



# Interlocal Agreement - City of Charlotte

## CF Hippolyta

Mecklenburg Board of County Commissioners  
July 10, 2018 REVISED

## CF Hippolyta LLC

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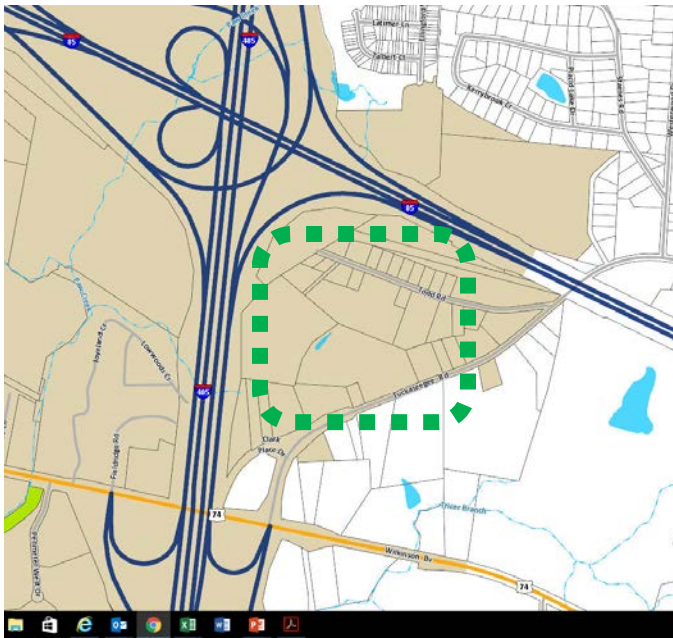
### Project Details

- \$200 million in new taxable investment
    - \$100,000,000 in real property
    - \$100,000,000 in personal property
  - \$13,500,000 in privately constructed road improvements
- CF Hippolyta LLC proposes to construct a distribution center for a major e-commerce retailer
  - The proposed facility will receive large shipments of products, sort them into smaller groupings that will be distributed to local serving facilities which will then distribute to the consumer
  - The new facility statistics include:
    - 2.5 million square feet
    - 750,000 square foot floor plates



## CF Hippolyta LLC

### Site details and Infrastructure Needs



- The proposed site is a 90 acre site owned by Charlotte Douglas International Airport, purchased through its noise mitigation activities
- The site is currently in the City of Charlotte's extra territorial jurisdiction and will be annexed at the completion of the project
- The City of Charlotte is sponsoring rezoning of parcels to accommodate design goals
- Site design requires a road realignment and offsite infrastructure improvements to accommodate the project and associated logistics traffic



## CF Hippolyta LLC

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- CF Hippolyta LLC has indicated that completion of the project by mid 2019 is very important to their end user in making a decision to occupy the site
- In order to meet the timeline, the public road infrastructure improvements need to be expedited
- CF Hippolyta LLC will assume cost and risk of building public infrastructure and be reimbursed through an agreement with the City of Charlotte

Terms would be similar to past such agreements:

- Developer finances and executes all improvements and assumes all risk
- City and County use incremental ad valorem taxes generated by project to reimburse actual costs
- City of Charlotte enters into agreement with developer, Mecklenburg County enters into an interlocal agreement with City of Charlotte

