

Legislation Text

File #: 15-17395, Version: 1

North Greenville Infrastructure Reimbursement Agreement

Action:

- A. Authorize the City Manager to negotiate and execute an infrastructure reimbursement agreement with The Drakeford Company in an amount not to exceed \$2,214,718 for public infrastructure, which is expected to be reimbursed through 45 percent of incremental City and County property taxes from a designated area over 15 years, or until fully reimbursed, whichever occurs first, and**
- B. Adopt a resolution approving an Interlocal Agreement with Mecklenburg County for the Greenville North Infrastructure Reimbursement Agreement.**

Staff Resource(s):

Tracy Dodson, City Manager's Office

Explanation

- The Drakeford Company (Developer) has proposed to develop a pedestrian-oriented multi-use redevelopment on approximately seven acres located at the southwest corner of Statesville Avenue and Oaklawn Avenue in Council District 1. The redevelopment will comprise a mix of the following uses - approximately 20,000 square feet of commercial space and 92 attached residential units. The residential units will be a mix of for-sale and for-rent units.
- The development, which is located within the City's Corridors of Opportunity, will further the City's goals of increasing economic development, increasing accessibility to neighborhoods serving commercial amenities for the surrounding neighborhoods, improving pedestrian and vehicular connectivity, and creating open space and placemaking opportunities.
- Once complete, the development will increase the supply of housing and provide options for a mix of household incomes. The development will also increase access and pedestrian connectivity for residents of surrounding communities to and through the site for neighborhood serving retail (including food and beverage tenant(s)).
- The Developer will commit to offering at least 10 percent of the total residential units available for households earning 60 to 100 percent of the Area Median Income (AMI). Five percent of the total residential units available for households earning 60 to 80 percent of the AMI and five percent of the total residential units available for households earning 80 to 100 percent of the AMI.
 - The Developer will accept Housing Choice Vouchers for units reserved for households earning 60 to 80 percent of AMI.

Action A:

Infrastructure Reimbursement Agreement - Tax Increment Grant (TIG)

- The Developer has requested reimbursement of an amount not to exceed \$2,214,718 in public infrastructure improvements.
- The development qualifies for a 15-year, 45 percent TIG in the form of an Infrastructure Reimbursement Agreement (Agreement).
- The public improvements to be reimbursed under the terms of the Agreement include:
 - Construction of two public streets and on-street parking,
 - Construction of streetscape and sidewalk improvements, including pedestrian lighting, along

- the perimeter of the site, and
 - Construction of relevant utility connections and relocation of applicable utility poles.
- Under the terms of the Agreement, the Developer will build the public improvements and will be reimbursed through 45 percent of incremental City and County property taxes from a designated area over 15 years.
- Additional provisions of the Agreement include:
 - Up to \$2,214,718 (City \$798,905 and County \$1,415,813) in reimbursed infrastructure cost with an interest cost of carry equivalent to the City's cost of funds,
 - The Developer must request first grant payment within four years after the completion of the public improvements, and
 - TIG term ends at 15 years, or when the grant payments equal a present value equal to 2,214,718, whichever occurs first.

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 The Drakeford Company.
- The Mecklenburg County Board of County Commissioners unanimously approved its portion of the agreement at its April 5, 2022 meeting.

Charlotte Business INclusion

Prior to the City Manager executing the infrastructure reimbursement agreement, 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: Tax Increment Grant

Attachment(s)

Resolution