

CHARLOTTE GATEWAY STEERING COMMITTEE
Charlotte-Mecklenburg Government Center
600 East Fourth Street, Room 266
Charlotte, North Carolina 28202

Wednesday, July 24, 2019
Beginning at 10:42 a.m.

Transcript of Meeting

Steering Committee Members In Attendance:

Tracy Dodson, Chair, City of Charlotte
Mark Hahn, Mecklenburg County, Asset and Facility Management
John Lewis, Jr., Chief Executive Officer of CATS
John Saclarides, Wells Fargo
Michael Smith, Charlotte Center City Partners
Julie White, NCDOT Deputy Secretary Multimodal
Transportation (via telephone)

Others in Attendance:

Lori Lencheski, City of Charlotte, Economic Development
Andy Miller, NCDOT (via telephone)
Klint Mullis, Charlotte Center City Partners
Brian Nadolny, CATS Development
Craig Newton, NCDOT (via telephone)
Jason Orthner, NCDOT (via telephone)
Allan Paul, NCDOT (via telephone)
Adam Rhew, Charlotte Center City Partners
Juliann Sheldon, CATS PR
Blanche Sherman, CATS
Brad Thomas, City Attorney's Office
Todd Thorne, CATS Development
Fran West, City of Charlotte

Reported by: Sally W. Lowrance, CVR-M

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Charlotte, North Carolina 28277
704.543.7995 - 888.292.4528
Fax 704.759.1502

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P R O C E E D I N G S

2(at 10:42 a.m.)

3(All present identified themselves for the record.)

4(Approval of the minutes was deferred to the next meeting

5so that the Raleigh DOT folks have a chance to review them.)

MS. 6BODSON: RFQ update, who wants to do that?

MS. 7SHERMAN: I think it could be a joint thing, but we did have

8the pre-proposal meeting, and my understanding we had about

935 people to turn out. One of the biggest questions, and

10Brian can step in, was whether it would be a conflict if the

11proposal bid on Silver Line as well as Gateway, and that is

12no. So and the proposals are due September 11th.

MS. 13WHITE: Tracy, can you-all pull the mic over to Blanche?

MS. 14SHERMAN: What I was saying, Julie, is that we had a

15pre-proposal meeting, and there was about 35 people who

16turned out, and one of the major questions was pertaining

17to whether there would be a conflict of interest if the

18proposal bidded on the Silver Line design as well as Gateway,

19and the answer to that question is no, and that was confirmed

20by --

MR. 21NADOLNY: Well, I will say that that's kind of a case-by-case

22basis, but the prevailing rule on that is there can be an

23organizational conflict of interest, and so if the firm that

24successfully bids the Silver Line design and then they also

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Have a design for Gateway, they have to make sure that there's not a conflict in terms of if one contract would prevent them from giving their full attention to the other contract. There's some other little details in the guides from MTA, but on its face I would say the answer is no, but it would be moving ahead.

MR. MADOLNY: And theoretically, the Silver Line would be an engineering firm, and this would probably be a master developer with a sub as an engineering firm, and that could be the same firm. So it would probably be the same elite.

MR. NEWTON: Brian, when are the responses due for the Silver Line design project?

MS. WEST: They've already come in.

MS. SHERMAN: Yes, they've come in.

MR. NEWTON: So what's the schedule for selecting the firms? Are there three firms or are there three segments?

MS. SHERMAN: We do have, can I say, that we have three proposals that we have received for the entire Silver Line design.

MR. MADOLNY: There's nothing about three segments.

MS. SHERMAN: It's not segregated out.

MR. NEWTON: Okay, so whoever is selected will do the entire project, including through the media?

MS. SHERMAN: Yes.

MR. NEWTON: So is there a timeline for picking one of the three?

MS. SHERMAN: Yes, it is. I don't have that time line,

unfortunately, in front of me, but the proposals are due,
I would gather -- we think they would be done within the next
30 days.

MR. NEWTON: So the responses for this RFQ are due on September
5th, correct?

