

ORDINANCE NUMBER: 279-X

AN ORDINANCE CREATING AND DEFINING A MUNICIPAL SERVICE DISTRICT IN THE SOUTHPARK AREA

WHEREAS, Article 23 of Chapter 160A of the North Carolina General Statutes entitled “The Municipal Service District Act of 1973” as amended authorizes cities within North Carolina to define one or more service districts for the purpose enumerated in the Act and pursuant to the procedures therein prescribed; and

WHEREAS, pursuant to G.S. 160A-536, urban revitalization projects are one of the purposes for which a municipal service district may be established; and

WHEREAS, pursuant to G.S. 160A-536, areas consisting primarily of existing or redeveloping concentrations of retail, office, or significant employment-generating uses or any combination of those uses may be considered urban revitalization areas; and

WHEREAS, the City Council of the City of Charlotte deems it desirable to define a service district as hereafter described for the purpose of promotion, development, and advocacy of the SouthPark urban area and providing services to the district to a greater extent than provided for the remainder of the city; and

WHEREAS, the City Council of the City of Charlotte has caused to be prepared a report containing a map with the boundaries of the proposed district, statement that the district meets the standards set forth in G.S. 160A-536, and plan for providing services in the district, and made the report available for public inspection as required by G.S. 160A-537; and

WHEREAS, the City Council of the City of Charlotte held a public hearing with the public notice and property owner notification given as required by G.S. 160A-537; and

WHEREAS, all other pre-requisites to adopting an ordinance creating a municipal service district as prescribed in G.S. 160A, article 23 as amended, have been met; and

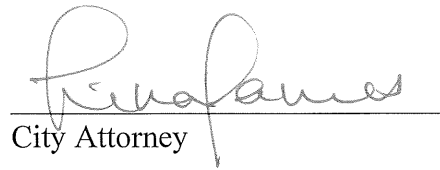
WHEREAS, the members of the City Council of the City of Charlotte have taken into full consideration all statements and information presented at the public hearing held on February 28, 2022 on the question of creating a SouthPark municipal service district.

NOW, THEREFORE, BE IT ORDAINED by the members of the City Council of the City of Charlotte:

1. That a municipal service district is hereby defined and established as the boundary following property lines south of Scofield Road and Wickersham Road, west of Sharon Road and Cameron Valley Parkway, north of Sharon View Road, and east of Park South Drive as depicted on the map attached hereto as Exhibit A, also being those properties with tax parcels listed on Exhibit B attached hereto.

2. That an additional ad valorem tax be levied upon property located within this district to pay for these services and functions; this specific tax rate to be set each fiscal year at the same time the citywide tax rate is set for the entire city; and
3. That other revenues whose use is not otherwise restricted by law may be allocated to this service district; and
4. That this ordinance shall be effective on July 1, 2022, which is the beginning of the City of Charlotte's 2022-2023 fiscal year.

Approved as to form:


Deputy City Attorney

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of an Ordinance adopted by the City Council of the City of Charlotte, North Carolina, in regular session convened on the 11th day of April 2022, the reference having been made in Minute Book 155, and recorded in full in Ordinance Book 64, Page(s) 683-711.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this 11th day of April 2022.



