



# Town of Holly Springs

## Town Council Meeting Agenda Form

Town Clerk's Office Use:

<b>Agenda Item #:</b>	<b>7c</b>
<b>Attachment #:</b>	<b>4</b>

**Meeting Date:** | Aug. 15, 2017 |

**Agenda Placement:** | **Public Hearing** |

(Special Recognitions (awards, proclamations), Requests & Communications (reports, information presentations), Public Hearings, Consent Agenda, Unfinished Business, New Business, Closed Session)

**Subject Title:** | **17-DDI-01 919 Marketing Downtown Development Investment Request** |

**Presenter Name(s):** | **Irena Krstanovic** |

### **SUBJECT HIGHLIGHTS:**

A request for Downtown Development Investment (Town Policy Statement P-33.1) has been submitted by 919 Marketing business owner Mr. David Chapman for the property located at 102 Avent Ferry Road. In accordance with the Town's DDI Policy, he has requested that all Town development-related fees be waived and to be reimbursed up to 50% for public infrastructure that is required to be upgraded and added as a part of the Development Plan approval for the proposed new 3,735 square foot commercial building. The associated expenditure of public funds being considered is estimated at \$29,000.

### **Advisory board recommendation, if applicable:**

**DDI Committee:**

The DDI committee, after reviewing the applicant's written report (see attached) and also discussion with the applicant face-to-face, finds that the project would achieve many of the goals of the DDI program for downtown Holly Springs.

The DDI Committee's Recommendation is:

### **Fee Reimbursement:**

Reimbursement of all plan review and development fees in the amount of and not to exceed **\$17,000**. Developer shall pay all fees under the ordinary due course of development. The fees described and listed in the attachment **do not** comprise the sum total of all fees that may be due to the Town by Developer. The burden is on the Developer to understand all fees that are due for the Project. The Town shall reimburse the fees in the amount listed upon written request by the Developer, after the Performance Criteria has been met and within 60 days of receipt of the request.

### **Public Infrastructure Reimbursement:**

Reimbursement of public infrastructure improvements limited to 50% of the actual total cost or \$25,000 whichever is less and recommends that these contributions be paid out of the Town's Street Reserves and Utility Reserves accounts.

For this project the infrastructure reimbursement shall be reimbursed for the installation by the Developer of public infrastructure costs including pavement, sidewalks, utilities, decorative bench, trash cans and light posts. Actual reimbursement will be 50% of the Actual Construction Costs of the estimated total of \$24,530 up to **\$12,000**. The attached list contains information in greater detail of the public infrastructure to be installed pursuant to this paragraph.

The following performance criteria shall apply:

- The Developer shall install the infrastructure according to Town standards.
- The Department of Engineering must inspect the work prior to acceptance of the improvements.

c. Within 30 days of approval, the Applicant must submit to the Department of Engineering an invoice with attached paid invoices to the contractor and the Town will reimburse the Applicant within 30 days of receipt.

The DDI Committee's recommendation has been affirmed by the Town Manager and is now before the Town Council for public hearing and determination.

**Staff recommendation, if applicable:**

**Total Number of Motions:** 1

**Action(s) requested or suggested motion(s):**

Motion to enter into a Downtown Development Investment Agreement with the 919 Marketing business owner David Chapman for the property located at 102 Avent Ferry Road in Holly Springs to reimburse all Town Development Fees in the amount of and not to exceed \$17,000 and to reimburse up to \$12,000 in public infrastructure improvements for a total expenditure estimated at \$24,530.

**Funds, if applicable, are to be appropriated from account(s) / line item(s):**

-Reimbursement of previously paid development related fees as specified in the agreement (account number 10.210.07 DDI Reimbursements payable)  
-Reimbursement of expenses related to public infrastructure to be paid from Utility Reserves Accounts accordingly (23.95 Water Reserves \$6000; 24.95 Sewer Reserves \$6000)

**SUBJECT IN GREATER DETAIL, IF NEEDED:**

N/a

**Staff Review Record**

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Are there exhibits for this agenda item? yes

List them in order they should appear in packet: DDI Committee Recommendation Memo and DDI Request Application, draft DDI Agreement

