

Legislation Text

File #: 15-13588, Version: 1

Memorandum of Understanding - 7th and North Tryon Redevelopment Project

Action:

- A. Authorize the City Manager to negotiate and execute, in coordination with other landowners involved in the project, a Memorandum of Understanding for the 7th and North Tryon Redevelopment Project with the Master Developer, BP-Metropolitan NC, LLC, and**
- B. Approve the use of Capital Investment Plan and Tax Increment Grant dollars as a source of public funding to be negotiated in the Memorandum of Understanding.**

Staff Resource(s):

Tracy Dodson, City Manager's Office

Background

- In early 2017, City Council voted to adopt the North Tryon Vision Plan (the Plan).
- The Plan outlined the desire to create a district that will attract, retain, and strengthen creative industries, innovative arts, and cultural and educational institutions through the following:
 - A broader mix of uses to help activate and create an inclusive space and a space that financially supports the district's development and ongoing maintenance;
 - A creative integration of land use, architecture, urban design, and programming with functional, yet attractive, infrastructure including transportation, parking, utilities, and public realm improvements;
 - Residential development to support existing businesses and destinations, attract new businesses, and make the area more vibrant; and
 - Leverage public investment in the district to maximize the benefits while supporting and enhancing existing businesses and helping attract additional employers and jobs.
- Specific to the area between 6th, Tryon, College, and 8th Streets, the Plan suggests the following:
 - Planning and development in concert and linked with plaza spaces, streets, parks, and promenades, will create a transformative collective investment in these blocks;
 - A shared desire to revitalize the existing Spirit Square and Main Library block presents an opportunity for an urban awakening along North Tryon; and
 - Creation of an underground parking structure located on the blocks bounded by College, Tryon, 6th, and 8th Streets. This area was identified in the Plan as one of the critical sites for shared and coordinated parking within the district.
- As outlined in the Plan, public private partnerships are an integral asset of the vision.

Explanation

- On June 8, 2020, the City Council received information on the 7th and North Tryon Redevelopment Project. The information included a description of the key terms of a non-binding Memorandum of Understanding (MOU) between the Stakeholders and the Master Developer, BP-Metropolitan NC, LLC.
- The four property owners that have coordinated the negotiation and are party to the Memorandum

of Understanding (MOU) include the City of Charlotte, Mecklenburg County, Charlotte Mecklenburg Library, and Bank of America.

- Key terms of the MOU are as follows:
 - City and County Tax Increment Grant (TIG) not less than \$25 million for public open space, public parking, and enhanced public realm;
 - City of Charlotte Capital Investment Plan (CIP) for \$2-\$5 million for 7th Street construction and infrastructure improvements; Good Faith Effort towards MWSBE participation goal of 30 percent;
 - \$3 million contribution from the developer towards affordable housing; and
 - 180-day exclusivity clause for the developer.
- On June 2, 2020, the Mecklenburg County Commission (Commission) voted to allow the County Manager to negotiate a MOU with other property owners and the Master Developer. In addition, the Commission also approved a funding allocation of its land sales proceeds from 7th Street and North Tryon Street towards the adjacent Uptown redevelopment project proposed by Inlivan and off-site locations throughout the city. Specifics on the affordable housing strategy would also be incorporated into the MOU.
- The economic development impact of this project includes:
 - Estimated 1,200-1,500 temporary construction jobs,
 - Estimated 250 facility-based permanent jobs,
 - Office building space for an estimated 4,000 jobs,
 - \$75 million local supplier estimate,
 - \$35-45 million MWSBE estimate,
 - Estimated \$4.1 million in new annual property tax revenue, and
 - Estimated \$674,000 in new annual local sales tax revenue,

Fiscal Note

Funding: Tax Increment Grant and Capital Investment Plan

Attachment(s)

06.08.2020 Presentation