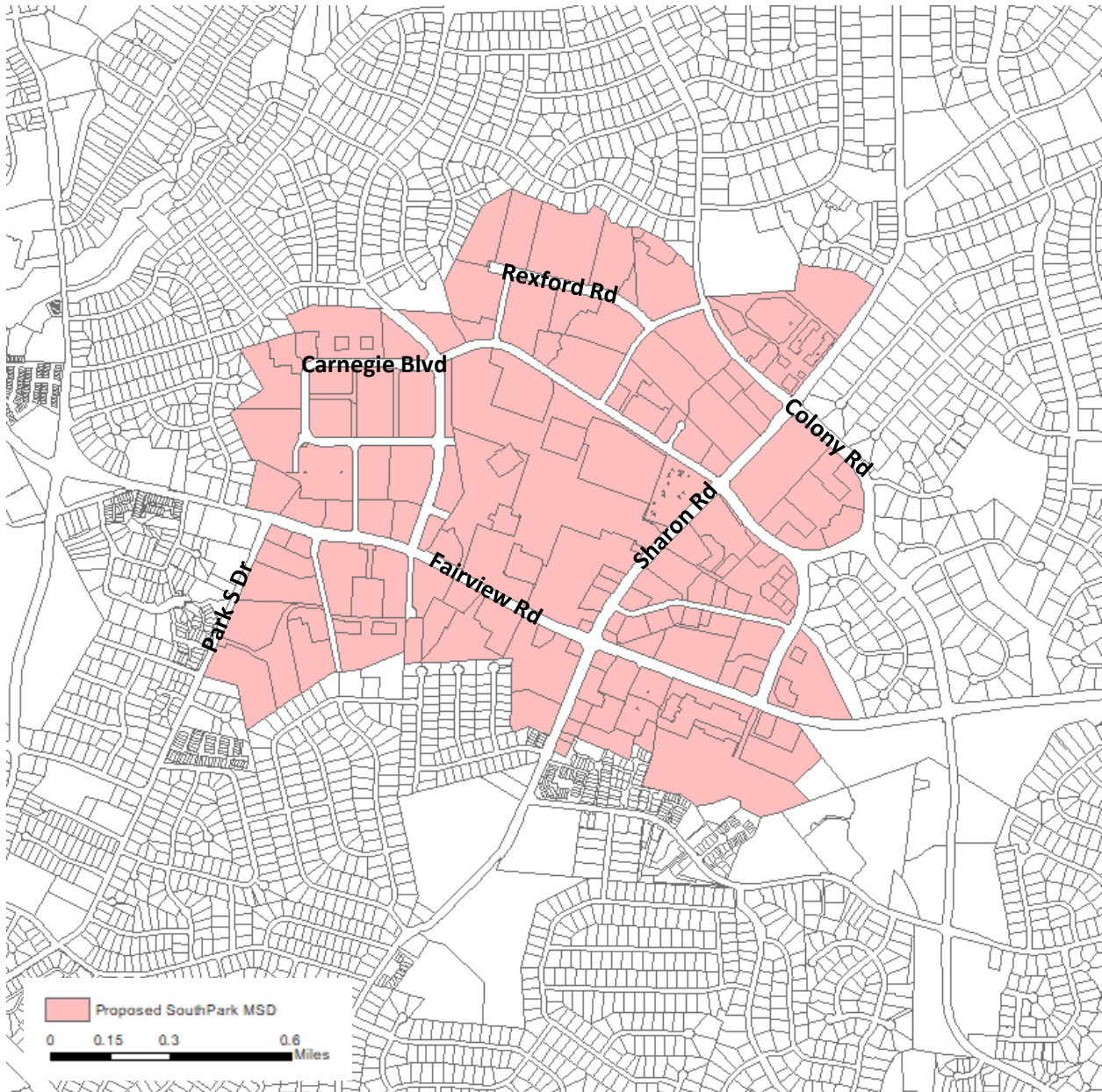


Stephanie C. Kelly, City Clerk, MMC, NCCMC

EXHIBIT A

Map of Proposed
SouthPark Municipal Service District

March 28, 2022



Proposed SouthPark Municipal Service District

EXHIBIT B

Listing of Tax Parcels Included Within
SouthPark Municipal Service District

March 28, 2022

<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>
17702176	17706139	17706401	17708133
17706101	17706140	17706402	17708134
17706102	17706141	17706403	17708135
17706103	17706142	17706404	17708136
17706104	17706143	17708101	17708137
17706105	17706144	17708102	17708138
17706106	17706145	17708103	17708139
17706107	17706201	17708104	17708140
17706108	17706204	17708105	17708141
17706110A	17706207	17708106	17708142
17706110B	17706208	17708107	17708143
17706111	17706212	17708108	17708144
17706113	17706213	17708109	17708145
17706114	17706214	17708110	17708146
17706115	17706215	17708111	17708147
17706117	17706224	17708112	17708148
17706118	17706225	17708113	17708149
17706119	17706226	17708114	17708150
17706121	17706229	17708115	17708151
17706122	17706230	17708116	17708152
17706123	17706231	17708117	17708153
17706124	17706232	17708118	17708154
17706125	17706233	17708119	17708155
17706126	17706234	17708120	17708156
17706127	17706235	17708121	17708157
17706128	17706236	17708122	17708158
17706129	17706237	17708123	17708159
17706130	17706238	17708124	17708160
17706131	17706295	17708125	17708161
17706132	17706301	17708126	17708162
17706133	17706302	17708127	17708163
17706134	17706303	17708128	17708164
17706135	17706304	17708129	17708165
17706136	17706305	17708130	17708166
17706137	17706306	17708131	17708167
17706138	17706307	17708132	17708168

<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>
17708169	17708225	17709209	17709261
17708170	17708226	17709210	17709262
17708171	17708227	17709211	17709264
17708172	17708228	17709221	17709265
17708173	17708229	17709222	17709266
17708174	17708230	17709223	17709267
17708175	17708231	17709224	17709268
17708176	17708232	17709225	17709269
17708177	17708233	17709226	17709301
17708178	17708234	17709227	17709302
17708179	17708235	17709228	17709303
17708180	17708237	17709229	17709304
17708181	17708243	17709230	17709305
17708182	17708244	17709231	17709306
17708183	17708245	17709232	17709307
17708184	17708246	17709233	17709308
17708185	17708299	17709234	17709309
17708186	17708301	17709235	17709310
17708187	17708303	17709236	17709311
17708188	17708304	17709237	17709312
17708189	17708305	17709238	17709313
17708190	17708306	17709239	17709314
17708191	17708307	17709240	17709315
17708192	17709102	17709241	17709316
17708193	17709103	17709242	17709317
17708194	17709104	17709243	17709318
17708195	17709105	17709244	17709319
17708196	17709106	17709245	17709320
17708197	17709107	17709246	17709321
17708198	17709108	17709247	17709322
17708199	17709109	17709248	17709323
17708215	17709111	17709249	17709324
17708216	17709112	17709250	17709325
17708217	17709113	17709251	17709326
17708218	17709114	17709252	17709327
17708219	17709115	17709253	17709328
17708220	17709116	17709254	17709329
17708221	17709204	17709255	17709330
17708222	17709205	17709256	17709331
17708223	17709206	17709258	17709332
17708224	17709208	17709260	17709333

<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>
17709334	17709375	18313206	18313258
17709335	17709376	18313207	18313260
17709336	17709377	18313209	18313261
17709337	17709378	18313210	18313262
17709338	17709379	18313213	18313263
17709339	17709380	18313214	18313264
17709340	17901165	18313215	18313265
17709341	17901166	18313216	18313266
17709342	17901167	18313217	18313267
17709343	17901168	18313218	18313268
17709344	17901170	18313219	18313269
17709345	17901171A	18313220	18313270
17709346	17901173	18313221	18313271
17709347	17901179	18313222	18313272
17709348	17901180	18313223	18313273
17709349	17901181	18313224	18313274
17709350	17901183	18313225	18313275
17709351	17901184	18313226	18313276
17709352	17901185	18313227	18313277
17709353	17901187	18313228	18313278
17709354	17901188	18313229	18313279
17709355	17901189	18313230	18313280
17709356	17901190	18313238	18313281
17709357	17901191	18313240	18313282
17709358	17902201	18313241	18313283
17709359	17902202	18313242	18313284
17709360	17902237	18313243	18313285
17709361	17902238	18313244	18313286
17709362	17902239	18313245	18313287
17709363	17902241	18313246	18313288
17709364	17902242	18313247	18313289
17709365	17902252	18313248	18313290
17709366	17902253	18313249	18313291
17709367	18313101	18313250	18313292
17709368	18313103	18313251	18313293
17709369	18313105	18313252	18313294
17709370	18313106	18313253	18313295
17709371	18313108	18313254	18313296
17709372	18313109	18313255	18313297
17709373	18313111	18313256	18313298
17709374	18313204	18313257	18313299

<u>Parcel Number</u>	<u>Parcel Number</u>
18313302	18314116
18313304	18314117
18313307	18314121
18313308	18314122
18313309	18314123
18313322	18314150
18313324	18317158A
18313363	18317160A
18313364	18317161A
18313365	18317501
18313366	18317502
18313367	18317503
18313368	18317504
18313369	18317599
18313372A	18317703
18313372B	18317704
18313374	18317705
18313375	18317706
18313376	18317707
18313377	18317708
18313378	18317709
18313402	18317710
18313403	18317714
18313404	18317715
18313405	18317716
18313406	18317717
18313407	
18313408	
18313409	
18313410	
18313411	
18313412	
18313413	
18313414	
18313415	
18313495	
18313497	
18313599	
18314113	
18314115A	
18314115B	

April 11, 2022

Ordinance Book 64, Page 690

Ordinance No. 279-X

EXHIBIT C

Listing of Tax Parcels to be Excluded from
SouthPark Municipal Service District*March 28, 2022*

<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>	<u>Parcel Number</u>
17706241	17706277	17706519	17706625
17706242	17706278	17706520	17706626
17706243	17706279	17706521	17706627
17706244	17706280	17706522	17706628
17706245	17706281	17706523	17706629
17706246	17706282	17706524	17706630
17706247	17706283	17706525	17706631
17706248	17706284	17706526	17706632
17706249	17706285	17706527	17706633
17706250	17706286	17706528	17706634
17706251	17706287	17706529	17706635
17706252	17706288	17706530	17706636
17706253	17706289	17706601	17706637
17706254	17706290	17706602	17706638
17706255	17706291	17706603	17706639
17706256	17706292	17706604	17706640
17706257	17706293	17706605	17706641
17706258	17706294	17706606	17706642
17706259	17706501	17706607	17706643
17706260	17706502	17706608	17706644
17706261	17706503	17706609	17706645
17706262	17706504	17706610	17706646
17706263	17706505	17706611	17706647
17706264	17706506	17706612	17706648
17706265	17706507	17706613	17706649
17706266	17706508	17706614	17706650
17706267	17706509	17706615	17706651
17706268	17706510	17706616	17706652
17706269	17706511	17706617	17706653
17706270	17706512	17706618	17706654
17706271	17706513	17706619	17706655
17706272	17706514	17706620	17706656
17706273	17706515	17706621	17706657
17706274	17706516	17706622	17706658
17706275	17706517	17706623	17706659
17706276	17706518	17706624	17706660

Parcel Number

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SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report



SouthPark Community Partners

January 28, 2022

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

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SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

1. Introduction and Purpose

This report evaluates the need for additional services to be provided for a defined Municipal Service District (MSD) in the SouthPark neighborhood of Charlotte. As defined by the State of North Carolina General Statutes (N.C.G.S. Ch. 160A, Article 23), a municipal service district is a defined area within a city in which the City Council can authorize a special property tax, in addition to the property taxes levied throughout the city, to fund extra services or projects that exclusively benefit the properties in the district. The City of Charlotte currently has five established MSD's: three in Uptown, one in South End, and one in University City.

