

Legislation Text

File #: 15-21011, Version: 1

Dixie Berryhill Infrastructure Improvements Phase II

Action:

- A. Approve updated terms to the 2017 River District Tax Increment Grant with Crescent River District LLC for future infrastructure improvements from \$15,000,000 to \$25,000,000,**
- B. Authorize the City Manager to negotiate and execute an Infrastructure Reimbursement Agreement with Crescent River District LLC for public improvements along Garrison Road North, in an amount not to exceed \$27,000,000, which is expected to be reimbursed in multiple Future Bond Referendums, or in a combination of payments from other municipal sources of funding,**
- C. Authorize the City Manager to negotiate and execute an Infrastructure Reimbursement Agreement with Crescent River District LLC for design and construction of a 16-inch water main along Garrison Road North, in an amount equal to 50 percent of the approved overall project cost, not to exceed \$900,000 which will be reimbursed through the Charlotte Water Capital Investment Plan, and**
- D. Authorize the City Manager to negotiate and execute an Infrastructure Reimbursement Agreement with Crescent River District LLC for design and construction of Phase III of the Beaver Dam Creek trunk sewer, in an amount not to exceed 34 percent of the approved overall project cost, not to exceed \$400,000 which will be reimbursed through the Charlotte Water Capital Investment Plan.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
Lilias Folkes John, Economic Development
David Czerr, Charlotte Water

Explanation

- This agreement is contingent on the city securing a successful public private partnership with Beemok Sports as the new home for the Western & Southern Open on over 50 acres in the River District.
- Crescent River District LLC (Developer) plans to redevelop approximately 1,380 acres on the west side of Highway 485 through development of a master planned community for office, retail, hotel, and a variety of residential uses, with specific pedestrian and environmental commitments.
- In November 2016, City Council approved the River District rezoning, Rezoning Petition #2016-056, which includes municipal improvements within the planned development through the city's Capital Investment Plan (CIP) and Tax Increment Grant.
- The Developer has requested the city partner on a series of public infrastructure improvements to support the development of Beemok Sports.
- The proposed public private partnership was presented during the City Council Action Review on May 22, 2023, at the Jobs and Economic Development Committee Meeting on August 7, 2023, and at the Council Committee Discussion on August 7, 2023.
- The partnership and proposed improvements as defined advance the following city goals and

adopted plans:

- Facilitate planned growth and economic development consistent with the 2040 Comprehensive Plan and the adopted 2040 Policy Map designation for a Community Activity Center Place Type,
- Implement the adopted Capital Investment Plan (CIP) and Streets Map for transportation infrastructure by providing new street network and multimodal transportation capacity,
- Support the Charlotte Douglas International Airport Area Strategic Development Plan for economic development,
- Create infrastructure to support development and leverage existing investment, and
- Catalyze and partner with private development willing to voluntarily annex land into the city.

Action A: Infrastructure Reimbursement Agreement - Tax Increment Grant (TIG)

- The developer has requested reimbursement of \$25,000,000 for public infrastructure improvements.
- Per Council policy, the development qualifies for a 15-year, 90 percent TIG
- The public improvements to be reimbursed under the terms of the Agreement include:
 - Dixie River Road South
 - Dixie River Road Town Center
 - Dixie River Road Town Center North
 - West Blvd Boulevard CIP Overages
 - Garrison Road North CIP Overages
- Under the terms of the agreement, the developer would build the public improvements and be reimbursed through 90 percent of the incremental city property taxes from a designated area over 15 years.
- Other terms of the agreement include:
 - \$25,000,000 in reimbursed infrastructure cost with an interest cost of carry equivalent to the city's cost of funds,
 - The development team must request the first grant payment within five years after the completion of the public infrastructure improvements,
 - The TIG term ends at 15 years or when the grant payments equal a present value equal to \$25,000,000, whichever occurs first,
 - The development team has engaged general contractors and technical assistance to strengthen Minority, Women, and Small Business Enterprise (MWSBE) utilization for public and private infrastructure improvements, and
 - The developer has agreed to work with the city to incorporate an MWSBE Plan approved by the city's Charlotte Business INclusion (CBI) Program.

Action B, C & D: Infrastructure Reimbursement Agreement - Capital Investment Plan

- Anticipated funding not to exceed \$27,000,000 dispersed in payments from future Bond Referendums anticipated as follows \$3,000,000 in 2024, \$18,000,000 in 2026, and \$6,000,000 in 2028.
- Improvements to be made include:
 - A new roadway Garrison Road North between West Boulevard and Dixie River Road North,
 - Improvements or new intersections (which may include roundabouts) at the following locations:
 - West Blvd and Garrison Road North,
 - Garrison Road North at the base of the Beemok Sports proposed property line, and
 - Garrison Road North and Dixie River Road.
- To expedite and provide for efficient construction of the Garrison Road North improvements, the Developer will be responsible for ensuring the agreed upon public improvements are completed to city standards. In return, the city will reimburse the developer for these public improvements in an amount not to exceed \$27,000,000.
- Under the terms of the agreement the developer would build the public improvements and be reimbursed upon completion of said improvement through the CIP.
- The Developer has agreed to work with the city to incorporate an MWSBE Plan approved by the

city's CBI Program.

- Voluntary annexation is required prior to reimbursement.
- Action Items C and D are being added to address additional infrastructure as shared during the Jobs and Economic Development Committee meeting on August 7, 2023. The Water and Sewer pipeline construction is a part of the necessary public infrastructure which will be incorporated in the overall Garrison Road North project to leverage cost efficiencies related to construction activities. The infrastructure is being sized to accommodate the future growth in the area with Charlotte Water's contribution funding the additional sizing necessary.
- Anticipated funding of a 16-inch water main along Garrison Road North, in an amount equal to 50 percent of the approved overall project cost, not to exceed \$900,000 which will be reimbursed through the Charlotte Water Capital Investment Plan in five equal installments beginning one year after completion of the project.
- Anticipated funding of Phase III of the Beaver Dam Creek trunk sewer, in an amount not to exceed 34 percent of the approved overall project cost, up to \$400,000 which will be reimbursed through the Charlotte Water Capital Investment Plan in five equal installments beginning one year after completion of the project.

Fiscal Note

Funding: General Capital Investment Plan, Tax Increment Grant, Charlotte Water Capital Improvement Plan, or Other Municipal Funding Sources

Attachment(s)

September 25, 2017 River District RCA

May 22, 2023 City Council Action Review Presentation

August 7, 2023 Jobs and Economic Development Committee Meeting Presentation