by the City of Charlotte to sit in on discussions about redevelopment of the Eastland Mall area for the possibility of placing a library in this

area. It was noted that nothing has been determined as of yet.

- The Davidson community is interested in expanding their library.
- Wachovia has approached the Library regarding possibly putting a small library on their campus out on W.T. Harris Blvd.
- Security is an issue that the Library will come before the Board to address from a budgetary standpoint.
- The Library will be identifying some additional resources that will be needed in order for the Library to reach its Project 2010, which is to be “America’s Best Library.”  
The Library would like to start exploring new technology for check-in and check-out and for inventory and will be getting with Senior County staff to discuss this.

***A copy of the report is on file with the Clerk to the Board.***

#### Comments

Chairman Helms said one issue that has been talked about is the amount per capita spent on books and materials compared to other jurisdiction. Commissioner Helms asked what would be the increase needed to get the library at its desired per capita amount of \$7.21. *The response was about an additional \$2 million in County funding.*

Commissioner Woodard asked was equipment rental still a viable service with today’s technology. *The response was no, not in light of technology that’s now available.*

Commissioner Woodard asked with respect to non-profits being able to utilize meeting room space at no charge, would this also be applicable for unorganized groups. *The response was yes.*

Commissioner Ramirez asked about the possibility of a library in the Eastland Mall area. *The response was that nothing definitive has been decided. It was an idea that was mentioned at a meeting with City staff and others regarding the redevelopment of Eastland Mall area.*

Commissioner Ramirez said he thinks it would be a good asset to the area if it were to occur.

Commissioner Bentley asked about maintenance cost, which was addressed.

Commissioner Bentley asked had there been any discussion about expanding the Cornelius library in light of the possible expansion of the Davidson library. *The response was that both towns are very passionate about their library and library staff does not foresee the regional library replacing either of these libraries.*

County Manager Jones pointed out that the per capita amount for Mecklenburg County is more than what’s reflected in the report when you consider services overall. County Manager Jones said the amount shown in the report only reflects one area, books and materials. County Manager Jones said he was not making this point to suggest that the Library doesn’t need more resources with respect to its circulation.

County Manager Jones said he feels there are opportunities between the County and the Library that can jointly be pursued with respect to sharing ideas on how services are delivered. County Manager Jones noted the Service Delivery Model and that in light of today’s technology, how do you define books and materials. He suggested perhaps what’s needed now are more locations of libraries but on a smaller scale borrowing on the Starbucks Model, which might be appropriate for the Eastland Mall area.

County Manager Jones said he would challenge the Library Board to look at whether or not the regional library concept is still viable versus having smaller libraries in basic geographical areas. County Manager Jones said perhaps the County through its Real Estate Services department, could assist the Library in the planning and development of library facilities. He said also perhaps discussion of security services needs to be resurrected. County Manager Jones said all of these things are ways in which the County and the Library can work together.

Commissioner Helms asked Director Brown if he foresees a time when print media will be

replaced by technology advances. *The response was that it's possible but that it would probably be a long time before this would occur. Director Brown said people still enjoy the touch of a book and other printed material.*

Director Brown said they've noticed three areas of need expressed by library users, the need for technology, meeting space, and a place to "hang out" a Starbucks type setting.

Commissioner Woodard asked if there were any partnerships between CMS and the Library. *The response was that this is being worked on, not only with CMS, but Home Schools, Pararochial Schools and other local educational institutions as well.*

Commissioner Roberts asked were there any type of national ratings of library systems. *The response was that there is something called the Hennon Rating and Most Literate Cities, however the library doesn't fall in the top 10 ratings of either of these. Director Brown said the Library has developed its own matrix for what it feels defines a great library system. Director Brown said he would share that matrix with the Board.*

Chairman Roberts thanked Director Brown and Library Board Chairman Patty Norman, who was also present, for the presentation.

This concluded the discussion.

No action was taken or required at this time.

The above is not inclusive of every comment but is a summary of key points.

## **ADJOURNMENT**

Motion was made by Commissioner Helms, seconded by Commissioner Bentley, and carried 5-0, with Commissioners Bentley, Helms, Ramirez, Roberts, and Woodard voting yes, that there being no further business to come before the Board that the meeting be adjourned at 5:10 P.M.

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Janice S. Paige, Clerk

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Jennifer Roberts, Chairman