SouthPark Overview

In 1970, a large shopping mall opened at the edge of the City, beginning the transition of the SouthPark neighborhood over the next 40+ years into a major activity center for the City of Charlotte. Infrastructure investments and private development in the area have historically responded to more suburban preferences: single-use sites, low-profile buildings, few street connections, and a limited number of parks, greenways, or public space at the neighborhood's core. Today, SouthPark has evolved into a mixed-use activity center in Charlotte, supporting a significant concentration of jobs and contributing to the overall economic vibrancy of the city. Building heights and development intensity have increased, parking is more commonly accommodated in structures, and planning has highlighted the importance of balancing mobility options for vehicles, transit, bicycles, and people. To maintain its competitiveness in the future, SouthPark will need focused investment.

Since 2000, there have been several studies completed to address the future of SouthPark. Previous planning initiatives for the SouthPark area each recommend the establishment of a dedicated funding stream to implement critical recommendations. Establishing a municipal service district in SouthPark would be an effective and appropriate tool to support a successful vision for the area. The following planning studies have been completed for the SouthPark community:

- Charlotte City Council's SouthPark Small Area Plan (2000)
- City of Charlotte's Centers, Corridors, and Wedges Growth Framework (2010)
- Urban Land Institute's (ULI) SouthPark: Envisioning a More Walkable, Multimodal, Future for SouthPark (2016)
- City of Charlotte's Community Neighborhood Improvement Plan (CNIP) (2018)
- The Loop Framework Plan (2019)

"SouthPark will continue to be a premier mixed-use activity center in Charlotte because of investments to create a more connected and vibrant public realm. Great streets, more parks and plazas, improved greenspace, and safer intersections will be the foundation for continued investment in the activity center - whether by public or private interests - that promotes continued economic vibrancy and a distinct identity and reputation for SouthPark and its surrounding neighborhoods."

-SouthPark CNIP's Vision Statement

In March 2021, SouthPark Community Partners began a four-week process to gauge the local appetite to establish an MSD in SouthPark. SouthPark Community Partners is a non-profit organization that includes area leaders, business and development interests, and residents. A Request for Council Action was presented to City Council on December 13th, 2021 which authorized the City Manager to direct staff to prepare reports documenting district boundaries, tax rate and revenue, and plan for providing services. This Finding of Need report is part of the steps required to establish a new MSD.

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

Criteria for Creating a Municipal Service District

North Carolina allows for the creation of municipal service districts for a variety of functions, including:

- Beach erosion control and flood and hurricane protection works
- Downtown revitalization projects
- Urban revitalization projects
- Transit-oriented development projects
- Drainage projects
- Sewage collection and disposal systems
- Off-street parking facilities or watershed improvement, drainage, and water resources development projects

Urban area revitalization projects are one of the municipal services for which a district may be formed. In 1999, the Municipal Service District Act was expanded at the request of the City to include the provision to form an MSD for "urban area" revitalization projects. This provision was introduced to complement the original intent of the legislation of supporting downtown revitalization projects and sought to address the needs of urban cities that have business centers outside of the central business district. The City's South End MSD, created in 2000, was the first urban area revitalization project to qualify under this provision. The University City MSD was also created under this function.

N.C.G.S § 160A-536. Purposes for which districts may be established.

(a) Purposes. - The city council of any city may define any number of service districts in order to finance, provide, or maintain for the districts one or more of the following services, facilities, or functions in addition to or to a greater extent than those financed, provided or maintained for the entire city:

(c) Urban Area Revitalization Defined. - As used in this section, the term "urban area revitalization projects" includes the provision within an urban area of any service or facility that may be provided in a downtown area as a downtown revitalization project under subdivision (a)(2) and subsection (b) of this section. As used in this section, the term "urban area" means an area that (i) is located within a city and (ii) meets one or more of the following conditions:

- (1) It is the central business district of the city.
- (2) It consists primarily of existing or redeveloping concentrations of industrial, retail, wholesale, office, or significant employment-generating uses, or any combination of these uses.
- (3) It is located in or along a major transportation corridor and does not include any residential parcels that are not, at their closest point, within 150 feet of the major transportation corridor right-of-way or any non-residentially zoned parcels that are not, at their closest point, within 1,500 feet of the major transportation corridor right-of-way.
- (4) It has as its center and focus a major concentration of public or institutional uses, such as airports, seaports, colleges or universities, hospitals and health care facilities, or governmental facilities.

The SouthPark area meets the required statutory criteria for forming a Municipal Service District as the area can be considered as an urban area revitalization project that consists primarily of existing or redeveloping concentrations of industrial, retail, wholesale, office, or significant employment-generating uses, or any combination of these uses.

Organization of this Report

N.C.G.S. 160A-537, excerpted below, sets forth the standards that must be met and the contents of the report required to consider the establishment of a municipal services district (MSD):

SOUTHPARK MUNICIPAL SERVICE DISTRICT**Finding of Need Report****§ 160A-537. Definition of service districts.**

(a) Standards. - The city council of any city may by ordinance define a service district upon finding that a proposed district is in need of one or more of the services, facilities, or functions listed in G.S. 160A-536 to a demonstrably greater extent than the remainder of the city.

(b) Report. - Before the public hearing required by subsection (c), the city council shall cause to be prepared a report containing:

- (1) A map of the proposed district, showing its proposed boundaries;
- (2) A statement showing that the proposed district meets the standards set out in subsection (a); and
- (3) A plan for providing in the district one or more of the services listed in G.S. 160A-536.

The report shall be available for public inspection in the office of the city clerk for at least four weeks before the date of the public hearing.

Following this introductory section, and in keeping with the requirements of G.S. 160A-537 noted above, this report consists of three primary components:

**1. MAP OF PROPOSED DISTRICT**

A map has been prepared showing the area in which additional services would be provided, and for which additional tax levy would apply to pay for the proposed services.

**2. STATEMENT SHOWING THAT THE AREA IS IN NEED OF ADDITIONAL SERVICES**

Information by service category, that one or more of the services, facilities or functions listed in G. S. 160A-536 are needed to a "demonstrably greater extent" than the remainder of the City of Charlotte.

**3. PLAN FOR PROVIDING SERVICES**

A plan for providing, within the district, certain additional eligible services as listed in G.S. 160A-536.

Approval Schedule

N.C.G.S. 160A-537 establish the legal steps required to establish a new municipal service district. The following process chart highlights the major steps to establish a new service district.

§ 160A-537. Definition of service districts.

(c) Hearing and Notice. - The city council shall hold a public hearing before adopting any ordinance defining a new service district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by subsection (b) is available for public inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed and his certificate is conclusive in the absence of fraud.

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

(d) **Effective Date.** - Except as otherwise provided in this subsection, the ordinance defining a service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the city council. If the governing body in the ordinance states that general obligation bonds or special obligation bonds are anticipated to be authorized for the project, it may make the ordinance effective immediately upon its adoption or as otherwise provided in the ordinance. However, no ad valorem tax may be levied for a partial fiscal year.