Department head initials and comments, if applicable: IK

Finance director initials and comments, if applicable:

Town attorney initials and comments, if applicable: Jps

Town manager initials and / or comments: **css by jp**

Town clerk initials: jp

TOWN OF HOLLY SPRINGS  
**DOWNTOWN DEVELOPMENT INVESTMENT  
PROGRAM (DDI)**

#P - 033 - 1  
Application Updated  
February 5, 2013



The Town of Holly Springs has developed a Downtown Development Investment Program (DDI) to stimulate private sector investment, economic growth, housing opportunities, and job creation in the Village District Area. As a means of attracting private investment into the Village District, public infrastructure and site improvements may be completed by the Town or by sharing in the investment in these improvements.

This program provides a structured means for a consistent manner for the Town's investment participation in development proposals which will have a significant and positive effect on the economic health of the community and ensuring the completion of necessary roads, off-street parking, sidewalks, water lines, and/or sanitary sewer lines for such development proposals.

To be considered, a project must be located within the boundaries of the Village District Area Plan as adopted by the Town Council as an Appendix to the Town's comprehensive plan.

The purpose of these evaluation criteria is to establish a project's eligibility for Downtown Development Investment participation from the Town. The level of infrastructure assistance or fee waivers/adjustment eligibility is based upon the DDI Committee's recommendation based on the evaluation criteria. 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.

The scope of the potential Town investment participation will be based on a number of factors, including:

- Land Use
- Quality of Place/Community Character
- Environmental Sustainability
- Economic Sustainability

In an effort to reward projects that include positive attributes not considered by this policy, the committee may, at their discretion, add value to the applicant's proposal based on:

- Compensating factors
- Intangible benefits
- "WOW" factor

**Instructions:** Complete the application, provide answers to the specified questions (attach additional sheets if necessary), check each item or element that is/will be included with your project under the "Developer" column on the Factor Tables. Once complete, submit your application and all required information to the Director of Planning & Zoning for processing and presentation to the Downtown Development Investment Committee.

# DOWNTOWN DEVELOPMENT INVESTMENT PROGRAM (DDI)

Application Updated  
February 5, 2013



## Petition Checklist: (The following items must be submitted with your request)

- X Project is located within the boundaries of the Village District Area Plan
- X Completed Request
- X Cover Letter
- X Completed Downtown Development Investment Strategy Evaluation Worksheet
- x Conceptual Site Plan
- x Conceptual Architectural Rendering

## Project Information:

Project Name: 919 Marketing – New building  
Project Location: 102 Avent Ferry Road, Holly Springs NC

*Use street address. If none, use the closest intersection*

PIN: 0649920107 Real Estate ID: 0278535

Project Acreage: .79

Current Property Tax Assessment: \$193,298

Estimated Assessment upon completion of project: \$ 500,205

Estimated number of permanent jobs created upon completion: none new

Estimated Total Project Cost: \$756,580

Current Zoning: RV Proposed Zoning: same

Construction Timeline- Start: Fall 2017 Completion Date: summer 2018

For DPZ Use only  
Project # \_\_\_\_\_ - DDI - \_\_\_\_\_  
Date Received:

## Petition Contact Information: (complete each contact in its entirety- please print or type)

### Project Applicant/Contact

(check one)  Owner  Owner's Agent  Design Professional  Developer  Other: \_\_\_\_\_

Name: David Chapman Company: 919 Marketing

Address: 102 Avent Ferry Road, Holly Springs NC 27540

Phone: (919)557-7890 Alt Phone: (919)427-4917

Email: [dchapman@919marketing.com](mailto:dchapman@919marketing.com)

I certify that all information presented in this request is accurate to the best of my knowledge and belief and the project is located within the boundaries of the Village District Area Plan.

Date

4/26/17

## Project Description:

Give a brief description of the intended use for this property after the project is completed. Specify if there are current structure(s) on the property and how they will be reused or eliminated and if there is any historic significance to the structure(s).

**The Wright House was built in 1908 and was moved to this location in the late 1990s. I purchased the building in January 2006. Due to the growth of my national franchise marketing company we need additional office and auxiliary space. This new two story building will provide additional office space, a conference room, video recording room, break room and restrooms.**

## Capital Investment:

Summarize the project costs- land cost, construction estimates, professional services, other soft costs, etc. Include a description of the anticipated financing plan including a statement of sources and uses of funds.

