

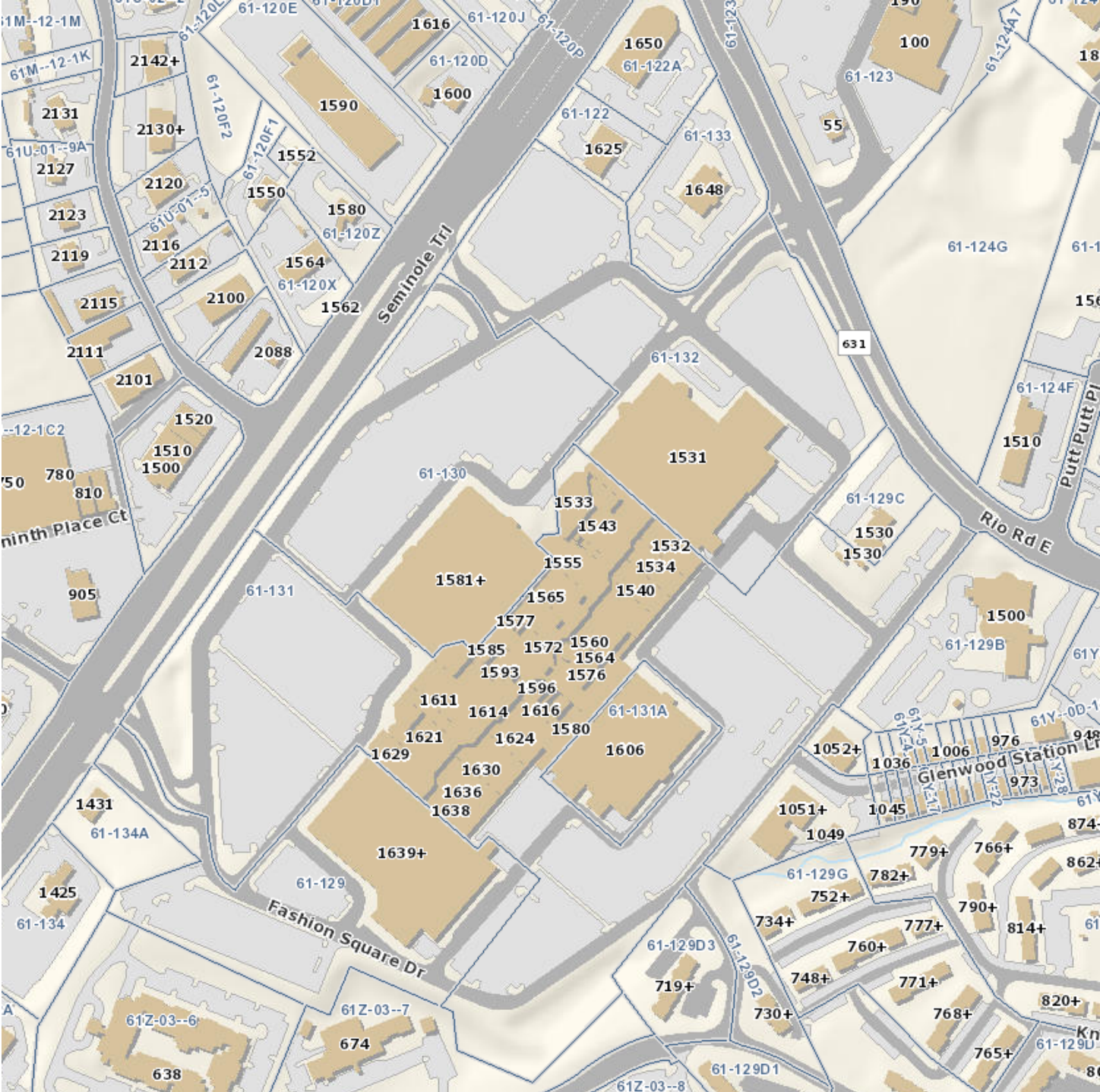
Public-Private Partnership Home Depot, Inc.