MS. WEST: Correct.

MS. SHERMAN: Yes.

MR. NADOLNY: I believe that interviews are scheduled for the
firms late next week, so then they would probably select
fairly shortly after that.

MR. NEWTON: So by the time these are submitted, then we'll know
whether there is an overlapping firm and then determine if
there is any conflict?

MR. NADOLNY: That's correct.

MR. SACLARIDES: Do we see any benefit coming from the same firm
going both?

MS. DODSON: Potentially. It could be that.

MS. SHERMAN: I would think that it would be a benefit, yes. We
just have to make sure, again, that it doesn't create a
conflict of interest.

MR. NADOLNY: The biggest thing is that the Silver Line is such
a large piece of work, and we have to evaluate all of the
percentages of their employees and how much they're working
on that, and make sure that they're not saying that this
person is working 100 percent on Silver Line and then saying

the same person is working 80 percent on Gateway.

MS. WEST: Well, I think too that we we just need to remember that we are in RFQ, and when we get into the RFP stage then we'll really break that down further based on the role responsibilities and time commitments of key staff members, based on their scope of the development that is proposed. So we'll have plenty of time to have the Silver Line results in before our time line is set.

MS. SHERMAN: And negotiations and everything.

MS. WEST: Right. But as Blanche was saying, the pre-solicitation meeting I thought was very well attended. We had some really great development teams in the room, as well as the representation from our architects, engineers, and consulting community as well, so there seemed to be a lot of really great interest. And I am not aware of any more questions. We addressed a lot of questions during that. Procurement may have gone into some additional questions on which we'll follow up with Phil and we'll continue to roll out responses to this. The deadline for questions is the end of the month.

MR. NEWTON: Fran, there were a couple questions that I guess involved NCDOT whenever there was a request to make the NCDOT appraisal available. I don't know if we need to discuss that. It's a public record so any one of the team could request it to get it and be an advantage, so do we need to

consider with Phil whether to make that available as a supporting document?

MS. WEST: Yes, we can. I think where we had left it, and this is Blanche's territory, is we were going to wait for those questions to be asked in writing through our procurement process and then we would respond, and again, those would all be available. It would all go on our website. So everyone would get it, not just one team, but to the best of my knowledge, we haven't gotten those questions in writing yet, but we can check in with Phil. I normally check in with him at the end of the week and say how's it going. So as soon as we get that question in writing, unless we want to go ahead and put something out on the website today proactively or if we want to wait for a question to come in.

MR. NEWTON: I'm not on the committee, but I think we're okay waiting until there is a question, and then as long as everybody gets it confirmed or has an opportunity to get it confirmed.

MS. WEST: Yes, there's folks in this room that will wait until that happens.

MS. DODSON: Anything else?

MR. NEWTON: Fran, I'm sorry, the other thing was related to environmental investigations that NCDOT has done, and I've sent you and Phil the matrix of the study of which parcels they covered, and there are, gosh, 20 of them, I think, and

40 if a request comes in for those then we'll have to
41 deliberate on which ones to make available and which ones
42 summarize, et cetera.

MS. WEST: And again, I think the deadline for questions is July
43 31st, so we'll know very shortly what will come out. And
44 we have two weeks after that to submit our final responses,
45 so that will give us adequate time I think to properly go
46 through those and decide what we're going to give out.

MS. DODSON: I think that regardless, if it doesn't come through
47 on a question and if it doesn't go out in the RFQ, it's going
48 to come up with the RFP, so finding a way to summarize --
49 because it felt like when we were talking about it last week
50 it might be a little bit scattered. Craig, you'll have to
51 correct me if I'm wrong, but we might have different levels
52 on different parcels and things like that, and so is there
53 a way to summarize, just quickly summarize what we have on
54 what parcels?

MR. NEWTON: And I think the biggest thing, Tracy, is those
55 developers will want to know what is left to be done, and
56 I think with our geo-environmental unit we can put something
57 together that summarizes that.

MS. WEST: And while we were talking, John Lewis came in, and
58 he's here right now as well.

