



Scaleybark South Village Development Agreement

City Council Briefing

May 14, 2018

Today's Briefing

- ▶ Background
- ▶ Project Status
- ▶ Staff Recommendation
- ▶ Next steps



Background

- ▶ In June 2007, **Council approved the sale of 16-acres at the LYNX Scaleybark Light Rail Station, to Scaleybark Partners, LLC** for TOD development
- ▶ Scaleybark Partners, LLC's **original TOD development concept** included:
 - ▶ 25 acres
 - ▶ 1,194 residential units
 - ▶ 105,000 sq/ft retail
 - ▶ 100,000 sq/ft office
 - ▶ .71 acre Park
 - ▶ 120 room hotel
 - ▶ Parking: 2,166 structured spaces; 4 decks

Background

- ▶ **2007 General Development Agreement between City and Scaleybark Partners, LLC for the 16-acre sale of City property included:**
 - ▶ 80 affordable housing units
 - ▶ Temporary Park & Ride facility
 - ▶ Permanent Park & Ride facility with 315 spaces
 - ▶ Linear Park open space
 - ▶ Streetscape improvements along South Blvd.

Background

- ▶ **Scaleybark Partners, LLC has completed the following per development agreement:**
 - ▶ Development concept to include office, retail, hotel, multifamily and townhome units
 - ▶ Temporary Park & Ride facility
 - ▶ Linear Park open space
 - ▶ Streetscape improvements along South Blvd.
 - ▶ Additionally, a master storm water detention pond has been developed, in cooperation with City
- ▶ **Outstanding Items:**
 - ▶ **Permanent Park & Ride facility**
 - ▶ **80 affordable housing units**

Background

2007



2018



Background



Background

On March 26, 2018, Council approved a 60-day extension to allow staff time to renegotiate existing deadlines and to finalize vision for outstanding items.

Parking Project Status

- ▶ **Scaleybark Partners, LLC has completed the following per development agreement:**
 - ▶ Temporary Park & Ride facility
 - ▶ 274 spaces currently available
 - ▶ 2 Bus Bays
- ▶ **Outstanding Items:**
 - ▶ Construct a Permanent Parking Facility
 - ▶ 315 Dedicated Spaces for Transit Riders
 - ▶ 2 Bus Bays
 - ▶ Construct a Second Temporary Park & Ride (Possible)

Parking Project Status

Following the March 26 extension, City staff and the Company discussed three scenarios:

- ▶ All 3 options included construction of the 315 spaces for transit riders
- ▶ The location of the parking varies from Blocks B/C
- ▶ The type of parking facility is undecided

Parking Recommendations

Details:

- ▶ May be constructed as part of a surface lot or parking Garage/Deck
- ▶ Construct within 2-years of the date necessary sewer capacity is established (Anticipated Date – 2021)
- ▶ City Maintains control regarding location of spaces dedicated to transit riders
- ▶ City Remedies:
 - ▶ Specific performance
 - ▶ Monetary penalties
 - ▶ Reversion of the Necessary Property Rights

Housing Project Status

Original Agreement:

- ▶ Company to construct 80 affordable units
 - ▶ 24 units serving 30% AMI
 - ▶ 56 units serving 60% AMI
- ▶ Construction contingent on approval of Low Income Housing Tax Credits (LIHTCs) in partnership with CMHP
- ▶ Failure to secure LIHTCs and constructing units results in \$2 million penalty at 4% interest per annum

Housing Project Status

Following the March 26 extension, City staff and the Company discussed three scenarios:

1. Provide standalone 80-unit workforce housing project; unit mix and AMI levels to be agreed upon by City. *(Public financing likely required)*
2. Deed parcel of land to City for workforce housing *(Public financing likely required)*
3. Pay monetary penalty

Housing Recommendations


Scaleybark Partners, LLC to **deed approximately 2.31 acres to City** that will accommodate 80 units of affordable/workforce housing and include 70 dedicated parking spaces (Block B/Dewitt Lane Parcel)

Details:

- ▶ Approved appraisal demonstrating value of at least \$2.4 million
- ▶ If appraised value is less than \$2.4 million
 - ▶ Company to pay difference, or
 - ▶ If more than 10% less than \$2.4 million, Company may elect to have a 2nd appraisal conducted
- ▶ Appraiser mutually agreed upon by both City and Company
- ▶ Cost of appraisal to be shared equally by City and Company

Housing Recommendations

Details (continued):

- ▶ Land must be unencumbered
 - ▶ Units will be restricted to serving 80% AMI levels or below
 - ▶ Reasonable cooperation to facilitate installation and connection of infrastructure to fully connect to detention facility on adjoining land
 - ▶ Easements required for construction and ongoing maintenance
 - ▶ Architectural renderings and site plans will meet local and NC Housing Finance Agency design and code requirements
 - ▶ City agrees it has no interest in, or restriction upon, Block C
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Next Steps

- ▶ May 30, City Council to take action on the amended General Development Agreement with Scaleybark Partners, LLC, and
- ▶ Authorize City Manager to negotiate and execute the amendment