(f) **Passage of Ordinance.** - No ordinance defining a service district as provided for in this section shall be finally adopted until it has been passed at two meetings of the city council by majority vote of the voting members present, and no service district shall be defined except by ordinance. (1973, c. 655, s. 1; 1981, c. 53, s. 1; c. 733, s. 1; 2006-162, s. 25; 2012-156, s. 4; 2016-8, s. 2.)



December 13, 2021:

Council authorizes City Manager to direct staff to create supporting documentation for creation of a municipal service district in SouthPark.



January 2022:

Staff prepares a report documenting the map of the proposed district, statement that the area needs additional services, and a plan for providing those services.



January 28, 2022:

SouthPark Finding of Need Report is published for public review. The report was made available at the office of the City Clerk.



January 28, 2022:

Notices mailed to all property owners within the proposed district with proposed boundary map.



February 8, 2022 & February 15, 2022:

Public hearing advertised in local media outlets.



February 28, 2022:

City Council holds a public hearing.



March 28, 2022 & April 11, 2022:

City Council reviews MSD ordinance to establish the SouthPark MSD at two separate meetings following public hearing.



July 1, 2022:

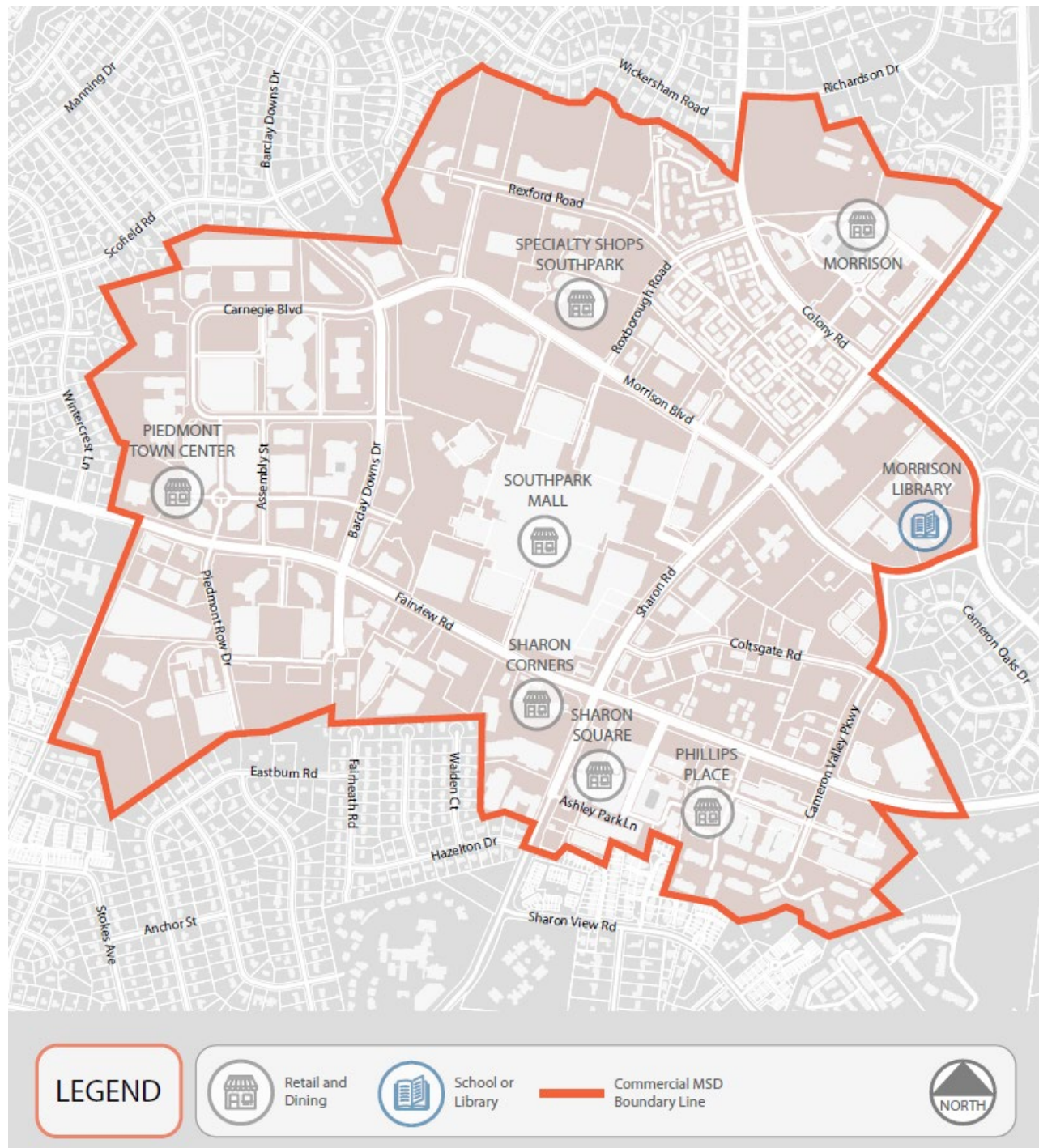
SouthPark MSD tax levy effective July 1 following establishment of district.

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

2. Map of Proposed District

The exact boundaries of the proposed SouthPark MSD were recommended by the SouthPark Community Partners organization. SouthPark Community Partners based this recommendation on the service needs of the area and identifying properties that would benefit the most from being in an MSD. SouthPark Community Partners presented these boundaries, as displayed in [Map 1](#), to property owners in the proposed district. They have since received letters of support for the creation of the MSD from both large and small property owners.



Map 1: Proposed SouthPark MSD Boundary, 2022

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

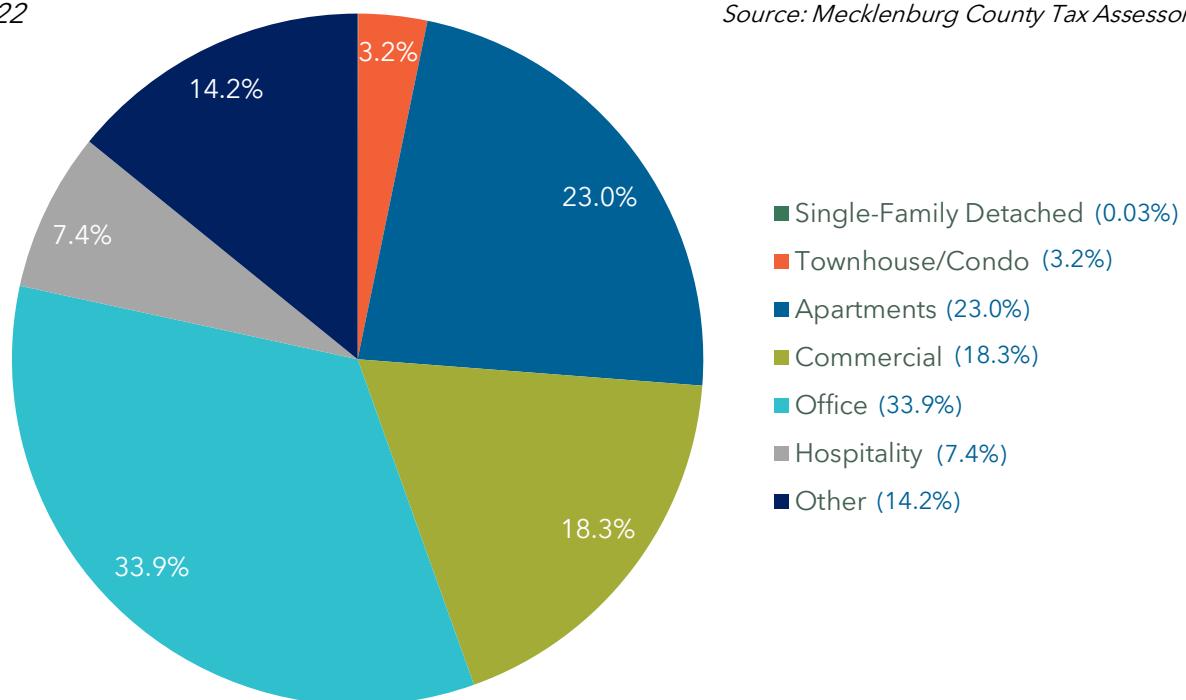
Initial boundary options considered for the SouthPark MSD leveraged a consistent planning area geography defined as part of previous visioning efforts, particularly the SouthPark ULI TAP report, the SouthPark CNIP, and The Loop Framework Plan. During the four-week strategic planning process hosted by SouthPark Community Partners in March 2021, the boundary was refined and refocused more specifically on the commercial core of the neighborhood. The proposed SouthPark MSD boundary is heavily influenced by the distribution of land uses. Rather than following major transportation corridors, the defining edge follows parcel lines that separate commercial uses from the surrounding residential neighborhoods.

