



Downtown Redevelopment Incentive Grant (DRIG) Policy

The purpose of this economic incentive policy is to promote:

1. infill growth with new commercial, residential, and mixed-use development.
2. major rehabilitation of older buildings within the City of Wilson's downtown commercial district.

This policy shall automatically expire on April 18, 2024.

Definitions

The following words, terms and phrases, when used in this policy, shall have the meanings ascribed to them in this section except where the context clearly indicates a different meaning:

Grant Incentive means a sum of money, established by the city council as the current municipal tax rate and municipal service district tax rate at time of agreement per \$100 property valuation, that is 80% of the difference between the current or pre-construction appraised tax value of a parcel(s) of property and the post-construction appraised tax value of said parcel(s). For purposes of calculating the amount of the Grant Incentive, the municipal tax rate shall include only those ad valorem taxes attributable to the City's tax levy.

Residential – Residential projects are eligible only if they result in the creation of residential units (condo or rental apartment), whether in an existing commercial structure with a commercial use on the street level or as part of a new mixed-use (retail/office/residential) project.

Commercial – Uses having to do with commerce. Commercial uses may include but are not limited to the following: food service/entertainment, specialty foods, light impact industrial uses, artist studios, gifts and specialties, general merchandise and apparel. Commercial projects may include mixed uses: retail, office, industrial.

Project Area – The delineated area in the attached map and noted as the Wilson Downtown Development District. The Project Area contains both the Municipal Service District and the Tobacco Warehouse National Register Historic District (as amended from time to time).

Objectives

The purpose of the DRIG is to encourage redevelopment and infill growth with new commercial, residential, and mixed-use development as well as major rehabilitation of older buildings in Wilson's designated Downtown Development District. The objective of DRIG is to provide an incentive to property owners for the purpose of improving the economic viability and appearance of the downtown district and to stimulate long-term investment in Wilson's older neighborhoods.

- A. The incentive will be in the form of a grant over five years.
- B. During the grant period, 80% of the new revenue will be granted back as an economic incentive to the project as calculated by the formula described below.
- C. During the grant period, the remaining 20% of the new revenue will be set aside by the City in a property acquisition and stabilization fund for use exclusively in the project area.

The *Downtown Redevelopment Incentive Grant (DRIG)* is based on the following formula:

1. The pre-construction appraised tax value of site, building, and/or equipment is determined before any construction begins.
2. The post-construction appraised tax value of site, building and/or equipment is then determined after construction is completed as evidenced by the issuance of a certificate of occupancy.
3. The grant Incentive is 80 percent of the difference between the pre-construction tax value and the post-construction tax value as determined by the Wilson County Tax Administrator.
4. Before receipt of the Grant Incentive, the property owner pays the full amount of tax liability for the current tax year based on the newly appraised post-construction tax value of real property and equipment.
5. The City of Wilson then provides the Grant Incentive to the property owner after the tax liability for the current tax year has been paid in full.
6. The Grant Incentive shall be provided to the property owner for five concurrent tax years, provided the property owner remains compliant with the requirements of this policy.
7. The Grant Incentive will be disbursed as follows: 80 percent of the difference between the post-development and pre-development tax liability on both real property and equipment, as applicable.

Wilson's revitalization goals are as follows:

1. Increased tax base in the downtown and the city
2. Increased highest and best use for downtown properties
3. Increased number of jobs in downtown, more people working downtown
4. Increased number of residential units, more people residing downtown
5. More attractive and functional buildings in the downtown
6. More attractive building facades in downtown
7. Development of a Strong Main Street Program
8. Supporting greater Wilson County's economic development efforts
9. More attractive buildings with property owners taking responsibility for maintenance
10. More investment dollars by the private sector in downtown
11. More entertainment venues - restaurants, theaters
12. Expanded Retail Businesses - places to shop that attract non-residents and residents
13. More people working and living in Wilson
14. Higher level of utilization of existing infrastructure in the center city

Revitalization Program Requirements & Conditions

The following requirements apply to and are available under the revitalization program:

1. Any Commercial, Residential or Mixed-use project within the Project Area is eligible to apply, but the total increase in taxable value must be equal to or greater than \$400,000 (which includes the value of both real property and taxable equipment).
2. Each Commercial, Residential or Mixed-use project owner engaged in a project in the Wilson Downtown Development District is eligible to apply for the program incentives under the DRIG.
3. The Grant Incentive shall only be used for the purpose of building redevelopment and/or new construction and/or business development that is consistent with the character of the downtown district; design or other standards and guidelines and meets zoning, building and other applicable development requirements.
5. Any person starting a project after passage of this policy will be eligible to make application to the City of Wilson to participate in the DRIG incentive program, provided the project meets the requirements of this policy.
6. Applicant shall be the taxpayer of qualifying real property and/or equipment.
7. Grant reimbursements are non-transferable without first obtaining the approval of the City.
8. The City reserves final discretion in determining whether an applicant is entitled to a Grant Incentive pursuant to this DRIG policy.
9. The amount of the Grant Incentive will be recalculated each year based on the current tax rate and may be adjusted as a result of a countywide property revaluation. The pre-development value will remain fixed for the duration of the grant agreement.
10. The value of the Grant Incentive is fixed by a schedule and agreement that is determined in the first year and shall not be revised except as set forth above. Subsequent improvements are not subject to additional value towards the Grant Incentive.
11. This program does not apply to existing projects or projects already commenced at the time of this policy.
12. Should a project not remain in compliance with applicable state or local laws, or if the property owner is not current on all payments, including taxes, required to be paid to the City, the grant shall be immediately revoked.

Incentive Grant Administration

Applications will be administered by the City and shall be reviewed by City of Wilson staff to ensure compliance with DRIG grant policy as outlined herein.

1. DRIG project manager will be the City of Wilson Downtown Development Director or his/her designee. His/her duties and responsibilities will be to administer the project in conjunction with the Wilson County Tax Office.
2. The applicant will secure the DRIG application form from the City offices.
3. The applicant will submit the completed application for review of the project's purpose, feasibility and compatibility.
4. The DRIG project manager will only approve a grant application if it meets all requirements as set forth in this policy. The City reserves final discretion to approve or disapprove of any grant application.
5. The DRIG project manager may require the applicant to provide a timeline for completion of construction and may require the applicant to make a statement of planned uses for the grant funds which must comply with the requirements and policy objectives set forth herein.



Downtown Redevelopment Incentive Grant Application

**Applicant Information** Application Date:

Owner(s), Partner(s) or Corporate Name

Applicant Address (Street, City, State, Zip)

Phone number: Fax: E-mail:

Mailing address (if different from above)

Business Name (If different from above)

Type of Ownership: Sole Owner Trust: Partnership: LLC: Corp: **Project Information**

Project Address:

Zoning:

Tax ID Number:

Type of Project: Building Rehabilitation New construction Use of Project: Residential (Multi-family) Commercial Mixed-Use Existing Pre-Construction Value (from Wilson Co Tax Records) Estimated Post Construction Value (Please attach calculations as basis for estimate) Site: Building: Equipment: Construction Start Date: Construction Completion Date: **Project Benefit**

How will the project support Wilson's stated revitalization goals (as listed in the DRIG guidelines):

Number of jobs created (estimated):

Additional Project Information (Please attach additional sheet as necessary)

I agree to abide by the terms of DRIG policy requirements and understand that the increase in total taxable value as a result of the project must be equal to or greater than \$400,000 to receive grant funding.

Signature of Applicant(s)

For Office Use Only

Review Date:

By:

Approval Date:

Notes: