



# **Tax Increment Grant**

## **Project Update: Providence Square Redevelopment**

**Public Hearing**

Mecklenburg Board of County Commissioners  
01/22/2025

## Presentation Overview

- Presentation of the Providence Square Redevelopment proposal (Project Partners)
- Economic Development Grant Agreement / Tax Increment Grant overview (Mecklenburg Office of Economic Development Staff)
- Economic Impact of proposed development (Mecklenburg Office of Economic Development Staff)



# PROVIDENCE SQUARE REDEVELOPMENT

## PROJECT OVERVIEW

(Developer's Presentation)

JANUARY 22, 2025

(Mecklenburg County)





# PROVIDENCE SQUARE REDEVELOPMENT

## DEVELOPER OVERVIEW

**Levine Properties**, celebrating its 40<sup>th</sup> year in business in Charlotte, is a family-owned real estate company focused on sustainable development and long-term ownership of commercial and residential properties in Charlotte.

Levine Properties successfully collaborated with the County, City and UNCC in the development of First Ward Park and substantial surrounding infrastructure, and has developed multi-family, office, industrial and retail throughout Charlotte, including a variety of projects along the Monroe Road corridor.

The Levine family is committed to Charlotte's growth and success, and has participated in a variety of business and philanthropic initiatives focused on uplifting and supporting our growing and diverse community.



**Northwood Ravin** is a locally owned and operated leading development, construction and property management company headquartered in Charlotte, NC, with employees and offices in Raleigh, Tampa, and Nashville.

**Northwood Ravin** owns and operates 16 local communities and is committed to working with MWSBEs.

*Levine Properties and Northwood Ravin have coordinated their successful rezoning efforts with Horizon Development Partners.*



# OVERVIEW OF PROVIDENCE SQUARE

## UNIQUE OPPORTUNITY TO REVITALIZE 110 ACRES FOR PLACEMAKING AND SUPPORTING COUNTY PRIORITIES

- New public parks and activation support (*Open Space/Environmental Stewardship*)
- Greenway connectivity and multi-modal transportation (*Open Space/Environmental Stewardship*)
- Workforce and affordable housing in a mixed-income development in South Charlotte (*Housing Insecurity*)
- MBE minimum goal at 15% and WSBE minimum goal of 10% and other economic mobility initiatives (*Racial Disparity*)
- Revitalization with a mixed-use village with place-making, EV charging and potential mobility hub (*Sustainability/Environmental Stewardship*)
- Enhanced tax revenues in support of County services and outcomes (*Overall Goals*)





# PROVIDENCE SQUARE REDEVELOPMENT

## REPLACEMENT OF DETERIORATED BUILDINGS WITH NEW MIXED-USE PEDESTRIAN ORIENTED VILLAGE



### EXISTING USES & SITE CONDITIONS

Levine Properties assisted with the relocation of former tenants over a sixteen-month period beginning in early 2023.