SouthPark MSD by Building Square Footage

As proposed, the SouthPark MSD contains approximately 0.97 square miles with a diverse mix of land uses. Hosting more than 25,000 total jobs, the area is a major employment activity node for the City of Charlotte. The proposed MSD area has more than 15.1 million square feet of residential, commercial, and office space. Office space comprises 33.9% of the total building inventory in the proposed MSD, followed by rental apartments, and retail/commercial space, which is anchored by the SouthPark Mall (*Graph 1*). The "Other" category, which comprises 14.2% of the total inventory, includes government-owned buildings like the SouthPark Regional Library (formerly Morrison Regional), as well as several parking decks and properties that were not categorized by Mecklenburg County's tax parcel data. It should be noted that single-family detached building square footage represents only 0.03% of the total, an amount so small that it does not show up on the graph below.

Graph 1: Distribution of Building Square Footages by Land Use, Proposed SouthPark MSD, 2022

Source: Mecklenburg County Tax Assessor



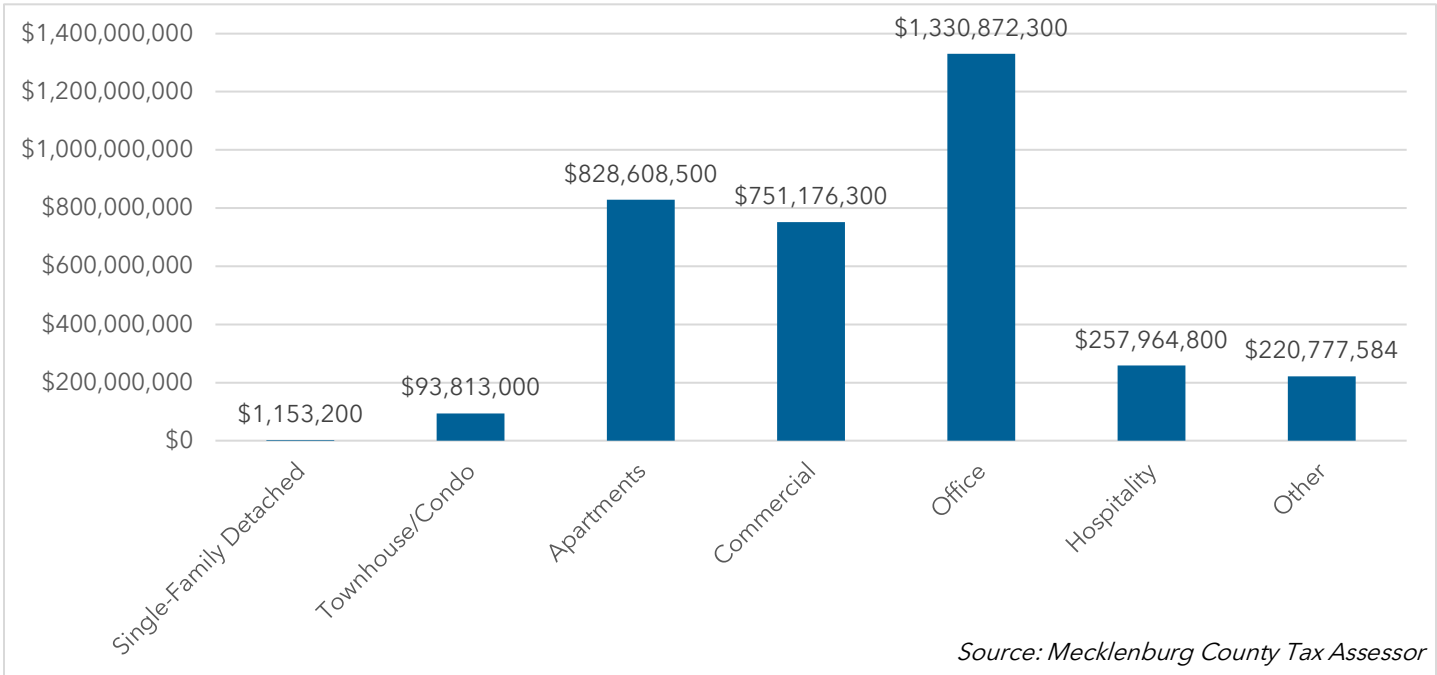
SouthPark MSD by Property Valuation

Excluding a small number of tax-exempt properties, the properties in the proposed SouthPark MSD have a combined total valuation of nearly \$3.5 billion. The area's 5.1 million square feet of office space has the highest property valuation at more than \$1.3 billion (*Graph 2*). Rental apartment communities have the second highest aggregate valuation at more than \$828 million, followed by commercial buildings at \$751 million.

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

Graph 2: Total Property Value by Land Use, Proposed SouthPark MSD, 2022



Based on the totals above, single-family detached and townhouse/condominium units that receive individual property tax bills only comprise 2.7% of the total valuation for the proposed SouthPark MSD. The remaining 97.3% of the proposed district's property valuation is represented by commercial properties, including rental apartments, retail and office space, hotels, and other non-residential land uses in the "Other" category.

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

3. Statement of Need for Additional Services

As part of the process to establish a new municipal service district, City Council selects services to provide within a district to a greater extent than services provided citywide. This section provides examples of common services provided with municipal service districts, referencing the five districts that are already operating in the City.

§ 160A-536. Purposes for which districts may be established.