Board of Supervisors

August 21, 2024

Site Overview

- 55.5 acres
- 580,000 sf of development



Site Overview

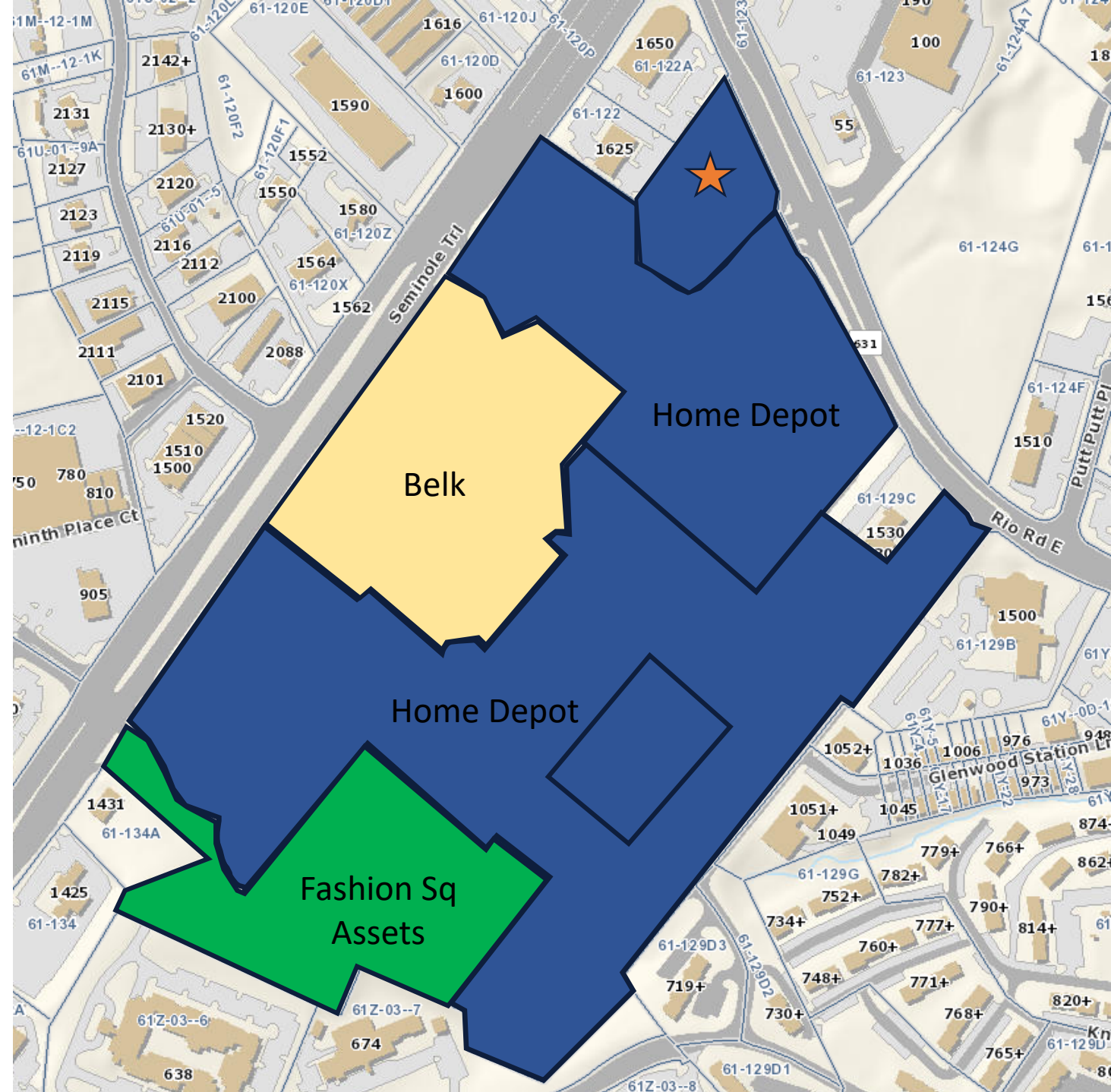
- 55.5 acres
- 580,000 sf of development

Fashion Square Mall Area:

- 35.21 acres - Home Depot
- 10.17 acres - Fashion Sq. Assets
- 10.13 acres - Belk

Outparcel:

