1 - Work Session Agenda

Documents:

1 - WORK SESSION AGENDA.PDF

2 - Mayberry Street Redevelopment

Documents:

2 - MAYBERRY STREET REDEVELOPMENT.PDF

3 - United Community Bank - MCBP Off Site Parking

Documents:

3 - UNITED COMMUNITY BANK - MCBP OFF SITE PARKING.PDF

4 - Greenville Local Development Corporation

Documents:

4 - GREENVILLE LOCAL DEVELOPMENT CORPORATION.PDF

CITY COUNCIL OF THE CITY OF GREENVILLE
WORK SESSION MEETING

Monday, September 27, 2021 - 3:30 p.m.

Meeting Location:
Greenville Convention Center, 1 Exposition Drive

The city of Greenville seeks input from citizens while adhering to public health and safety guidelines. All attendees at the location may be subject to a temperature screening. Masks are currently required in all city buildings and at city meetings, regardless of vaccination status.

Citizens may access the meeting at the following web address:
https://www.greenvillesc.gov/1694/Online-Meetings

CITY COUNCIL: Mayor Knox White; Councilmember Wil Brasington; Councilmember John DeWorken, Councilmember Dorothy Dowe, Councilmember Lillian Flemming; Councilmember Ken Gibson; Councilmember Russell Stall

CITY STAFF: City Manager John McDonough; City Attorney Michael S. Pitts; City Clerk Camilla G. Pitman

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AGENDA

1. **Call to Order** — **3:30 p.m.**

2. **Mayberry Street Redevelopment** — **3:30 p.m.**
   (Presented by Interim Engineering Services Manager/ City Engineer Clint Link)

3. **United Community Bank MCBP Off Site Parking** — **4:15 p.m.**
   (Presented by Economic and Community Development Director Merle Johnson and City Attorney Mike Pitts)

4. **Greenville Local Development Corporation** — **4:30 p.m.**
   (Presented by Economic and Community Development Director Merle Johnson and City Attorney Mike Pitts)

5. **Executive Session:** — **4:45 p.m.**
   NOTE: City Council will leave the Work Session to conduct an Executive Session which is not open to the public. The Work Session meeting will adjourn following the completion of the Execution Session. No action will be taken prior to adjourning the meeting.

   a. **Update on status of Bowater Building Negotiations**

   b. **Potential exchange/disposition of property on Mayberry Street**

6. **Adjourn** — **5:15 p.m.**

Mayberry St Redevelopment Advisory

City Council Presentation

September 27, 2021

HR&A Analyze. Advise. Act.

HR&A Advisors Work-to-Date

NOVEMBER 2020	Establish City priorities for Mayberry St. site
DECEMBER 2020	Context-setting conversations and engagement approach
JANUARY 2021	Assessment of value by use and program modifications
MARCH 2021	Opinion of value for Mayberry St. site
JULY 2021	Economic and fiscal impact analysis and refined estimates of value

Review of Sottile Program

ANALYTIC OVERVIEW

Program Modifications

- Value in **multifamily residential** and **hotel**
- **Office** and **retail** as activating commercial uses

	Mixed-Use Multifamily For-Sale	Townhomes	Mixed-Use Multifamily Rental	Hotel	Ground Floor Retail	Office/ Institutional *(i.e., University)*	Standalone Retail	Total
Sottile Program	100K SF	39K SF	354K SF	0 SF	18K SF	48K SF	15K SF	574K SF
Proposed Scenario	140K SF	39K SF	260K SF	50K SF	33K SF	93K SF	0 SF	615K SF
Difference	*+40K SF*	*0 SF*	*-94K SF*	*+50K SF*	*+15K SF*	*+45K SF*	*-15K SF*	*+41K SF*

Note: Residential uses can include workforce housing, accomplished by requiring a percentage of units to be affordable.

Comparable Projects

MIXED-USE MULTIFAMILY FOR-SALE

927 S. MAIN ST.
Year Built: 2007; Units: 40;
Sale Price/PSF: $360

TOWNHOMES

100 S. HUDSON ST.
Year Built: 2017; Units: 23;
Sale Price/PSF: $330

MIXED-USE MULTIFAMILY RENTAL

DISTRICT WEST
Year Built: 2017; Units: 365;
Rent/PSF/Month: $1.90

OFFICE/INSTITUTIONAL

200 E. BROAD ST.
Year Built: 2001; SF: 101,000 SF;
Rent PSF: $28 Gross

GROUND-FLOOR RETAIL

10 S. ACADEMY ST.
Year Built: 2021; SF: 30,000 SF;
Rent PSF: $30 Gross (Asking)

STANDALONE RETAIL

COOK'S STATION
Year Built: 2020; SF: 11,000 SF

HOTEL

HAMPTON INN RIVERPLACE
Year Built: 2006; Keys: 115

Economic Impact Findings

CONSTRUCTION IMPACTS

1,800 job-years supported
(approximately 300 jobs sustained each year of construction)

