Synthetic Tax Increment Financing

Synthetic Tax Increment Financing (TIF) Program: The City uses Synthetic TIF as a public/private partnership tool to advance Economic Development and land use planning goals. Synthetic TIF does not require the establishment of a TIF district, as required by Self Financing Bonds, and utilizes locally approved financing, which is repaid by the incremental City/County property tax growth generated by the development. The three funds supported by property tax (General Fund, Debt Service, Pay As You Go) each contribute its pro-rate share. Per City Council policy, the amount of total Synthetic TIF assistance to all projects is limited to 3% of annual property tax levy in any given year.

City Council Approved Projects

Mid-Town Square (Metropolitan)

Project involved two phases. Phase I included a first floor Home Depot Design Center (vacant) under a 2nd floor Target; 800 space parking deck; and road, intersection, and bridge improvements. Phase II included 160,000 sq. ft. of retail/restaurant space, 75,000 sq. ft. of office space, 200 condominiums, parking deck, and relocation of Baxter Street Bridge. Anticipated total private investment equals $224,046,463. The 5th City/County payment is due in FY12. Total TIF payments not to exceed $12.3 million (City $4.3 million).

	FY12	FY13	FY14	FY15	FY16	5-Yr. Total
Est. % investment completed	*80%*	*80%*	*100%*	*100%*	*100%*	
Est. prop. tax increment	*521,840*	*574,024*	*631,426*	*694,569*	*764,026*	*3,185,885*
Est. TIF Payment	**469,656**	**516,622**	**568,283**	**625,112**	**687,623**	**2,867,296**

Elizabeth Ave. Redevelopment

Project includes construction of 250,000 sq. ft. of retail, 340,000 sq. ft. of office space, 810 residential units, and a parking deck with 3,000 spaces. Anticipated total private investment equals $220,000,000. Total TIF payments not to exceed $13.0 million. Completion of parking deck and City purchase of public parking spaces triggers payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*0%*	*0%*	*10%*	*30%*	*40%*	
Est. property tax increment	*0*	*0*	*96,800*	*290,400*	*387,200*	*774,400*
Est. TIF Payment	**0**	**0**	**87,120**	**261,360**	**348,480**	**696,960**

Seaboard / ARK Mgt. / NC Music Factory

Project involves construction of the Seaboard Street extension and three development phases. Phase I includes 120 residential units and renovations to the existing NC Music Factory facility. Phase II includes 80,000 sq. ft. of entertainment, 170,000 sq. ft. of office space, 140,000 sq. ft. of retail space, and 480 residential units. Phase III involves renovations to the Silver Hammer Studio, 200,000 sq. ft. of retail space, and 750 residential units. Anticipated total private investment equals $246,251,000. Total TIF payments not to exceed $1.7 million. Completion of street, residential, and NC Music Factory elements triggers payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*0%*	*0%*	*25%*	*50%*	*80%*	
Est. property tax increment	*0*	*0*	*270,876*	*541,752*	*866,804*	*1,679,432*
Est. TIF Payment	**0**	**0**	**243,788**	**487,577**	**780,123**	**1,511,488**

IKEA

Project supports the construction of a connector road between McCullough Drive to City Boulevard providing overall accessibility with North Tryon Street and City Boulevard. Anticipated total private investment equals $81,399,500. Potential private investment could approach $170,000,000. Total TIF payments not to exceed $5.4 million. Completion of the street connector triggers payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*0%*	*0%*	*40%*	*50%*	*70%*	
Est. prop. tax increment	*0*	*0*	*329,120*	*411,400*	*575,960*	*1,316,480*
Est. TIF Payment	**0**	**0**	**296,210**	**370,260**	**518,364**	**1,184,834**

The Levine Center for the Arts (Cultural Facilities)

Project included development of four Cultural Facilities (Afro-American Cultural Center, Bechtler Art Museum, 1,200 seat Performing Arts Theater, and Mint Museum), First Street office tower with retail and residential (200 units) components, and an underground parking garage to support the facilities. There is a guaranteed minimum incremental tax of $4.6M annually, based on $360,000,000 in tax base growth. Total City TIF payments paid into City debt fund not to exceed $41.3M over 25 years.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
*Est. % investment completed**	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	
Est. property tax increment	*1,835,555*	*1,835,555*	*1,835,555*	*1,835,555*	*1,835,555*	*9,177,775*
***Est. TIF Payment**	**1,652,000**	**1,652,000**	**1,652,000**	**1,652,000**	**1,652,000**	**8,260,000**

