

Meeting Minutes
January 29-31, 2025

MINUTES OF MECKLENBURG COUNTY, NORTH CAROLINA
BOARD OF COUNTY COMMISSIONERS

The Board of Commissioners of Mecklenburg County, North Carolina, met at Kimpton Cardinal Hotel, 51 East Fourth Street, Winston-Salem, NC, beginning at 10:02 a.m. on Wednesday, January 29th, through Friday, January 31st, 2025, for the BOCC Annual Retreat.

ATTENDANCE

Present: Chair George Dunlap, Vice-Chair Mark Jerrell
and Commissioners Leigh Altman, Patricia “Pat” Cotham
Arthur Griffin, Vilma D. Leake, Laura J. Meier, Elaine Powell,
Susan Rodriguez-McDowell
County Manager Dena R. Diorio
County Attorney Tyrone C. Wade
Clerk to the Board Kristine M. Smith
Deputy Clerk to the Board Arlissa Eason

Absent: None

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Chair Jerrell called the meeting to order at 10:02 a.m. followed by introductions, and the Pledge of Allegiance after which the matters below were addressed.

WELCOME

County Manager Dena Diorio gave the welcome.

AGENDA OVERVIEW AND BINDER MATERIALS

Adrian Cox, Budget Director, gave an overview of the 3-day retreat agenda and discussed the binder materials.

TEAM BUILDING ACTIVITIY

The Board engaged in a team building activity.

FINANCIAL UPDATE

The Board received an update on the FY2024 financial results, FY2025 projections, and revenue estimates for FY2026. The Board also received an update on the Capital Improvement Plan, including the status of issued Bonds for school construction.

David Boyd, Chief Financial Officer, gave the presentation.

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He discussed the following:

Summer of Fiscal Year 2024

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| <ul style="list-style-type: none"> • FY24 General Fund Revenues <ul style="list-style-type: none"> ○ Revenues- Total: \$1,640,100,000 <ul style="list-style-type: none"> ▪ Higher than budgeted ○ Expenditures- \$1,556,300,000 <ul style="list-style-type: none"> ▪ 62.3% from CMS and Health and Human Services • FY24 Debt Service Fund Results <ul style="list-style-type: none"> ○ Increased sales tax collections and investment earnings • County Investments as of 6/30/24 <ul style="list-style-type: none"> ○ Total Investments: \$1,575,200,000 ○ Performance: Below | <ul style="list-style-type: none"> <ul style="list-style-type: none"> benchmarks due to security holdings • County debt as of 6/30/24 <ul style="list-style-type: none"> ○ \$1,619,100,000 ○ Majority from schools • Debt Balance History <ul style="list-style-type: none"> ○ Debt managed well ○ Will increase due to issuing debt for schools • Debt Policy Performance <ul style="list-style-type: none"> ○ Positive relative to debt policy • How does the County compare <ul style="list-style-type: none"> ○ Performing in line with or better than similar counties in the State |
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FY2025 Financial Forecast

- | | |
|---|---|
| <ul style="list-style-type: none"> • Sales Tax collection <ul style="list-style-type: none"> ○ Second largest revenue source ○ 2.5% percent rate • Sales Tax Projections <ul style="list-style-type: none"> ○ Refunds a major factor <ul style="list-style-type: none"> ▪ Unable to accurately forecast size or timing ○ At 2.5% growth rate- <ul style="list-style-type: none"> ▪ Low refunds = + \$18.9 million vs. budget ▪ Med. refunds = + \$8.9 million vs. budget ▪ High Refunds = + \$1.3 million vs. budget • FY25 Growth in the Tax Base <ul style="list-style-type: none"> ○ Easier to predict- ○ Slight shift in tax burden from commercial taxpayers to residential payers • Property Tax Levy <ul style="list-style-type: none"> ○ Up slightly over the previous year ○ 99.5% collection rate • General Fund <ul style="list-style-type: none"> ○ Close to property tax budget ○ Total County Dollars <ul style="list-style-type: none"> ▪ FY24 Actual: | <ul style="list-style-type: none"> <ul style="list-style-type: none"> \$1,421,000,000 ▪ FY25 Adopted Budget: \$1,416,800,000 ▪ FY25 Amended Budget: \$1,416,800,000 ▪ Expected to exceed budget by \$6,500,000 • General Fund Summary <ul style="list-style-type: none"> ○ FY25 Amended budget- Net: \$66,500,000 ○ FY25 Forecast- \$5,000,000 ○ Balance of \$98,300,000 remaining in excess of policy • Debt Service Fund <ul style="list-style-type: none"> ○ Used an incorrect assumption of what would be in investable funds in the debt service fund ○ Number will be slightly less than budgeted ○ • Debt Service Summary <ul style="list-style-type: none"> ○ FY25 Amended budget - \$81,800,000 ○ FY25 Forecast- \$82,100,000 |
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Mecklenburg County Fund Balance Policy

- Unassigned Fund Balance in Excess of Policy
 - FY24 FB remaining after allocation- \$53,700,000
 - FY25 FB remaining- TBD
- FY25 Appropriated Fund Balance
 - Total: \$148,286,562

FY26 Forecast:

- General Fund County Dollars
- General Fund – Other Impacts
- Debt service Fund
- Summary – 2026 Start Point
 - Growth Revenue: \$49,200,000
 - Cost Increases: \$61,900,000

Fiscal Year 2026 Preliminary Revenue Projections

- General Fund Property Tax
 - FY26 Up 1.6% vs. to FY25
- General Fund Sales Tax
 - FY26 up 2.0% vs. FY25
- Investment Income
 - FY26 up 18.9% vs. FY25
- FY26 Total: Up 2.0% vs. FY25

2026-2030 CIP Update

- CIP Process
 - Adding another year
- Total Project Request
 - Total: \$505,627,986
 - # Projects Submitted: 52
- CIP Timeline
 - June 2025- BOCC Approves FY2030 CIP Projects

Comments

Commissioner Powell said she had an urgent request as her district was concerned about medic response time and asked where medic fell. *Mr. Cox said medic was a separate organization with a budget of \$70 million. He said they had about \$20 million of funding designated to medic.*

Commissioner Powell said they needed more ambulances. *County Manager Diorio said they needed to make a request.*

Commissioner Dunlap said they generated \$50 million more than anticipated in 2025 and had another \$50 million from the spending side. He asked how much they transferred from the end of the year into fund balance. *Mr. Boyd said when budget was set in the previous year, it was projected there would be about \$20 million remaining in the fund balance but they ended up with \$54 million.*

Commissioner Dunlap asked how much was in fund balance. *Mr. Boyd said \$98.3 million was the number they had going into the budget.*

Commissioner Meier asked who was exempt from paying sales tax. *Mr. Boyd said the County, the city of Charlotte, and any nonprofit entity that would qualify. He said they paid the sales tax and got a refund from the state.*

Commissioner Meier asked if churches and hospitals were exempt. *Mr. Boyd said yes.*

Commissioner Griffin asked why they had a different number for Health and Human Services on the budget versus on the pie chart. *Mr. Boyd said the pie chart was actual.*

Commissioner Griffin said there was a gap of \$108 million. *Mr. Boyd said FY24 spending was \$108 million less than budgeted and for revenues, they had about \$58 million more than budgeted. He said \$53 million was encumbered on spending. He said they had a \$108 million net, but it just wasn't added into fund balance because there were several accounting adjustments. He said revenues minus expenses should get to their change in fund balance.*

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Commissioner Griffin said the suggestion was they had about \$36-46 million to spend but they spent a lot more than was projected. He asked for visibility on the perceived delta and said if they were projecting sales tax, it would be nice to have visibility if there was going to be a positive projection in revenue.

Vice Chair Altman asked if the salary and benefits was to ensure employees got what they expected in wages and benefits. *County Manager Diorio said it was to ensure they got their annual cost of living increase and the performance increase.*

Vice Chair Altman said their first obligation was to maintain operations and obligations and asked, if there would be \$12 million more than what would come in from natural growth, how they could be as economical as possible since there was 50% less in fund balance than there was two years prior.

Commissioner Rodriguez-McDowell asked how they still had \$98.3 million in fund balance. Mr. Boyd said \$98.3 was how they believed they would end FY2025. *County Manager Diorio said the \$98.3million was used for one time funding, not operating cost. She said they were spending it faster than it was growing.*

Commissioner Rodriguez-McDowell said she was trying to understand how that worked if they were already projecting \$98.3 million in fund balance, but it would have been higher if they raised taxes by the half cent. *Mr. Boyd said for FY25 they could have gotten by without that, but looking at FY26 if they budgeted the same amount of expenses and exact same amount of revenue, they would be short the \$14.7.*

County Manager Diorio said they could continue to use Fund Balance for that \$14.7 million, but if they ran out of fund balance eventually, they would have to find a way to cover the gap.

Commissioner Griffin said Health and Human Services budgeted they had a plus of \$59 million but the implication for him was they did not have to raise a penny tax. *Mr. Boyd said, although it showed a plus, those funds weren't available to spend because there were costs that were encumbered.*

Commissioner Dunlap asked, regarding CMS raising the minimum wage and a number of those employees were being paid for by the County, what the implications were of their budget moving forward. *County Manager Diorio said they included the CMS minimum wage into their budget, but they had not heard from them regarding the potential cost of continuing that in future years. Mr. Cox said the funding they provided for the salary increased because the state increases came in less, so the difference was attributed to getting to that minimum \$20 per hour.*

Chair Jerrell said, with respect to the \$ 14.7 million, it was important to the Board for the community not to get a tax increase. He said they understood the money had to be put back and they were in a belt tightening spot unless they wanted to consider a tax increase.

Commissioner Rodriguez-McDowell said it was a larger tax increase that they were proposing of 1.5 cent and thought it would be better to flatten it out and do a smaller increase in the next year.

The board recessed for lunch at 11:53 and returned at 12:45 p.m.

FY2025 ECONOMIC UPDATE

The Board received an economic update.

Michael Brandon Simmons, County Economist, gave the presentation.

President Trump's Policy Overview

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- Closing the border, deportation, and reducing international migration
- Tariffs 10% global, 60% China, 25% Mexico and Canada
- Tax reform and extending the Tax Cuts and Jobs Act
- Education/End of the DOE
- End taxation of social security benefits and tip income tax
- Reverse energy/environmental policies
- Strengthen Military

Population and Demographics

- US Population facts
 - NC added more people than all but two states
 - NC- 10.8 million population
 - 9th largest state in the nation
 - 5th fastest growth among all states
- Population change
 - 2023 population of Mecklenburg: 1,162,168
 - Average of 53.8 new residents daily
 - 41st largest County in the U.S. by population
 - Expected to add 550,000 new residents by 2050
- Natural change
 - Low median age= Common births, less deaths
- Domestic migration
 - Mecklenburg had fewer domestic migrations than other counties
- International migration
 - Mecklenburg had the highest share of international migration in the State
- Foreign born population estimates
 - 23% unauthorized immigrants
 - 4% Temporary lawful residents
 - 24% Lawful permanent resident
 - 49% Naturalized citizens
- Immigration education
 - On average, U.S. immigrants have lower levels of education than U.S. born population
- Immigrant labor
 - Concentrated in Maids, housekeeping, cooks, construction, and grounds maintenance workers
- Long range Population projections
 - Fastest growing age bracket in the County 65+

Economic Update

- Employment
 - US job openings, hires, quits & layoffs
 - Unemployment on the rise
 - Market still strong
- Gross Domestic Product (GDP) Forecast
 - Expect growth to fall in 2025 due to tariffs
- GDP Mecklenburg County
 - Growth rate higher
 - Dynamic economy
 - Total \$161.3 Billion in the previous year
- Inflation
 - Tariffs will drive up food and goods costs as companies pass the tax along to consumers
 - Wages had grown 25% since 2020
 - Housing increased faster than wages, groceries, wages, etc.
- Savings
 - U.S. savings rate at 4.4%
 - Only the top 20% of earners maintained a positive savings rate with those at the 0 – 80% bracket falling negative and only starting to turn back positive recently
- Inflation effects on households
 - Largest increase in housing followed by transportation
 - Living wage for single adult with no kids raised from \$27,358 to \$47,092 by 2024

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- Mecklenburg Poverty
 - Overall population steadily decline to 10% in 2023

Commercial/Retail/Industrial and Residential Markets

- US Commercial Construction
- Industrial/Warehouse Market
 - Charlotte ranked 16th in largest total square footage
 - Rents increased from \$7.90sqf to \$8.07sqf; lower than national average
- Charlotte Market Vacancy and Construction
 - Completed 10.9 million sqf of new inventory space in 2024
 - Vacant rates of the County at 6.5%
- E Commerce
 - Continuing to grow
 - 16.2% of total sales
- Industrial Mark Statistics – Q3 2024
- Retail
 - Charlotte ranked 23rd
 - Grew 5.9% year-over-year
- Retail vacancy
 - 5th lowest in the Nation
- Retail construction
 - 20th in the Nation

Residential Housing Market

- Rental Market
- Mecklenburg Housing market
- Mortgage Rates and Fed Funds rate
 - Rate cutting cycle
- Mortgage Rate outlook
 - Little expected change
- Housing Market
 - 1442 sales and listings for 2024
 - Normal inventory level
 - Pricing decreased 2%
 - Days on market increased
 - Median sales prices steady
- Rent Data
 - Rental market slowed
 - Slight decrease in Charlotte
 - Still high
- Housing affordability
 - Following 30% rule
- Wage needed for median home
 - Wage needed for median home at 30% level- extremely high at \$66.38 hourly
- Home size increases over time
 - Median size of single-family home: 2,233sqf

Comments

Commissioner Rodriguez-McDowell said she saw that earning \$66 per hour, or \$33 per hour for two earners, to afford a \$430,000 home in Mecklenburg County was extremely difficult as that was a lot of income. She said she appreciated the work done to give the Board the information.