MR. LEWIS: Good morning, everyone.

MS. DODSON: Anything else on the RFQ update?

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(No response.)

MS. DODSON: All right with that we have affordable housing next.
Bran, I'll give that to you.

MS. WEST: Yes, so affordable housing, this is something that
NCDOT asked that we discuss today. I do think that it is
something that is very ambiguous in a sense, and it relates
back to when the City of Charlotte, for just the County's
parcel, there was a requirement as a part of that purchase
for affordable housing. I'll let Brad Thomas explain a
little bit about that and the language that's in the deed,
and then I really want to talk about the intent behind it,
as well as the development community now has an opportunity
to do this one of two ways. They could take down the initial
South End main block or they could take down all of the land
offering. And so I think under each scenario it may be a
little bit different in how it's interpreted, so I just
wanted to talk through that so we understand but also to get
NCDOT some assurances as well about how this can all play
out.

MR. THOMAS: Okay, so the affordable housing is in the deed
between the County and the City, and it's one of the
restrictions in the deed, and so this requirement or this
restriction is only between the County and the City. So the
property that NCDOT owns is not subject to the affordable
housing requirement. The restriction does define an area

where the restriction can be imposed, but once again, that would be only property that the City would own. So in the event that the City does acquire additional property between the 9th Street block and the south block, or I think it's AMI that we have designated in our RFQ, then that additional property, if it's within that area, we could impose that restriction on that property. It does permit that. But it requires 40 units or 15 percent, whichever is greater, if that property has residential units as part of the development. So that's it in a nutshell.

MS.1DODSON: Say that last sentence again?

MR.1THOMAS: So the requirement is 40 units or 15 percent, whichever is greater, and I'll read that: So 40 housing units or 15 percent of the project's total residential development, whichever number is greater, affordable to families earning at or below 80 percent of Charlotte, North Carolina area's median household income as determined annually by the U.S. Department of Housing and Urban Development.

MR.2ACLARIDES: 40 percent of the median?

MR.2THOMAS: 40 percent.

MR.2ACLARIDES: So it's like 267 units?

MR.2THOMAS: I'm sorry, 80 percent, I apologize, so 40 units and 80 percent of AMI.

MR.2HAHN: 80 or below, or up to 80, or at 80 and below, or a

minimum of 40 units.

MR. SACCLARIDES: It would be 267 units by the time you get to the greater of, for the percent to take precedent.

MR. HAHN: If you have over a thousand units, yes.

MR. SACCLARIDES: So I was unclear, but you can expand?

MR. MADOLNY: Right, so like I said before, this only applies to the property that the City acquired from the County. This would not be imposed on the property that is owned by NCDOT. So however, if the City did acquire additional property through this transaction, then we would be permitted through this restriction to do that affordable housing on that additional property, meaning that we don't actually have to do it on either the main block or the south block.

MR. SACCLARIDES: The transfer, got it.

MR. MADOLNY: Right. There's more flexibility within that area.

MR. HAHN: Or you can distribute it over all three or however many blocks you have.

MR. LEWIS: So Brian, let me ask, so you mentioned that if the City acquired additional property. What if the developer acquired additional property and agreed to do affordable housing but on some other piece of property and not any of the City's property, would that meet that transfer?

MR. MADOLNY: I think that we would have to check in with the County to make sure that we were on the same page about that,

whether it meets the intent of this requirement. I think that the goal was --

MR. BEWIS: And what I mean when I say other property, I don't mean somewhere else in the city but adjacent. So if the developer acquired the DOT property rather than the City, would that transferability also be relevant?

MR. NADOLNY: Yes, I think, like I say, I think we'd have to check in with the County to make sure that we're on the same page, but the idea of what this restriction was, one, to give the city flexibility in order to impose it because we knew we had a larger area than just those two parcels, but also obviously to include affordable housing in the project.