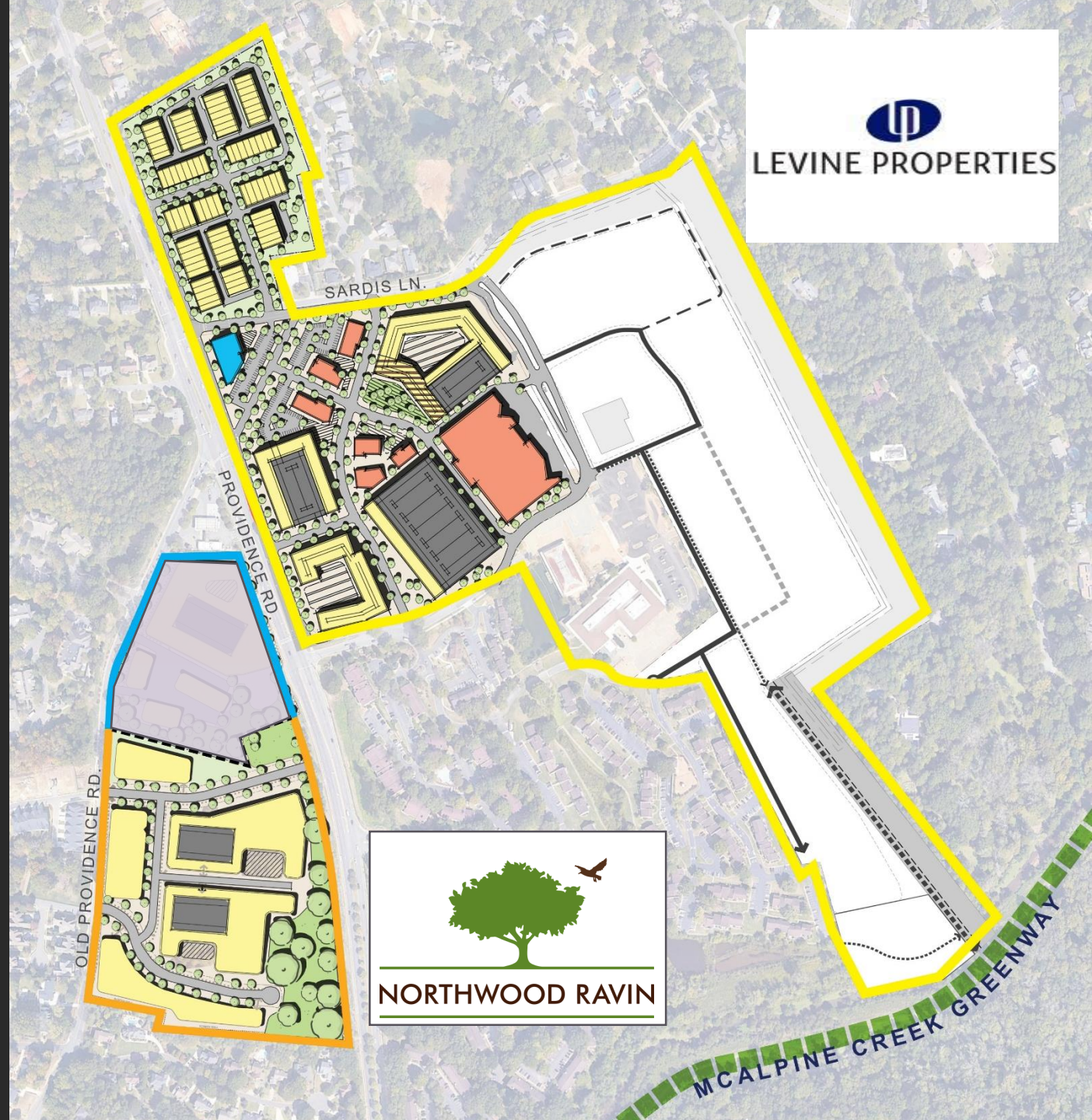




# PROVIDENCE SQUARE REDEVELOPMENT

## DEVELOPMENT OVERVIEW

- Development will feature walkable restaurants, entertainment services, enhanced open spaces, direct greenway access for nearby residents, and new mixed-income housing - all supporting 10-minute neighborhoods.
- **Levine Properties (~ 85 acres)**
  - Grocery – 100k SF
  - Retail – 80k SF
  - Office – 45k SF
  - Recreation/Day Care – 28k SF
  - Townhomes – 125 dwelling units
  - Workforce & Affordable Housing – 108 dwelling units
  - Market Rate Housing – 879 dwelling units
- **Northwood Ravin (~ 20 acres)**
  - Townhomes / SF detached – 95 dwelling units
  - Market Rate Housing – 650 dwelling units