- ★ 2.07 acre - Home Depot

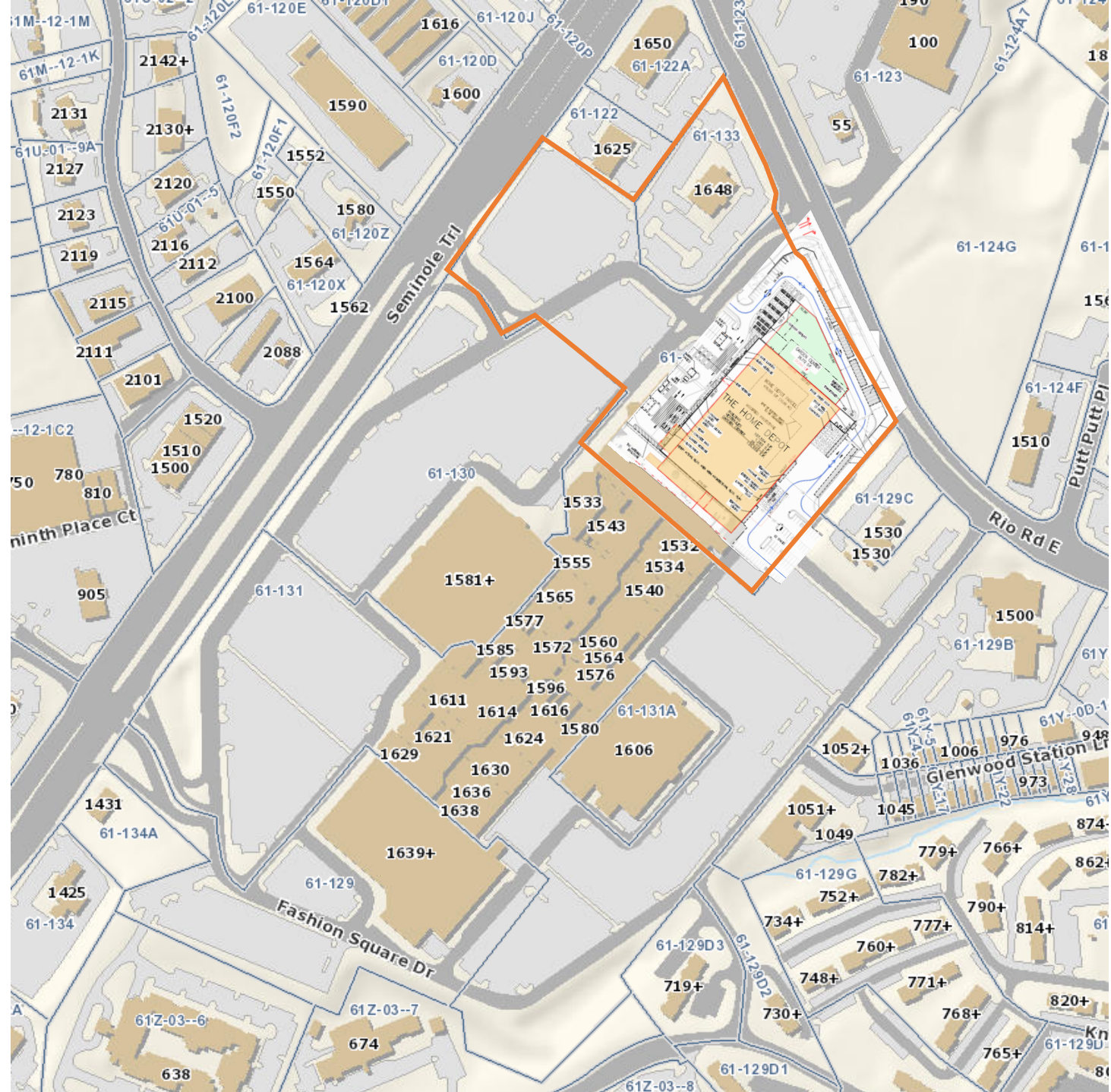


Site Overview

- 55.5 acres
- 580,000 sf of development

Project Area:

- Approx. 15 acres



North Entrance to former Sears



Rear of former Sears



From Rio Rd – former Red Lobster



From 29 Northbound





Hillsdale Drive Extension

E Phase 1: Upgrading, Realignment, and Roundabout

L Phase 2: Development and Construction

M Phase 3: Upgrading



DISTRICT-BASED FINANCING

The County should explore the possibility of using district-based financing to incentivize development in Rio29. Examples of such tools include the creation of Tax Increment Financing Districts (TIFs), Community Development Authorities (CDAs), Business Improvement Districts (BIDs), service districts, or other special districts and zones, e.g. technology zones and economic revitalization zones. These tools could have the mutual benefit of incentivizing development in Rio29 that is consistent with the Plan vision while also helping channel growth that allows the County to concentrate its efforts to provide more efficient delivery of services and infrastructure. BIDs, CDAs, and other business associations may also promote interest in the area and help facilitate organized programming and events.