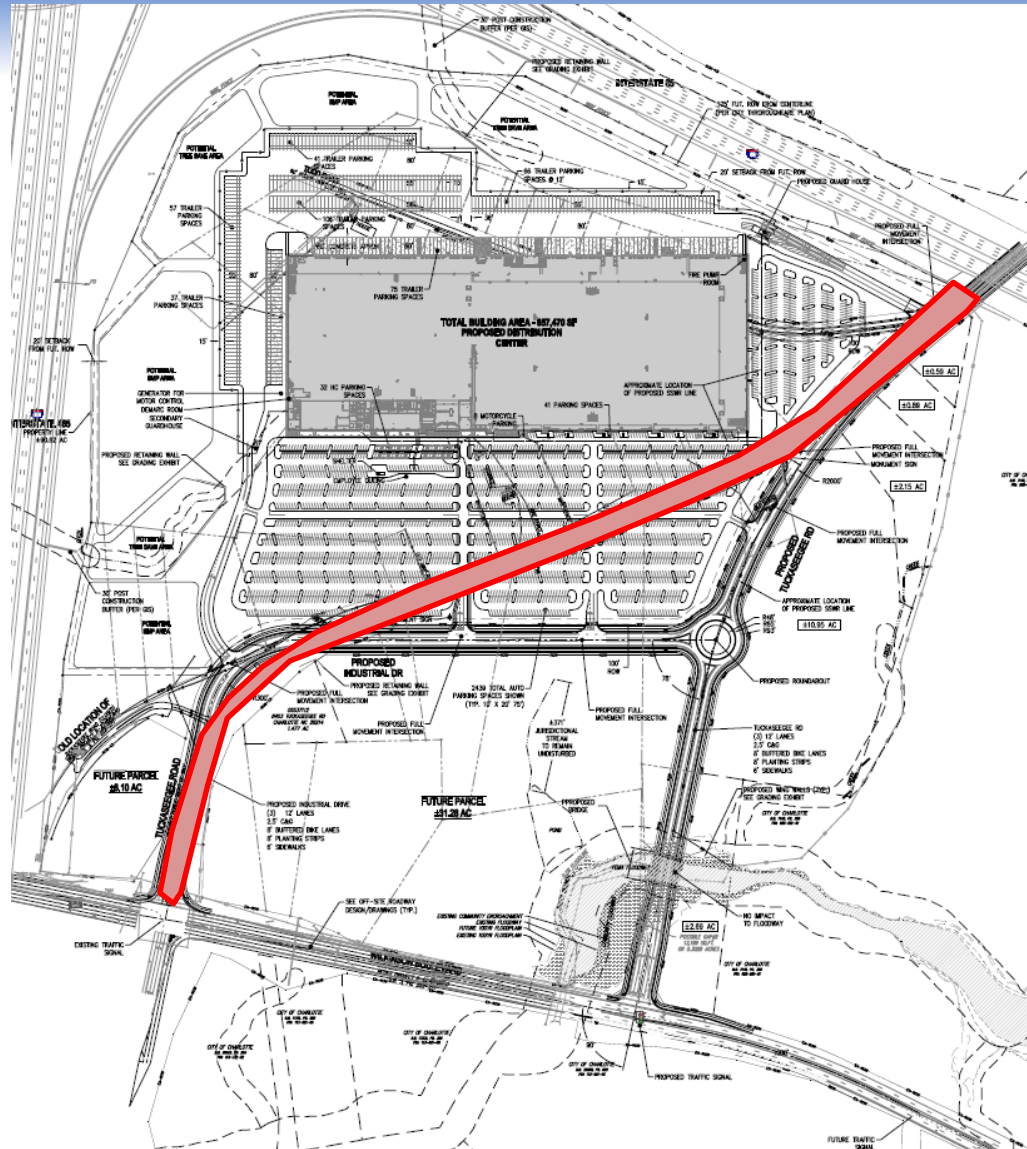


## CF Hippolyta LLC

### Site Details and Infrastructure Needs

#### Tuckaseegee Road

- Relocate existing Tuckaseegee Road
- Construct new access road (Todd Road)





## Site Details and Infrastructure Needs – Wilkinson Blvd

- New turn lanes at I-485 ramps
- Restriping for turn storage
- New traffic signal at I-485 exit
- Upgraded traffic signals with phasing on Wilkinson Blvd
- New turn lanes to access Tuckaseegee Rd





