

 Holly Springs, N.C.	<b>P-033.01</b>	
	<b>Downtown Development Investment Program</b>	
	Prepared By:	Gina Clapp, Stephanie Sudano, Jenny Mizelle, Chuck Simmons
	Department:	Planning & Zoning, Engineering, Economic Development & Administration
<b>Policy &amp; Procedure Statements</b> of the Holly Springs Town Council	Date Approved by Council:	<b>2/5/2013</b>
	Effective Date:	<b>1/28/13</b>
	Supersedes Old #:	P-033
	Old Effective Date:	December 16, 2008

**PREAMBLE:**

The Town of Holly Springs (the “Town”) Town Council (the “Council”), has determined that the general welfare of the residents of the Town is directly benefited by a vibrant and growing geographic center of the Town, defined by the Town as the “Village District” as specified in the Town’s comprehensive plan. The Council understands that stimulating private sector investment, economic growth, housing opportunities, and job creation in the Village District is essential to the economic vitality of the Town as a whole. The Council further determines that it may be necessary to encourage or stimulate certain development in the Village District because of challenges to development or limiting real estate market forces. To this end, for projects located within the Village District, the Town will consider on a case by case basis specific Downtown Development Investment (DDI) by the Town, through which the Town may share in the expenses related to public infrastructure and site improvements (i.e. necessary roads and off-street parking, sidewalks, water lines, and/or sanitary sewer lines) and/or waive certain fees associated with development to stimulate development in the Village District Area.

**POLICY PURPOSE:**

The purpose of this Policy is to establish a structured and consistent means for the provision of DDI through Town investment. Such proposals must have a significant and positive effect on the economic health of the community and be in compliance with sound public policy principles which, at a minimum, meet the following criteria:

- Provide for an increase and diversification in the existing tax base of the Town, with a target objective of delivering a satisfactory return on the Town’s investment, taking into account investment, new jobs created and intangible contributions to the Village District.

- Are memorialized by written contractual agreements with the Applicant involved, binding it to minimum levels of performance.
- Are compliant with existing laws and provide for openness and transparency to the extent possible, such as those laws governing economic development incentive grants under N.C.G.S. §158-7.1.

### **DDI COMMITTEE:**

This policy creates a DDI Committee (“Committee”) made up of the following members: Assistant Town Manager and Directors of the following Departments: Building Code Enforcement, Economic Development, Engineering, Parks & Recreation, and Planning & Zoning. The Committee shall perform the following minimum activities: advertise the program and its benefits to the community, screen applicants based on the criteria established by this policy, recommend to the Council those Applicants meeting the criteria (the “Applicants”), formulate and recommend to Council agreements with such successful Applicants, and monitor compliance.

### **DDI PROGRAM PARAMETERS:**

DDI shall be limited to 50% of infrastructure costs or \$25,000, whichever is less, and reductions to the Town’s Development Fees will be considered separately and individually based upon project merit. Each project will be considered individually, utilizing the guidelines specified in this Policy and adopted by the Council. These guidelines shall be subject to periodic review and may be modified, amended or terminated, due to changed economic conditions, competitive considerations, or other reasons at the Council’s discretion. In the event of any modification, amendment, or termination of these guidelines, any DDI to which the Town previously committed will not be affected.

In determining whether to award a DDI to a project and the amount of such DDI, the DDI Committee and the Council will consider, among other relevant factors, project features and amenities such as:

- The project must be located within the boundaries of the Village District Area Plan as specified in the Town’s comprehensive plan. These provisions shall not apply to projects outside of this area.
- The type of business and the likelihood of whether its inclusion in the Village District would serve to diversify the tax base or employment base generally, add appropriate density to the Village District, provide a needed service to the community, increase the aesthetic character of the area, provide opportunities for tourism, or otherwise contribute to the Town’s previously established growth principals of “evoking a sense of place.”
- Inclusion of certain construction and design features to increase the aesthetic character of the Village District, which include by way of example: preserves significant historic structures, provides significant and proper architectural features, provides a three story building versus a two story building, incorporates residential above commercial, provides on-site parking, includes public art, and other similar factors.