Commissioner Townsend-Ingram asked if there was a gauge or recommendation to manage the economic impact of deportations within the County to the economy if the 1,500 people per day were deported from major cities. *Mr. Simmons said most of the economic reports showed that illegal or unauthorized immigrants produced a positive economic impact however one absent bit of information was at what level specifically. At the County level, the most significant cost was education with a cost of roughly \$3000 per student which would be affected by deportation. He said there were many factors to consider including the data showing that those individuals had lower education levels on average, Mecklenburg County was 38th in terms of economic mobility in the nation, as well as it being illegal to hire those individuals.*

Commissioner Leake said her concern was rent and the number of people coming into the County who were single parents or older. She said she spoke to the City Council about growth and said the infrastructure had not met the needs of the growth in the County. She asked who was paying for infrastructure. She said she was also concerned about the growth and the treatment of senior citizens. *Mr. Simmons said they were in line with the rest of the Country and changing the entire*

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market was out of any of their hands. County Manager Diorio said it was an issue across the country.

Commissioner Dunlap said there wasn't a lot of housing stock being built and that forced people to live in rentals. He said he had a theory that if they built several rental units and flooded the market, those vacant units would become affordable housing. He asked if they needed the amount of rental stock being built to accommodate the average 53 people moving to Mecklenburg County per day. *Mr. Simmons said he believed so and they needed much more if they were going to address housing affordability as if inventory was up, competition would increase and help decrease prices.*

Commissioner Powell said they seemed to have economic security based on the information pertaining to the industrial slides and asked Mr. Simmons to discuss that further. *Mr. Simmons said the overall vacancy rates were quite low which meant they were utilizing the space they had. He said there was demand and they had a future demand driver. He said, on the retail side, as eCommerce grew, they needed less retail space, but they were not overbuilding there.*

Commissioner Powell asked why people were coming to Mecklenburg County if it was unaffordable and what they were doing. *Mr. Simmons said, compared to the rest of the United States, Mecklenburg County was affordable.*

Commissioner Griffin said the Gini index showed Charlotte-Mecklenburg income inequality and wealth inequality was creeping up so as people moved in, costs were going up, but it was making the cost go up relative to Charlotte but not relative to other parts of the country. He asked to speak on the wages of medical care and social assistants. *Mr. Simmons said he could find the wages for various industries.*

Commissioner Meier asked if part of their projection in sales tax would be affected by the loss of population from deportation, and if so, by how much. *Mr. Simmons said they had to look at several aspects and he reached out to the State demographer because he wanted to know his opinion to see if he had lower migration baked in. He said if their population growth slowed, that translated to slower sales tax growth.*

Vice Chair Altman said they would be setting their priorities, and she would be making the case again to her colleagues that they make work force development, and the strategic development of talent pipelines a priority. She said she wished they had someone to help them think at a strategic level. She said it would be great to have someone working on the strategic level and coordinating with their partners to break that down into good job offerings and to consider the exploding population of seniors as well as how they could accommodate them. She said she heard there were 116,000 citizens in extreme poverty in the County, which was very high, but she believed it was higher because 400,000 individuals were receiving Medicaid services.

Commissioner Griffin said, despite their growth, the middle class was shrinking and there was a large population struggling with rent.

Commissioner Leake said the community didn't have a middle class any longer and asked what they were doing to attract people who could bring leverage to their community and help the process.

Commissioner Townsend-Ingram asked what they could do to stabilize and improve services for childcare and senior care. She said wages weren't keeping up and they needed to focus on what they did to improve those services and would like recommendations. *Mr. Simmons said he had none at the time, but he would reach out to find out for her.*

Chair Jerrell said the information spoke to what they did and why they did it. He said, when considering the conversation, it should be triggering what the policy should look like going forward as it was exactly what they needed to be considering. He said the 112% growth rate of seniors, it

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seemed seniors would be overrepresented in the community so it was something they would have to speak to.

Chair Jerrell said there would be an environmental impact by 2030, fiscal implications, as well as determining who exactly would be migrating. He said they were also witnessing a decreasing middle class, and they had to find ways to allow people to purchase homes.

The Board took a break at 2:06 p.m. and reconvened at 2:21 p.m.

ECONOMIC DEVELOPMENT STRATEGIES

Jonathan Q. Morgan, Ph.D. UNC School of Government, provided the Board with an overview of the economic development options available to county governments.

The following was discussed:

The process of economic development

- The context for economic development
 - Changing “new” economy; National and global economic cycles; Fiscal/budgetary pressures; Chronic economic inequality; Trade and immigration policies; Demographic shifts; Extreme weather and natural disasters; Global health pandemics
- Goals of Economic Development
 - More/better jobs
 - Tax base expansion
 - Private investment
 - Wealth creation
 - Higher quality of life
 - High standard of living
- The Economic Development Cycle
- Business Climate
- Business Costs and Economic Development
 - Are low costs good for economic development
 - Positive effects on job growth
 - No effects on income or broader indicators of development
 - Being a low-cost region is a growth strategy more so than a long-term approach to development (Gabe 2017)
- Most important role of local government- Survey
 - Provide incentives to businesses when requested 5.9%
 - Create a positive business climate 29.2%
 - Provide strategic leadership and facilitation 21.8%
 - Provide quality services and amenities 43.1%
- What matters to companies
 - Sites and buildings
 - Access to suppliers
 - Workforce/Labor
 - Financial Capital
 - Quality of life
 - Regulatory Environment
 - Transportation and utilities
 - State and local incentives
 - Taxes
- Top Site Selection Factors: 2023- 92.5% Labor costs and availability of skilled labor

Strategies and tools available to local government

- Local government roles in economic development
 - Setting the vision and strategy
 - Investing in the core building blocks of competitiveness
- Balancing the local tax base
 - Residential/Retail and Commercial/Industrial/Agricultural

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- Implementing the strategy
 - Business recruitment
 - Business retention/expansion
 - Business creation and entrepreneurship
 - Workforce and talent development
 - Place-making
- “Product” Development
 - Infrastructure/land and sites/business and industrial parks/speculative buildings/property rehabilitation and reuse
- Revenue/Tax Base Sharing
 - NC G.S. 158-7.4 authorizes local governments to enter into interlocal agreements for joint ED projects
 - Can place tax revenues in a common fund and distribute based on agreement
- Partnering on Product Development
 - Ex: Triangle North
 - Ex: Commerce Station
- Business recruitment basics
 - Update website
 - Understanding connections with regional and State levels
- Site selection process
 - Define search region center-of-market analysis
 - Regional screening - Project Criteria
 - Site visits/comparative assessments
 - Cost modeling and incentives
 - Risk analysis
- Typical Facility Search Process
 - Phase 1. Identify locations in a limited number of states/countries that best meet the objectives
 - Phase 2. Evaluate identified locations and sites in sufficient detail to permit final location decision
 - Phase 3. Negotiate with best financial package for final site and back-up site and ensure availability of all services by required date
- Business retention & expansion (BRE)
 - Formal process for addressing business needs and concerns
 - Get businesses involved in the community
 - Facilitate collaboration and joint ventures among firms
 - Recognize and celebrate existing firms
 - Why BRE is important
 - Most significant source of new jobs and investment are existing smaller, growth-oriented firms
 - Existing companies contribute to the tax base and employ residents
 - Builds the local economy from within
- Business Creation
 - Entrepreneurship and small businesses
 - “Economic Gardening”
 - Homegrown jobs
 - Specialized infrastructure
 - Social Capital
 - Entrepreneurial “Ecosystem”

What we know about incentives

- State ED incentives in NC
 - Discretionary grant programs
 - Building reuse grants

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- Industrial revenue bonds (IRB)
 - Low-interest financing
 - Infrastructure assistance
 - Customized industrial training
- Local ED incentives in NC
 - Cash grants tied to performance
 - i. Based on projected revenues
 - Infrastructure improvements
 - Subsidized land and/or buildings
 - Site development costs
 - Project development/Tax increment financing (TIF)
- Other development financial tools
 - Community development block grant (CDBG)
 - Historic preservation tax credits or grants
 - New markets tax credits (NMTC)
 - Revolving loan funds
 - Federal opportunity zones (OZs)
- The incentives controversy
 - Legality
 - Fairness
 - Efficiency
 - Effectiveness
 - Accountability
- Legal concerns
- Case for/case against incentives
 - For
 - i. They influence business location decisions
 - ii. Generate new tax revenues that would not otherwise be available
 - iii. It's the way the game is played
 - iv. Necessary evil to compete
 - v. Companies say they matter
 - Against
 - i. They don't work
 - ii. Slippery slope; escalating demands
 - iii. Counterproductive competition among the jurisdictions
 - iv. Firms don't always deliver
 - v. Divert public dollars away from other programs and investments
- Are economic development incentives effective?
 - Not typically the most important factor in location decisions
 - Can tip the scale in some cases for "finalists"
 - Do not compensate for major shortcomings in a location
 - Tend to benefit prosperous communities
- Latest research raises concerns
 - Several potential issues including size of material and multiplier benefits being lower than claimed
- Questions to consider
 - Are they helping the County?
- Emerging trends and best practices.
 - Maintaining alignment, targeting, data driven, and equity focused

COMMENTS

Commissioner Rodriguez-McDowell said the corporate tax credits felt like another area where the State shifted the cost to the County. She said, eventually, it was coming out of property tax money,

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and it should not. *Dr. Morgan said the shift at the State level was done because the State wanted it to be more predictable each fiscal year as they never knew how many of the businesses would claim the tax credit. He said they were also trying to improve benefit of the incentive to the companies.*

Commissioner Dunlap said it wasn't a tax burden to the taxpayers as they were enticing companies to come, become local taxpayers, and essentially benefit the citizens. He said if they did not do it, others would, and the County would miss out, but the County was essentially trying to build their tax base. He said they incentivized to attract and keep the company for the long run.

Commissioner Meier said she believed her Economic Development committee and team did deep dives into what the company did for the community, but she didn't see anything about that in the presentation. She said the team spent a great deal of time finding out what the Board wanted and adhered to their priorities.

Commissioner Powell said there was a lot of focus on incentives and just the way the game was played but there was not much focus on smaller businesses. She said it was good to focus on a different perspective as it had to benefit the County, and they needed a balance.

Commissioner Leake said there had to be an incentive for the business.

Commissioner Griffin asked how they valued the qualitative issues and if there was a best practice checklist to evaluate an incentive grant. *Dr. Morgan said there were best practices to measure by. He said it was about the performance indicators and metrics and if they were trying to move the needle, capita income, etc. based on what they cared about as a County.*

Commissioner Griffin said he would like for Dr. Morgan to provide examples.