$210M in construction spending

$95M in labor income

$55K direct income per construction worker

ONGOING IMPACTS

630 new workers

750 new residents

$95M in new economic output

$30M in labor income

$50K direct income per worker

Fiscal Impact Findings

	CITY	COUNTY	SCHOOLS
Property Tax Revenue	$500K Annually	$400K Annually	$1.1M Annually
Hotel Tax Revenue	$105K Annually	$0 Annually	$0 Annually
Total Revenue	$605K Annually	$400K Annually	$1.1M Annually

Note: All figures represent a stabilized year

DEVELOPMENT STRUCTURES

Development Scenario Overview

SCENARIO 1
City sells land to third party master developer

- The land would be transferred to a developer for horizontal improvement
- The developer would develop the parcels themselves or lease for vertical development
- City would not retain long-term control over the site

SCENARIO 2
City takes equity stake in residential component of project

- The City would contribute the residential land as an equity investment
- The City's discount rate will be relatively high (~10-12%), yielding returns that would justify the risk of a joint venture with a developer
- The City will sell the remainder of the land to the developer
- The City would only retain long-term control over the residential portion of the project

SCENARIO 3
City ground leases land to a third-party master developer

- The land would be leased to a developer for horizontal improvement
- The developer could develop the parcels themselves or partner to develop them.
- City would retain long-term control over the land, but would not own the vertical development

Development Considerations (1 of 2)

	Scenario 1: City sells land to third party master developer	**Scenario 2:** City takes equity stake in the residential land	**Scenario 3:** City ground leases land to a third-party master developer
Capital Investment by City	LOW City will have no obligation for capital investment in the site	LOW No upfront investment in infrastructure	LOW City will have no obligation for capital investment in the site
City Capacity Required	LOW City will not need additional internal capacity to facilitate the sale of the site	MEDIUM City may require some additional capacity to maintain investment partnership for residential land	MEDIUM City may require some additional capacity to manage ground lease
City Control	LOW City will not have long-term control of the site, but can set terms for development program at the outset	MEDIUM City will control residential land in the long-term, but not the commercial land.	HIGH City will retain long-term ownership of the land, and can also set terms for program at the outset

Development Considerations (2 of 2)

	Scenario 1: City sells land to third party developer	**Scenario 2:** City takes equity stake in the residential land	**Scenario 3:** City ground leases land to a third-party developer
Risk for City	LOW City will not be exposed to market risk in medium to long-term in selling the site	HIGH The value of the City's equity stake in the residential land will be contingent on the quality and performance of the vertical development, which the developer will lead.	LOW Ground lease can be structured to minimize long-term market risks
Upside for City	LOW Potential for long-term participation in value creation is relatively limited	MEDIUM The equity investment could generate relatively high returns given a higher discount rate, but limited potential for significant value creation	MEDIUM City maintains more scope to participate in project upside through escalations, re-valuations, and capital event participation

Development Next Steps

1. Determine preferred development partnership scenario

2. Begin informal developer conversations to vet the proposed plan and gather feedback to inform solicitation document(s)