*The project costs include design and engineering services, on and off site improvements, fees and construction of an approximately 3,735 square foot building that will be architecturally complementary to the existing historic structure.*

*Please see attached Sources and Uses worksheet.*

*In addition please consider that the Town has requested, and I have agreed to, a drainage easement in support of the Mims water feature. Also, the Town is requesting additional ROW along Avent Ferry Road and a cross access easement for the future Mims common areas. I believe it is mutually beneficial for the Town to support my request for DDI grants and for me to grant the ROW and easements.*

## Public Benefits:

Describe how this project will create potential for other development or serve as an economic stimulus. Describe how the project's design fits with the goals of the Village District Area Plan and the surrounding neighborhoods. Describe environmental or energy-efficiency features of the project as well as any other public benefits not specified.

*The expansion of our company's footprint will demonstrate the viability of office buildings in the village district. As a leading national franchise marketing agency we need resources such as hi speed internet connections and other resources that are available in the community. We hope our story of entrepreneurship will resonate with others considering moving their operations from a home based business to a physical building in the Village District, as we have done.*

*This project fits with three of the goals of the VDAP, specifically:*

- *Celebrate the history and protect the assets that reflect Holly Springs' history*
  - *(enhancing and expanding the historic Wright house property)*
- *Define the core of the Village District*
  - *(first new private sector construction in the core area since 2003 thereby supporting and strengthening vision of village district)*
- *Give visual appeal through streetscape, architecture and public art*
  - *(complementary and consistent architecture to the existing structure)*

*The new building will be an aesthetically appealing addition to one of the very few historic properties in Holly Springs. In addition, the new building will be a visual enhancement to the new Mims Park water feature.*

*Many national clients come to our office including Golden Corral and others who would not have visited Holly Springs otherwise thus giving the Town, and specifically, the Village District exposure to potential future investors.*

## Assistance Requested:

Describe the specific actions or financial assistance being requested from the Town. Will financial assistance be sought from other agencies, i.e. the County, State, etc.?

*We are seeking reimbursement and/or waiving of all plan review and development fees (\$17,050 estimated-to be confirmed) to offset expenses incurred with the new construction. In addition, we are requesting a grant of*

ELEMENT	CRITERIA	DEVELOPER	COMMITTEE
<b>LAND USE</b>			
<b>Mixed Use</b>	Includes residential above 1 <sup>st</sup> floor		
	Includes 2 uses vertically mixed		
	Includes 3 uses vertically mixed		
	For small infill or single-use projects, Adds single-family homes where no SF exists within ¼ mile Adds multi-family units where no MF exists within ¼ mile		
<b>Residential Use</b>	Multifamily		
	Senior housing		
	R-8 or Development Option plan if in conformance with the Village District future land use plan		
<b>Parking</b>	Off-Street Parking is made available to the General Public		
	Provides shared parking for adjacent uses		
	Structured or underground		
	Street front of structured parking is non-residential		
	Does not require use of shared parking to meet minimum parking requirements.	X	
<b>Site Design</b>	Shared driveways/access	X	
	No drive through facilities (or maybe add not visible from the public right-of-way and/or does not impede with pedestrian movement/access)	X	
<b>Critical Mass</b>	Residential Density 8 – 15 u/a		
	Residential Density 16 – 20 u/a		
	Residential Density 20+ u/a		
	Non-Residential FAR 0.50 – 0.74 (excludes structured parking)		
	Non-Residential FAR 0.75 – 0.99 (excludes structured parking)		
	Non-Residential FAR 1.00 + (excludes structured parking)		
<b>Trip Generation</b>	Generates after 5:00 pm Weekday and any time Weekend traffic		
<b>LAND USE SUBTOTAL</b>			