Commissioner Townsend-Ingram said she wanted to know if there was a way to tie together the incentives of having businesses come and invest in public education. *Dr. Morgan said there was a tool some local governments had used which were public benefits agreements.*

Vice Chair Altman asked if there was a mechanism to retain Dr. Morgan, or someone like him, to develop an alternative or a critique of their decision making and add the things they were talking about. She said she did not feel they had enough sufficient safeguards. She said she would also like recommendations on how to deliver TIGs and BIP products to small businesses to get the same sort of benefits.

Commissioner Rodriguez-McDowell said she was aware the State was aiming to reduce the corporation tax rate to zero, but she believed it was pushing the burden onto property taxpayers and she understood they were rebating taxes to people they would not necessarily have had if they did not move to the County, but they only had so many levers to raise revenue.

STATE OF THE CHARLOTTE OFFICE MARKET

Chuck McShane, Director of Market Analytics CoStar Analytics discussed trends in commercial property vacancies in Mecklenburg County.

- Four takeaways – Charlotte Office Market
 - Tenants Signing Smaller Leases in the Newest Buildings
 - 2025 to Bring More Clarity as 60% of Pre-COVID Leases Have Expired
 - New Office Construction At Decade Low; Could Stabilize Vacancies By 2026
 - Older Office Sales Beginning to Reveal Depth of Value Declines
- Charlotte Market Outline
 - Urban focused

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- Mecklenburg County accounts for most of inventory
- Office Demand in Charlotte has held up better than most markets
 - Held up better than most major cities
 - Charlotte – 5th fastest increase in Vacancy Rate
- New supply, slowing office demand, doubled vacancy rate through all metro area
 - Total inventory: 139.3M SF
 - Vacant: 20.3M SF
 - Rate: 14.6%
- Bulk of office vacancies are in Mecklenburg County
 - Total inventory: 104.5M SF
 - Vacant: 17.9M SF
 - Rate: 17.7%
- Leased, non-medical office facing biggest challenge
 - Medical offices not effected by same issues
- Charlotte Office tenants moving to newest locations
 - Move within market from older to newer spaces
- Across submarkets, vacancies concentrate in older buildings
- Average Size of Charlotte Office Leases Smaller Post-Pandemic
 - Shift post pandemic
 - From average of 4,900 in 2019 to 4,200 in 2024
- Lease size decline drives drop in Charlotte Office volume
 - Roughly 11% smaller than pre-pandemic
- Charlotte Metro Office-using job growth lags pre-pandemic trend
 - Positive news in newer data
- Majority of pre-pandemic leases have now expired
 - Roughly 2/3 rolled off
- Office Construction at Lowest Level Since 2014 in Charlotte
 - Decade long low
 - Retail market had been dealing with large vacancies for a long time
 - Limited New Office Construction Should Stabilize Vacancies by 2026
 - Office Sales Volume and Pricing Well Below Peak
 - Distressed Office Sales Accelerate Heading into 2025
 - Older Office Sales Show 40% to 60% Post-COVID Value Declines
 - Owner-User Purchases Hold Value Better Than Investment Sales

Comments

Commissioner Leake asked how areas on the west side of town fit into the process. *Mr. McShane said the airport market most closely represented the market.*

Commissioner Leake asked if they considered the west side a strong component to the process of leasing. *Mr. McShane said he believed so because the rental rates were very attractive.*

Commissioner Griffin asked for a forecast reflecting the upcoming 10 years. He said a lot of businesses were looking at the southeast from the high markets on the west coast in the north. *Mr. McShane said he felt Charlotte would continue to attract businesses due to lower costs and high quality of life. He said he felt older spaces were going to become obsolete.*

Commissioner Griffin asked if there was a taste for upscaling older buildings. *Mr. McShane said it was already happening and in the upcoming years, they would see that process begin to grow.*

Commissioner Dunlap asked how returning to the office would affect what happened to those buildings. He said one building could consume the entire vacancy rate. He asked how repurposing of a building could impact their market. *Mr. McShane said there had been a few upfits proposed*

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and they would see a few projects executed but it took a new base and a drop in value for that to happen. He said they would see more opportunities. He said, compared to the retail market from 10-15 years prior, some sat empty for quite a while.

Chair Jerrell said he didn’t fully understand why they were seeing the vacancies. He said he believed there were other factors contributing to the workforce not wanting to work 9-5 inside a building. He said he felt they looked at a quality-of-life issue related to it but thought the conversation would fit well with their land acquisition discussion. *Mr. McShane said he didn’t have hard data on how to reconfigure and incentivize the conversion of the buildings. He said it was expensive, but they would start to see corporate relocation again which was on pause for the last few years.*

POTENTIAL IMPACT OF COMMERCIAL TRENDS

Ken Joyner, County Tax Accessor, explained the potential impact that these trends could have on shifting tax burdens in the future.

The following was discussed:

- 2024 Achievements
 - Awards
 - Results
- County Value Breakdown 2024 Rounded
 - Residential - \$165 Billion
 - Commercial - \$93 Billion
 - Total - \$258 Billion
- Commercial Tax Base Summary
 - Approximately 36% of the County Tax Base is made up of Commercial Property
 - Of that Commercial Base, office properties account for 20%
 - The additional 80% is found in Multi-family (38%), industrial (14%), Retail (24%), and other
- Change in Real Property Base over Time

	2011	2019	2023
Multi-Family	\$6 Billion	\$17 Billion	\$36 Billion
Industrial	\$6 Billion	\$8 Billion	\$13 Billion
Office	\$9 Billion	\$15 Billion	\$19 Billion
Retail	\$9 Billion	\$18 Billion	\$23 Billion
Other	\$2 Billion	\$2 Billion	\$2 Billion
TOTAL	\$32 Billion	\$60 Billion	\$93 Billion
Base Percentage	35% Commercial	38% Commercial	36% Commercial

- Impacts of change
 - County is fortunate to have diversity within its property type portfolio. However, with a change in any of the property classifications, a shift in the burden will occur. This is either a change in revenue or amount of tax liability for our customers.
- 2027 scenarios
 - 1. All real property types change as currently projected. Using today’s assessment as a baseline
 - 2. Rate changes based on assessment changes across all property types and natural growth factored
- Conclusions

Comments

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Commissioner Griffin said when they gave business incentive grants, the corporations came in and provided a bigger tax base, but he would like to see the business incentive grants to see how much revenue they brought it. He said they were shifting to homeowners and were taxing them out of the County.

Commissioner Dunlap said there had been a shift away from corporate and the State had given them additional tax reductions. He asked why and how they could shift back. *Mr. Joyner said in North Carolina, all properties were valued at 100% of their market value at the revaluation date on real property so they updated the market and considered what the market factors were. He said they increased but from 2011 to 2019, increases exceeded in residential properties. He said when the same scenario occurred in 2019, residential values increased significantly. He said it could have been the number of corporate housings from the real restate investment trusts. He said the current market and sales data reflected that.*

Commissioner Rodriguez-McDowell asked what the discoveries were. *Mr. Joyner said it was where they had an external audit program that looked at a company's books versus what was listed with the County, of which they tried to do on a five-year cycle. He said they had an additional revenue of \$1.5 billion in the previous year which was roughly three times what it normally was.*

Commissioner Rodriguez-McDowell asked if there was an impact on sales tax revenues. *Mr. Boyd said property and sales tax weren't related but if there was less commercial construction going on, it could be there were materials used to build could impact it.*

Commissioner Meier said she was on the side of not offering companies as many incentives as they were already being treated well by the State.

Commissioner Townsend-Ingram said she would like to see programs that could mitigate the burden for people on fixed income. *Mr. Joyner said Mecklenburg had been the major player in trying to get the homestead exclusions and income increased. He said the Board created the Homes Program in 2020 which had significant increases in County grants.*

Commissioner Powell said they were going back and forth about Northlake Mall and asked what the future for malls and golf courses was. *Mr. Joyner said there was a large shift to online shopping and foot traffic was no where near what it used to be, but he did not think malls would go away entirely.*

Commissioner Powell asked about golf courses. She said there was no land left. *Mr. Joyner said lots of areas went from golf courses to condos. He said some country clubs were locked in and the way they were set up was difficult to convert.*

Commissioner Leake said she was worried the tax burdens would fall on her people and asked what the County could do, economically, to impact the process. *Mr. Joyner said he believed part of the following presentation could touch on that.*

Vice Chair Altman said there was a revenue they had to generate to deliver the services, and she would like to see that be more fairly shared between residents and commercial. She said she believed it was happening because of the work from home jobs and commercial property was less valued by the market. She said supply and demand was driving their values down and asked what the Board could do. She said, in 2018, the Board created the Homes Program, and the Board needed to do everything they could to recruit great employers to retain good employees.

Chair Jerrell said the presentation showed what separated Mecklenburg County from the rest. He said he believed everyone was concerned about the burden placed on the residents. He said he was pleased they had advocacy around the homestead exemption and the need for urban counties

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to be looked at differently.

Chair Jerrell said they had to look at what they could do at the local level to offset the burden on the people. He said they needed looked at the percentage basis of how the Homes Program increased, it showed they still needed to scale it more. He asked how they could identify the opportunity available for the families in Mecklenburg County at 80% AMI and below. He said the increased costs were going to hit the people that could least afford it and if they could not tap into the equity, it meant nothing.

IMPACT OF OFFICE OF ECONOMIC DEVELOPMENT INCENTIVE GRANTS

Roger Johnson, Director Office of Economic Development, presented the impact that incentive grants have had on the County revenue.

The Office of Economic Development

- Early years partnership model
 - Business Investment Program
 - Tax Increment Grant
 - Tourism, Arts & Culture *
 - Community Development Block Grant *
 - Initial MWSBE Program
 - Awards & Recognition
 - Outreach & Engagements
 - Supplier Diversity

- Economic development 1.0
 - Business Attraction & Retention
 - BIP Opportunity Areas
 - BIP Economic Analysis (REMI)
 - Tax Increment Grant
 - Tourism, Arts & Culture *
 - Community Development Block Grant *
 - Affordable Housing *
 - MWSBE Enhanced
 - Awards & Recognition
 - Targeted Outreach
 - Supplier Diversity
 - Educational Program
 - Contract Forecasting
 - Small Business Concierge
 - Small Business Credit Coaching
 - Workforce Development *

- Economic Development 2.0
 - Business Attraction & Retention
 - BIP Opportunity Areas
 - BIP Economic Analysis (REMI)
 - Community Impact Goals
 - Tax Increment Grant
 - Tourism, Arts & Culture *
 - Community Development Block Grant *
 - Affordable Housing *
 - Place Making
 - Business Diversity Inclusion
 - Awards, Recognition,
 - Competition
 - Comprehensive Outreach
 - Educational Series
 - Consulting & Bilingual Services
 - Supplier Diversity
 - Mandatory Subcontracting
 - Targeted Programming
 - Small Business Consulting Services
 - Small Business Lending & Coaching
 - Workforce Development

- New Taxable Investment – New Job Creation

- The Business Investment Program (BIP) Guidelines
 - Enhancements
 - Additional two years of grant for existing businesses expanding in County

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- 90% grant for projects locating in County-designated opportunity area
- Incentive Benchmarks
- BIP Grant Administrative Process
 - Projects must be competitive
 - Companies must qualify each year
 - Incentives paid with net new taxes
 - Company seeks to build new project
 - Company meets County BIP Guidelines
 - County staff presentations to the Economic Development Committee
 - BOCC signals intent in closed session
 - Company announces project publicly
 - BOCC approves BIP in open session
 - Company builds project and hires employees
 - Company pays all property taxes due
 - County verifies investment, jobs and taxes paid
 - County pays grant based on portion of taxes paid
- Capital Investment – Jobs – New Revenue
- Year Projects Investment
 - 2015-2020
 - 13 Projects
 - Investment - \$923.7 million
 - Tax Rate Impact- .15
 - Annual Revenue- \$4.4 million
 - 2021-2024
 - 14 Projects
 - Investment- \$496.7 million
 - Tax Rate Impact- .08
 - Annual Revenue- \$2.4 million
 - Total since FY2015
 - 27 Projects
 - Investment- \$1.42 Billion
 - Tax Rate Impact- .23
 - Annual Revenue- \$6.8 million
 - Based on a 48.31 cent tax rate, the impact of the Business Investment Grant program for the next ten years will be \$68M of revenue.
 - These revenues will continue to increase as staff seek out and secure additional investments.
- REMI Model Economic Impact
 - Project is expected to net the County \$573,681 in revenue in the final year of the grant term for a cumulative net of \$4,513,580 over even years
- Direct Impact of Incentives
 - Job Development Investment Grant Match
 - Workforce Development Investments by NC
 - Opportunity Cost – Investment and Jobs
 - Reduced Job Creation
 - Higher Unemployment Rates
 - Lower Commercial Tax Revenue, Larger Tax Burden on Residential
 - Economic Disparities
 - Community Reputation, Loss of Existing Business
 - Community Reputation
 - Fund Board Priorities
- Incentives
 - Over-reliance on incentives has drawbacks. Striking a balance between offering incentives and ensuring fiscal responsibility...as Mecklenburg County currently

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does with REMI modeling, utilizing 75+ years' experience, and accompanying due diligence...is vital to a sustainable and successful long-term economic development program

- Board Priorities
 - Overcoming Racial Disparities
 - Employment opportunities for all
 - Sept 20th, 2024, Raj Chetty – Community Matters Café
 - The number one indicator of social mobility is “when kids grow up around employed adults.”
 - Housing Insecurity
 - Increase wages - residents can afford housing
 - Workforce Development
 - On the job training, NC funds CPCC to train residents, Charlotte Works reimburses companies for training

Comments

Commissioner Meier said she felt better about the incentives after the presentation. She said she was there to strike the balance.