The use of district-based financing tools needs further study and should be informed by appropriate fiscal analysis and research. Implementing district-based financing should be explored in partnership with the Economic Development Office and should be supportive of the County's economic development goals. However, these tools should be used carefully to ensure that they are promoting a public good, that their use is in line with the Plan vision, and that they do not degrade other Plan recommendations, such as affordable housing and conservation.

PUBLIC-PRIVATE PARTNERSHIPS

When financing constraints prevent the advancement of County priorities and projects, public-private partnerships (P3s) may be an appropriate approach to investment. These working relationships are formalized with state, regional, and private entities and often involve economic development or redevelopment programs.

Examples of economic development partnerships may include financing incentives for facility development such as grants, revenue bonds, or tax incentives; infrastructure development assistance; and workforce recruitment and training programs. Partnerships for public facilities may include shared use of a building or facility by public and private entities, such as a parking structure; arrangements involving County financing support; or private design-build-finance concessions.

County entities such as the Economic Development Office, the Economic Development Authority, and the County Executive's Office will be key players in establishing these partnerships. Other state and regional actors that may facilitate these partnerships may include the Virginia Economic Development Partnership (VEDP), the Central Virginia Partnership for Economic Development (CVPED) or the University of Virginia (UVA).

DESCRIPTION

Phase 1 involves upgrading Fashion Square Drive to public road standards (which include sidewalks, bike lanes and street trees), constructing a roundabout at the intersection of Rio Road, and realigning Putt Putt Place on the north side of the Rio Road intersection.

Phase 2 includes constructing a bridge or overpass that crosses the ravine south of Fashion Square Mall to provide a direct connection between Fashion Square Drive and Hillsdale Drive.

Phase 3 would complete the Hillsdale Extension by upgrading the length of Gardens Boulevard to public road standards. Phases can occur out of order and are expected to occur with the redevelopment of adjacent properties.

Timing Phase 1: Catalyst (first 5 yrs)
Phase 2 & 3: Future

Cost Ph 1: \$8,528,000; Ph 2: \$5,535,000;
Ph 3: \$ 2,701,000

Funding Revenue Sharing; Albemarle CIP;
Private Development

This project supports the vision for **Connectivity**.