ELEMENT	CRITERIA	DEVELOPER	COMMITTEE
<b>QUALITY OF PLACE/ COMMUNITY CHARACTER</b>			
<b>Urban Design</b>	50% or more of façade in translucent glass at street level		
	Exceeds architectural requirements as specified in the UDO by providing unique and/or complimentary design features to existing Village District structures.	X	
	Provides rooftop plaza or use		
	Protects and/or reuses historic structure(s) or relocation	X	
	Replaces substandard or functionally obsolete structure.		
<b>Building Height</b>	3 stories		
	4 stories		
<b>Public Spaces/Focal Points</b>	Creates public plaza		
	Provides tables and chairs or benches		
	Provides pedestrian scale street lighting		
	Provides outdoor public art- statue		
	Provides outdoor public art- wall mural		
	Relocates existing overhead utility lines to underground		
<b>Landscaping</b>	3" caliper street trees		
	Stone columns 60' o.c. or less used to screen parking lots		
<b>QUALITY OF PLACE SUBTOTAL</b>			

ELEMENT	CRITERIA	DEVELOPER	COMMITTEE
<b>ENVIRONMENTAL SUSTAINABILITY</b>			
<b>Stormwater Management</b>	Provides regional stormwater options		
	Provides on-site- rain gardens, grassed swale, filter strip, etc. (does not utilize wet pond)		
	Improves degraded environmental resources/downstream flooding		
<b>Green Building Program Participant</b>	1 star multi-family		
	2 star multi-family/ 1 star commercial		
	3 star multi-family/ 2 star commercial		
	4 star multi-family/ 3 star commercial		
	5 star multi-family/ 4 star commercial		
<b>LEED Certified Rating</b>			
	Silver		
	Bronze		
	Gold		
	Platinum		
<b>Green Choice Renewable Energy Program</b>			
<b>Green building options</b>	Green roof treatment		
	Permeable paving		
<b>Other sustainable features</b>	Reuses or rehabilitates existing structures		
	Solar (How do you quantify this?)		
	Water reuse		
<b>ENVIRONMENTAL SUSTAINABILITY SUBTOTAL</b>			



ELEMENT	CRITERIA	DEVELOPER	COMMITTEE
<b>ECONOMIC SUSTAINABILITY</b>			
<b>Preserves Local Jobs</b>	Provision of space for locally owned business	X	
<b>Creates New Jobs</b>	5-14		
	15-24		
	25-34		
	35+		
<b>Level of Capital Investment</b>	\$500,000 - \$1M	X	
	\$1,000,000 - \$3m		
	\$3-5		
	\$5+		
<b>Increase in property tax base from the property in existing state to redeveloped state (based upon Wake Co. Tax assessor estimates)</b>	100 – 250%	X	
	250 – 500%		
	500% - 750%+		
	750%+		
<b>Catalyst Project</b>	First project to come in	X	
	Second project		
	Third project		
<b>ECONOMIC SUSTAINABILITY SUBTOTAL</b>			

<b>DOWNTOWN DEVELOPMENT INVESTMENT POINTS</b>	
<b>Land Use Subtotal</b>	
<b>Quality of Place Subtotal</b>	
<b>Environmental Sustainability Subtotal</b>	
<b>Economic Sustainability Subtotal</b>	
<b>TOTAL POINTS</b>	

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

**AGREEMENT FOR DOWNTOWN DEVELOPMENT INVESTMENT**

**BY AND BETWEEN  
DAVID M. CHAMPMAN, D/B/A 919 MARKETING  
&  
THE TOWN OF HOLLY SPRINGS, NORTH CAROLINA**

**THIS AGREEMENT**, made and entered into this \_\_\_<sup>th</sup> day of August, 2017, by and between the **TOWN OF HOLLY SPRINGS**, a North Carolina Municipal corporation, hereafter referred to as the “Town” and **David M. Chapman, d/b/a 919 Marketing**, hereafter referred to as the “Developer.”