Commissioner Dunlap said they would take recommendations from the presentation and was excited to hear more of them.

Commissioner Griffin said he loved the upward mobility bonus and whatever they needed to do to make it a policy. He said he wanted to see local people go through workforce development and be stable and ready. He said he needed to know how many more people were needed in their shop to monitor those contracts in terms of community benefits.

Commissioner Rodriguez-McDowell said she had been on the economic development committee since 2018, and they had made so much progress. She said they were bringing a value add.

Vice Chair Altman said she appreciated the work done and answering of the question to level set. She said there was urgency of developing a strategy to allow them to have a stable of people ready to supply local labor needs. She said they were doing a lot of due diligence on aspects of the grants, but she could think of one in particular that made empty promises and there was more they needed to be doing around quality control and accountability.

Chair Jerrell said for the County to be in the economic development space was great. He said economic development should be a Board priority.

Closing Comments

Mr. Cox gave a wrap-up of day one of the retreat.

The meeting was recessed at 5:23 p.m. to resume on January 30th, 2025, at 9:00 am.

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EQUITY ACTION PLAN 2.0 GOAL 5: IMPLEMENTATION HIGHLIGHTS

Dr. Leslie Johnson, Deputy County Manager, and LaShaun Carter, Chief Equity & Inclusion Officer, gave the presentation.

Equity Action Plan 2.0 Goals

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- Mecklenburg County's small businesses and non-profits share in the County's economic prosperity
 - Strategy A: Increase minority/women owned/small business enterprise and nonprofit businesses participation with the Mecklenburg County government
 - Strategy B: Increase access to capital for small businesses owned by people of color
- MWSBE participation
 - Historical Overview
 - MMWSBE Policy Statement
 - 2020 Board Resolution
 - 2020 Disparity Study Recommendations
 - Provisions Guide
 - Companion Guide
 - Implementation Status
 - FY24 MWSBE Utilization
 - Current Realities
 - Opportunities
- MWSBE Policy
- Board resolution
 - Adoption of a resolution supporting recommendations provided by Griffin & Strong, P.C. (GSPC) as part of the Mecklenburg County Disparity Study
- 2020 Disparity Study
 - Allocation of Resources, Including Staffing – Completed
 - MWBE Subcontracting Goals – Completed
 - Robust Good Faith Efforts – Completed
 - Small Business Reserve Program – Planning
 - Increased Vendor Rotation – Completed
 - Mandatory Subcontracting (Contract by Contract Subcontracting) Phase I: Construction
 - Strengthen Forecasting - Completed
 - Supportive Services - Completed
 - Prompt Pay - Completed
 - Encourage Joint Ventures - -Planning
 - Data Maintenance Reform - -Initiated
- MWBE Implementation
 - Mecklenburg County's Business Diversity & Inclusion Provisions and Companion Guides for MWBE purchasing and contracting (Phase I) was updated and went into effect July 1, 2022.
 - Subcontracting goals were separated and focused on Minority (MBE) and Women (WBE) business enterprises that certify through the NC Department of Administration's Historically Underutilized Businesses (HUB) program.
 - Phase I introduced two new contract methods.
 - MWBE Participation Goal Types
 - Contract by Contract *new*
 - Special Projects *new*
 - Achievement (previously known as aspirational)
 - Contract by contract *new*
 - Construction contracts with an estimated budget ≥\$300,000
 - MBE and WBE subcontracting goals are calculated for each contract opportunity
 - Bidders must meet subcontracting goals or meet good faith efforts

Small Business Access to Capital: Meck Lending

- Small Business Lending Gap

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- Revolving Loan Overview
 - Program Objectives & Services
 - Client Testimonial
 - Meck Lending At-a-Glance
- Program Guidelines
- Loan Portfolio Updates

Economic Mobility: Equity investments

- Equity Investments Overview
 - Robinson-Spangler Carolina Room Library Report commissioned by Commissioners Jerrell and Meier.
 - Researched national best practices and approaches to inform our path forward.
 - Sought community feedback regarding where future investments should be made
- Generational Wealth Investment
 - Additional resources allocated to understand the impact of generational wealth creation.
 - Additional outreach and community engagement leveraging community members' expertise and lived experience as paid consultants.
 - Launched two pilots as an outcome of these ongoing efforts
- Generational Wealth Investment Pilot Projects
 - A Two-Pronged Approach
 - Generational Wealth Investment Progress:
 - Two Supplemental Income strategies that support formally incarcerated individuals, and youth who have aged out of foster care.
 - Ongoing research and development to launch Pre-K investments (i.e. Child Development Accounts)
 - Commissioned research to assess community needs and areas for potential investment and engagement
- Supplemental Income Pilot NCGS 160D-1311
- Re-Entry Supplemental Income Pilot NCGS Chapter 143B Article 16
- Foster Youth Supplemental Income Pilot
- Child Development Accounts Pilot

BOCC Discussion

MWSBE Policy Statement

- Why should they modernize?

Annual Reporting

- MWSBE Utilization
- Meck Lending
- Equity Action Plan

Diversity, Equity, Inclusion (DEI)

- National Discourse vs Mecklenburg Commitments

Comments

Commissioner Griffin said the GINI Index indicated the County was moving towards income and wealth inequality. He asked what the relationship between disproportionality and equity was. He requested to see a potential draft of the policy as the last one was completed in 2005 so they could have better input regarding it. He said he had previously shared his own draft in terms of increasing the percentages because he hoped it would become evident as to why some of the numbers should change and they needed to have the framework for MWSBE to see what the rest of the efforts were going to look like. *Dr. Johnson said there was a draft strikethrough version of the 2005 policy with recommendations for revisions. She said they had accepted the draft Commissioner Griffin*

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provided, took every section he identified and established a document that included the information as procedural things to do coupled with the companion guide

Commissioner Griffin said the disparity studies reflected the need for data maintenance, and they were still dealing with that. He asked where they were, in terms of the implementation of the data software called PRISM. *Dr. Johnson said they had implemented PRISM in late 2023 and started using it in FY24. She said they had no system to track all subcontracting info beforehand, which came from Finance. She said they were tracking it for all contractors that competitively bid.*

Commissioner Griffin said CMS's P-card system was set up with the vendor bank to capture information and asked how CMS could get the data on purchases other than contracts, but the County could not. He said they had no visibility, and he asked if they had a total figure for other expenses even if they did not have a breakout. *Dr. Johnson said the P-Card was something they would have to explore and see if there were other opportunities to get more data.*

Commissioner Griffin said he was informed that \$74 million in construction was had when there was a distribution as to what companies participated in those opportunities, but he calculated 4.67 cents on the dollar went to African American construction companies while 91 cents went to white construction companies and asked how that was consistent with equity. *Mr. Carter said disproportionality was the result of systemic inequities that were inherited or previously were in practice. He said to eradicate them, they had to measure, have the data available and understand where they were to deploy responses to them.*

Commissioner Dunlap said he participated in the formation of the equity ad hoc committee. He said they had run into challenges and staff had done a great job to work through them. He said they had allocated resources in the budget to address issues, and he believed they had reached a time in which they could address some of the presented issues. He said he hoped they would quickly update the language because as they got challenges from the federal government involving DEI because the language needed to reflect what happened.

Commissioner Rodriguez-McDowell asked regarding the lifting DEI and leveling DEI if that was equality versus equity. *Mr. Carter said they were not exactly one and one.* He explained the difference.

Commissioner Rodriguez-McDowell asked if currently the only thing in jeopardy was anything from the federal government and if they were free to do with their local funds what they wanted without meddling from the government. *Mr. Carter said there was potential for it to be shut down and there were some questions at the federal level. He said it required them to do an internal evaluation to determine what they were doing and if they should prioritize and focus on their practices and services to their community as opposed to wrangling in a fight around words. He said all work that was a service to others was equity work as they had to be able to provide them with what they needed.*

Chair Jerrell said diversity and equity was important to Commissioner Leake and said she aided in the creation of the small business consortium.

Commissioner Leake thanked the presenter and said she wondered what happened to the small business consortium. She said black people were not getting business with the County and asked why. She said she was glad she had the opportunity to participate in the experience and she was still working in the community for economic growth and hoping things would change. She said she was grateful for the constituents that had faith in her.

Commissioner Powell said Dr. Johnson mentioned diverse strategies and heard from small businesses that they struggled with the certification verification paperwork process. She said they did not have the staff or understanding to do the paperwork and asked if they could simplify the

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paperwork. She said the process cost money at different organizations and was time consuming with different entities having different paperwork. She asked how they would try to move on in a healthy way and said she wanted to be part of what felt right. *Dr. Johnson said one of their recommendations was to provide broad small-business support services, so they provided a host of support services, all of which were free. She said the certifications were from the State and the costs were harder for them to control but they did their best to help them.*

Commissioner Townsend-Ingram said there was a gap between the creation and execution of the policy. She said she loved seeing the progress and would like to see an actual communication strategy. She asked what they were doing to communicate the opportunities and seeing a waitlist would show success. *Mr. Carter said they were working with PI to develop a stronger relationship to get the information out there and they were making sure more people were aware as well as how they were eligible. He said that was something they would continue to work on.*

Commissioner Meier asked clarifying questions which were answered by Dr. Johnson and Mr. Carter.

Commissioner Meier asked if Meck Pre-k was already aware of their program. *Mr. Carter said they were working with them.*

Commissioner Meier asked where the money went if a child moved. *Mr. Carter said it remained in the North Carolina 529 system and if it remained unused, it would go back to the maturity pot of Mecklenburg County's investment and be reallocated.*

Vice Chair Altman said she heard PRISM was not working well and asked if there were there still issues or if they had ever been concerned that a department wasn't on board with the MWSBE policy. She asked what the protocol was for reporting that in an anonymous way. She mentioned how they may deal with systemic racism inside and outside. *Dr. Johnson said PRISM was independently functional, but the gap was between prism and the front-end system, CDI Advantage. She provided explanation of how the two systems worked together and said they did not talk to each other. She said they needed to find a better way to get them to talk.*

Vice Chair Altman asked how quickly they could get to a resolution. *Dr. Johnson said they had IT review both systems and sought other programs. She said they were tracking them independently and bridging the gap between the two. She said there were different pathways for employees to have the conversations by reporting to the fraud hotline, reporting to their supervisor/manager, and talk with DEI. Mr. Carter said there were pathways for reporting and were still figuring out formal mechanisms.*

Commissioner Griffin said less than \$0.05 on the dollar went to African America contractors and \$0.91 went to white contractors. He said they needed a system to receive and analyze the data, otherwise, they were going to stay where they were and not move forward.

Commissioner Dunlap said the system wouldn't help determine who made the cut on the front end. He said he hoped they would track how they made the cut, and it had nothing to do with race, gender, etc. He said he wished there was a way they could validate how the ones that made the cut did so.