MS. BODSON: And I think that was the intent. You know, when we purchased it was the most southern block. We had no idea what might come in on that so we didn't want to force the housing to have to be there. We recognized that this project is more of a district concept so we wanted some flexibility. The way I've always looked at it, if there was additional property, which we talk about all the time, that was brought onto it but it still could fall into the district intent, that hopefully the County would consider that too.

MR. HAHN: I think that follows the intent, yes. I think one would have to look at it to make sure that it is truly part of the development, not five blocks over or something like that, but generally speaking I think that's the intent, and

there's precedent for that in other deals.

MS. WEST: NCDOT, do you have any questions?

MS. WHITE: I'm just trying to understand what the developer understands about the affordable housing and where it goes from the published document.

MS. SHERMAN: That would be included in the RFP details, the minimum requirements.

MS. WEST: Yes, I second what Blanche says. We did keep it very vague in the RFQ because we wanted to allow ourselves to continue to have flexibility with how residential and affordable housing is handled. When we get into the RFP stage and we provide additional information that will help them put together their development program, I think this is where we'll elaborate on what the affordable housing requirements and commitments will be along with other things, as well that we need to provide additional design guidance on. And so that's what I would assume, but I'm open to other thoughts on that as well.

MS. WHITE: All right, thank you.

MS. DODSON: Anything else on affordable housing?

21 (No response.)

MS. DODSON: Okay. With that, are there any other business items that we need to discuss? Fran, Brad, John?

MS. WEST: I don't think so. I mean we are right now in a waiting period, a holding period. The only thing that I would say,

as we continue to get questions I think that we will collaborate together between all of us on the steering committee to make sure that we answer those appropriately with the best information we have available, so we'll continue to work that in the background. And then we should know our next meeting will be in August, and so I think that maybe some of the items that I would like to bring forward in our August meeting, again working with our team to figure out what detail we want to include in with RFP, and so I think that would be some good discussion at our next steering committee meeting, and that's what this team will continue to work on in the background.

MR.1BAHN: So we are drafting the RFP now?

MS.1WEST: Yes.

MR.1BAHN: So that once we get in the responses, we're able to do quick returns?

MS.1WEST: Yes.

MR.1BEWIS: So have we started to receive questions from potential proposers?

MS.2SHERMAN: Some questions.

MR.2LEWIS: So normal process for is that at some point we've received enough questions, we send out a global response so that everyone has it. I think that will be helpful to provide not only the questions but the answers to the committee members.

MS. WEST: Right.

MR. LEWIS: And so we the team will determine when they provide those answers, because we have to give developers enough time to respond to our response, so we'll have to figure out a way to get that information out to committee members.

MS. WEST: Yes, because on our distribution list we have a lot of developers and people who signed in at the pre-solicitation meeting but not you guys, so we'll make sure that when we send out those responses it goes to our steering committee members as well.

MR. SMITH: Is there anything that you would like us to attend, like that conference? Is that something that would have been helpful for us to attend?

MS. WEST: This pre-solicitation meeting was very general and it just gave a brief overview of the project. We had received three questions at that point, and we responded verbally at the meeting and followed up with our first addendum that took those responses and put them in writing.

MR. SMITH: Maybe when we get to the RFP conference, that might be instructive to all of us to hear some of the questions that are coming in. Like one of the things on affordable housing that I think we may want to get ahead of is if you think about any developer of affordable housing now, they carry a great concern about tying up the land before they know their capital stack. So if we as a community truly want

affordable housing here, let's look at what are the great gains of affordable housing developers and that's understanding, like, how is a trust fund going to participate. You know, now we have these new tools that have been put together in partnership by large financial institutions and the foundation. What role would they want to play in developing affordable housing here? I think it would just make it easier, and it may keep a couple of proposers at the table, because this adds another level of complexity. If we can remove that level of complexity, I think we will get more interest.

MS. WEST: And I think that's a really good topic for our meeting in August, as well as talking about those issues.