Commented [GC1]: Day after Town Council Action

**WITNESSETH:**

**WHEREAS**, the Developer is the owner of a building and approximate 0.79 acre lot located at 102 Avent Ferry Road, Holly Springs, where he operates a business and employment center in the Town’s Village District, and;

**WHEREAS**, the Town currently offers inducements and incentives to locate or retain businesses and employment centers in the Village District area pursuant to its Downtown Investment Policy, such inducements are hereinafter referred to as Downtown Development Investment (or “DDI”); and,

**WHEREAS**, the parties of this Agreement desire to enter into this Agreement in order to fully set forth the terms and conditions as to the infrastructure improvement to be required of the Developer and the cost participation agreed to by the Town,

**WHEREAS**, the Town has enacted a subdivision control ordinance, pursuant to N.C.G.S. §160A-372 which provides for the orderly control of growth and development in the Town in general and on the Developer’s parcel; and,

**WHEREAS**, the Town is authorized to enter into this contract pursuant to N.C.G.S. § 160A-16, and may contract with the Developer to carry out the public purposes set forth herein pursuant to N.C.G.S. §160A-20.1 and the Town Council of Holly Springs has determined that it is in the best interests of its citizens to do so, and;

**WHEREAS**, the Town requires certain fees to be paid upon development of land and for the granting of a building permit, said fees being listed in the Town’s annual budget, and the Developer, in consideration of the foregoing benefits enjoyed by this Agreement hereby agrees that it (i) is familiar with these fees as currently listed on the Town’s website, (ii) does not dispute the reasonableness of these fees as currently listed; and (iii) notwithstanding any reimbursements

discussed below, hereby agrees to timely pay all normal and customary fees to the extent applicable to the Developer in connection with its development at such time as the applicable fee becomes due to the Town in the ordinary course of development.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein the Town and the Developer agree as follows:

#### **ARTICLE I**

1. **General Terms:** All terms of this agreement shall become enforceable upon signing of the Contract by the Developer and ratification by the town council.
2. **Definitions:**
  - a. **Actual Construction Costs:** The amount of costs incurred for construction of a certain project described herein upon final completion and approved by the Town, exclusive of any of the following costs: right of way acquisition, legal fees, administrative costs (including but not limited to profit and overhead) of the Developer, or any contingency.
  - b. **Applicable Parcels:** The covenants contained in this agreement shall apply only to the property located at 102 Avent Ferry Road, Holly Springs, and as such in its state as it exists at the time of this Agreement, or will exist after the project contemplated under this agreement.
  - c. **Fee Credit:** An amount to offset a fee that is otherwise payable as a development expense. Under no circumstance shall a fee credit exceed the amount of fee owed under this agreement. Fee Credits are earned by a Developer when the Town “pays” the Developer to do certain work that is beneficial to the Town under this agreement, and such work is completed prior to the need of the Developer to pay a fee to the Town, in essence creating a “credit” owed to the Developer.
  - d. **Fee Reimbursement:** An amount refunded to the Developer for payments that the Developer actually paid to the Town, if allowed under this Agreement.
  - e. **Fee Waiver:** A waiver of fees by the Town that would otherwise ordinarily be due by the Developer.

#### **ARTICLE II DEVELOPER’S DUTIES**

1. Developer shall execute this agreement within 30 days of town council approval. Failure to do so shall render the approval void and shall require the Developer to resubmit its application for DDI to the town council.
2. Developer shall provide a schedule for completion of its project contemporaneously with the execution of this agreement. Such schedule shall indicate a completion within three years of council approval, unless the town council approval states otherwise.

3. Developer shall submit all necessary drawings, schemas, plans, and other documentation required for any approval through the normal development process and with the normal timeframes. The Town has not made any assurances for expedited review of plans or approvals unless described here:

(none)

