



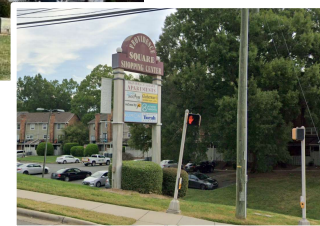
PROVIDENCE SQUARE REDEVELOPMENT

CITY COUNCIL

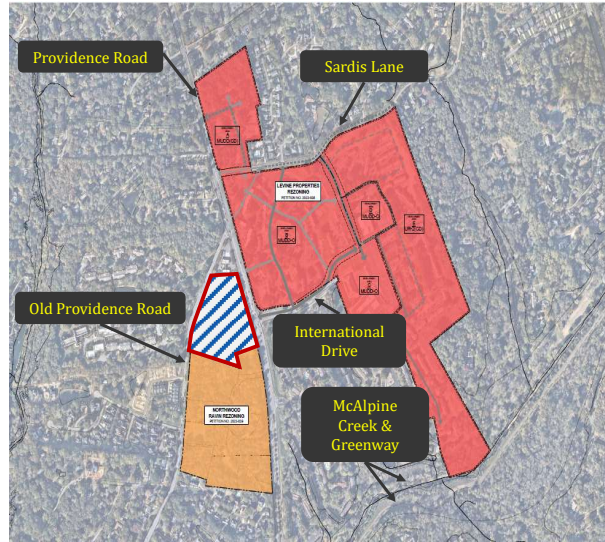
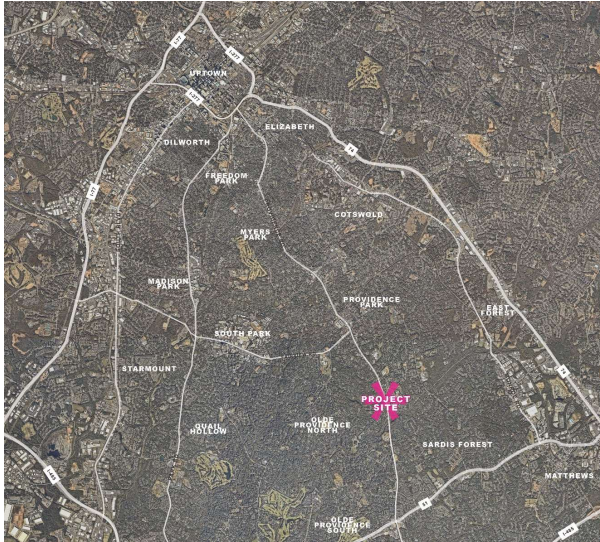
DECEMBER 9, 2024

Overview

- ◀ Unique revitalization of 105 acres along Providence Road
- ◀ Walkable restaurants, entertainment, services, enhanced open spaces, and direct greenway access for nearby residents
- ◀ New mixed income housing and commercial uses supporting 10-minute neighborhoods

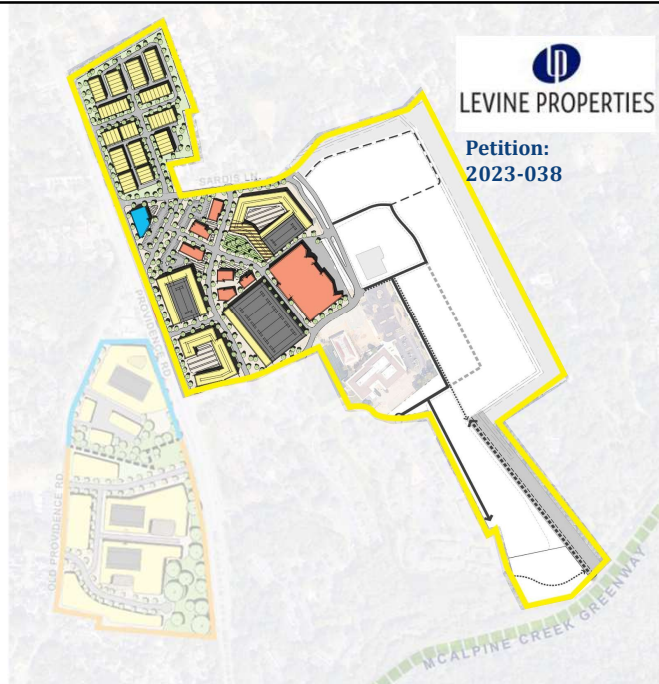


Overview



Redevelopment Overview

- ◀ Coordinated rezonings
- ◀ Levine Properties (~85 acres)
 - Grocery – 100k SF
 - Retail – 80k SF
 - Office – 45k SF
 - Recreation/Day Care – 28k SF
 - Townhomes – 125 d/u
 - Workforce/affordable housing – 108 d/u
 - Market rate multifamily – 879 d/u