PRECEDENT



Roundabout with a Green Center Normal, IL

Rio29

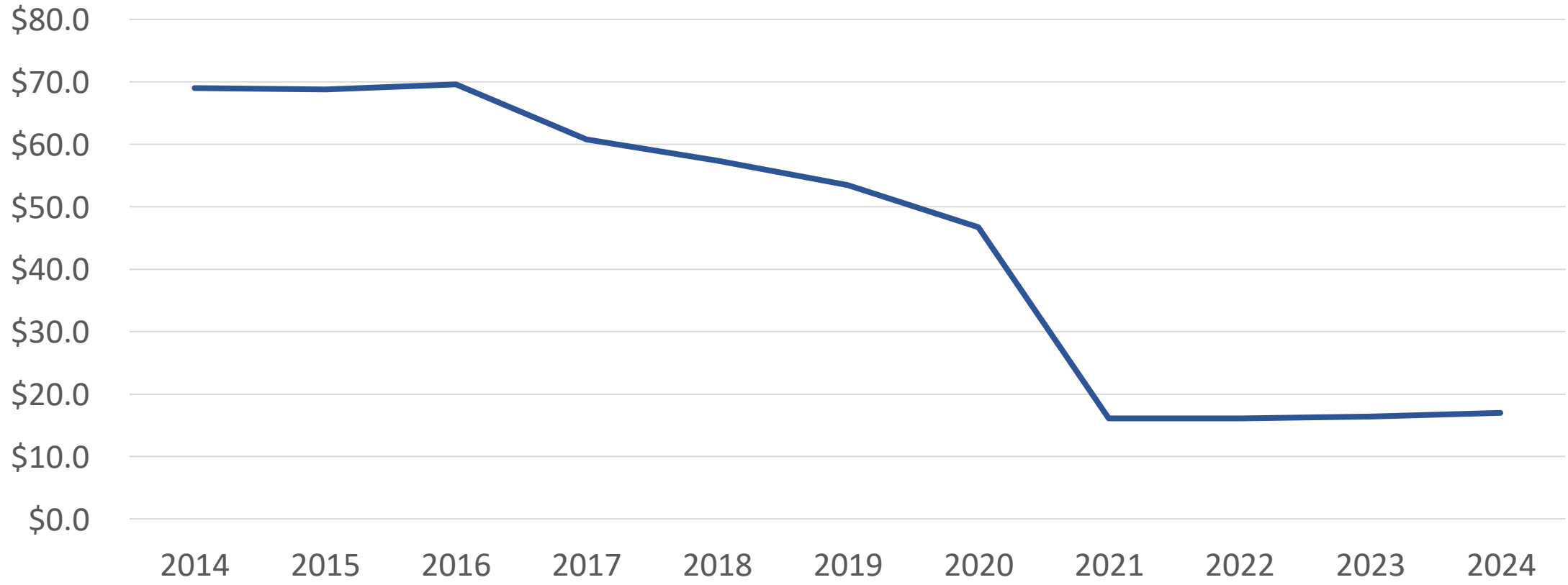
AN OPPORTUNITY PLAN

ADOPTED DECEMBER 12, 2018

Fashion Square Mall Property Value



Total Value, in Millions





Performance Agreement Summary



Albemarle County agrees to:

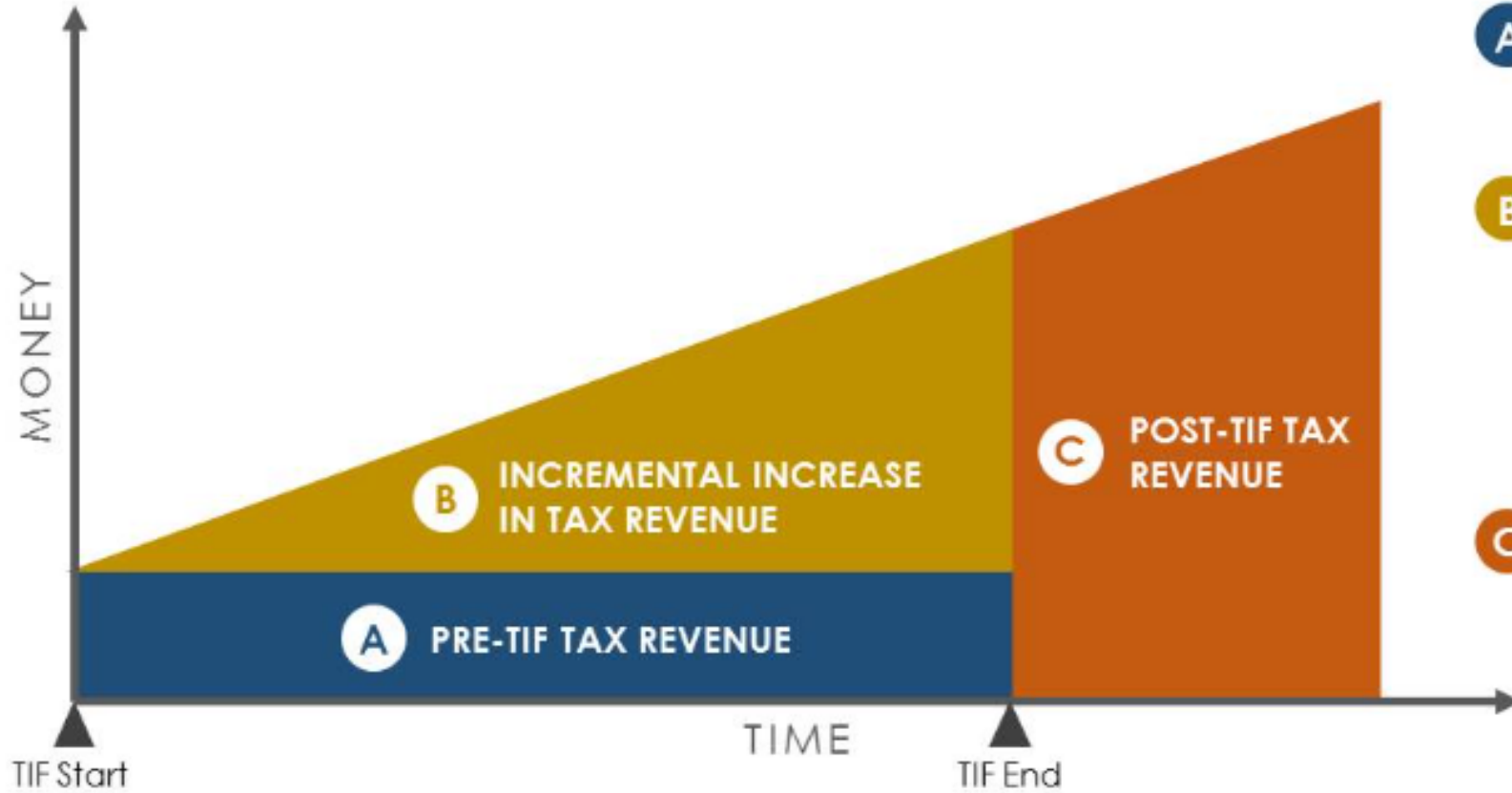
- Provide up to \$750,000 via a TIF of paid real estate property tax.
- To receive payments, HD must remain in good standing with the County and maintain diligent pursuit of a Certificate of Occupancy for the retail store and garden center. A progress report will be provided on June 1, 2025, updated annually as applicable.