(b) Examples of . . . projects include by way of illustration but not limitation all of the following:

- 1) Improvements to water mains, sanitary sewer mains, storm sewer mains, electric power distribution lines, gas mains, street lighting, streets and sidewalks, including rights-of-way and easements.
- 2) Construction of pedestrian malls, bicycle paths, overhead pedestrian walkways, sidewalk canopies, and parking facilities both on-street and off-street.
- 3) Construction of public buildings, restrooms, docks, visitor centers, and tourism facilities.
- 4) Improvements to relieve traffic congestion in the central city and improve pedestrian and vehicular access to it.
- 5) Improvements to reduce the incidence of crime in the central city.
- 6) Providing city services or functions in addition to or to a greater extent than those provided or maintained for the entire city.
- 7) Sponsoring festivals and markets in the downtown area, promoting business investment in the downtown area, helping to coordinate public and private actions in the downtown area, and developing and issuing publications on the downtown area.

The City of Charlotte provides all areas of the City with a basic level of services. These services include public safety, transportation and land-use planning, regulation review and development coordination, and public capital improvements such as water, sewer, and transportation infrastructure. Many of these city services have been important to the long-term development of SouthPark. However, as the area continues to transition from a suburban shopping center to a premier urban mixed-use activity node, more services are needed in addition to and to a greater extent than provided elsewhere in the City. To support the pace and intensity of the development of SouthPark and allow it to maintain its economic competitiveness, the following services are required:

1. Promotion, planning, advocacy, and funding of capital investment to enhance the economic vitality of SouthPark, including street lighting, street and sidewalk connections, and pedestrian and multi-modal paths.
2. Management of contracts to provide enhanced service needs for SouthPark, including improvements in safety and security and beautification.
3. Branding, promotion, and marketing of SouthPark to increase tax base and maintain a unique identity for the area.
4. Creation of an advocacy group to represent area interests and coordinate with government and private agencies, business owners, and residents.



Economic
Development



Advocacy and
Marketing



Appearance/
Beautification



Safety / Security



Capital
Investment

SOUTHPARK MUNICIPAL SERVICE DISTRICT**Finding of Need Report**

These developmental services can be provided in several ways, including establishing an MSD to coordinate public and private sector decisions. The purpose of an MSD is to provide revenue for a program of action to continue and further stimulate development for an urban area revitalization project as qualified under G.S. 160A-535 et. seq. of the State of North Carolina.

**ECONOMIC DEVELOPMENT****Level of City-
Wide Service**

Economic development services are provided by the City's Economic Development Department, including business recruiting and retention, existing business support, workforce and talent development, and grant assistance.

**Options for Additional
Service in SouthPark MSD**

- Business recruitment and retention efforts for SouthPark's target industries
- Staff support to facilitate conversations with existing and future businesses
- Staff support to facilitate conversations with local agencies like CDOT, NCDOT, utility agencies, etc.
- Invest and manage research and data specific to SouthPark's economic vitality, including demographics, target industry attraction, business diversity, and available building space
- Release and manage planning contracts that focus on creating, updating, or refining the future vision for SouthPark

SOUTHPARK MUNICIPAL SERVICE DISTRICT**Finding of Need Report****ADVOCACY AND MARKETING****Level of City-
Wide Service**

Advocacy and marketing-related services are collectively provided by several City departments, including Charlotte Communication and Marketing, Economic Development, and Charlotte Planning, Design, and Development. The Communication and Marketing department focuses on branding and messaging for the entire City across a variety of communication channels.

**Options for Additional
Service in SouthPark MSD**

- Create and maintain marketing materials promoting SouthPark as a premier mixed-use activity node in Charlotte
- Staff support to facilitate conversations with private developers
- Maintain a SouthPark Community website promoting shopping, dining, and entertainment options
- Host and promote festivals and events in SouthPark that attract visitors to the area
- Identify sponsorship opportunities to support new festivals and events

**APPEARANCE / BEAUTIFICATION****Level of City-
Wide Service**

Charlotte Department of Transportation and General Services Department maintains street right of ways, including mowing/landscaping, repairs, and maintenance. Additionally, current street or sidewalk cleaning occur on an as needed basis or are complaint driven. The City's Solid Waste Services completes a weekly collection route and bulky waste removal.

**Options for Additional
Service in SouthPark MSD**

- Contract to install and maintain landscaping across the district, including weed removal
- Install and maintain holiday decorations consistent with district branding efforts
- Install and maintain bike racks and crosswalks with branding consistent with the district
- Contract to remove graffiti, as needed
- Create and implement a wayfinding system in SouthPark, consistent with area branding

SOUTHPARK MUNICIPAL SERVICE DISTRICT**Finding of Need Report****SAFETY AND SECURITY****Level of City-
Wide Service**

General police and fire coverage of the entire City of Charlotte 365 days, 24/7. Specialized services may be provided on an as needed basis for discrete periods of time for special events.

**Options for Additional
Service in SouthPark MSD**

- Establish an ambassador program to patrol MSD area and provide hospitality assistance, including
 - Monitor and report illegal activity to authorities
 - Identify conditions that are unsafe and could impact public safety
 - Provide directions, information, assistance to visitors, workers, and residents
- Conduct public relations checks with existing businesses and residents
- Review the need for and install additional safety lighting

**CAPITAL INVESTMENT****Level of City-
Wide Service**

Projects are programmed through the City's Capital Investment Plan (CIP). The CIP is a multi-year plan that identifies priority investments across the City to support growth, community vitality, and quality of life. The CIP plans for long-term infrastructure investments for roads, sidewalks, building and building maintenance, real estate, equipment, etc.

**Options for Additional
Service in SouthPark MSD**

- Implement identified projects through public engagement efforts or local planning documents
- Advocate for capital investment funding for the SouthPark area to achieve stated goals
- Coordinate and communicate on behalf of SouthPark with public and private agencies