## Proposed Roadway improvements

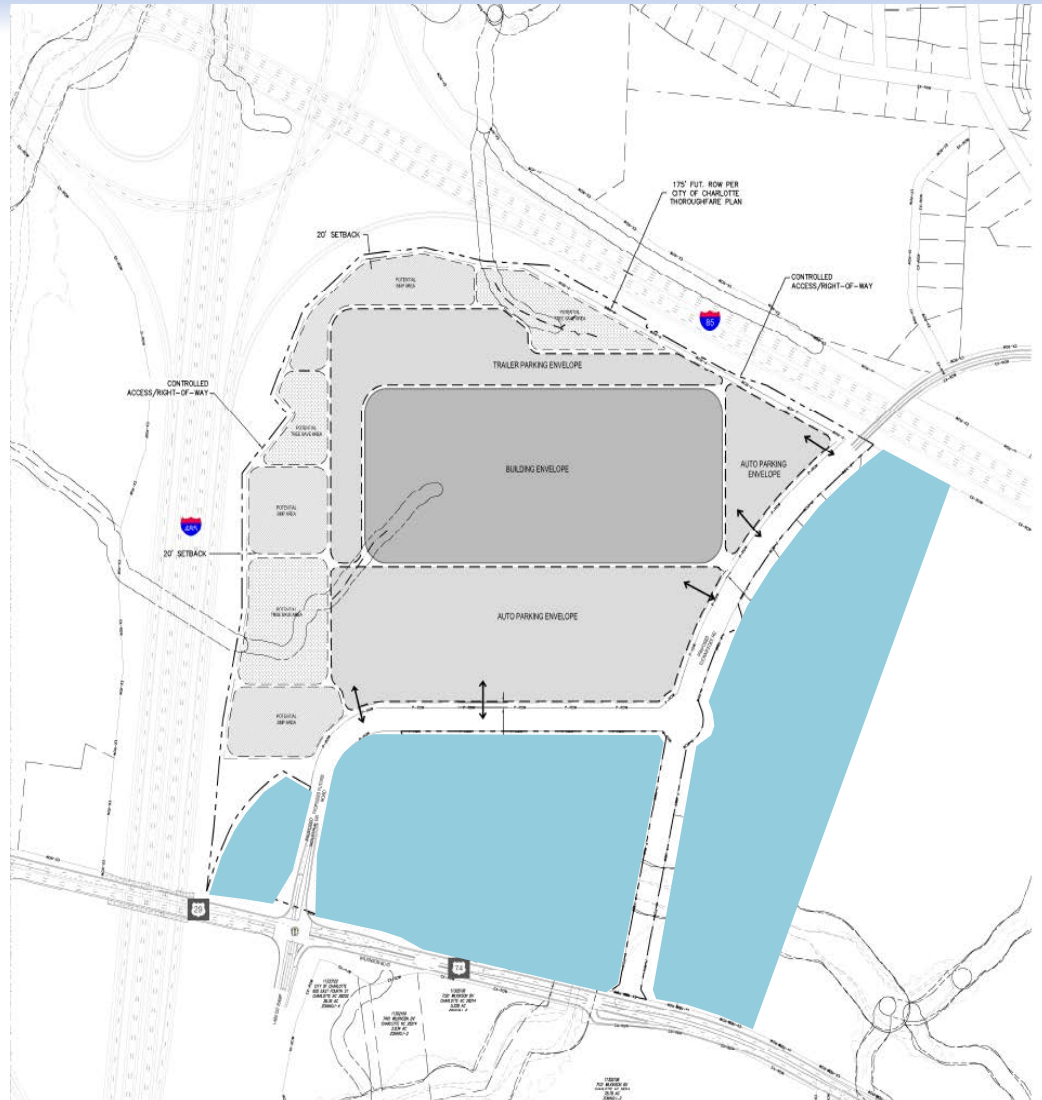




CF Hippolyta LLC

## Site details and Infrastructure Needs

54 acres of land not  
associated with the project  
will be activated for  
redevelopment through  
access to improved  
infrastructure





## CF Hippolyta LLC

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### Employment Profile

- The proposed end user will create 1,500 positions that are considered skilled trade jobs
- The proposed end user provides the following benefits for all full time employees:
  - Day 1 health care
  - 401K plans
  - Quarterly performance bonuses and stock options
  - Career Choice Program – pre-paid college tuition for fields including nursing, aircraft mechanics, medical lab technologies and others
  - Onsite classrooms to make college classes more accessible