Chair Jerrell said he loved the Meck lending program but felt the participation did not reflect the effort put into it and there was something the small businesses were missing. He said there should be more businesses attempting to get access to getting the funding. He said he understood they could not provide grants to small businesses but maybe there was a way to make some of it forgivable because it would benefit the community and would like to explore ways to make it more of a benefit to businesses beyond just the loan. *Dr. Johnson said they could always do better and, with the small businesses lending program, 53 was the number of businesses that were approved.*

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She said they had well over 100 people who were possibly interested but even with the accommodating requirements, they did not make the cut.

Chair Jerrell said the number of applications received was overwhelming and showed there was a need. He said the small businesses were scared to take on the burden of capital.

The Board took a break at 10:39 a.m. and reconvened at 10:50 a.m.

Chair Jerrell turned the gavel over to Vice Chair Altman to preside.

LIVEABLE MECK

Abby Wyatt, Livable Meck Manager, gave the presentation.

PURPOSE

Provide an update on Livable Meck's progress, current activities and future direction.

AGENDA

- Introduction to Livable Meck Team
- Livable Meck Language
 - Collective impact model
 - Collective Impact refers to a collaborative approach where multiple organizations from different sectors work together with a shared agenda and coordinated efforts to address complex social issues, aiming to achieve significant and lasting change by combining their resources and expertise
 - Social Determinants of Health
 - Education
 - Economic stability
 - Food security
 - Housing Security
 - Healthcare
 - Built and Natural Environment
 - Behavioral Health
 - Social and Community Context
- What is Livable Meck?
 - Livable Meck has focused on understanding community needs, fostering partnerships, and aligning priorities to address some of the county's most pressing challenges
 - Community Connector & Convener
 - Resource Hub
 - Communicator of Progress
- History of the Livable Meck
- Current state of Livable Meck
 - Serving as an engagement infrastructure to foster collaboration and connections between organizations by:
 - Bringing together organizations that typically operate in silos
 - Organizing meetings and workshops for stakeholders to share ideas and strategize
 - Facilitating Communication
 - Online Engagement
 - Through ongoing engagement, identify areas of overlap and gaps to encourage collaboration among organizations
 - Increasing Awareness and Education
 - Serve as a hub for information sharing through shared tools, training, and

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- resources to enhance collaboration.
- Promote programs and services to organizations serving the community.
- Future vision and objectives
 - Phase 1
 - Expanding partner network by re-establishing partner relationships & hosting partner convenings
 - Phase 2
 - Metrics to evaluate impact
 - Phase 3
 - Establish Livable Meck as a backbone program

Comments

Commissioner Leake asked how it enhanced the services that were needed in the respective areas. *Ms. Wyatt said they did not fund any programs in the communities, but they were making connections at a broader level. She said they were working together to solve the problems, and they were a supplement to that, helping bring in additional partners.*

Commissioner Rodriguez-McDowell asked if there was a timeline on their phases. *Ms. Wyatt said it was slightly in the works, and they were working on expanding the partner network. She said they were working with the Office of Strategy and Innovation and focusing on getting the feedback from their partners.*

Commissioner Dunlap said Livable Meck had existed for some time and asked how the program inform the work that the commissioners were doing at the present time. *Ms. Wyatt said the Board priorities were part of their strategy and the 4 focus areas were incorporated.*

Commissioner Dunlap asked how Livable Meck fostered the goals of the County. *Ms. Wyatt said they brought community partners together and were having conversations with the goals of the Board and County in mind. She said they facilitated conversations on how they could bring their efforts, resources, and energy together to address things in addition to or in coordination with groups that already existed.*

Commissioner Meier asked if data driven results could flow through Livable Meck. *Ms. Wyatt said she would love for it to do so, and it was an opportunity to craft a program that could serve their needs. She said they wanted to create uniform data, although it was hard to obtain but not impossible.*

Commissioner Powell said in 2010, there was no Environmental Stewardship Committee in the County. She said she was happy to see farmland preservation mentioned and it was housed in LUESA for so long because of its focus.

Commissioner Griffin said it seemed like another clearing house which was a problem for him. He said it was hard to see the outcome of the evaluation and asked her to share the difference she was planning to have that wasn't happening now. *Ms. Wyatt said they were still working through what the endpiece looked like. She said they were looking at how they could create metrics, but it wouldn't be right away where it was drilled down data, and they were working on it in phases so they could assess what was working and what wasn't.*

Chair Jerrell said he needed to understand the accountability of their partners. He said a lot of them were internal partners or people they were funding, and he wanted to make sure there was enough there for them to yield results.

County Manager Diorio highlighted their intentions with the collective impact model and what their impact was, community wide. She said they could only impact what they could control, and it was

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not just about accountability but all about influence. She said they had accountability over the County's programs, and they wanted to work together to see how they could get to the overall goals. *Ms. Wyatt said they had partnership agreements of which their partners were committing to.*

SERVICES FOR SENIORS & FUTURE STRATEGIES

Kimberly Henderson, Director Child, Family and Adult Services, gave the presentation.

Presentation Outline

- Senior Population Data
- County Program Overview
- Future Strategies

Our Vision for Seniors

- Mecklenburg County seniors experience ease of access, connection, support, and self-sufficiency through innovative strategies and community collaboration
-

County Senior Population (CY2022)

- Total Population: 1,143,390
- Population 65+: 144,447
- 65+ % of Total: 13%
- Age 60+ Grandparents Responsible for Grandchildren: 2,744
- Age 60+ Moved from Other States or Abroad: 5,700
- Age 65+ Median Household Income: \$56,488

Statewide Service Gaps and Challenge Areas

- Healthcare
 - Access to Medical Services
 - Chronic Conditions
 - Medication Management
- Mobility
 - Physical Limitations
 - Transportation
 - Technology
- Social Isolation
 - Loneliness
 - Mental Health
 - Technology
- Financial Independence
 - Affordable Housing
 - Exploitation
 - Employment Opportunities

Eight (8) Domains of Livability Framework

- In 2002, The World Health Organization (WHO) developed the Active Aging Policy Framework to inform discussion and action to promote active aging.
- In 2007, 8 Areas of Urban Life were identified to address barriers to well-being and participation for older adults.
 - Domain 1: Outdoor Spaces & Buildings
 - Arts
 - Camps

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- Trips
- Socials
- Special Events
- Health and Wellness Programs
- Domain 2: Transportation
 - Elderly & Disabled Transportation Assistance
 - Elderly General Purpose
 - Medicaid Transportation
 - Rural General Public
 - Senior Citizens Nutrition Program
 - Veteran Administration
- Domain 3: Housing
 - Supportive Senior Housing
 - Affordable Senior Housing
 - Senior Housing Resources
- Domain 4: Social Participation; Domain 5: Respect & Social Inclusion; Domain 7: Communication & Information
 - Domains 4, 5, and 7 grouped together as they are closely related
 - Social participation opportunities are essential for reducing isolation for seniors and improving their mental health
 - Respect and inclusion in their communities ensure seniors feel valued and integrated
 - Important to provide clear, accessible and timely information about services, events and resources to seniors available in formats that can meet their diverse needs
- Domain 6: Civic Participation & Employment
 - Centralina (Area Agency on Aging)
 - Senior Community Service Employment Program (SCEP)
 - Charlotte Works
 - NC Works
- Domain 8: Community & Health Services
 - Just1Call
 - Adult Protective Services
 - Guardianship
 - Adult Care Home Monitoring Unit
 - Senior Citizen Nutrition Program (SCNP)
 - In-Home Aide Program
 - Adult Day Care/Day Health Program
 - Mecklenburg Transportation System (MTS)

Age friendly Mecklenburg

- Age-Friendly Mecklenburg Initiatives
 - Dementia Friendly Transportation
 - Digital Connectivity
 - Money Smart Workshops
 - Aging In Place
 - Ageism Awareness

Future Strategies

- Increasing Healthcare Access & Mobility
- Supporting Financial Independence
- Advancing Understanding of Technology
- Promoting Social Engagement & Recreation

Comments

Commissioner Meier said they had heard so much about adult day care and asked if it was County

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run. *Ms. Henderson said they had partners that worked independently but they funded certain categories of clients based upon the eligibility requirements and the adult day care providers were free standing. She said they helped offset the costs for those who had an inability to pay.*

Commissioner Meier asked how many were on the inquiry list. Ms. Henderson said there was 160 on the adult daycare list, and 380 on the in-home aide inquiry list.

Commissioner Meier asked if there was a waitlist for senior nutrition. *Ms. Henderson said no, they had a very robust program and kept a close eye on who came on and off the list.*

Commissioner Leake thanked the Board, Ms. Henderson and County Manager Diorio for adding this to the agenda.

Commissioner Dunlap said he agreed with calling for an increase in what they provided for adult healthcare. He said they needed to figure out how to expand services and, although they'd spent a lot on critical home repairs it was still not enough. He said they needed to figure out how to increase their relationship with them and expand their services for seniors. *Ms. Henderson said they had close relationships with NourishUp, and they did charge for their services where the County did not. She said the seniors could find some financial hardship with having to pay for their services.*

Ms. Henderson said they had met with the owners of one of the adult daycares during the week and there was discussion regarding the need for more funding. She said they committed to staying close with them to address the concern.

Commissioner Powell said she was not surprised by the feedback she received at her townhall, regarding the number of people that needed senior services. She said if they kept people healthy then it was much less expensive on the County on the next level.

Commissioner Townsend-Ingram said she was excited for the new ad hoc committee. She said she wanted to know the percentage of seniors they cared for and who they were missing. She asked what the obstacles and roadblocks were to fix the issues. She said when they didn't know where the gaps were, they couldn't put what was needed into the budget. *Ms. Henderson said it was a dual challenge and, beyond funding, there were also capacity restraints. She said they were working to understand how many more they could absorb in their current service model. She said they knew that those who provided in-home aide services were not highly compensated, and they recently did increase the funding. She said it was a combination of budget, workforce behavior, and personnel capacity.*

Commissioner Townsend-Ingram said they needed to see where the gaps were to see what they did very well and set a standard.

Commissioner Rodriguez-McDowell asked what it meant to be a ward and what the price tag was on being considered a ward. *Ms. Henderson said she would get the per ward number and the total funding was \$6.3 million, with the County providing \$4.7 million and the federal government providing \$1.5 million.*

Commissioner Griffin said the \$3.3 million to clear off the inquiry list was a cost they all should be willing to absorb. He said for FY26 they should at least be able to say the list is cleared off and that he understood the strain on families. He said, in reference to transportation, several were used for medical purposes, and they should have sidewalks for seniors to go for walks. He said the sidewalks were uneven. He said they should keep an eye on available housing for seniors as well.

Vice Chair Altman asked if the senior population was projected to increase percentage wise. She mentioned the MTS budget was \$7.8 million which was an increase of a half cent to three quarters

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of a cent of taxes which was a lot. She said 391,000 trips in one year were provided by the County. She said if they could be successful for passing the 1 cent sales tax for transit and transportation that was slated to bring an extra 250,000 people within a quarter mile of a bus stop, and add 2,000 shelters, benches, and sidewalks. She said she hoped it would alleviate pressure on the County MTS transportation system if they could materially improve their primary transportation system. She said she was interested in hearing how they could improve their services.

Commissioner Dunlap said, around the Eastway Recreation Center, they had a traffic study done and it said they didn't need a light, but the seniors told them that their response time was a lot slower than the average person. He asked staff for help in making the case that a light was needed at that location. *Dr. Johnson said the light had been approved but didn't know when it would be put in place.*

Commissioner Meier said they heard about transportation troubles, but hoped it was reflected in their request.

Commissioner Griffin asked how many mobile units they had. *Ms. Henderson said they had three.*

Chair Jerrell said the board valued their seniors and wanted to address the inquiry list. He said there were other aspects they needed to understand and if they could come back with a comprehensive number, they'd be ready to make the tough decisions.

The Board took a break for lunch and the meeting resumed at 1:16 p.m.

EQUITABLE TRANSIT ORIENTED DEVELOPMENT

Monica Carney Holmes, Deputy Planning Director for the City of Charlotte, gave the presentation.

