

## Legislation Text

---

File #: 15-17721, Version: 1

---

### SouthPark Municipal Service District

**Action:**

**Adopt an ordinance approving the creation of the SouthPark Municipal Service District.**

**Staff Resource(s):**

Tracy Dodson, City Manager's Office

**Policy**

- State law allows cities to create municipal service districts (MSDs) to promote economic development and/or provide services at a higher level in the district than provided for the entire City.
- Urban development/redevelopment areas are one of the municipal services for which a district can be created.
- MSDs are funded through an assessment on all property owners within the district boundaries. All the money raised by the MSD assessment must be spent on district enhancement programs.
- The City currently has MSDs in Center City, South End, and University City.

**Explanation**

- According to NC General Statute Section 160A-537(f), "no ordinance defining a service district as provided for in this section shall be finally adopted until it has been passed at two meetings of the city council by majority vote of the voting members present, and no service district shall be defined except by ordinance."
- At the March 28, 2022 Business Meeting, City Council unanimously adopted the ordinance approving the creation of the SouthPark Municipal Service District.
- This action requests the second of two required approvals by City Council.
- Upon this approval, the MSD will be finally adopted with an effective date of July 1, 2022.
- In 2016, members of SouthPark's business community began discussions to create a municipal service district (MSD) in the SouthPark area to enhance the economic vitality of the area.
- SouthPark Community Partners is the leading business and community advocacy group for the creation of the SouthPark MSD. This group of business and community leaders have participated in SouthPark studies and intend to lead efforts to enhance the SouthPark community. City of Charlotte staff have served as support to the group as they explore the establishment of an MSD.
- Since 2000, there have been several studies completed to address the future of SouthPark. Implementation strategies in each plan have recommended the use of an MSD as an effective and appropriate tool to support a successful vision for SouthPark. Completed SouthPark publications include:
  - 2000: Charlotte City Council's SouthPark Small Area Plan,
  - 2010: City of Charlotte's Centers, Corridors, and Wedges Growth Framework,
  - 2016: Urban Land Institute's (ULI) SouthPark: Envisioning a More Walkable, Multimodal, Future for SouthPark,
  - 2018: City of Charlotte's Community Neighborhood Improvement Plan (CNIP), and
  - 2019: The Loop Framework Plan.
- Following a review of several options, the proposed boundaries of the SouthPark MSD are focused on the commercial core of the area.
- The proposed MSD tax rate would be four cents per \$100 in valuation, which would generate an

estimated \$1,350,000 annually. This funding would be used to hire administrative personnel; provide advocacy, marketing, and promotion efforts; enhance safety; implement capital investments; and support other economic development initiatives identified through the previously completed SouthPark studies.

- The SouthPark Community Partners has requested that the SouthPark MSD be effective beginning on July 1, 2022. To meet this request and enable the City to follow required statutory guidelines, staff proposed the following process for considering creation of this district:
  - December 13, 2021: Council action to prepare MSD report (completed),
  - January 28, 2022: City notified affected property owners about MSD (completed),
  - January 28, 2022: The City finalized and distributed the MSD report (completed),
  - February 28, 2022: Council conducted public hearing (completed),
  - March 28, 2022: Council ordinance review- first reading and approval, and
  - April 11, 2022: Council ordinance review- second reading and approval.
- The City is required to prepare an MSD Finding of Need (FON) report before conducting the public hearing. This report documents proposed district boundaries, tax rate, and plan for providing services. The report was completed and made available through the City Clerk’s Office beginning on January 28, 2022. It was also distributed to Council and key stakeholders.

### **Boundaries**

- The SouthPark MSD boundary follows property lines and includes properties south of Scofield Road and Wickersham Road, west of Sharon Road and Cameron Valley Parkway, north of Sharon View Road, and east of Park South Drive.
- Based on significant feedback from residents, the Piedmont Row condominium community is excluded from the MSD boundary.
- State law outlines several guidelines for determining boundaries of municipal service districts. Properties within the SouthPark MSD boundaries must satisfy at least one of the following guidelines:
  - Location in or surrounding existing or redeveloping concentrations of retail, office, or significant employment-generating uses,
  - Surrounding major institutional uses, such as a university or hospital, and
  - Location within 1,500 feet of major transportation and transit corridors, except for residential parcels which must be within 150 feet.

### **Future Actions**

- If approved, Council would set the MSD tax rate as part of the annual budget ordinance. Pursuant to the statutes, Council’s action would be effective on July 1, 2022.
- To provide short-term organizational support for the establishment of the SouthPark MSD during the “pilot year” the City intends to partner with SouthPark Community Partners, a non-profit organization that has been created to administer these services pending Council approval of the district, to provide the outlined services via a Procurement Waiver.
- A formal RFP process to select a contract provider will be issued in a timely manner to be completed prior to the start of year two.

### **Community Input**

- SouthPark Community Partners recommended the proposed boundaries, tax rate, and preliminary work plan for a SouthPark MSD, following engagement and support during several planning initiatives focusing on the SouthPark neighborhood that have been completed since 2016.
- In March 2021, SouthPark Community Partners began a four-week process to gauge local interest. SouthPark Community Partners has received letters of support for the creation of the MSD from both large and small property owners, as well as South Park Association of Neighborhoods (SPAN), a non-profit organization established in 2017, to advocate on the area’s residential neighborhoods.
- As part of the public notification process, nearly 750 letters were sent in late-January 2022 to

all property owners within the district notifying them of the proposed MSD and the date, time, and location of the public hearing.

- A legal notice about the public hearing and map of the area was published in The Mecklenburg Times on February 8, 2022 and February 15, 2022. The FON report, documenting the MSD proposal, was also available in the City Clerk's office and electronically.
- A public hearing on the proposed SouthPark MSD was held on February 28, 2022. Three members of the public spoke in favor of the proposed MSD. One member of the public spoke against the proposed MSD.
- Following engagement with residential property owners, the Piedmont Row condominium community is excluded from the MSD.
- The Clerk's office received three other requests for exemption from individual property owners, including two owners from the Morrison 721 condominium community and one owner from the Trianon condominium community.
- There continues to be communication and collaboration with SouthPark community residents, developers, business owners, and tenants. The existing Loop website (<https://www.theloopclt.org/>) is being expanded to include a page dedicated to the MSD. The webpage will be used to share the latest information and provide a central location to gather input.

**Attachment(s)**

Ordinance

FON report on SouthPark MSD

Exhibit A - MSD Map

Exhibit B - MSD Parcels

Exhibit C - MSD Excluded Parcels