MS. WHITE: Tracy, we wanted to let you know one point of information and then a question. We are all planning to attend our August 21st meeting in person so I wanted to share that. We're going to make the trip to Charlotte and also do a site visit so just to let you all know that. And then the question is, can you all speak to us about what the timeline is after the RFQ closes on September 11th, what the next step in the time line will be, how long we'll have to review the proposal and stuff?

MS. WEST: I'll let Blanche answer that.

MS. SHERMAN: What we plan to do at this point is to release the RFP in November of 2019 with a deadline for the proposals

to be submitted on March of 2020 and a target start date late summer or fall of 2020.

MR. SMITH: I'm sorry, can you say that all over again?

MS. SHERMAN: For those who are on the phone, to release the RFP November of 2019. The deadline to submit their proposals is March of 2020 and a target start date in regards to the project, a notice to proceed, is late summer or fall of 2020.

MR. LEWIS: Blanche, when is the RFQ responses, start with that?

MS. SHERMAN: They are due September 11th.

MR. LEWIS: September 11th; then we will release November.

MS. SHERMAN: Yes, that's the plan.

MR. HAHN: So the duration between selection and then starting, what do you mean by start a project? Is that selection, is that start design, what does that mean?

MS. SHERMAN: Are you talking in the RFP stage?

MR. HAHN: Whatever the last thing you mentioned.

MS. WEST: The target start date.

MR. HAHN: Yes, to finalize the development agreement, when was that?

MS. WHITE: Blanche, can you speak to what the time period will be between September 11th and November, so when will the committee receive the proposals, how long will we have to get them? We want to start getting some blocks over here in this end.

MS. SHERMAN: Okay, what we have dated now is, again, receive

the proposal September 11th, and then we do have a date identified October 16, 2019 to shortlist the respondents, have that announced.

MS. WEST: And I can add a little bit of context to that, Julie. At our last steering committee David was here in person. It was in June. I don't believe you were on the phone, but we did come up with a very aggressive schedule to get the RFQs in and released for a short list announced. We can go ahead and put some dates on the calendar just for our evaluation meetings. As soon as these come in, I think that Blanche will make us all sign confidentiality requirements and there will be a very well-defined procurement process. We can get you those dates and a detailed schedule pulled together. You're 100 percent correct, we do need to go ahead and get those dates on the calendar, but it will move quickly. It will move quickly, and that was again very -- we bumped up the schedule at the last meeting at David's request to get that even more aggressive than we had it. The October 16th meeting is a steering committee meeting and that is why that will be announced then. So we will have one meeting, the September meeting, in person for the steering committee between when the RFQs are received by tax procurement and when we announce the following.

MS. WHITE: So I think if I understand right, what you will get shortly are some dates for between September 11th and

October 16th, when we'll get this NDA and turn it back around,
and we'll get the proposal so we can start to vet that when
we'll meet again, that kind of thing?

MS. WEST: Correct. And Brad, I don't want to overspeak, but
we need to think through the evaluation process as a
committee because everything that we do is public. Brad,
I think, is going to look into going into closed session,
per se, but right now this is a public committee and so the
evaluation would be in public. So I don't know how exactly
we'll handle that, but I'm sure Brad can come up with a
creative solution.

MR. THOMAS: And in addition to that, if we do set any dates for
the committee to meet, we are subject to open meetings laws,
so we'll have to publish those dates because the public has
right to attend.

MS. WEST: And that's if there are four or more committee members
meeting at one time. So we'll have to think through the
evaluation process together and come up with a way that is
fair and respectful to evaluate them.

MR. SMITH: That's interesting that open meetings rules would
apply to a procurement process.

MR. THOMAS: Yes, this is unusual because we are set up as a
public body for this and so we are doing the function that
is a little different in terms of procurement function as
opposed to just approving something.

MS. DODSON: Do we have a right for a closed session of any type?

MR. THOMAS: So that's what we need to look at, to see if there's
a way for an economic development angle for us to use to see
if we can legally go into closed session under that
authority, so that's what I want to explore.

MR. FAHN: The thought of having proposers in the room as you're
making proposals, which they would be allowed to attend,
doesn't really make sense.