3. Engage with other landowners to discuss acquisitions needed for redevelopment

4. Confirm evaluation criteria and process for solicitation of development partner

5. Draft and release solicitation document(s) for development partner

Mayberry St Redevelopment Advisory

City Council Presentation
September 27, 2021

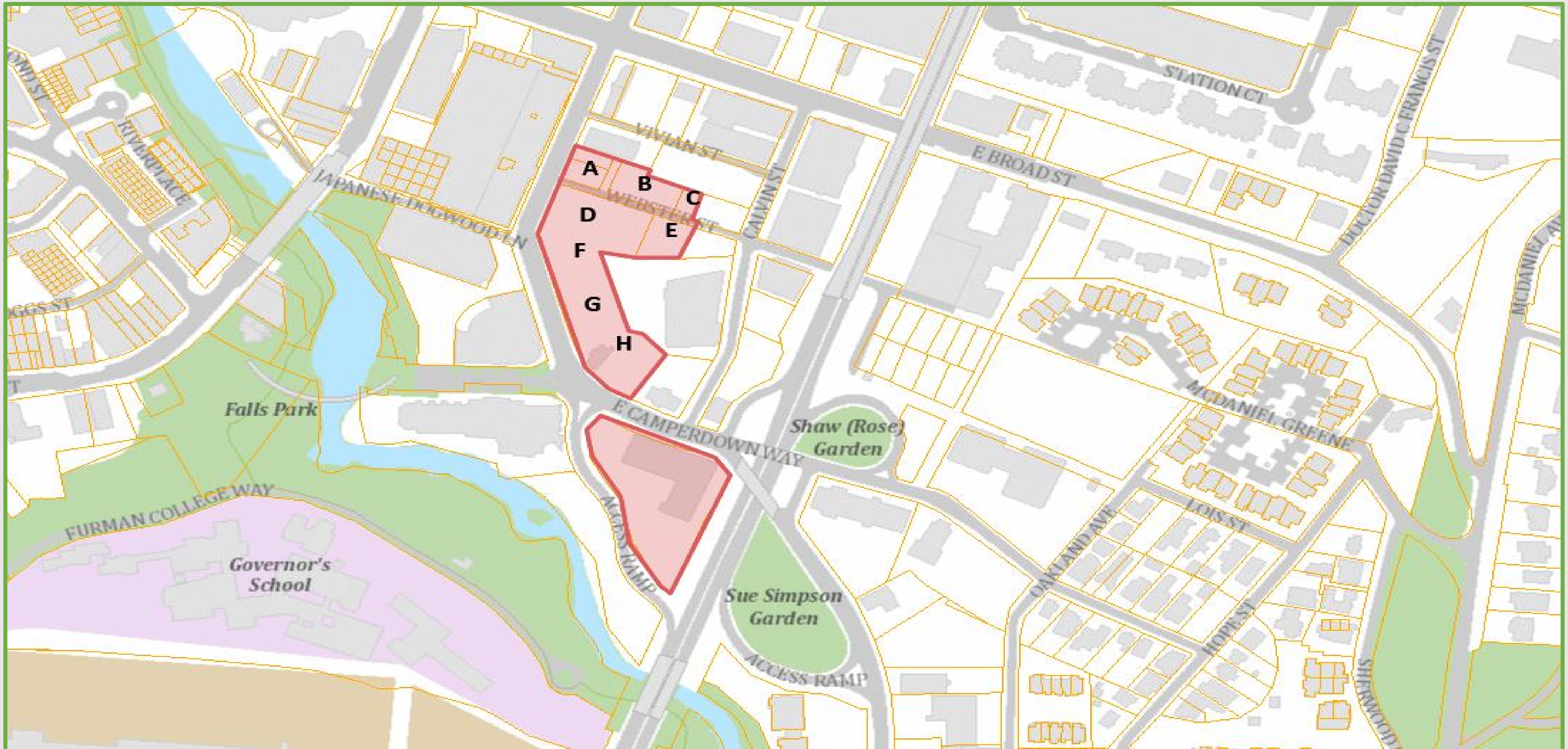
HR&A Analyze. Advise. Act.

United Community Bank

September 27, 2021

city of
greenville

200 E Camperdown Way



200 E Camperdown Way

Parking Layout

- 2.309 Acres
- 195 spaces

United Community Bank

- Original 200 East Camperdown Way MCBP passed at February 8, 2021 City Council Meeting
- Parking on site (140), off site (195)
- Reminder of Project Announcement Details:
  - Corporate Headquarters and Retail Branch
  - $24.8 Million in new capital investment
  - 227 new jobs
  - Anticipated completion 2024
- Company Details:
  - Formed in 1950
  - $18 Billion in Assets
  - 160 Offices in FL, GA, NC, SC, and TN
  - Social Responsibility:
    - $6 Million in Sponsorships since 2011
      - Examples: Ice on Main, Community Development Loans

Greenville Local Development Corporation

September 27, 2021

city of greenville

GLDC

- History
  - Since 1979, a community driven agency setup to provide economic development based support to catalytic initiatives in support of Greenville
  - Utilize programming to address gaps in economic development toolkit: revolving loan fund (RLF), grants, equity investments, and other tools (New Market Tax Credits)
  - The Westin Poinsett
    - 1997 grant from City to GLDC ($500,000), ’99 grant from City to GLDC ($2,000,000), ’03 Amendment to ‘97 that GLDC would utilize the money collected by GLDC on repayment of loan to then establish a RLF and grant program

GLDC

- Recent Activity
  - GLDC currently has over $700K in loans being administered from the RLF
    - Over $1M in GLDC loans have been made to early stage, technology-based companies
    - RLF availability as of July 2021 ($1.09M)
  - Grant availability as of July 2021 ($455K)
    - Recent grant awards include:
      - Sponsorship of the NEXT Venture Pitch ($5k multiple years), SBDC Small Business awards ($500)
      - Capital infusion for the Village Launch program ($120K)
      - Matching grant commitment to secure South Carolina Department of Commerce Relentless Grant launching the Furman University "GVL STARTS" program ($75K)
      - Furman University internship program funding to pair NEXT companies ($30K)
      - Challenge grant match with Greenville Tech to launch "CHI" workforce training center in Village of Poe West ($100K)
      - Funding of the HR&A Office Recruitment Strategy and subsequent Job Development Grant program

GLDC

- Limitations
  - Dwindling capacity
  - Deal flow
  - Restrictions
- Opportunities, Partnerships, and Growth
  - ReWa, Furman, NEXT, SCRA (SC Launch), SC DoC, Venture South, Chapel, etc.
- Ask
  - A Resolution to amend the agreement between the City and GLDC to allow for growing the pipeline by expanding the boundary to the County
    - Allow for more flexibility, that will in turn allow for growth of funds accessible to Greenville companies