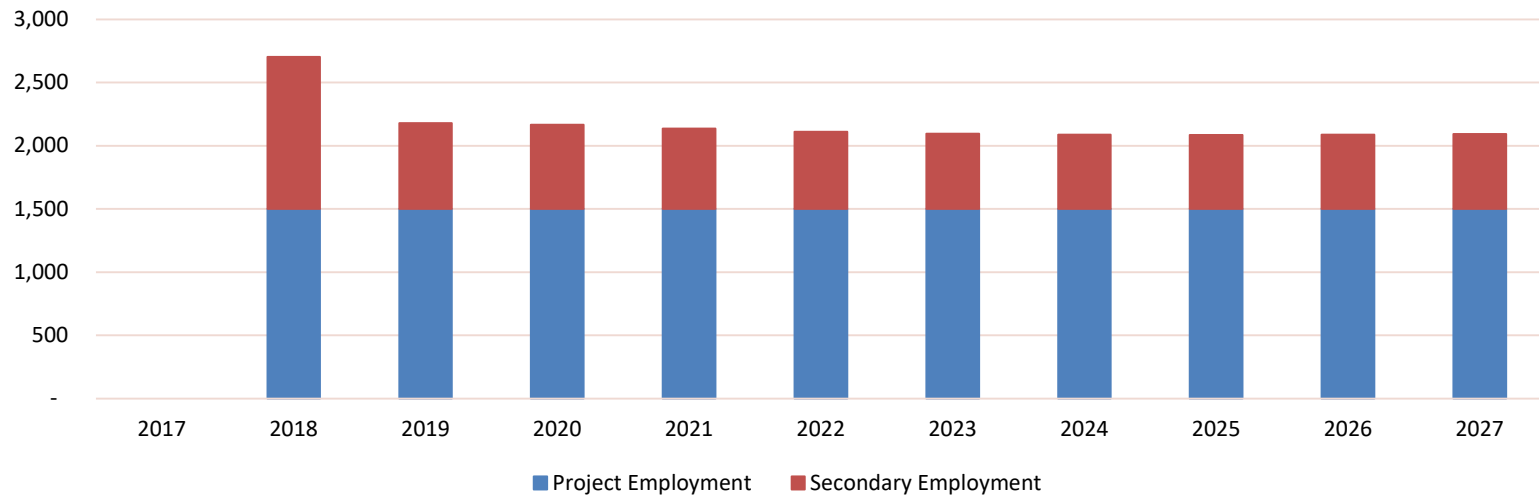
# Infrastructure Reimbursement Grant

Improvements		Estimated Cost
Realignment of Tuckaseegee Rd		\$4.3 M
New Access Rd (Industrial Rd)		\$1.4 M
Wilkinson Blvd Improvements		\$8.0 M
TOTAL		\$13.7 M
Contributions		Amounts
City/County Infrastructure Reimbursement		\$9.0 M
Airport Credit to Sale of Property		\$4.4 M
Developer Direct Contribution		\$0.3 M
TOTAL		\$13.7 M
Gross Ad Valorem collected	Reimbursement Amount	Net Ad valorem retained
\$12,667,821	\$ 5,700,519	\$ 6,967,302



## CF Hippolyta LLC | Employment Impact

CF Hippolyta LLC is expected to induce an additional 594 jobs by the end of the ten year term



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Project	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Secondary	1,202	679	667	635	611	596	587	584	587	594
Total	2,702	2,179	2,167	2,135	2,111	2,096	2,087	2,084	2,087	2,094



# Infrastructure Reimbursement Grant

## CF Hippolyta LLC | Total Estimated Tax Revenue

CF Hippolyta LLC is expected to induce \$712,825 in annual sales tax by the end of the ten year term



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Property	885,528	1,148,216	1,222,404	1,325,924	1,419,632	1,507,686	1,591,810	1,670,508	1,749,501	1,827,604
Sales	466,545	354,417	404,054	439,179	479,465	523,298	567,884	613,404	662,539	712,825
<b>Total</b>	<b>1,352,073</b>	<b>1,502,632</b>	<b>1,626,458</b>	<b>1,765,103</b>	<b>1,899,097</b>	<b>2,030,984</b>	<b>2,159,694</b>	<b>2,283,913</b>	<b>2,412,040</b>	<b>2,540,430</b>