### **ARTICLE III REIMBURSEMENT OR WAIVER OF FEES**

1. The maximum amount of contribution from the Town pursuant to this Agreement is **\$29,000**, as described below.
2. The Developer shall be allowed a fee reimbursement of 100% of town imposed development fees, currently estimated to be \$17,000. The burden is on the Developer to understand all fees that are due for the Project. The Town shall, within a reasonable time after Developer's request (see paragraph 5 below), reimburse the Developer for any fees paid to the Town for his planned expansion, so long as the payment has been made and the expansion occurs as planned. Such expansion shall include the following minimum criteria ("Performance Criteria"):
  - a. Expansion of current office space by 3,700 square feet
  - b. Creation of five additional jobs for a total of 26 jobs
  - c. Maintain current level of aesthetics on the historic home
  - d. Provide a cross-access agreement with the town pursuant to an approved development plan to allow Town's access to its adjacent parcel.
3. Reimbursement for Public Infrastructure installed by Developer: Developer shall be entitled to reimbursement for the following public improvements: Road widening, curb, gutter, sidewalks, street trees, public utilities, decorative benches and trash cans, and relocation of powerlines, if any. Developer shall be reimbursed at for up to \$12,000 for his expenses relating to the installation of any public infrastructure installed pursuant to an approved development plan.
4. The Developer has a duty to supply to the Town all documentation needed by the Town to establish and calculate the amount of reimbursement, without prior demand from the Town. The Town has the right to audit the books and records of the Developer on any issue relating to any of the infrastructure reimbursement covered in tie Agreement for five (5) years after the final acceptance of the last item constructed.
5. Developer shall make requests for reimbursement in writing within 90 days of the completion of the project and having met the Performance Criteria.
6. The Performance Criteria listed in paragraph 2, above shall be met by the Developer within 12 months of completion of any project discussed herein and shall be maintained for the term of

this agreement. Failure to meet or maintain the Performance Criteria shall entitle the Town to a reimbursement of any waiver or contribution on a pro-rata apportionment.

7. Expiration. If the Developer does not commence construction within six (6) months of the date of this Agreement this Agreement shall terminate and the Parties shall have no obligations under this Agreement. Time is of the essence with respect to the six months. Otherwise, this Agreement shall last three (3) years from the date of this Agreement, time being of the essence. Any credits earned but not realized at the expiration of three (3) years period shall no longer be available to the Developer.
8. This agreement is not transferrable.
9. The Developer shall secure all necessary easements for the town infrastructure projects that are the subject of this Agreement prior to construction drawing approval. It shall be the responsibility of the Developer to ensure that all regulatory approvals for each project are in place before beginning construction.

**ARTICLE III  
OTHER**

10. Notices under this agreement shall be to the following:

**FOR THE TOWN:**

**Charles S. Simmons, III  
Town Manager  
PO Box 8  
Holly Springs, NC 27540  
Reference: 919 Marketing DDI**

**FOR THE DEVELOPER:**

11. This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina. The parties consent to the jurisdiction of Wake County.
12. This Agreement may not be assigned without the written consent of the Town. The obligations under this Agreement are binding on the successors and/or assigns of the Developer regardless of whether or not the Town consented to such assignment.
13. This Contract, along with the Development Plan, contains the entire agreement of the parties for matters herein contemplated, and there are no representations, inducements or other provisions other than those expressed in writing.
14. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and there are no representations, warranties, covenants or obligations except as set forth in this Agreement. This Agreement supersedes all prior and

contemporaneous agreements, understandings, negotiations and discussions relating to the subject matter hereof, written or oral, of the parties.

15. It is anticipated that upon completion, following any necessary holding periods, each of the improvements described as a Town infrastructure (roads, water, and sewer), if any, and constructed pursuant to this Agreement shall be dedicated to the Town (or such other applicable government entity), and upon dedication, conveyance or assignment of such easements/improvements to the proper governmental entity, the obligations of the Developer with respect thereto shall terminate, and such applicable governmental entity shall have the continuing and ongoing obligation to maintain and repair the same.
16. This Agreement does not guarantee any specific approvals of any proposed development plan, provided, however, that all approvals granted prior to the date of this Agreement shall continue to be valid and in full force and effect.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement the day and year first above written.

**TOWN OF HOLLY SPRINGS**

*(Town Seal)*

BY: \_\_\_\_\_  
Charles S. Simmons, III, Town Manager

*ATTEST:*

\_\_\_\_\_  
Joni Powell, Town Clerk  
Linda Harper, Deputy Town Clerk

**DAVID M. CHAPMAN**

By: \_\_\_\_\_ (Print Name)

BY: \_\_\_\_\_ (LS)

\_\_\_\_\_  
This document is sufficient as to form.

\_\_\_\_\_  
John P. Schifano, Town Attorney

This instrument has been pre-audited in the manner proscribed by the Local Government Finance Act.

\_\_\_\_\_  
Mary Hogan  
Finance Director