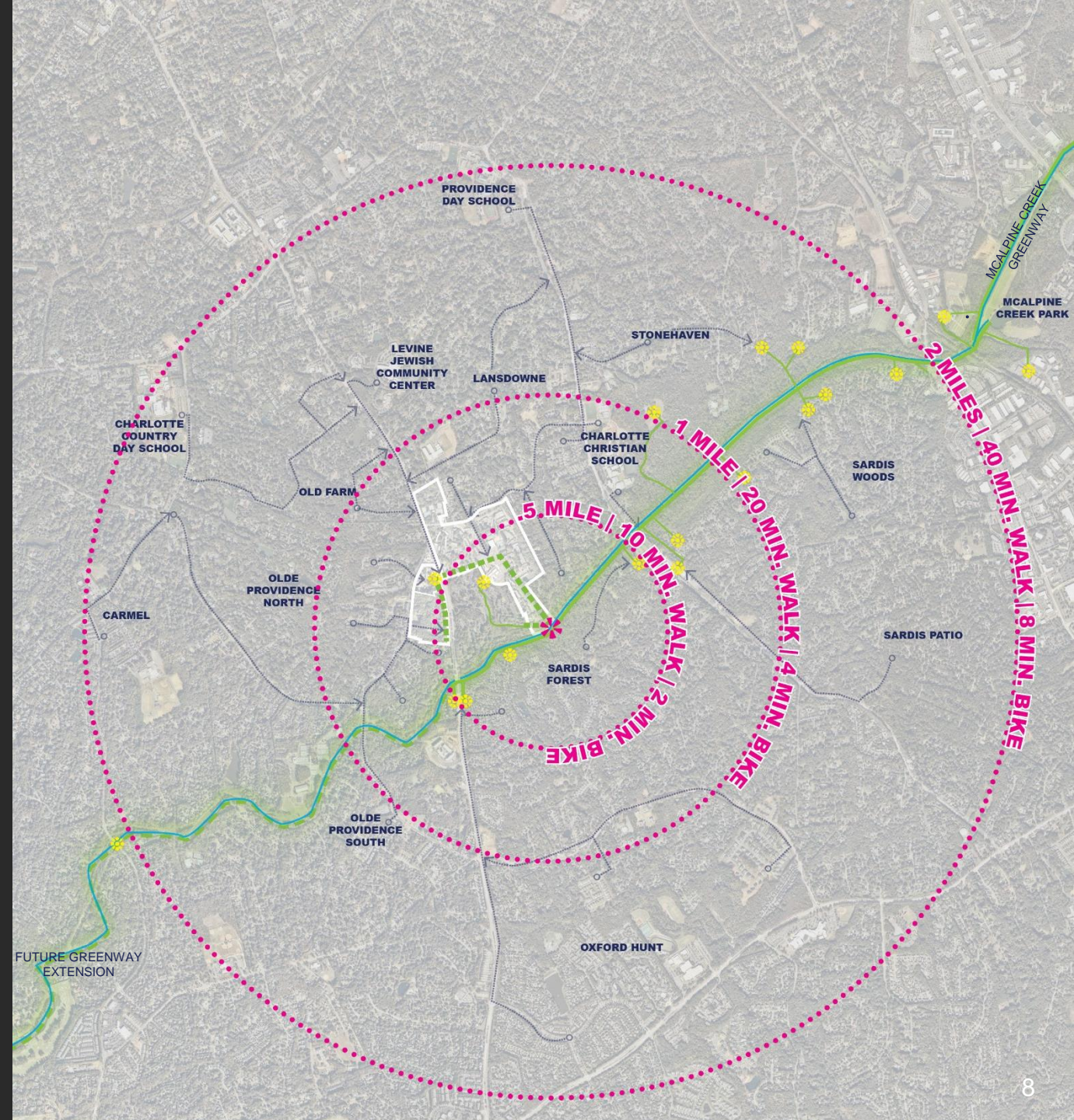




# PROVIDENCE SQUARE REDEVELOPMENT

## GREENWAY CONNECTIONS TO NUMEROUS NEIGHBORHOODS PROMOTING HEALTH LIFESTYLES WITH MULTI-MODAL IMPROVEMENTS

- Unique opportunity to use McAlpine Creek Greenway to connect area residents to a new mixed-use center
- New bridge over McAlpine Greenway connecting North/South residents
- New multi-use path into mixed-use center
- Expanded pedestrian network, including sidewalks and trails.
- Directly supports Mecklenburg County Playbook goals by adding ***“greenway trails that connect people and places”*** and ***connecting “greenway corridors/trails to other community facilities & services”***