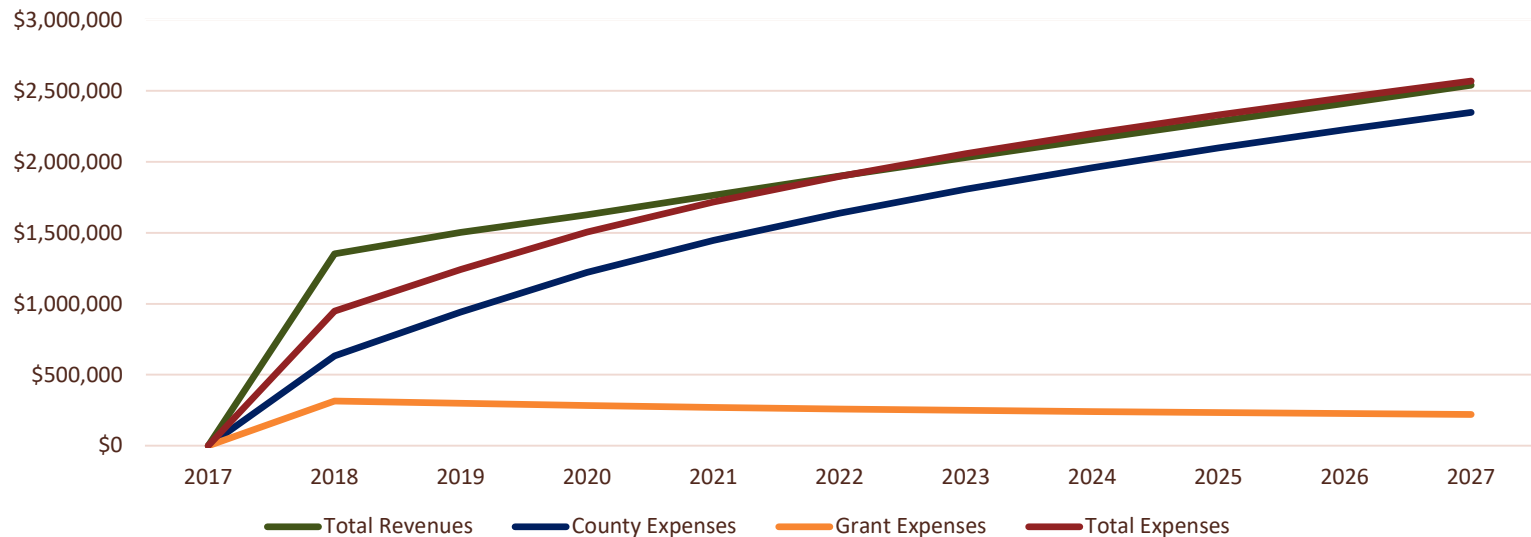




# Infrastructure Reimbursement Grant

## CF Hippolyta LLC | Estimated Fiscal Impacts

CF Hippolyta LLC is expected to induce a cumulative net of \$655,987 to the County over ten year term of agreement.



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	1,352,073	1,502,632	1,626,458	1,765,103	1,899,097	2,030,984	2,159,694	2,283,913	2,412,040	2,540,430
Expense	949,215	1,241,017	1,504,482	1,716,654	1,896,955	2,057,172	2,200,130	2,330,288	2,452,722	2,567,800
Net	402,857	261,615	121,975	48,449	2,141	-26,188	-40,436	-46,376	-40,682	-27,371
Cumulative	402,857	664,473	786,448	834,897	837,039	810,851	770,415	724,040	683,357	655,987



CF Hippolyta LLC

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## BOCC Action

1. Adopt a Resolution approving an Interlocal Agreement with the City of Charlotte for the reimbursement of public road improvements to be constructed by a private developer in support of new economic development opportunities by committing 45% of the incremental ad valorem taxes created by the project for a period of ten years
2. Authorize the County Manager to execute a contract for the same, with any necessary or helpful nonmaterial changes