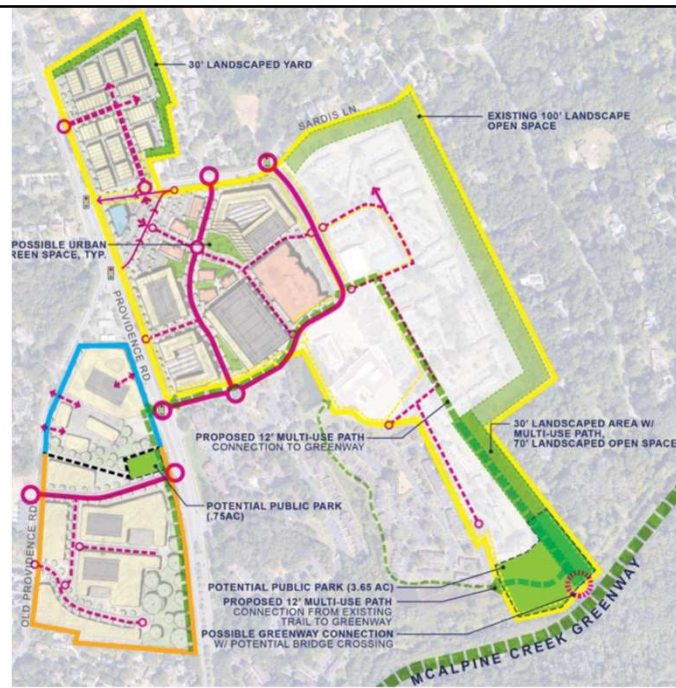
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- ◀ Northwood Ravin (~20 acres)
 - Townhomes – 95 d/u
 - Market rate multifamily – 650 d/u



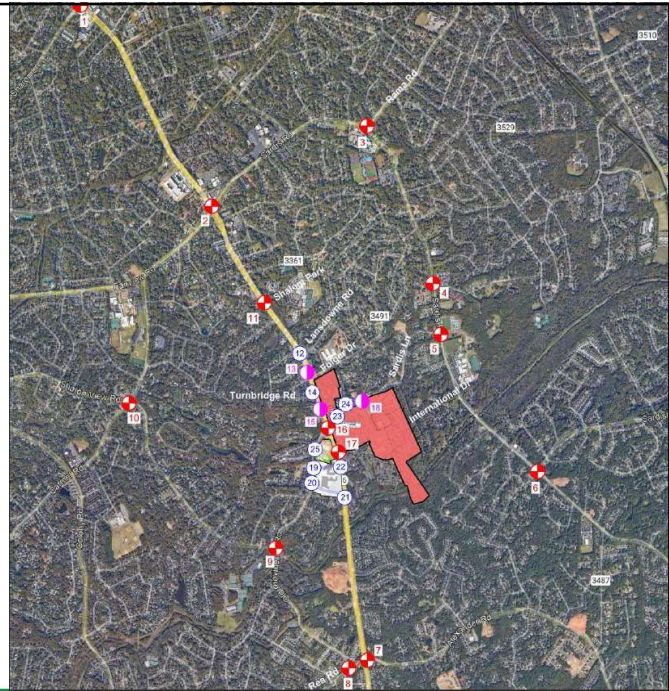
Overview of Public Benefits

- ◀ Supports housing goals
 - 108 units with household income limitations for 15 years
 - 100 for households earning up to 80% of AMI
 - 8 for households earning up to 60% of AMI
 - Developer contribution towards affordable housing - \$500k
- ◀ Supports MWSBE inclusion
 - MBE – 15% | WSBE – 10%
- ◀ Supports sustainability & environmental goals
 - Stabilized water/sewer usage, mobility hub/Electric Vehicle charging, ped/bike facilities
- ◀ Supports open space & park initiatives
 - 4.4 acre park land donation
 - Monetary contribution to park activation (\$1M)
 - Greenway bridge and multi-use path and trail improvements
- ◀ Supports public safety
 - Option to acquire land
- ◀ Supports increased mobility & accessibility
 - Facilitating connections between:
 - Providence Road and Sardis Lane
 - Old Providence Road and Providence Road



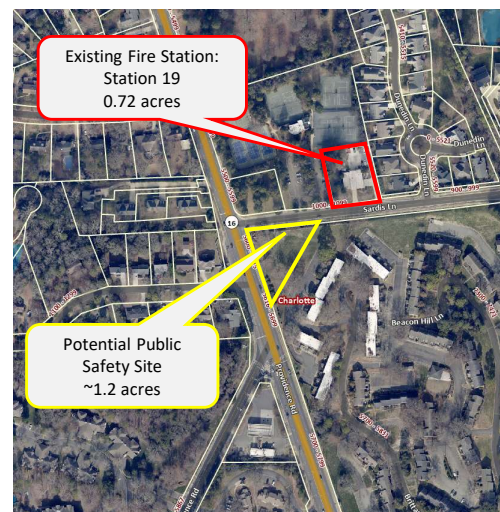
Traffic Mitigation & Transportation Improvements