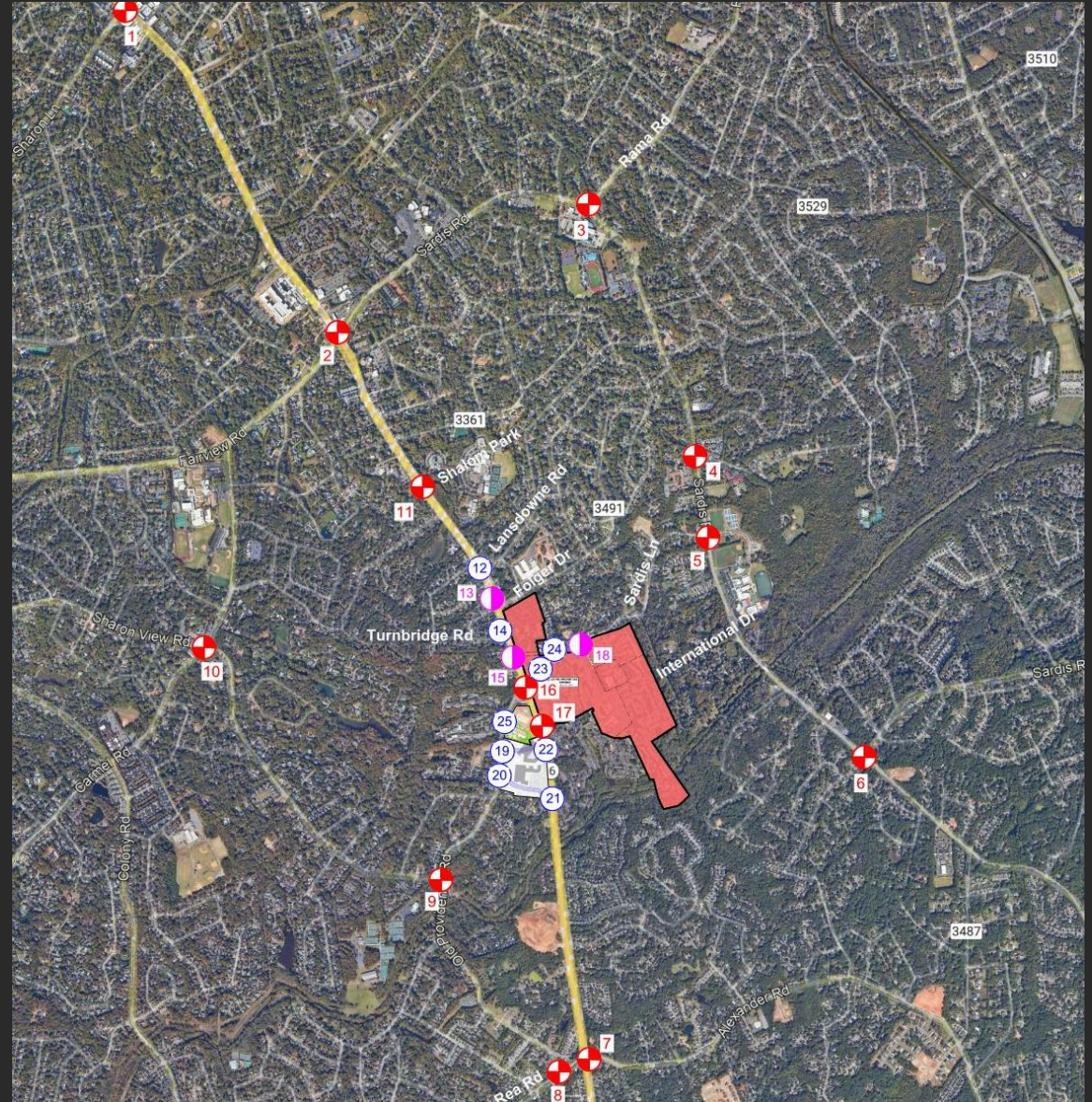




# PROVIDENCE SQUARE REDEVELOPMENT

## TRAFFIC MITIGATION & TRANSPORTATION IMPROVEMENTS

- Developers worked with traffic agencies on scope of Traffic Impact Study
  - 22 intersections analyzed
- Traffic agency approval of the improvements to **mitigate traffic impacts**
  - Improvements include new traffic signals, additional medians, lane modifications, new and upgraded pedestrian crossings
- Improvements include Providence Road corridor and **additional access management interventions** focused on enhanced traffic flow





# PROVIDENCE SQUARE REDEVELOPMENT

## PROGRESSION OF PUBLIC PRIVATE COLLABORATION

### BASE ZONING

- Market rate housing
- 225,000 square feet of commercial space
- 40,000 square feet of indoor recreational space

+

### FIRST ROUND DEVELOPER CONTRIBUTIONS

- 108 Workforce Housing Units @ 80% Area Median Income for Levine Site\*
- Park land donation of 2.75 acres
- \$250k seed contribution to Greenway bridge
- EV Charging Stations

**\*Units not conditioned on LIHTC or public subsidies.**

\*Does not include Horizon increase from 49 to 75 affordable units not part of the TIG district

+

### ADDITIONAL DEVELOPER CONTRIBUTIONS THROUGH TIG

- Full greenway bridge construction (est. \$2.5 million)
- Increase of park land donation to **4.4 acres** (est. \$2.9 million)
- \$1MM contribution to park activation
- \$250k contribution to walking trail activation
- **Converted 8 of the 108 Workforce Housing Units to Affordable Units @ 60% AMI**
- **\$500,000 contribution to City/County housing initiatives**
- **Increased MWSBE Goals from 15% to 25%**
- **Good faith efforts to activate buffer area**



## Project Schedule

- **Project Discussions with County Staff**  