SOUTHPARK MUNICIPAL SERVICE DISTRICT

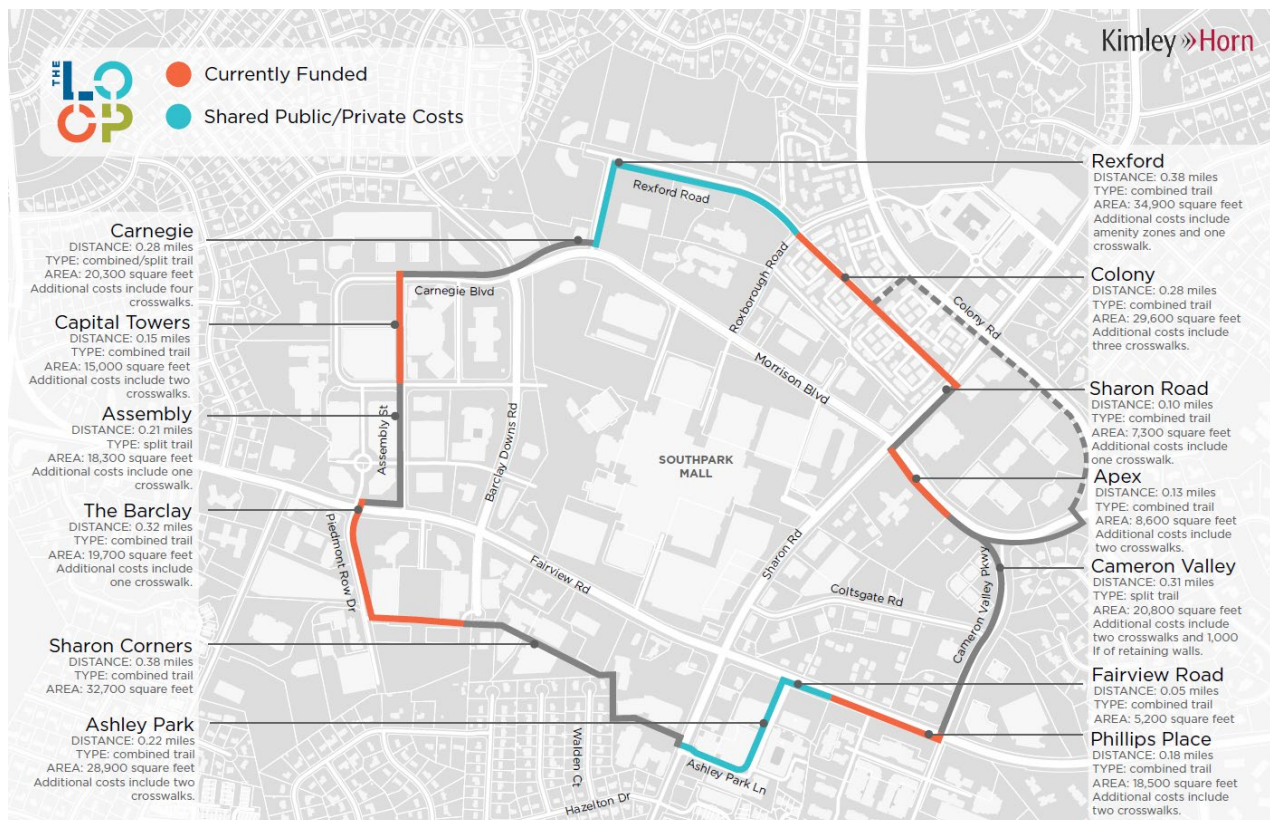
Finding of Need Report

Implementing The Loop Framework Plan

As defined in The Loop Framework Plan, The Loop is a planned 3-mile bicycle and pedestrian path that connects shops, restaurants, hotels, and parks in the SouthPark activity center. It offers a healthy and convenient way to explore the area and magnifies the impacts of private investments in or near the public realm by connecting destinations and public spaces together. This will create a larger attraction and greater experience for residents, employees, and visitors. The Loop will incorporate custom signage, lighting, furnishings, public art, and landscaping to create a dynamic, high-quality experience, a consistent brand, and a unique sense of place for the area. Like other planning documents for the SouthPark neighborhood, implementation strategies for The Loop identified the establishment of a special taxing district to create a continuous revenue stream for the construction, operation, programming, and maintenance of this important asset.

As currently planned, the route utilizes existing and proposed streets to connect a system of destinations users can walk and bike to within the SouthPark activity center. Small pockets of land adjacent to the route—in the public right-of-way and on unused portions of private property—provide the opportunity to create public plazas and seating areas that turn the system of streets into linear parks.

One of the most important elements of The Loop Framework Plan is the brand. The identified brand focused on the three key ingredients as identified by the community: Fun and Modern, Active, and Casual. With modern, simple shapes and bright colors, the logo represents the type of vibrancy and playfulness the brand should inspire and represents the input gathered from the community. Breaking from its formal past, the logo represents a more playful and active future for SouthPark. The brand provides a new identity for the SouthPark community that can reach the broader Charlotte audience and those who visit.



Map 2: The Loop Funded and Dedicated Segments, 2022

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

Costs

To ensure the Loop lives up to its promise and secures the long term vitality of SouthPark we need partners to help augment the investments the City and key developers have already made.

TOTAL ANTICIPATED COST

\$25.7M

ANNUAL OPERATING COST

\$1.0M

Includes staff responsible for programming, day to day operations, routine maintenance and landscaping, and lighting costs.

FUNDING GAP

\$19.2M

EQUALS

COST PER MILE

\$7.34M

COST OF SIMILAR FACILITIES

INDIANAPOLIS CULTURAL TRAIL

\$7.8M/MILE

MONON TRAIL

\$5.7M/MILE

KATY TRAIL

\$6.1M/MILE

COMPARED TO

I-77 TOLL LANES

\$647M

I-85 WIDENING

\$262M

TYPICAL LIGHT RAIL COSTS

\$100M/MILE

A single source of suitable funding to implement The Loop is unlikely. The key to its funding will be identifying multiple funding sources and matching them to elements of the project—from benches to signature projects. The sources of funds may be federal, state, local, public, or private. Taxes levied through an MSD in SouthPark can be one part of a solution to help implement The Loop, a signature community asset. Early implementation efforts have focused on leveraging opportunities with the private sector to implement signature projects outlined in the Framework Plan. The goal is that key signature projects will be a catalyst for future investment and will create immediate energy centered around The Loop.

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

4. Plan for Providing Services

Under the MSD statutes, the City Council, upon determining that an area warrants a services district, may tax the property within the district at a rate determined to generate enough revenue to support the additional services provided by the district. The creation of a service district and special tax can only take place after notification of the affected property owners and conducting a public hearing.

In considering the additional services needed for SouthPark, a tax rate of four (.04) cents per \$100 of assessed valuation for property within the proposed district boundaries has been proposed. As shown in [Table 1](#), The proposed four-cent rate for SouthPark is comparable to the South End MSD, with a current rate of \$0.0390/\$100 valuation. It is lower than the Uptown 2 and Uptown 3 districts, as these properties are also assessed the \$0.0136 rate for Uptown 1.

Table 1: Comparison of MSD Tax Rates, 2022

City of Charlotte Existing MSD	FY 2021-2022 Tax Rate
Uptown 1	\$0.0136/\$100
Uptown 2	\$0.0363/\$100
Uptown 3	\$0.0474/\$100
South End	\$0.0390/\$100
University City	\$0.0279/\$100
Proposed SouthPark	\$0.0400/\$100

Note: Properties in Uptown 2 and Uptown 3 MSD areas also pay the rate for Uptown 1.

Source: City of Charlotte

A four-cent rate would have a total potential revenue of \$1.39 million in the first year. Based on an assumed collection rate of 99%, this could equate to \$1.38 in taxes collected ([Table 2](#)). As the tax base grows through new development, additional revenue will be available for enhanced services in the district. MSD statutes also require that all money generated from the service district tax must be spent exclusively on services within the district.

Table 2: Expected SouthPark MSD Revenue in Year 1,

Year 1 Following SouthPark MSD Adoption	Estimated Revenue
Total Property Valuation (<i>less exempt properties</i>)	\$3.48 Billion
Proposed Tax Rate	\$0.0400/\$100
Total Potential Revenue	\$1.39 million
Expected Revenue with 99% Collection Rate	\$1.38 million

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

The tax rate for the proposed SouthPark MSD would become effective at the beginning of the fiscal year after the district was created. Since the City operates on a July 1 - June 30 fiscal year, property owners included in the proposed SouthPark MSD will not be assessed the MSD tax until the annual City-County tax bill is distributed in fall 2022.

Budget for the Provision of Services

In the first year, the general goals for the proposed SouthPark Municipal Service District are to:

1. Provide advocacy for SouthPark and keep the community informed and involved in pertinent issues by leveraging the SouthPark Community Partners organization and hiring an executive director.
2. Establish a coordinated marketing and promotion effort for the SouthPark area to brand and identify the area.
3. Release and manage contracts that provide enhanced service needs, such as planning and design, safety and security, and beautification to maintain SouthPark's economic competitiveness.