- TOD: Where We've Been and Where We Are Going
- What is Transit Oriented Development (TOD)?
- Early TOD in Charlotte
- Applying Lessons Learned
- Changing How We Plan
- Plans in progress: Equitable TOD (eTOD)
- Next Steps

Transit-Oriented Development (TOD)

- The success of transit is more than just designing for the train.... A transit vision and a land use vision must go hand-in-hand.
- 25 Years+ of TOD Planning

Transit Oriented Development Principles

- What is Transit Oriented Development?
 - Mixture of uses
 - Cluster residential, retail, office, entertainment and civic uses around transit creating convenient access to goods and services encouraging, by design, short trips by foot or bike
 - Mixed-use developments improve the community vitality and create vibrant and exciting destinations for residents and visitors.
 - Engaging community spaces
 - Include pedestrian-friendly elements that create vibrant and active spaces which lead to health, environmental and economic benefits
 - Design includes:
 - Wide sidewalks

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- Street trees for shade
- Parking in the rear or out of sight
- Spaces/places for play and community gathering
- Accessible to all users
 - Encourage safe and comfortable walking and bicycling trips
 - Build a denser and tightly connected street network around a station to create a larger ridership capture area
- Development centered on equity
 - Ensure premium transit contributes to the equity of access to:
 - Entrepreneurship + Jobs Services
 - Housing
 - Integrate affordable housing, small business and existing jobs into transit station areas
 - 2019-TODAY

Early Transit Oriented Development in Charlotte

- Development in transit station areas
 - Estimated \$12 billion in private investment
 - 50,000 housing units built and/or under construction within 0.25 miles of a transit station
 - 12 million sq. ft. of non-residential development (office/retail) within 0.5 miles of a transit station
 - 2,500 affordable housing units within 0.5 miles of a transit station
- Early TOD Lessons Learned
 - Build in affordability – housing, small business, and commercial - from the beginning
 - Create intentional anti-displacement (residents and business owners) policies
 - Use an “all-of-the-above” approach to provide multiple opportunities for affordability and access

Applying Lessons Learned on Rapid Transit Lines

- Being Strategic:
 - Utilizing Vulnerability to Displacement Data to Inform Decision-making
- Charlotte Future: 2040 Comprehensive Plan
 - Goal 4: Transit and Trail Oriented Development (2TOD)
 - Charlotte will promote moderate to high-intensity, compact, mixed-use urban development along high-performance transit lines and near separated shared-use paths or trails.
 - Big Policy Ideas
 - Prioritize equitable TOD (E-TOD) along high-performance transit and trail corridors.
- What is Equitable TOD (eTOD)?
 - Equitable Transit-Oriented Development (eTOD)
 - Equitable TOD provides all people, regardless of socioeconomic status, the opportunity to live near transit stations and experience the benefits of development and access.
 - eTODs are community-focused, inclusive, and incorporate multiple strategies to avoid displacement.
 - Goals
 - Anti-displacement
 - Capacity-building
 - Affordable housing (creation and preservation)
 - Small business resiliency and Access
 - Community resource access

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- Public-facing TOD score card
 - Community-driven policy
 - Pilot projects and programs in station areas
- Housing Solutions Toolbox
 - Land Acquisition and Development
 - Housing Trust Fund
 - NOAH Investment Strategy
 - Acquisition, Rehabilitation and Renovation
 - Single Family Rehabilitation
- Transit-Oriented Development Land Acquisition
 - January 2024, the City released a rolling RFP seeking innovative transit-oriented development (TOD) affordable housing options
 - The RFP allows for 90% financing of land acquisition with TOD zoning
 - The developer will conduct predevelopment activities and then present a full development proposal
 - TOD fee-in-lieu payments will be used for this activity. To date, \$4.8 million paid (an additional \$16 million in commitments have been approved)
- Naturally Occurring Affordable Housing Preservation Program
 - Prevents displacement and preserves affordability through long-term deed restriction/affordability requirements
 - Ongoing city-county partnership preserving 12 developments and over 1900 units
 - Rolling RFP allows developers/owners to be responsive to quickly changing market conditions
- Acquisition, Rehab, Resell (ARR) Revolving Loan Fund
 - Investors provide capital for a revolving loan fund that invests in the acquisition of single-family homes.
 - The homes are purchased, renovated, and resold to a qualified low-income household. Funds are returned to the revolving fund for another purchase.
 - Partner organizations acquire and rehab homes. Upon repair, homes are sold at affordable prices for qualified households.
 - Home sales include deed restrictions to keep homes affordable and protect against future use as investment properties, helping to stabilize neighborhoods with high rental rates
- Neighborhood Stabilization and Community Health Workers
 - Resident centered services approach
 - In partnership with Atrium Health, community health workers and housing stability staff work share staying in place solutions
 - Food insecurity, financial literacy, health services, career upskilling

Looking Forward: Plans in Progress

- ETOD Strategies (2022)
 - Build the capacity of transit adjacent communities to support ETOD
 - Embed ETOD principles into the municipal planning process
 - Make ETOD required, easier, and more predictable
- eTOD Planning in Charlotte
 - Federal Transit Administration Grant Award: \$400,000 (2022)
 - Equitable Transit-Oriented Development planning and implementation will develop anti-displacement policies, programs, and pilot projects with marginalized community members to create economic mobility opportunities.
 - Partnership between CATS, City Team and Community Groups to set the vision
 - Community Stakeholders
 - Latin American Coalition
 - Action NC
 - West Boulevard Coalition

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- Carolina Migrant Network
- Vietnamese Association of Charlotte
- Charlotte Mecklenburg Library
- Charlotte EAST
- Educated Hoodlums
- Sustain Charlotte
- eTOD Goals Today + Going Forward
 - Anti-displacement
 - Capacity-building
 - Affordable housing (creation and preservation)
 - Small business resiliency and access
 - Community resource access
 - Public-facing TOD score card
 - Community-driven policy
 - Pilot projects and programs in station areas
- Next Steps: Building Transit Oriented Communities with ETOD Tools
 - Start early in the process, embedded in the project development
 - Set a large table with room for the community and partners
 - Engage in shared learning with other communities building transit
 - Assess and Plan with equity as the cornerstone
 - Deploy tools to achieve the common goals in housing, small business, and services

Comments

Commissioner Rodriguez-McDowell said eTOD was great, but a lot of the community would be left out and it wouldn't happen without the silver line on the east side of Matthews.

Commissioner Griffin said about 5% was on the affordable spectrum. He asked if the City was buying any property around that line. He said to have transit is economic opportunity, and asked how much of it would make itself available for those on the low end into the business. He asked how they could prepare economic development for it ten years down the road. He asked, if there were several seniors along that trek, how were they influencing the amenities. *Ms. Carney Holmes said they were thinking more creatively so they could have more acquisition at the end of construction. She said there were some amenities, and it was a further conversation to have. She said it was important to have the conversation to know what amenities were there and what was needed.*

Commissioner Powell asked her to speak in detail about the land the City owned along what was being planned and what priority it was to them. *Ms. Carney Holmes said they had to acquire and purchase the land for different parts of the plan and as the project moved through the process, they would own more overtime.*

Commissioner Powell asked what kind of partnership she is asking of them and if they wanted guidance on how to do parks the right way. *Ms. Carney Holmes said understanding where their amenities and resources were and how they worked together for access was what she was talking about. She said they wanted to see how it all seamlessly worked together.*

Vice Chair Altman clarified that the Board allocated money to affordable housing, took the County dollars and purchased land to make affordable housing. She said their thought process was that the vulnerable residents would need access to transit, so when they considered their affordable housing dollars, that they would benefit from their eTOD learning curve as they moved forward with their work.

Commissioner Powell said she was concerned for people having expectations of them for things they could not provide.

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Commissioner Dunlap asked what they saw themselves doing that they didn't do before and what difference it would make. He asked who would be at the table that wasn't present before and requested she talk about how things would be different. *Ms. Carney Holmes said there was an impression there would be too much affordable housing 30 to 40 years ago around the transit station areas, but they knew presently that it wasn't true. She said with small business how do they get business in places where they can be successful. She said the team was determining who needed to be at the table.*

Commissioner Townsend-Ingram said she needed something more quantifiable. She said she needed to understand what tools worked. *Ms. Carney Holmes said they could get more information on what was and wasn't working. She said they had taken a data driven approach and looked into how their investments went. She said it was a very different approach than what they were taking before.*

Commissioner Townsend-Ingram said they would have to be intentional and would love to see their benchmarks.

Commissioner Leake said Eastland Mall suffered due to lack of taxes. She said the west side of town where the City omitted coming through to do the work they needed to do. She said they wanted a clean neighborhood.

Chair Jerrell said it was an important conversation to have and all the issues they had discussed were interconnected. He said they couldn't go after the issues alone and to see the relationships deepened. He said he felt a frustration of the elected, that the deep roots were not there. He asked if there was room for an open strategy for them to go at it in a meaningful way. He said he needed a better understanding of what that collaborative aspect looked like.

Vice Chair Altman said it was good to hear that they were participating at the national levels with cities. She said the question was if they had the funding as rail, or bus rapid transit, or better bus, or some other modality. She said their first obligation was to move people and felt confident of what would be implemented.

LAND ACQUISITION STRATEGY

Dr. Leslie Johnson, Deputy County Manager, and David Boyd, Chief Financial Officer, gave the presentation.

- Historical Land Acquisitions
 - County owns
 - 23,774 Acres
 - 37.15 Sq Miles
 - 7% of County Land Area
 - Over past decade approx. 4,100 Acres at a cost of \$267 Million – 1.22% of County land area
- Park & Recreation
 - Total Spent FY13-FY24: \$184,558,067
- Other Land Acquisition Priorities
- General Government
 - Solid Waste Sites
 - Community Facilities & Library
- Stormwater Buyouts / Flood Mitigation
 - Stormwater
 - FY15-FY24:
 - Spent: \$36,037,810

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- Acres: 78.37
- Land Acquisition Strategy
 - Filling Gaps
 - Close physical gaps in access and that are priority communities
 - Connect priority communities to greenway trail system
 - Accounting for Growth
 - Grow recreation amenities with community growth, interests and demand
 - Restoring and Protecting Ecology
 - Protect critical habitat areas and endangered, vulnerable or threatened species
- Evaluation at a Glance
 - Gap Areas & Priority Communities
 - Identify if parcel(s) meet criteria in Meck Playbook
 - Primary Use
 - Determine potential Park and Recreation use(s)
 - Site Assessment Review
 - Deep dive into site opportunities and constraints
- Property Evaluation
 - FY 2021- Property acquisition process development
 - FY 2022- 925 properties evaluated: Approximately 9,000 acres
 - FY 2023- 249 properties evaluated: Approximately 1,400 acres
 - FY 2024- 241 properties evaluated: Approximately 1,200 acres
- Acres Acquired
 - FY21- 308.16
 - FY22- 295.88
 - FY23- 499.04
 - FY24- 551.60
- Future Direction Highlights
 - Celebrate successes and begin the planning phase in some Gap Areas: 2, 7, 8, 14, 17
 - Expand efforts in Priority Community Gap Areas: 4, 5, 6, 10, 12, 15
 - Align land acquisition goals and approach to market current realities
- Other Possible Land Priorities
 - Economic Development
 - PLACE MAKING
 - Acquiring and transforming specific spaces to reflect the unique culture and needs of a community making them more attractive, functional & vibrant – South End/NoDa or smaller scale.
 - REVITALIZATION
 - Strategic efforts to acquire property in underperforming commercial areas to boost economic activity, attract businesses and improve the overall quality of life in a community.
 - BUSINESS ATTRACTION
 - Acquiring and marketing specific pieces of property to attract new business and/or development.
 - Affordable Housing
 - PRESERVATION
 - Buying existing affordable rental properties to prevent their sale and/or redevelopment
 - Often require additional investment in rehabilitation
 - NEW DEVELOPMENT
 - Purchasing land with the specific intent to use it for the development and creation of new affordable units
 - Mitigate Displacement
 - Reduce negative effects and ensure residents are not priced out and can age

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in place

- Funding
 - Costs Vary Widely & Are Increasing
 - Historical Cost
 - All Property Types = \$65,000 / Acre
 - Current Costs
 - Residential Property = \$475,000 - \$2,150,000 / Acre *
 - Commercial Property = \$575,000 - \$5,245,000 Acre*
 - Undevelopable Property = \$236,000 / Acre (based on land purchased by County recently)
 - * Median overall county price vs. top 10% “prime” sites
 - Funding Options
 - Annual revenue
 - Fund balance
 - Dedicated Property tax
 - Bond financing
 - CIP
 - Funding Realities
 - CIP Capacity Reserved for Land
 - 2026 - \$11.8 M
 - 2027 - \$12.2 M
 - 2028 - \$12.7 M
 - 2029 - \$13.1 M
 - 2030 - \$13.4 M
 - 2025 Projected Fund Balance
 - \$98.3 Million
 - Public Ownership Exempts Property from Taxation
 - 2022-2025 - \$133.4 Million spent \$732,000 property tax revenue exempted
 - Policy Questions
 - Are there any other property acquisition priorities that we haven’t identified?
 - How should we prioritize land acquisition funding between competing needs?
 - Park & Recreation
 - Economic Development
 - Affordable Housing
 - Capital Projects

Comments

Commissioner Powell said the County was spending \$6 million on land acquisition when they were sworn-in in 2018 and they were still behind in parkland with the population that they served as they had to have a balanced government. She said it seemed little and they were chipping away at who they served. She said they had a responsibility to buy land for what they needed, and she couldn’t find where it was the County’s responsibility to fund affordable housing. She said if they spent every dime on affordable housing, it still wouldn’t be enough. She said she felt like the demand was escalating and they couldn’t resolve the issue of affordable housing. She said it was unnerving to think of a tax increase and what they were responsible for.