July – October 2024
- **Economic Development Committee Presentation**  
October 15, 2024
- **Economic Development Committee Presentation**  
December 3, 2024





## Economic Development Tax Increment Grant (TIG)

- Public / private partnerships used to advance public facilities such as parks, walking trail, public buildings
  - Developer must pay for and build the project – No County funds
  - After developer pays property tax to the County, the County then contributes an amount equal to a percentage of incremental tax increase back to the developer
  - Grant does not exceed an agreed to dollar amount or exceed the number of years in the contract. The grant ends when either of these thresholds occur.
  - Interest is reimbursed to developer
  - **Developer assumes all financial risk if development is not completed**





# Project Details

<i>Levine Properties</i>		
Development Use	Units	Estimated Gross Taxable Value
<b>Residential</b>		
Townhomes	125	\$75,000,000
Affordable Apartments	8	\$640,000
Workforce Apartments	100	\$10,000,000
Market Rate Apartments	529	\$95,220,000
Market Rate Apartments (Structured Parking)	350	\$96,250,000
<b>Total Residential</b>	<b>1,112</b>	<b>\$277,110,000</b>
Development Use	Gross SF	Estimated Gross Taxable Value
<b>Commercial</b>		
Office	45,000	\$13,500,000
Retail	80,000	\$16,000,000
Grocery	100,000	\$15,000,000
Recreation/Day Care	28,000	\$3,650,1000
<b>Total Commercial</b>	<b>253,000</b>	<b>\$48,150,100</b>
<i>Northwood Ravin</i>		
Development Use	Units	Estimated Gross Taxable Value
<b>Residential</b>		
Townhomes/ SF Detached Homes	95	\$57,000,000
Market Rate Apartments (Structured Parking)	650	\$178,750,000
<b>Total Residential</b>	<b>745</b>	<b>\$235,750,000</b>