Based on a tax rate of four cents per \$100 valuation of property, the SouthPark MSD is projected to generate revenues of approximately \$1.38 million during Fiscal Year 2022-2023 based on current property valuations and a 99% collection rate ([Table 3](#)). Expected program expenses are based on established budgets from the existing MSDs in Charlotte, as well as feedback on priorities based on planning sessions with SouthPark Community Partners. The revenue generated would be expended in FY2022 as follows:

Table 3: Expected SouthPark MSD Expenditures in Year 1, 2022

Program Expenses	Expected Budget	Percent of Budget
Operating Expenses	\$395,000	28.6%
Personnel	\$250,000	18.1%
Benefits, Travel and Training	\$110,000	8.0%
Office Space and Supplies	\$35,000	2.5%
Events, Planning, Economic Development, and Capital Projects	\$936,800	67.9%
Advertising / Marketing / Events	\$200,000	14.5%
Planning, Economic Development, Safety & Beautification	\$400,000	29.0%
Capital Projects	\$336,800	24.4%
Unbudgeted Revenue / Fund Balance	\$48,000	3.5%
Total Budget	\$1,379,800	100.0%

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

Operating expenses for the SouthPark MSD, including personnel, benefits, travel and training, and office space and supply are estimated at 28.6% of the total revenue. A service provider will be selected to implement an annual work plan, provide professional advice and recommendations, coordinate with government and private agencies, and be the daily point of contact for SouthPark MSD. Personnel for the service provider is assumed to be one full-time executive director and one full-time administrative staff. It should be noted that based on feedback from SouthPark Community Partners, office space is assumed to be donated for MSD administration in year one. The expected budget for events, planning, economic development, safety, and beautification would comprise more than two-thirds of the total at \$936,800 in year one. An additional \$48,000 in unbudgeted revenues will be deposited to the District's fund balance to contribute to a City Council-required fund balance reserve.

MSD Oversight

In contracting for services using tax dollars, the City enters into legal binding contracts with service providers that outline a defined scope of services and performance measurements. Funding for the existing MSD contracts is generally distributed on a quarterly basis and the contracting provider must provide the City with an annual, independent audit of its finances. In addition, the contracting providers must also submit an annual budget to be approved by City Council as part of the City's annual budget process. The proposed annual budget cannot exceed the projected revenues generated by the MSD. This process is in accordance with North Carolina state statutes outlining contracts for municipal service districts.

§ 160A-536. Purposes for which districts may be established.

(d) Contracts. - A city may provide services, facilities, functions, or promotional and developmental activities in a service district with its own forces, through a contract with another governmental agency, through a contract with a private agency, or by any combination thereof. Any contracts entered into pursuant to this subsection shall comply with all of the following criteria:

- 1) The contract shall specify the purposes for which city moneys are to be used for that service district.
- 2) The contract shall require an appropriate accounting for those moneys at the end of each fiscal year or other appropriate period. For contracts entered into on or after June 1, 2016, the appropriate accounting shall include the name, location, purpose, and amount paid to any person or persons with whom the private agency contracted to perform or complete any purpose for which the city moneys were used for that service district.

(d1) Additional Requirements for Certain Contracts. - In addition to the requirements of subsection (d) of this section, if the city enters into a contract with a private agency for a service district under subdivision (a)(1a), (2), or (2a) of this section, the city shall comply with all of the following:

- 1) The city shall solicit input from the residents and property owners as to the needs of the service district prior to entering into the contract.
- 2) Prior to entering into, or the renewal of, any contract under this section, the city shall use a bid process to determine which private agency is best suited to achieve the needs of the service district. The city shall determine criteria for selection of the private agency and shall select a private agency in accordance with those criteria. If the city determines that a multiyear contract with a private agency is in the best interest of the city and the service district, the city may enter into a multiyear contract not to exceed five years in length.
- 3) The city shall hold a public hearing prior to entering into the contract, which shall be noticed by publication in a newspaper of general circulation, for at least two successive weeks prior to the public hearing, in the service district.
- 4) The city shall require the private agency to report annually to the city, by presentation in a city council meeting and in written report, regarding the needs of the service district, completed

SOUTHPARK MUNICIPAL SERVICE DISTRICT

Finding of Need Report

projects, and pending projects. Prior to the annual report, the private agency shall seek input of the property owners and residents of the service district regarding needs for the upcoming year.

- 5) The contract shall specify the scope of services to be provided by the private agency. Any changes to the scope of services shall be approved by the city council.

The City's Office of Strategy and Budget monitors and evaluates MSD services and expenditures. The City Council may, at its discretion, create, extend, reduce, or eliminate a Municipal Service District and tax rate by resolution based upon performance and need. All City Council actions must be in accordance with state statutes requiring notification of property owners and holding a public hearing before changing an MSD.

Under the MSD statutes, the City may provide services in a service district with its own staff, through a contract with another governmental agency, through a contract with a private agency, or by any combination thereof. For the SouthPark MSD, the City intends to enter into a legal binding contract with a service provider through an RFP process. The full MSD procurement process typically takes between four months and six months. To provide short-term organizational support for the establishment of the SouthPark MSD, the City intends to partner with SouthPark Community Partners during the "pilot year" to provide the outlined services via a Procurement Waiver. This non-profit organization has demonstrated strong involvement and commitment to SouthPark. A formal RFP process to select a contract provider will be issued in a timely manner to be completed prior to the start of year two.

Questions

All questions about the adoption of the proposed SouthPark Municipal Service District should be directed to Christina Thigpen in the Charlotte Economic Development Office at 704-336-3857 or

Christina.Thigpen@charlottenc.gov.

O-25

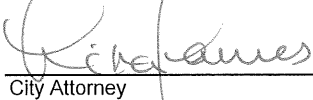
ORDINANCE NO. 280-X

AN ORDINANCE TO AMEND ORDINANCE NUMBER 78-X, THE 2021-2022 BUDGET ORDINANCE, PROVIDING
AN APPROPRIATION OF \$400,000 FOR THE LEAD AND COPPER RULE REVISION GRANT

BE IT ORDAINED, by the City Council of the City of Charlotte:

- Section 1. That the sum of \$400,000 is hereby estimated to be available from the following source(s):
North Carolina Department of Environmental Quality for American Rescue Plan Act (\$400,000)
- Section 2. That the sum of \$400,000 is hereby appropriated in the Charlotte Water Capital Projects Fund (6261)
into the following project:
7031280003-Lead and Copper Rule Revision
- Section 3. That the existence of this project may extend beyond the end of the fiscal year. Therefore, this
ordinance will remain in effect for the duration of the project and funds are to be carried forward
to subsequent fiscal years until all funds are expended or the project is officially closed.
- Section 4. That all ordinances in conflict with this ordinance are hereby repealed.
- Section 5. That this ordinance shall be effective upon adoption.

Approved as to form:



City Attorney

Dep 7

CERTIFICATION

I, Stephanie C. Kelly, City Clerk of the City of Charlotte, North Carolina, DO HEREBY
CERTIFY that the foregoing is a true and exact copy of an Ordinance adopted by the City
Council of the City of Charlotte, North Carolina, in regular session convened on the 11th day
of April 2022, the reference having been made in Minute Book 155, and recorded in full in
Ordinance Book 64, Page(s) 712.

WITNESS my hand and the corporate seal of the City of Charlotte, North Carolina, this 11th day
of April 2022.





Stephanie C. Kelly, City Clerk, MMC, NCCMC