

Legislation Text

File #: 15-17958, Version: 1

7th and North Tryon Infrastructure Reimbursement Agreement

Action:

- A. Authorize the City Manager to negotiate and execute an infrastructure reimbursement agreement with BP-Metropolitan NC, LCC in an amount not to exceed \$24,448,588 for public infrastructure and public parking, 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,**
- B. Authorize the City Manager to negotiate and execute an infrastructure reimbursement agreement with BP-Metropolitan NC, LLC in an amount not to exceed \$3,000,000 for public infrastructure improvements, which is expected to be reimbursed in a future bond referendum, and**
- C. Adopt a resolution approving an interlocal agreement with Mecklenburg County for the 7th and North Tryon Infrastructure Reimbursement Agreement.**

Staff Resource(s):

Tracy Dodson, City Manager's Office

Explanation

- BP-Metropolitan NC, LCC plans to develop a \$600 million mixed-use development on a 3.1-acre site bounded by North Tryon, Seventh, College, and Sixth Streets in Council District 1.
- The 7th and North Tryon redevelopment project is identified as a catalytic site in the City Council-adopted North Tryon Vision Plan.
- In addition to supporting the North Tryon Vision Plan, 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.
- The 7th and North Tryon project will serve as a connector for cultural amenities (i.e., Discovery Place, Spirit Square, McGlohan Theater, and Carolina Theater) throughout the corridor and to transit.
- The project is expected to provide approximately:
 - 400,000 square feet in office space,
 - 30,000 square feet in retail space,
 - 345 multi-housing units,
 - 220 hotel rooms, and
 - 23,100 square feet for a public plaza.
- This site supports the development of the new Charlotte-Mecklenburg Library - Main Library, McGlohan and Duke Energy theaters, and 250 public parking spaces to support all uses.
- This project will bring an additional \$4.7 million in annual City and County tax revenue and is expected to achieve the following job creation:
 - 4,000 full time employees, of which 40 percent are new to market,
 - 250 retail and food service employees,
 - 10 parking operation employees,
 - 125 full time hotel employees,

- 1,200-1,500 temporary construction jobs, and
 - 250 facility-based permanent jobs.
- This project commits approximately \$18.7 million in funding toward affordable housing projects in the community. This includes \$3 million from the developer from proceeds of land sales.
 - \$6 million for an Inlivan development (Tryon property).
 - 32 units at 30 percent average median income (AMI),
 - 37 units at 60 percent AMI, and
 - 37 units at 80 percent AMI.
 - \$11.7 million for 546 affordable housing units outside of Uptown (DreamKey partnership). AMI percentages anticipated to range between 30 to 80 percent.
 - 140 units at Johnston Oehler Seniors,
 - 104 units at YWCA (Park Road),
 - 82 units at Scaleybark Light Rail Housing,
 - 78 units at Connelly Creek Apartments,
 - 51 units at Mayfield and Sugar Creek Housing,
 - 21 units at Caldwell Presbyterian Housing, and
 - 70 units at Marvin Road Apartments at Grier Heights.
 - \$1 million remaining for County allocation.
- During the April 11, 2022 Strategy Session, the City's potential partnership on the project was discussed. As part of the proposed partnership, the BP-Metropolitan NC, LCC committed to the following:
 - Provide a meaningful MWSBE goal of 30 percent, and
 - Commit \$3,000,000 to affordable housing from land sale proceeds.
- BP-Metropolitan NC, LCC 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
 - BP-Metropolitan NC, LLC has requested reimbursement of an amount not to exceed \$24,448,588 (City \$8,814,897 and County \$15,633,691) in public infrastructure improvements.
 - The development qualifies for a 15-year, 45 percent TIG in the form of an infrastructure reimbursement agreement (Agreement).
 - On March 15, 2022, the Mecklenburg County Board of County Commissioners approved its public investment.
 - The public improvements to be reimbursed under the terms of the Agreement include:
 - Public roadway and intersection improvements; public plaza; cycle track; public parking (250 spaces); an underground service area to jointly accommodate the Charlotte-Mecklenburg Library - Main Library, McGlohan Theater, and Duke Energy Theater.

Action B

- Infrastructure Reimbursement Agreement - CIP
 - Three million in funding to BP-Metropolitan NC, LCC for public infrastructure improvements anticipated to be dispersed in payment(s) from a future bond referendum.
 - Under the terms of the agreement, BP-Metropolitan NC, LCC 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.

Action C

- 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 BP-Metropolitan NC, LCC.

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: General Capital Investment Plan and Tax Increment Grant

Attachment(s)

April 11, 2022, Action Review Presentation
Resolution