

Legislation Text

File #: 15-13436, Version: 1

Midtown/Pearl Park Redevelopment Project - Infrastructure Reimbursement Amendment

Action:

- A. Authorize the City Manager or his designee to negotiate and execute an amendment to the 2016 Infrastructure Reimbursement Agreement between the City of Charlotte, Mecklenburg County, and Pappas Midtown, LLC for the Midtown/Pearl Park Redevelopment Project as follows:**
- Increase the maximum not-to-exceed grant amount to \$7,174,193,
 - Expand the tax increment area,
 - Expand the scope of infrastructure improvements to be completed by Pappas Midtown LLC, and
- B. Adopt a resolution approving an amendment to the Interlocal Agreement with Mecklenburg County to reflect the amendment to the Infrastructure Reimbursement Agreement.**

Staff Resource(s):

Tracy Dodson, City Manager's Office

Explanation

Action A:

- In November 2016, City Council authorized an Infrastructure Reimbursement Agreement (Agreement) between the City of Charlotte, Mecklenburg County, and Pappas Midtown, LLC to facilitate the Midtown/Pearl Park Redevelopment Project.
- The terms approved by City Council in 2016 include:
 - Pappas Midtown, LLC to be reimbursed for approximately \$4,417,000 in public infrastructure improvements.
 - Pappas Midtown would build the public improvements and would be reimbursed through 45 percent of the incremental city and county property taxes from a designated area over 10 years.
 - The public improvements to be reimbursed under the terms of the agreement include:
 - Extension of Pearl Park Way,
 - Extension of Berkeley Avenue between Greenwood Cliff and Pearl Park Way Extension,
 - Extension of water and sanitary sewer mains from the remainder of Greenwood Cliff to Kenilworth Avenue via Berkeley Avenue and Pearl Park Way,
 - Reimbursement to Pappas Midtown, LLC for the value of a portion of property to be designated as street right-of-way,
 - Extension of Pearl Park Way to Baxter Street, and
 - Replacement of parking spaces on Charlotte Housing Authority property.
- Since the approval of the Agreement, the scope of the private development has expanded through the purchase of additional land and an increase in the private program of construction. Atrium Health has joined the project as the tenant of two medical office buildings.
- The amendment to the existing Agreement shall include the following:

- Expand the Tax Increment Area to include future expansion of the redevelopment project,
- Reimbursement to Pappas Midtown, LLC for the value of right-of-way required to widen Harding Place near its intersection with Kenilworth Avenue,
- Widen a portion of Harding Place to include an additional traffic lane,
- Extend Berkeley Avenue between Harding Place and Greenwood Cliff in accordance with the Midtown-Morehead-Cherry Area Plan and city approved plans, and
- Increase the maximum reimbursement amount to account for the costs associated with the above public improvements and an additional \$367,266 to account for scope items added to the items subject to the initial Agreement.

Action B:

- The reimbursement arrangement requires the city and county to execute an Interlocal Agreement, which obligates the county to pay 45 percent of the incremental county property taxes from the designated area to the city during the term of the agreement.
- The city will remit such payment annually to Pappas Midtown, LLC.

Charlotte Business INclusion

All Additional work involved on this contract amendment will be performed by Pappas Midtown, LLC, and their existing subcontractors. (Part F: Section 1 of the Charlotte Business INclusion Policy).

Pappas Midtown, LLC, has committed 10.00% of the total contract amendment amount to MSBE firms.

Fiscal Note

Funding: Tax Increment Grant

Attachment(s)

Amendment to the Interlocal Agreement

Infrastructure Reimbursement Agreement - Pearl Park authorized by City Council in November 2016 Resolution

06.08.2020 Presentation