

Legislation Text

File #: 15-16892, Version: 1

Atrium Health Innovation District Infrastructure Reimbursement Agreements

Action:

- A. Authorize the City Manager to negotiate and execute an infrastructure reimbursement agreement with the Charlotte Innovation District Management Company for the reimbursement of costs for public infrastructure in an amount not to exceed \$60 million for public infrastructure and public parking which will be reimbursed through 90 percent of incremental City and County property taxes from a designated area over 15 years, or until fully reimbursed, whichever occurs first, and**
- B. Authorize the City Manager to negotiate and execute an infrastructure reimbursement agreement with the Charlotte Innovation District Management Company for the reimbursement of costs for public infrastructure in an amount not to exceed \$15 million for public infrastructure improvements, which is expected to be reimbursed in multiple bond referendums or payments from other municipal sources of funding.**

Staff Resource(s):

Tracy Dodson, City Manager's Office

Explanation

- Charlotte Innovation District Management Company plans to develop a \$1.5 billion medical school and innovation district on approximately 26 acres along McDowell Street between Stonewall Street and Morehead Street in Council District 1. The project will occur in multiple phases with initial phase beginning in the first half of 2022 and will provide over 900,000 square feet in education, mixed-used, and research buildings as well as housing.
- The Charlotte Innovation District Management Company sole members are Wake Forest University Health Science and Atrium Health, Inc.
- These improvements implement the City's goals of increasing economic development, increasing the local tax base, creating jobs, improving road networks and pedestrian connectivity, traffic mitigation, creating open space and placemaking opportunities, and public parking.
- During the November 1, 2021 Strategy Session meeting, the City's partnership on the project was requested. As part of this partnership, the Charlotte Innovation District Management Company committed to the following:
 - Medical school and innovation district that creates jobs and grows the healthcare industry.
 - Establish a Community Advisory Board that will ensure community benefit from the Innovation District. This will include priorities such as a comprehensive workforce and education initiatives to create a pipeline from the local community, MWSBE support, and affordable housing.
 - Establish the Bishop Battle Scholarship Fund.
 - Atrium Health will provide 14-acre site on North Tryon (located within a corridor of opportunity) adjacent to light rail for redevelopment into affordable home ownership and rental housing (30 percent Average Median Income (AMI) to market rate). Atrium will partner with Inlivan to develop the site and an adjacent 14-acres owned by Inlivan,
 - Provide target of 5 percent of Phase I housing to workforce/affordable with majority of units at 50 percent AMI and below in Innovation District, and

- Current property taxes generated by the site are \$264,111 and upon full build out it will grow to generate around \$8 million in annual property taxes.
- The Charlotte Innovation District Management Company will construct municipal infrastructure improvements within its development through the Tax Increment Grant (TIG) and City's Capital Investment Plan (CIP).

Action A:

Infrastructure Reimbursement Agreement - TIG

- \$60 million TIG that will be paid over 15 years at 90 percent of incremental City and County property taxes received from a designated area.
- The public improvements to be reimbursed under the terms of the Agreement include:
 - Transmission line relocation, public roadway and intersection improvements, grading and demo, storm culvert relocation, regional parking deck construction, and public water and sanitary sewer improvements.

Action B:

Infrastructure Reimbursement Agreement - CIP

- \$15 million in funding to the Charlotte Innovation District Management Company for public infrastructure improvements anticipated to be dispersed in payments from future Bond Referendums.
- Improvements to be made include public roadway, intersection improvements, and utility improvements.
- Under the terms of the agreement, the Charlotte Innovation District Management Company would build the public improvements and be reimbursed upon completion of said improvements to the City's standards through the CIP or other funding sources.

Charlotte Business INclusion

Prior to the City Manager executing the infrastructure reimbursement agreements, Charlotte Business INclusion will work with the Developer to negotiate and incorporate an approved MWSBE participation plan with subcontracting goals on all work tied to all phases of the agreements. (Part G, Section 2.6 of the Charlotte Business INclusion Policy).

Fiscal Note

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

Attachment(s)

November 1, 2021 City Council Strategy Session Presentation