**Sub Total:**

**\$561,010,100**

**Less Current Taxable Value:**  
**(\$70,941,900)**

**Net Estimated Incremental Value:**  
**\$490,068,200**





# Proposed Public/Private Funding Allocation

Sources		
Developers Park Land Donation (+/- 4.4 acres)	\$2,900,000	Supports Park & Rec Mecklenburg Playbook
Developers Park Activation Contribution	\$1,000,000	Supports Park & Rec Mecklenburg Playbook
Multi-Use Path Connecting McAlpine Greenway to Mixed-Use Village	<b>\$3,000,000</b>	Supports Park & Rec Mecklenburg Playbook
Multi-Use Bridge Spanning McAlpine Creek and Connecting to Greenway	<b>\$2,500,000</b>	Supports Park & Rec Mecklenburg Playbook
Developer Contribution to Walking Trails	\$250,000	Supports Park & Rec Mecklenburg Playbook
Workforce & Affordable Housing Contribution (100 units @ 80% AMI; 8 units @ 60% AMI)	\$11,200,000	Supports Community Housing Goals
Developer Contribution to Housing Trust Fund/Impact Fund	\$500,000	Supports Community Housing Goals
Providence Road & Other Off-Site Public Street Improvements	<b>\$12,500,000</b>	Mitigates Traffic & Improves Road Networks
Providence Road Corridor Access Management Improvements	<b>\$2,200,000</b>	Mitigates Traffic & Improves Road Networks
Additional New Public Network Road and Pedestrian Infrastructure	\$33,500,000	Mitigates Traffic & Improves Road Networks
Total Community Benefit & Infrastructure Improvements	<b>\$69,550,000</b>	Developer Invests Money Upfront
Uses		
Public/Private Contributions		
Developer Contribution (72.7% of Total Costs)	\$50,550,000	No Government Outlay; Developer Takes Risk
Total City Contribution through TIG (excludes interest) (9.8% of Total Costs)	\$6,877,839	Contributions Only Through New Tax Base
Total County Contribution through TIG (excludes interest) (17.5% of Total Costs)	\$12,122,161	Contributions Only Through New Tax Base
Total Public/Private Contributions	<b>\$69,550,000</b>	

**Total feasible public infrastructure - \$20,200,000**





## Public Funding Consideration

Partner	Terms	Amount
County TIG	15 years/45%	~\$12,130,000
City of Charlotte TIG*	15 years/45%	~\$6,870,000
Total		\$19,000,000 (Plus interest**)

Charlotte City Council approved on 12/9/24\*

To be negotiated customary municipal interest rate\*\*



## Estimated Grant Payment Schedule

Payment Year	Increment Value	County Taxes	45% Grant	Net Taxes Retained
1 - 2033	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
2 - 2034	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
3 - 2035	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
4 - 2036	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
5 - 2037	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
6 - 2038	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
7 - 2039	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
8 - 2040	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
9 - 2041	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
10 - 2042	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
11 - 2043	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
#12 - 2044	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
13 - 2045	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
14 - 2046	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
15 - 2047	\$490,068,200	\$2,367,519	\$1,065,383	\$1,302,136
		<b>\$35,512,785</b>		<b>\$19,532,040</b>