- Provision of public amenities such as shared parking, pocket parks, or recreational opportunities.
- Enhances the character of the Village District.

For projects meeting the minimum criteria, the amount of a DDI, if provided, will be determined by the Council in its sole discretion, with consideration of the following primary factors as specified on the DDI Evaluation Worksheet:

- Appropriate Land Use/Mixed Use
- Improvement to the Quality of Place/Community Character of the Village District and the Town of Holly Springs
- Environmental Sustainability
- Economic Sustainability
- Other factors deemed relevant by the Council in its discretion

### **FORM OF TOWN INVESTMENT:**

The Town of Holly Springs DDI program does not consist of a standard set of grants or credits and the Town does not have funds obligated from the town's general fund for this purpose. However, the Town will consider reimbursement and/or contributions to qualifying projects by contributing to required infrastructure such as roads, off-street parking, sidewalks, water lines, and/or sanitary sewer lines, and/or a reduction or waiving of certain plan review and development fees such as:

- Planning & Zoning Fees
- Engineering Department Fees
- Parks & Recreation Fees
- Building Permit Fees

### **PROCEDURE FOR GRANT CONSIDERATION:**

The following procedure will be utilized in considering a project for a DDI:

- The Applicant requesting DDI shall submit a request on the forms specified by the Committee to the Director of Planning & Zoning.
- The Director of Planning & Zoning shall confirm that the request is complete and shall notify the Town Manager that a request for DDI has been submitted.
- The Director of Planning & Zoning shall convene the DDI Committee to review the request with the Applicant.
- The Committee shall review the information submitted, interview the Applicant and make a written recommendation to the Town Manager and Town Attorney for or against the request for DDI and their recommended performance criteria for the recipient to meet.
- The Town Manager shall review the information submitted by the Applicant, the written recommendation from the Committee and respond with his recommendation on the DDI request to the Town Attorney and the Committee.
- If the Manager's recommendation is to recommend providing DDI, then the Town Attorney shall review the request for conformance with this policy and all state

and/or other regulations regarding such and prepare a draft agreement including recommended performance criteria which shall ensure the timely completion of the project and protect the Town's investment for the Committee to review.

- The Committee shall negotiate the terms of such agreement with the Applicant. Such discussions are negotiations only, inasmuch as the Council has the sole discretion and authority to finally agree to such DDI as determined during the negotiation phase or modify the offer at their discretion.
- If the DDI involves a waiver of Town fees or expenditure of Town funds, then at a time agreeable to the applicant, given its confidentiality concerns, the Department of Planning & Zoning shall provide public notice and schedule the public hearing regarding the proposed incentives in accordance with the requirements of N.C. Gen. Stat. §158-7.1. Otherwise, the DDI will be considered by the Town Council at a public meeting.
- Upon completion of the terms of the DDI and draft agreement by the Town Attorney and Committee, the Manager shall submit the request, draft agreement including the performance criteria and recommendation to the Town Council. The Council will make a decision as to whether to approve the terms of the DDI agreement, modify the terms or deny the DDI.
- A DDI agreement will be executed which contractually binds the Town to make the investment, and the Applicant to meet the performance standards to which they mutually agreed, in a manner agreed to between the Town and the Applicant.
- The Applicant will provide periodic verification of its compliance with the requirements to which it has agreed, in a manner agreed to between the Town and the Applicant.

### **CONCLUSION:**

All DDIs will be considered on a project-by-project basis, pursuant to these guidelines. By adopting these guidelines, the Council is not obligated to make any DDI. These guidelines are not retroactive to any project which has been announced prior to the adoption of these guidelines. These guidelines are effective upon adoption by the Council.

### ***End of Policy Statement No. P033.1***

I, Joni Powell, Town Clerk of the Town of Holly Springs, certify that this is a true and accurate copy of a policy statement adopted by the Holly Springs Town Council on February 5, 2013, following a motion by Councilman Cobb, a second by Councilman Sack and a carrying vote of 4-0.

  
\_\_\_\_\_  
Joni Powell, CMC  
Town Clerk