Property Owner agrees to:

- Complete 135,000 sq. ft. retail store and garden center by December 24, 2025.
- Reserve and dedicate 50' of Right of Way for the realignment of Hillsdale Drive, upon request of the County.
- Actively market former Red Lobster site.
- Provide documentation of at least \$750,000 in higher development costs.

TAX INCREMENT FINANCING (TIF)

The basics of how a TIF works



A PRE-TIF TAX REVENUE

- Property and economic activity taxes collected at existing level

B INCREMENTAL INCREASE

- Increase in real property taxes (100% for RPA 1, 50% for RPA 3) goes to special allocation fund
- 50% of increase in economic activity taxes (i.e., sales taxes) goes to special allocation fund

C POST-TIF TAX REVENUE

- 100% of property and economic activity taxes collected at new level

Realignment of Hillsdale Drive



Hillsdale Dr. Realignment



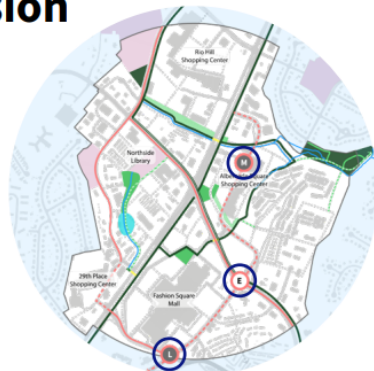
Rio29 Small Area Plan - 2018

Transformative Project E

“Phase 1 involves upgrading Fashion Square Drive to public road standards (which include sidewalks, bike lanes and street trees)...”

Hillsdale Drive Extension

- E** Phase 1: Upgrading, Realignment, and Roundabout
- L** Phase 2: Development and Construction
- M** Phase 3: Upgrading



Rio Road Corridor Plan - 2022

“This realignment of Hillsdale Drive will alleviate the congestion at other intersections.”

“An initial review of this proposed relocation suggests that implementation of this plan could have a substantial impact on private properties around the intersection.”

Return on Investment



- ROW for Project E (Hillsdale Extension) was estimated in 2018 dollars to cost \$3.33M
- Capital investment: \$26.2M
 - Increase in real property assessment to follow
- Local sales tax share
- More than 100 new jobs

Cost savings

Future Revenues

Jobs

Motion



I move that the Board adopt the resolution approving a development grant agreement among the County of Albemarle, Virginia, the Economic Development Authority of Albemarle County, Virginia, and Home Depot USA, Inc.