Chair Jerrell said the questions she raised were fair questions. He said they could vote to get out of the housing game and how they could direct that money where they wanted. He said he wouldn’t support it, but he could understand the difference of opinions.

Commissioner Dunlap said what the Commissioners decided as a priority is what they should fund. He said they were told they had \$98 million in fund balance, and it was being depleted quickly. He

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said the possibility that \$50 million of the \$98 million would be used for park and recreations purposes was atrocious. He asked that they think about it from the perspective that they couldn't build affordable housing if they didn't have land.

Commissioner Rodriguez-McDowell said it was tough as she believed in what all her colleagues had said. She said the best way to improve what the County was struggling with was to have a home. She said she also agreed with Commissioner Powell, that different parts of government are supposed to take on different needs. She said she supported what they had done towards affordable housing and think they had to make sure they remembered they could not solve the affordable housing issue. She said trying to serve the most vulnerable had been great, but they shouldn't split their focus on buying land for affordable housing.

Vice Chair Altman said they had voted to allocate \$50 million to affordable housing for 3 budget cycles and she was proud of that. She said they couldn't have it all and they had many obligations, but she couldn't fund anything with the amount she thought it deserved. She said she was proud of the investments they have made and would rather have a flexible policy for identifying excellent opportunities. She said, noting that they had a deficit, she would like to pivot to a more flexible recommendation for equitable land acquisition but would also give bandwidth to other opportunities.

Commissioner Meier asked how much was in fund balance. *Mr. Boyd said the requirement was \$450+ million but there was an estimate of around \$600 million.*

Commissioner Meier asked who says what the County was responsible for. *County Manager Diorio said the statutes were clear in what it says counties were responsible for funding and they there were the Board priorities. Mr. Boyd said the statute told them some of the things they could not do.*

Commissioner Meier asked what the dates were for the money that was missing for land acquisition. *Mr. Boyd said it would be included in the CIP based on the year and it was baked into the plan.*

Commissioner Meier asked if it would provide them the flexibility. *Mr. Boyd said they could change the CIP whenever they wanted by bringing them an amendment to the ordinance to approve the change.*

Commissioner Leake said they would never build enough housing to eradicate the housing issue they had, and they could help but they couldn't bail them out. She asked what the law said they must fund in their budget and if they were meeting the obligation that the State set. *County Attorney Wade said the State required they fund Health and Human services and DSS.*

Commissioner Leake asked how they could impact the lives of the community with what they must pay and what did the law say about financing education. *Mr. Cox said parks and affordable housing were not required by the state. He said the State traditionally had the responsibility to fund education and Counties were responsible for facilities including capital repair and replace, but it was not as clear cut for the County in terms of operations and was up to the discretion of the County Manager and the Board.*

Commissioner Griffin said, to get rid of the inquiry list, they might have had to reduce funds from another pocket, and he supported that. He said there was a priority in terms of having to preside over the Board of Health and Social Services that they had to be responsible for the health for seniors and others. He said, in terms of priorities, they could not fund everything at 100%. He said they had to make tough choices sometimes.

Commissioner Powell said she found it stunning that, as of today, they were not responsible for parks. *County Manager Diorio said it was not mandated responsibility.*

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Commissioner Powell said there were few leaders that understood the repercussions of not focusing on the land and they had to be very smart as it couldn't be an afterthought. *Mr. Boyd said he recommended they determine how much they could fit in their CIP plan. He said it wouldn't be any standalone for the land acquisition.*

County Manager Diorio said she agreed with Mr. Boyd, but they couldn't do it all. She said they would either bake it into the CIP or push some projects out.

Commissioner Dunlap said he would support an independent recommendation coming from the manager and Mr. Boyd. He said it was important to keep the \$98 million in front of them and even though they knew they had the \$500 million, they knew they wouldn't touch it. He said to look back at the recession in 2008 and COVID just a few years prior.

Commissioner Rodriguez-McDowell said the other money was their reserves and they could tap into it if needed. She said they couldn't compare the land purchases to their other priorities and fund balance was the perfect place for land acquisition. She said they shouldn't muddy the water because they couldn't fund the things that could not come out of fund balance.

Vice Chair Altman said Commissioner Dunlap pointed out how they had drawn down their funds and they were dealing with a deficit as well as slow growth. She asked if they would be comfortable with asking the Manager to look at the budget and see what was considered low performing programs that could help recoup their funding.

Commissioner Meier asked if that was what the budget did to find savings. *County Manager Diorio said they did redirections but clarified that Vice Chair Altman was asking that they go deeper with looking at programs they funded.*

County Manager Diorio said they were trying to find a way to reduce the operating budget and finding things they had to decide if they wanted to continue to fund.

Commissioner Griffin said he loved accountability and County Manager Diorio had his support to find efficiencies and effectiveness.

Commissioner Dunlap said they were asking the Manager to dig deeper so what they allocated would be needed and they wouldn't have to raise taxes.

Commissioner Rodriguez-McDowell said whatever they did should go to the \$14.7M deficit. *County Manager Diorio said that would be the goal to close that gap first. She said there may be people that didn't like the cuts she proposed, and they may come back to the Board to stop it.*

A straw vote was conducted with motion made by Commissioner Leake, seconded Vice Chair Altman, and unanimously carried to direct the County Manager to evaluate the budget for low-performing programs to recommend for reduction or elimination for the Boards consideration.

Chair Jerrell said he supported the motion, but they had to understand how it would catch fire. He said they all needed to be on the same page with the language. He said they were not saying anyone would get cut, but the Manager would see what was there. He said they needed to tighten their belts, and it took courage to go down that road of what they were asking. He said he wanted to make sure they were clear of what was happening and asked if they anticipated any claw backs with ARPA. *Mr. Boyd said all the funds had been allocated and didn't expect any clawbacks at the time.*

Commissioner Griffin said they had to figure out what worked. He said they had his full support.

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Commissioner Powell said they hadn't heard from CMS, CPCC, MEDIC but she was ready for the tough decisions.

Commissioner Rodriguez-McDowell said she hoped they were looking inside and outside at nonprofits. *County Manager Diorio said they would.*

Chair Jerrell thanked Mr. Boyd and Dr. Johnson for the presentation. He said they laid out multiple options and the Board had made tough decisions in the past. He said housing was a paramount issue in the community as well as park and recreation. He said he was one that advocated they went into housing in 2018 and didn't believe that one entity could do it alone. He said they could do something and what they had done has been impactful. He said he wanted to stay in the space and continue funding the parks.

ENVIRONMENTAL SCAN

Office of Strategy & Innovation

Michael Griswold, Deputy Director, Strategy & Innovation and Julia Jones, Strategy & Innovation Analyst, gave the presentation.

The Board worked in groups to identify the strengths, opportunities, and challenges faced by the County. Each group reported out, and the results served as a starting point for the Board's priority-setting discussion at the end of the retreat.

- . Strengths, Opportunities, Challenges
- . Priority Identification & Selection
- . Priority Refinement
- . Alignment to County Work (Staff)
- . Board Discussion (February)

After returning from working in groups the Commissioners shared their ideas on health equity and equity, managing growth, workforce development, MWSBE, getting information out to the public, inadequate and inefficient staffing, lack of funds from sources outside of the County, affordable housing, mental health, the environment, and economic mobility.

The Board Recessed at 5:22 p.m.

January 31st

Chair Jerrell called the meeting back to order at 9:30 a.m.

BOARD PRIORITY ACCOMPLISHMENTS

The Board Budget Priorities are used to guide budget investments. The Board received an update on the investments and accomplishments related to the Board Budget Priorities.

Adrian Cox, Budget Director and Michael Griswold, Deputy Director of Strategy & Innovation, gave the presentation.

The following was discussed:

- Early childhood Development

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- FY18 – FY25
 - Expand services that promote healthy early childhood development & education from ages birth to five.
 - \$46.5M New Ongoing
 - \$7.3M ARPA/CARES
 - \$288m in new investments
 - Performance Results
- Educational Attainment
 - FY22 – FY25
 - Align allocations to strategies & targets with proven results to improve college & career readiness outcomes for all students
 - \$119.6M New Ongoing
 - \$32.7M One-time
 - \$284m in new investments
 - Performance Results
- Environmental Stewardship
 - FY20 – FY25
 - Preserve & protect the County's environmental resources
 - \$437M in new investments
 - \$42.3M New Ongoing
 - \$238.1M One-time
 - \$22.1M ARPA/Cares
 - Performance Results
- Housing Insecurity
 - FY20 – FY25
 - Reduce the number of residents experiencing homelessness & advance stable affordable housing options for all County residents.
 - \$300M in new investments
 - \$21.3M New Ongoing
 - \$80.5M One-time
 - \$128.1M ARPA/Cares
 - Performance Results
- Health Access
 - FY20 – FY25
 - Improve access to physical & behavioral healthcare for County residents of all ages & promote healthy behaviors
 - \$263M in new investments
 - \$44.6 New Ongoing
 - \$24.7M One-time
 - \$106.1M ARPA/Cares
 - Performance Results
- Workforce Development
 - FY22 – FY25
 - Support initiatives that connect job seekers with employment opportunities
 - \$64M in new investments
 - \$17.9M New Ongoing
 - \$7.7M One-time
 - \$19.4M ARPA/Cares
 - Performance Results
- Racial Disparities
 - Ensure that investments by the County focus on closing racial & ethnic gaps so that race does not predict one's success, while also improving outcomes for all. Race will be interwoven into the Board Priorities through policies, practices, & procedures that seek to analyze & eliminate the root causes of racial disparities with the hope

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that all people in Mecklenburg County will have an equitable opportunity to thrive in the community

- County and Community Indicators
- County employees feel that they positively impact outcomes, understand the importance of their role in advancing racial equity, and have the skills to counteract discrimination.
- County employees feel equipped to speak about race and feel supported by leadership; but more work is needed to facilitate regular racial equity conversations between managers, employees, and co-workers.
- New Funding to Board Priorities
 - \$1.6B total

Commissioner Dunlap said, when looking at the various funding buckets and figuring out where the excess money was being spent and deciding how to tighten the budget, he didn't want to look at accomplishments, but the extra dollars spent. He asked if, with the 200+ vacancies in CMS in consideration, if the County gave a pot of money to them or did they pay as they were billed. *Mr. Boyd said they paid them once a month but not as a bill.*

Commissioner Dunlap said the excess money for the unfilled positions included an area he would have liked to see more focus on.

Commissioner Townsend-Ingram asked how they were assessing the success of whether the 26 County behavioral health contracts were working and reaching their target. She asked if there was anything reporting back. *Deputy County Manager Trotman said they had a new team assessing all the contracts and developing performance matrixes as well as changing the contract structure to pay per performance.*

Commissioner Townsend-Ingram asked if there was opportunity to eliminate where there was overlap. *Deputy County Manager Trotman said the team was accessing and prioritizing based on the mandated services they were required to contract for.*

Commissioner Townsend-Ingram asked if those recommendations would be ready before the priorities were established. *Deputy County Manager Trotman said they would be.*

Commissioner Townsend-Ingram asked, based on trends, what was working with eviction prevention services and what the goal was. *Mr. Cox said it was done with partnership in legal aid and legal advocacy.*

Commissioner Townsend-Ingram said they needed more detail and focus if it was trending the wrong way. *Deputy County Manager Trotman said they had two areas with that focus, Legal Aid and Crisis Assistance Ministry.*

Commissioner Meier said she was alarmed that the cognitive benchmark has decreased. She asked how it was being measured. *Mr. Griswold said it was being measured by the TS Gold assessment and it was something they asked the staff to look into to better understand.*

Commissioner Meier said there was an obvious gap between white, black, and Hispanic children but the numbers were still increasing in each category. She said regardless, the gap was not good, and they needed to continue to invest in education as well as kids.

