

# **TOWN OF CLAYTON**

## **Clayton Downtown Redevelopment Incentive Grant (CDRIG)**

*Adopted May 5, 2008 by the Clayton Town Council  
Parallel Incentive Grant adopted by Johnston County Commissioners July 7, 2008*

The purpose of this incentive policy is to encourage and promote infill growth with new commercial development and the major rehabilitation of older buildings within Clayton's downtown commercial district.

### **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 town council as the current municipal tax rate\* at time of agreement per \$100 property valuation, of the difference between the current or preconstruction appraised tax value of a parcel(s) of property and the post-construction appraised tax value of same said parcel(s). *\*Effective July 7, 2008 the grant incentive means a sum of money, established by the Town Council and Johnston County as the current municipal and county tax rates respectively.*

*Residential* – Residential projects are eligible only in the creation of upper floor units (condo or rental apartment) 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 with the residential component on upper floors.

*Commercial* – Uses having to do with commerce. Commercial projects may include mixed uses (retail, office); Commercial uses may include but are not limited to the following: Foodservice/entertainment; specialty foods; gifts and specialties; general merchandise; and apparel.

### **Objectives.**

The purpose of the CDRIG is to encourage and/or promote infill growth with new commercial development, to include mixed use, in Clayton's designated Downtown Development District as set in the attached map.

The objective of CDRIG is to provide an incentive to property owners and individuals for the purpose of improving the economic viability and appearance of Clayton's Downtown District and to stimulate long-term investment in Clayton.

A. The incentive will be in the form of a grant.

The *Clayton Downtown Redevelopment Incentive Grant* is based on the following formula:

# **TOWN OF CLAYTON**

## **Clayton Downtown Redevelopment Incentive Grant (CDRIG)**

1. Appraised tax value of site or building is determined before any construction begins.
2. Appraised tax value of site or building is determined after construction is completed upon the issuance of a certificate of occupancy.
3. Grant amount is the difference between the pre-construction tax value and the post-construction tax value as determined by the Johnston County Tax Administrator.
4. Owner pays full amount of newly appraised tax value of property.
5. *\*\*The Town of Clayton and Johnston County provides grant incentive to property owner (\*\* Effective July 7, 2008, Johnston County Commissioners adopted a “parallel incentive grant” allowing eligible applicants to receive the grant at the municipal and county levels.*
6. Five (5) concurrent tax years is the applicable time period for grant incentive.
7. Grant would be disbursed as follows: Year 1 – 100%; Year 2 – 100%; Year 3 - 75%; Year 4 - 50%; Year 5 – 25%.

B. Revitalization goals to “create an ‘alive’ downtown” are as follows:

1. More Attractive Building Facades in Downtown
2. Development of a Strong Main Street Program
3. Increased Number of Residential Units, More People Residing Downtown
4. More Attractive Buildings with Property Owners Taking Responsibility for Maintenance
5. More Investment Dollars by the Private Sector in Downtown
6. More Entertainment Venues - Restaurants, Theater(s)
7. Expanded Retail Businesses - Places to Shop that Attract Non Residents and Residents
8. More People Working and Living in Clayton

### **Revitalization Program Requirements & Conditions**

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

1. The project area is designated as set forth in the attached map which is incorporated here by reference as the delineated area of the Clayton Downtown Development District.
2. Any commercial project owner within the project area is eligible to apply.
3. Each commercial project owner engaged in a project(s) in the project area is eligible for the program incentives.
4. Only one grant agreement for a given property will be eligible within a fifteen (15) year period from the conclusion of a previous grant.
5. Incentive shall be for new construction that is consistent with the character of the downtown district; design or other standards and guidelines and meets zoning requirements.

**TOWN OF CLAYTON**  
**Clayton Downtown Redevelopment Incentive Grant (CDRIG)**

6. Any person starting a project after passage of this policy will be eligible to make application to the Town of Clayton to participate in the CDRIG incentive program.
7. Applicant is the property owner and taxpayer for property.
8. Grant reimbursements are non transferable. They are made only to the original owner of the property for the scheduled grant period while they maintain ownership of the property.
9. The value of the reimbursement is fixed by a schedule and agreement that is determined in the first year. Subsequent improvements are not subject to additional value towards the reimbursement.
10. Any added value created by a periodic, County-wide revaluation is not eligible for adjustment or inclusion in the reimbursement calculation.
11. Grant disbursement formula:
  - Year 1 – 100%
  - Year 2 – 100%
  - Year 3 - 75%
  - Year 4 - 50%
  - Year 5 - 25%
12. This program does not apply to existing projects.
13. Structures must meet state and local building codes as approved by the local building inspector.
14. Applications will be administered by the town.
15. Applications shall be reviewed by Town of Clayton staff to ensure full compliance with CDRIG grant.

**Project Management.**

1. The CDRIG project manager will be the Clayton Town Manager and the Downtown Development Coordinator. His/her duties and responsibilities will be to administer the project in conjunction with the Johnston County Tax Office.
2. The applicant will secure the CDRIG application form from the town offices.
3. The applicant will submit the completed application to the town manager for review of the project's purpose; feasibility; and compatibility.
4. If approved, a statement from the property owner is signed stating the proposed project would not have been considered for development in the downtown district "if not for" the "CDRIG."