- ◀ **Providence Road corridor and additional access management**
 - 2.1 miles of corridor improvements
- ◀ **New traffic signals, medians, lane modifications, new and upgraded pedestrian crossings**
 - Signalization modifications/additions increase safety
- ◀ **Increased connectivity, mobility, and accessibility**



Land Option

- ◀ **Previous considerations**
 - Developer builds a new fire station and leases it to the City with specific terms to be decided at a later date
- ◀ **Revised terms:**
 - Levine Partners will extend an option for the City to acquire the 1.2-acre parcel within 5 years
 - The acquisition price will be 80% of today's fair market value as determined by an agreed-upon appraisal process
 - If option not exercised by Year 5, City can extend the option for 2 years
 - *Extension triggers a new appraisal and value adjustment*
 - *The price would be 80% of the appraised value at the time the City exercises the option*
 - *The City will reimburse Levine Properties for the real property taxes they paid for this site in years 1 through 5*
 - Levine properties will have first right of refusal should the City decide to relocate Station 19 and sell the land under the existing fire station



Proposed Public/Private Funding Allocation

Uses	
Park Land Donation (+/- 4.4 acres)	\$2,900,000
Park Activation Contribution	\$1,000,000
Multi-Use Path Connecting McAlpine Creek to Mixed-Use Village	\$3,000,000
Multi-Use Bridge Spanning McAlpine Creek and Connecting to Greenway	\$2,500,000
Contribution to Walking Trails	\$250,000
Workforce Housing – Value of New Units	\$11,200,000
Developer Contribution for Affordable Housing	\$500,000
Providence Road & Other Off-Site Public Street Improvements	\$12,500,000
Providence Road Corridor Access Management Improvements	\$2,200,000
Additional New Public Network Road and Pedestrian Infrastructure	\$33,500,000
Land Discount	20%(+ carry)
Total - Uses	\$69,550,000
Sources	
Developer Contributions	\$50,550,000
Infrastructure Improvements - City TIG	\$6,877,839
Infrastructure Improvements - County TIG	\$12,122,161
Total - Uses	\$69,550,000

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Tax Increment Grant Policy

- ◀ Grants are made on a reimbursement basis only based on new incremental taxes within a defined increment area
- ◀ Justification of use – “Public Purpose”
 - Infrastructure investment
 - Gap financing
 - Public asset/building
- ◀ Traditional grant terms
 - 45% or 90% of incremental taxes
 - Up to 10 years
 - *Have gone longer depending on need and priority*
- ◀ Capacity
 - Aggregate of all projects is limited to 3.0% of the annual property tax levy of any given year



Proposed TIG Terms

\$490M – incremental tax base created by build-out (~2033)

- ~\$1M+ - annual net incremental City tax revenue
- ~\$20.7M - net new tax revenue over 20 years (after TIG payments)

◀ TIG Terms:

- 45% of incremental taxes
- 15 years
- Not to exceed \$19M (plus interest)
 - *City - ~\$6.87M*
 - *County - ~\$12.12M*
- Developer responsible for any cost overruns
- Leverage ratio (City) – 1:71

◀ MWSBE Utilization

- MBE – 15%
- WSBE – 10%

Return on Investment



Schedule

◀ P3 proposal introduced to County's Economic Development Committee on 10/15

- Follow up presentation was on December 3
- Anticipated BOCC decision in January

◀ City schedule for review, discussion, and decision

- Rezoning
 - Zoning Committee – 11/7
 - Rezoning Decision – 12/16
- TIG Discussion
 - Introduced TIG proposal to Jobs & Economic Development Committee – 11/4
 - Jobs & Economic Development Committee – 12/2 (referral to 12/9 Council Meeting)
 - Council Decision – 12/9

Next Steps

◀ Requested Council Actions:

- Authorize the City Manager, or his designee, to negotiate and execute an infrastructure reimbursement agreement with LNR Development, LLC for the construction of public infrastructure in an amount not to exceed \$19 million to be reimbursed through 45 percent of incremental City and County property taxes from a designated area over 15 years, or until fully reimbursed, whichever occurs first, and
- Adopt a resolution approving an Interlocal Agreement with Mecklenburg County for the Providence Square Infrastructure Reimbursement Agreement

QUESTIONS / DISCUSSION