Commissioner Meier asked what cooperative extension was. *Mr. Cox said it was a partnership with the State university and County that provided 4H and other types of programs.*

Commissioner Meier asked what was recommended from park and recreation with treating invasives. *Dr. Johnson said there was interest for them to do things more swiftly and have goals that*

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went beyond 2030. She said they were presenting what impact would be made at different investment levels and speeds, so they stretched the goal to 2035. She said when they shared the information, they were doing so with the understanding that when the money was invested, they would achieve those results. She said the need of invasives outpaced what was shown in the presentation.

Commissioner Meier asked what the need was. *Dr. Johnson said she could work with team to determine if they could get a number to quantify that but said it was known that there was more invasives than what they have treated. She said treating invasive species was a three-step process.*

Commissioner Meier asked if they could move the goals. *Dr. Johnson said yes, they could move goals.*

Commissioner Griffin said no one on the Board could say Meck Pre-K kids were ready for kindergarten but that should be a priority for them. He said they were missing the boat and with CMS, they were violating the constitutional rights of kids because they were being denied a sound basic education, level 4, college and career ready and they had lowered the bar by one already. He said they had a whole equity unit but never talked about what they were specifically doing to close the gaps.

Commissioner Griffin said what they had done for housing insecurity was phenomenal but if they were clapping their hands over people making \$18 per hour, they would not be able to solve it and they were moving people into poverty with their work force development program.

Commissioner Griffin said they had no data regarding double SNAP benefits, and he continued to ask how many people were participating and who weren't participating. He said there were thousands of people on food stamps wondering how many people were benefitting. He said they needed to do a better job in terms of looking at outcomes. *County Manager Diorio said she wanted to remind the Board that she did send them the data and the notion that they did not know the status of the kids was not true. She said, in 2023-2024, of all CMS kindergarteners that entered kindergarten, 44% entered kindergarten ready with 44% of Meck Pre-K graduates being kindergarten ready. She said in 2024-2025, 43% of all CMS kindergarteners entered kindergarten ready and Pre-K children were 50% kindergarten ready, so they were continuously improving. She said that was using the Dibbles assessment, which was the same assessment CMS uses.*

County Manager Diorio said the people they served with work force development were people who had multiple barriers to employment and assuming they would take their people and put them in jobs making \$60,00 per year was unrealistic and needed to manager expectations.

Commissioner Griffin said the Dibbles assessment did not reflect kindergarten readiness. He said Dibbles was a formative assessment that CMS used to address alphabet and sounds. He said it was not a formative assessment to determine kindergarten readiness. *County Manager Diorio said it was the assessment CMS used so until they had another assessment, that is what they would continue to use.*

Deputy County Manager Trotman said they planned to do a 10-year study on their Meck Pre-K kids, so they entered into a contract with a vendor to track their kids for a period of time but late in time, the HHS committee asked for a manual pull of their Meck pre-K kids to see how they were doing in kindergarten. He said that report was given to the HHS committee so they continued to work with CMS to assess their Meck Pre-K and now they were performing as well as any way the Board would like. He said the data showed that County Manager Diorio's said was reflective of that.

Chair Jerrell asked what the specific policy was he was trying to drive them to for consideration.

Commissioner Leake asked how they could take each section of the presentation and dispense it

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into the community. She said there were disparities in education, and they needed to talk to CMS about it. She said District 2 was where the lower-level schools were. She said they needed to stop throwing the money in a basket and not getting real results across the board. She said health and housing were the issues.

Commissioner Leake asked how many parents and families were receiving benefits and what were the outcomes. She said they were not changing the behaviors.

Chair Jerrell said there seemed to be a theme around education and asked the attorney what the scope of their ability to influence CMS was. *County Attorney Wade said they funded them but didn't have control regarding what CMS funded.*

Commissioner Rodriguez-McDowell said she appreciated the connection of the budget with outcomes. She said going section by section would have been more effective and investments took a long period of time to see results. She said it would be helpful to see where the ongoing expenses were being increased, year-after-year. She said there were certain areas that took more fund balance than others.

Commissioner Rodriguez-McDowell said she liked the focus on legal aid and evictions. She said affordable housing was a place where they belonged and not building and funding teachers was where they would get results.

Commissioner Rodriguez-McDowell asked if they were doing anything with childcare centers or if that was a State issue. *Deputy County Manager Trotman said they just subsidized kids.*

Commissioner Rodriguez-McDowell asked how they could tie the childcare portion to economic impact of parents being able to work.

Commissioner Altman said she loved Meck Pre-K but at \$288 million, they needed to evaluate it if it was not doing the job and same went to everything in that they needed to repurpose the funds if something wasn't working. She asked to have a presentation on what workforce development investments and programs had been made but did not exist prior to 2020.

Commissioner Altman asked how well they were moving people off the rolls of social services. She asked what the duration of people was receiving support and said their investments had positive impacts but not sufficient and they needed benchmarks.

Commissioner Powell asked if they knew what the investment was per person in workforce development and how could they get the manufacturers to meet them. She said the duration of people receiving support would also be good information and they were trying to create situations where there was upward mobility. She asked how they could explore doing more assessments than what CMS required.

Commissioner Powell said the invasive species need was much greater than the funding. She said she wanted to recognize Chrystal Rogers, the Mecklenburg County Forester, who was retiring.

Commissioner Powell said she believed they could make a positive difference, and they could always do better. *Deputy County Manager Trotman said they had to follow State guidelines with Medicaid, TANF, and Snap. He said they did not work to help them with upward mobility. He said they did not work with them to help them find employment and the State had taken over the employment program in SNAP.*

Deputy County Manager Trotman said it was their responsibility to determine their eligibility to give them access to food. He said there were few people receiving TANF which was included in the report. He said they had data in all the programs.

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Commissioner Griffin said, based on the North Carolina General Statute's 1.15C-43.5, it was required to perform a developmental screening and kindergarten entry assessment that addressed the five domains of school readiness within 60 days of the student entering school and the NC State Board of Education policy required an assessment of kindergartners within the first 30 days, also using the five domains of learning, one of which included math which was the basis he used to prove that Dibbles did not do enough screening. He said they couldn't tell CMS what to do but because CMS was required to qualitatively and quantitatively required to record the information from the early childhood assessment. He said he was asking them to ask CMS to help them with their Meck Pre-K program, but he understood they could not require them to do anything. He asked, from a policy perspective, how could they improve their program.

County Manager Diorio said she would have to ask the superintendent her views on that. She said based on what Commissioner Griffin said they probably were doing those assessments with all they children but may not be tracking it on a district-wide basis. She said she needed to get more clarity on whether they were doing the assessments and whether they were tracking it on a district-wide basis.

Commissioner Dunlap said the Board adopted a lot of priorities that they did not control and that it was only a funding source for the people who controlled it. He said he hoped they would stop funding programs where there was no data to support its effectiveness, which would be a way to tighten the belt.

Commissioner Dunlap said they could not control CMS and what they did, only invest but they had not delivered. He said they could stop investing or continue to invest in hope to get the desired outcome, but they couldn't change the outcome.

Commissioner Leake said education was important, but they should sit on boards that would impact the community.

Commissioner Meier said most congratulated CMS because their numbers were going in the right direction. She said she agreed it was about the teachers.

Chair Jerrell said he was concerned with disparities when looking at incomes and education. He said they needed to continue to focus on housing and the talent pipeline.

The Board took a lunch break at 11:55 and returned at 12:30 p.m.

County Manager Diorio said she was proud of her staff and their hard work.

Chair Jerrell said if they looked at their priorities, and they were on track, they don't necessarily have to go down that road.

Commissioner Altman said they were working hard with Meck Pre-K, would continue to reassess, and continue if that was something that needed to be identified as a board priority. *County Manager Diorio said they funded the Board's priorities at a higher level.*

Commissioner Dunlap asked if they had a different priority, would it reduce funding or would it stay the same and to what degree would they fund something. He asked If it was just a focus, could they spend less. *County Manager Diorio said if they funded less, they would be eliminating seats.*

FACILITATED PRIORITY SETTING

The Board was invited to engage in a facilitated priority-setting exercise to determine their budget

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Priorities for the County.

- . Strengths, Opportunities, Challenges
- . Priority Identification & Selection
- . Priority Refinement
- . Alignment to County Work (Staff)
- . Board Discussion (February)

The Board participated in a priority identification exercise.

The Board discussed the potential priorities starting with the highest vote-getting priority area.

The Board discussed the agreed upon 3-5 priority areas.

Commissioner Leake made a motion, seconded by Commissioner Altman to adopt the following priorities: Seniors, Workforce Development/Upward Mobility, Health Equity & Wellness Education, Environment, and Economic Development.

The Commissioners discussed the top five voted on priorities.

The motion carried unanimously to adopt the following priorities for FY26: Seniors, Workforce Development/Economic Mobility, Health Equity & Wellness, Education, Environmental stewardship, and Economic Development/MWSBE.

The Board took a break and returned at 2:45pm.

ASPIRATIONAL GOAL SETTING

Commissioner Leake said those were the areas of concentration where they felt they could make a difference for the public and she was excited the Seniors had become a priority.

Commissioner Townsend-Ingram said there were two things sincerely important to her including health equity and wellness as well as seniors. She said they worked hand in hand as well. She said health equity, food insecurity, and housing were important to focus on.

Commissioner Powell said they were all important priorities, and she encouraged anyone, that if there was a bucket they were less fond of, to meet with each other and if there were questions regarding environmental stewardship, they could come to her and ask questions.

Commissioner Griffin said Health equity was connected to environmental stewardship. He said MWSBE, a policy and a cost would be great as well as utilizing technology. He said he would reach out about the workforce development. He said there was a skill deficit that needed to be addressed. He said they had to know how the kids were ready for kindergarten.

Commissioner Rodriguez-McDowell said the key was what came under the headings. She said childcare was a massive problem and fell under several subheadings. She said she was worried about the prenatal to 5 coming off the list.

Commissioner Dunlap said he hoped to see recommendations based on comments on how to provide services and helping to provide opportunities for aging in place for seniors. He said, regarding economic development MWSBE, an opportunity for small businesses and organizations to get a TIG or assistance to help with economic development and being able to do economic development on a smaller scale.

Commissioner Meier said she was excited for the new priorities but concerned about housing.

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Commissioner Altman said she could operationalize them to make wise decisions. She said they would continue to fund affordable housing as a value add. She said she was excited the talent pipeline continued to be a priority and did not think anyone was driving the train. She said she hoped they could get their resident expert to help drive leadership with critical partners.

Chair Jerrell said he loved the previous priorities and loved the new ones. He said they had a lot of it baked, in his opinion. He said, regarding education, he would like the focus to be on how their dollars contributed to reducing disparities and with respect to seniors, expanding adult day care and active seniors. He said their workforce was working

- Summary of the past two days:
 - Board identified County Strengths, Opportunities, and Challenges
 - Board identified Priority Areas
 - Board discussed Priority Area descriptions
 - Board discussed Focus Areas and Definitions of Success for the Priority Areas
 - OSI will send a summary of the draft Board Priority worksheets to the Board, Executive Team, and relevant Department Directors by Monday, February 3.
 - OSI will take the Board's input and facilitate additional conversations County Leadership and Staff Outcome: Identify potential alignment with existing department goals/initiatives and confirm data availability for proposed measures of success.
 - OSI will report back to the Board in February with a final proposed slate of FY2026-FY2027 Board Priorities, Descriptions, Focus Areas, and Success Indicators for review and discussion.

The Board and County Manager Diorio thanked the staff and gave closing remarks.

Motion was made by Commissioner Leake, seconded by Commissioner Griffin, and carried unanimously 9-0 to adjourn. The meeting was adjourned at 3:07 p.m.



Kristine M. Smith, Clerk to the Board

Mark Jerrell, Chair