Synthetic Tax Increment Financing

Carolina Theatre Redevelopment

Project involves the renovation of the existing Carolina Theatre and construction of a 125 unit residential condominium project. Anticipated total private investment equals $50,000,000. Total TIF payments not to exceed $4.5 million. Certificate of Occupancy (CO) of residential units triggers payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*0%*	*0%*	*0%*	50%	60%	
Est. property tax increment	*0*	*0*	*0*	*110,000*	*132,000*	*242,000*
Est. TIF Payment	**0**	**0**	**0**	**99,000**	**118,800**	**217,800**

Wesley Village (Bryant Park)

Project supports redevelopment of Bryant Park and funds construction of Stewart Creek Parkway from tax increment generated by the development of Wesley Village apartments- Phase I. Anticipated total private investment equals $33,000,000. Total TIF payments not to exceed $1.36 million. Completion of the Stewart Creek Parkway street triggered payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*100%*	*100%*	*100%*	*100%*	*100%*	
Est. property tax increment	*151,000*	*151,000*	*151,000*	*151,000*	*151,000*	*755,000*
Est. TIF Payment	**136,000**	**136,000**	**136,000**	**136,000**	**136,000**	**680,000**

Pope & Land Coliseum

Project supports mixed-use development of the former Tyvola Road Coliseum land with construction of a connector road from Tyvola Road to Billy Graham Parkway. Anticipated total private investment equals $645,690,000. Total TIF payments not to exceed $5.81 million. Completion of connector road triggers payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*0%*	*0%*	*0%*	*25%*	*40%*	
Est. property tax increment	*0*	*0*	*0*	*710,259*	*1,136,414*	*1,846,673*
Est. TIF Payment	**0**	**0**	**0**	**319,617**	**511,386**	**831,003**

Double Oaks

Project supports redevelopment of Double Oaks apartments including 940 residential units and approximately 108,000 square feet of non-residential development. Anticipated total private investment equals $119,320,000. Total TIF payments not to exceed $3.6 million. Certificate of Occupancy (CO) of 188 units and payment of HUD 108 Loan triggers payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*5%*	*21%*	*41%*	*62%*	*83%*	
Est. property tax increment	*27,500*	*109,440*	*218,881*	*328,321*	*437,761*	*1,121,903*
Est. TIF Payment	**24,750**	**98,496**	**196,993**	**295,489**	**393,985**	**1,009,713**

Merrifield / Radiator Specialty

Project supports construction of Bryant Park Drive, connecting Wilkinson to Morehead. Merrifield/Radiator Specialty development includes 600,000 sq. ft. of office and 250,000 sq. ft. of residential on 34 acres. Anticipated total private investment equals $170,000,000. Total TIF payments not to exceed $2.2 million. Completion of Bryant Park Drive road triggers payment.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*0%*	*0%*	*0%*	*25%*	*40%*	
Est. property tax increment	*0*	*0*	*0*	*187,000*	*299,200*	*486,200*
Est. TIF Payment	**0**	**0**	**0**	**168,300**	**269,280**	**437,580**

Synthetic Tax Increment Financing

First Ward Parking Deck and Park

Project supports redevelopment of eight blocks of land in First Ward into mixed use office, residential, retail, hotel and park space. Project consists of two separate TIFs.

The first TIF is a five-year term that supports development of First Ward Park with land acquisition and construction. Mecklenburg County provides $11.2 million for park development costs and leverages $19.0 million in land value. City's total TIF payments not to exceed $2.315 million for first TIF.

The second TIF is a ten-year term that begins at completion of the first TIF and supports 1,335 public parking spaces, UNC Charlotte's Uptown campus, and provides catalyst for new jobs, workforce housing, and retail for an estimated total investment of $800,000,000. City's total TIF payments not to exceed $10.1 million for second TIF.

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. % investment completed	*0%*	*0%*	*0%*	*10%*	*20%*	
Est. property tax increment	*0*	*0*	*0*	*352,000*	*704,000*	*1,056,000*
Est. TIF Payment	**0**	**0**	**0**	**158,401**	**316,801**	**475,202**

TIF PROJECTS COMBINED TOTAL

Anticipated total investment = $3,678,307,463

	FY12	FY13	FY14	FY15	FY16	5-Yr.Total
Est. property tax increment	2,535,895	2,670,019	3,533,658	5,612,256	7,289,920	*21,641,748*
Est. Total TIF Payment	**2,282,406**	**2,403,118**	**3,180,393**	**4,573,115**	**5,732,841**	**18,171,873**
Est. Total TIF Payment by Fund						
General Fund	*1,877,798*	*1,977,110*	*2,616,596*	*3,762,427*	*4,716,565*	*14,950,496*
Municipal Debt Service	*342,361*	*360,468*	*477,059*	*685,967*	*859,926*	*2,725,781*
Pay-As-You-Go	*62,247*	*65,540*	*86,738*	*124,721*	*156,350*	*495,596*

*TIF payment per fixed amount, not per investment completed