Legislation Details (With Text)

File #:	18-4781	**Version:**	1	**Name:**	Revised: Interlocal Agreement with the City of Charlotte as it relates to CF Hippolyta LLC
Type:	Staff Reports & Requests			**Status:**	Final
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Title:	Revised: Interlocal Agreement with the City of Charlotte as it relates to CF Hippolyta LLC				
Sponsors:					
Indexes:					
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Attachments:	1. 18-4781 ED Presentation Revised CF Hippolyta Interlocal Agreement (002).pdf, 2. Resolution City of Charlotte Interlocal Agreement_CF Hyppolyta LLC.pdf, 3. ED Item City - Interlocal Agreement.pdf				

Date	Ver.	Action By	Action	Result

Title:
Revised: Interlocal Agreement with the City of Charlotte as it relates to CF Hippolyta LLC

Summary
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

Staff Contact: **Peter Zeiler, Director, Office of Economic Development**

Presentation: **Yes**

BACKGROUND/JUSTIFICATION:
Charlotte Douglas International Airport (CDIA) and the City of Charlotte are entering into an agreement to sell approximately 90 acres of CDIA held land to CF Hippolyta LLC. The property was originally residential land acquired by CDIA through a federal aviation noise mitigation program and is now targeted for commercial redevelopment per CDIA's master plan for its excess land. The subject land is currently in the extra territorial jurisdiction of Charlotte and the large majority of the site assemblage is currently tax exempt.

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CF Hippolyta LLC intends to construct a commercial warehouse and logistics building of approximately 2,500,000 square feet and cause the creation of approximately $200,000,000 million in incremental taxable real and personal property at the site along with placing the land back into taxable status.

The construction of this facility will require approximately $13,400,000 in new road construction and existing road improvements. These improvements are to accommodate the projected increased traffic as the land changes use from residential to commercial and to achieve the City of Charlotte's adopted transportation plan for the area. These road improvements will also provide improved access to an additional 54 acres of CDIA held land that is not part of the transaction with CF Hippolyta LLC.

In order to expedite the construction of the road work and to achieve economies of scale with the site construction, CF Hippolyta LLC will privately finance and construct the public road improvements. CDIA will use $4,400,000 of its discretionary funds to reimburse CF Hippolyta LLC at the completion and acceptance of the improvements.

Because of the significant taxable investment and the potential to create up to 1,500 new jobs, the City of Charlotte and Mecklenburg County will reimburse any remaining road improvement costs, not to exceed $9,000,000. The mechanism to finance this reimbursement will be the dedication of 45% of the new, incremental ad valorem taxes created by the facility to be constructed by CF Hippolyta LLC. This mechanism is pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. Under this Article, the City of Charlotte will enter into an infrastructure reimbursement agreement with CF Hippolyta LLC for the entirety of the $9,000,000. The City of Charlotte and Mecklenburg County will enter into an interlocal agreement in which the County will remit to the City 45% of the County's incremental ad valorem taxes for a period of no more than 10 years, for a total estimated amount of $5,700,519.

Road improvements subject to the Interlocal Agreement are:

- **Signal and lane improvements to Wilkinson Boulevard from Sears Road west to the Interstate 485 Outer loop access ramps.**
- **Realignment of Tuckaseegee Road from Interstate 85 to a new intersection with Wilkinson Boulevard east of its current intersection.**
- **Construction of a new road (Todd Road) from the intersection of Wilkinson Boulevard and the Interstate 485 Inner Loop access ramps to the realigned Tuckaseegee Road**

PROCUREMENT BACKGROUND:
N/A

POLICY IMPACT:
N/A

FISCAL IMPACT:
N/A

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