MS. DODSON: Yes. And the idea that we have to do multiple
small-group discussions would be cumbersome.

MS. WHITE: Can you-all speak more to the point of are you still
exploring what's under an NDA, is that what you mean by that?

MR. THOMAS: I'm not sure what you mean by NDA, but in terms of
where the committee could evaluate the proposals in a closed
session, where the public or other proposers would
conceivably be allowed to be present and hear the
deliberations and that sort of thing. So we need to explore
that to see if under North Carolina law we have the ability
to go into closed session and actually score or evaluate the
proposals.

MS. WEST: And the form that I was talking about, Julie, is one
that I would assume they would have to all sign to, which
is that we do not have a conflict or a financial interest
in any of the firms that we're evaluating and that we're going
to do this unbiased and everything like that. It's not

necessarily an NDA but it is something that --

MS. SHERMAN: Clears you.

MS. BODSON: Conflict of interest.

MS. WHITE: If you-all want to go and send that now, we can knock it out for you.

MS. WEST: No problem.

MR. HAHN: Just a question about how the body was set up and whether it would make any sense to re-look at that or whether it would make sense to reconstitute a new body when you go into the RFP and evaluation process as other options to look at legally.

MR. NEWTON: Brad, I'm curious what the committee members will get in the way of an evaluation form, or how does that work? Will there be a spreadsheet that has multiple worksheets for each committee member and the scores and weighting scores and all that?

MS. SHERMAN: Yes.

MR. NEWTON: So basically each committee member could receive the statements, review them, assign a rating/ ranking to each one and email it back to the City to compile, and there will either be a consensus or there won't be, and if there isn't then that's when the public or nonpublic discussion has to occur or not?

MS. SHERMAN: Right, and it still will be a formal meeting to go over your scoring and your evaluation.

MR. NEWTON: So I think the RFQ says the short list will be announced on October 16th, but if that's the committee date, will the committee on that date be voting on the shortlisted firms and announcing them the same day?

MS. SHERMAN: That was the plan originally, yes.

MS. WEST: And so we may need to have a meeting in advance of that to go over the scoring. So the 11th is when the proposals are due in September. The following Wednesday, the 18th of September, is a regularly scheduled steering committee date. I don't know if turning these around in a week and debating them in a public body is what we want to do, but just to note, the following week is a regularly scheduled committee meeting. So maybe if Brad does find a way to get us to go into closed session maybe that is when we do that, and it would be a limit of time for us to review them in a week but it may be the easiest.

MS. SHERMAN: We have some tentative dates but we haven't verified them.

MR. SMITH: I've got confidence in Brad.

MS. WEST: I've got confidence in Brad as well.

MS. DODSON: Me too.

MR. THOMAS: We still need to appreciate the difficulty of doing that in an open session right, so I understand.

MR. SMITH: So quick question, on the Pulp Building being developed by Northwood Ravin and Northwest Mutual, are we

in conversations with them just to make sure that we've got
complementary development if they're under active
construction at this point?

MS. DODSON: Yes, I've got a meeting on my calendar. I was
looking for when it is, set up with David. It must be next
week just to touch base on that and scheduling, things like
that.

MR. BAHN: Maybe he wants to do 40 affordable housing units.

MS. WEST: He'll do that for the County as a favor.

MS. DODSON: If there's not anything else, I think the meeting
is adjourned unless there's something else.

MS. WEST: So our next meeting will be August 21st at 10:30, and
BOT will be in the room, which will be great. Looking
forward to having you guys.

(WHEREUPON, the meeting was adjourned at 11:15 a.m.)

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STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

CERTIFICATE OF REPORTER

I, SALLY W. LOWRANCE, CVR-M, do hereby certify that the
foregoing proceeding was taken and transcribed under my
supervision and direction, and that the attendees were present
as stated.

I do further certify that the foregoing 23 pages
constitute a true and accurate transcript of the proceeding.

This the 5th day of August 2019.

SALLY W. LOWRANCE, CVR-M

Notary #19971610098