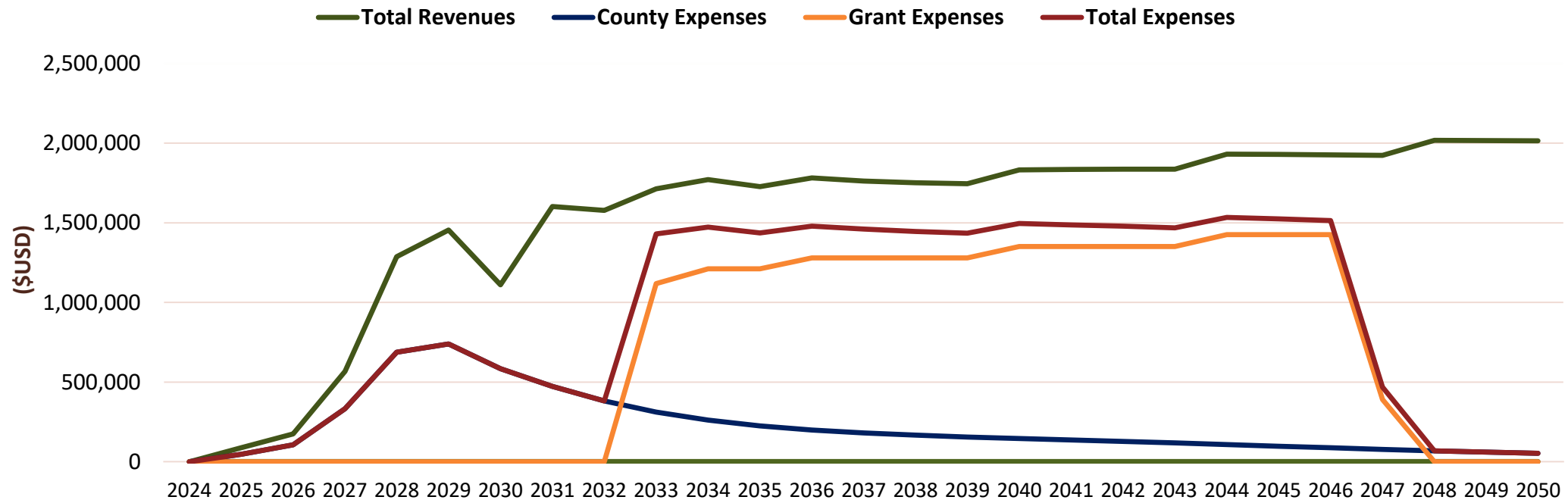
- Taxes based on 48.31 cents per \$100 – (Rates subject to change)
- # TIG Estimated Payoff in Year 12
- Interest rate not included in schedule





## Project Impacts

The project is expected to net the County **\$1,302,136** in revenue each year of the grant term for a minimum cumulative net of **\$19,532,040** over 15 years . Once the incentives expire, the County's tax collections are expected to increase by **\$2,367,519** per year.



## Board Priorities



### Environmental Stewardship

Preserve and protect the County's environmental resources.



### Housing Insecurity

Reduce the number of residents experiencing homelessness and advance stable affordable housing options for all County residents.



### Racial Disparities

Ensure that investments by the County focus on closing racial and ethnic gaps so that race does not predict one's success, while also improving outcomes for all. Race will be interwoven into the Board Priorities through policies, practices, and procedures that seek to analyze and eliminate the root causes of racial disparities with the hope that all people in Mecklenburg County will have an equitable opportunity to thrive in the community.

- **Park land donations, greenway connections, multi-use paths, park activation support, and E.V. charging**
- **Mixed income housing (workforce and affordable), new construction, updates amenities and features**
- **MBE Minimum goal at 15% and MWSBE minimum goal of 10%**





## BOCC Action

- Adopt a Resolution approving an Interlocal Agreement with the City of Charlotte for the reimbursement of public improvements to be constructed by **LNR Development, LLC** in support of new economic development opportunities by committing 45% of the incremental ad valorem taxes created by the project for a period of fifteen years in the **amount not to exceed \$12,130,000** (together with interest on such amount at a customary municipal rate).
- Authorize the County Manager to execute a contract for the same, with any necessary or helpful nonmaterial changes.





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