City Council - Retreat

Documents:

01-26-2023 COUNCIL RETREAT.PDF
DEVELOPMENTCODE2022.PDF
FY24-FY28 BASELINE FORECAST.PDF
FORECAST HANDOUT 1.27.23.PDF

City of Greenville
2023 City Council Retreat
January 26-27, 2023

AGENDA - Day 1
Thursday, January 26, 2023 – 4:30 p.m.
Huguenot Mills, 101 W. Broad Street

1.	**Welcome and Introduction by Mayor Knox White** *Mayor Knox White*	**4:30 p.m.**
2.	**Panel Discussion – Innovation and Entrepreneurship**	**4:35 p.m.**
3.	**Retreat Recesses**	**5:45 p.m.**

Reception following recess.

AGENDA – Day 2
Friday, January 27, 2023 – 8:30 a.m.
Prisma Health Welcome Center, 111 Welborn St

1.	**Retreat Reconvenes**	**8:30 a.m.**
2.	**Greenville Development Code Overview**	**8:30 a.m.**
3.	**Lunch and Panel Discussion with Greenville County Representatives**	**12:30 p.m.**
4.	**Financial Outlook and Project Opportunities**	**2:00 p.m.**

Overview of the New Development Code

January 2023


PUBLIC REVIEW DRAFT

ARTICLE 19

GREENVILLE DEVELOPMENT CODE

PUBLIC REVIEW DRAFT
JANUARY 13, 2023

GVL2040 IN ACTION SHAPING OUR FUTURE

czbLLC

Ingalls Planning & Design

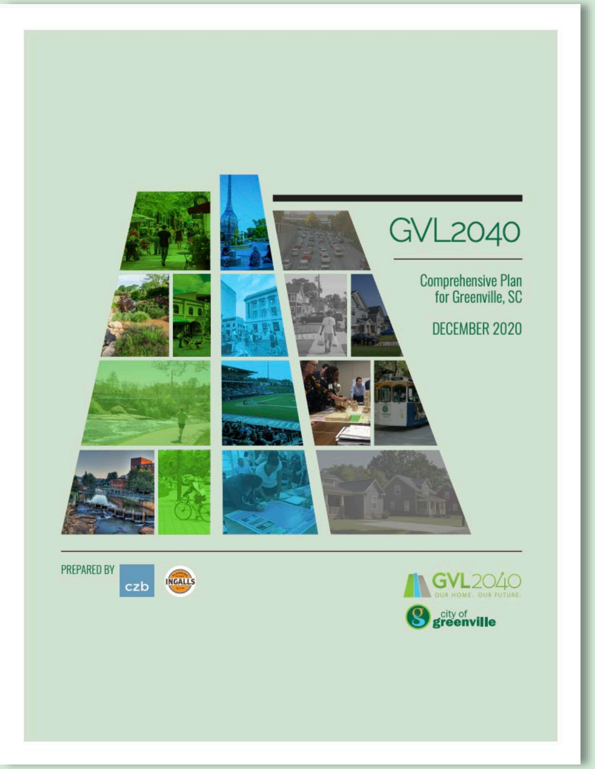
Code Studio

Weston Consulting, Inc.

MRB Group

How we got here

The City of Greenville embarked upon a far-reaching planning process in the spring of 2019 with the initiation of a new comprehensive plan to replace the 2009 Plan-It Greenville plan.



Community Priorities Drive Future Land Use Decisions

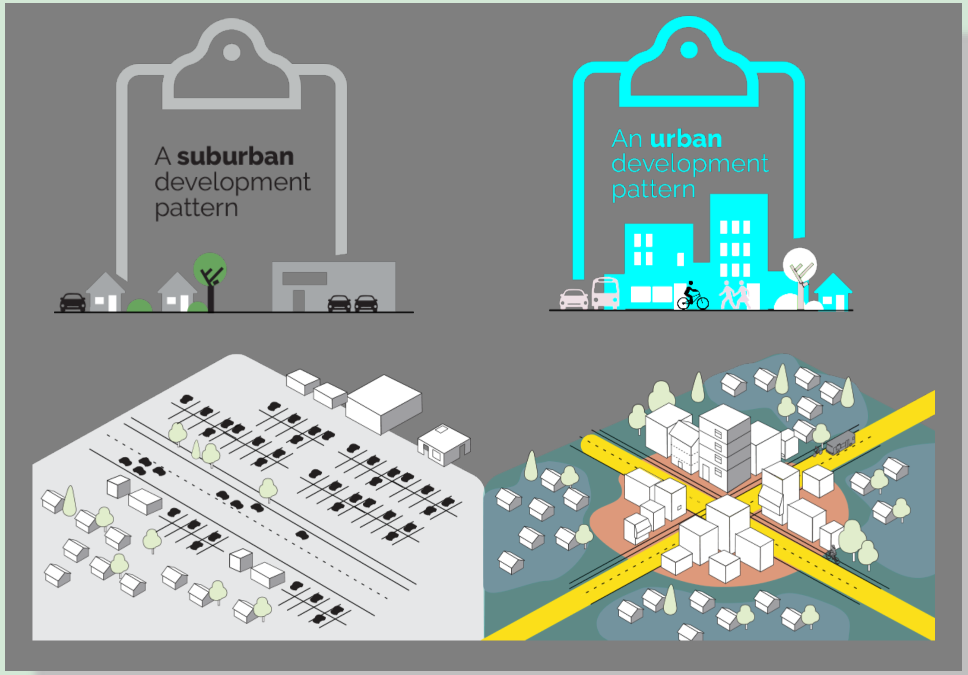
GVL2040 prioritizes producing affordable housing opportunities, preserving open space, improving modes of transportation and mobility... → *...while continuing to grow...* → *...and while preserving residential neighborhoods and fostering economic development across the City.* → *All this means that Greenville must make a shift from a suburban form with a suburban code to a city to be shaped by an urban development code.*

An **urban** development pattern

GVL 2040

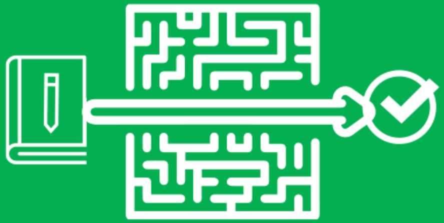
A new way to grow for the 21st Century

GVL2040, Greenville's new comprehensive plan, prioritizes **affordable housing opportunities**, **open space** preservation, alternative modes of **transportation and mobility**, and **preservation of residential neighborhoods**. During the GVL2040 planning process, the steering committee and community considered multiple scenarios for the city's future that would include progress on the stated priorities.



Goals of the new Development Code

Ensure it is easy to use for builders and residents alike



Provide predictability

Code for what the community can say 'yes' to

Streamline the review process

Basic Building Blocks

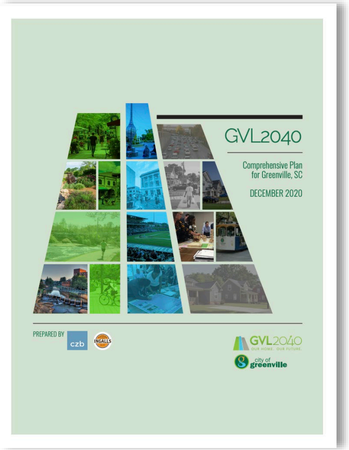
Districts and Uses Framework

Development Standards

Stormwater Management & Engineering Standards

Administration and Enforcement

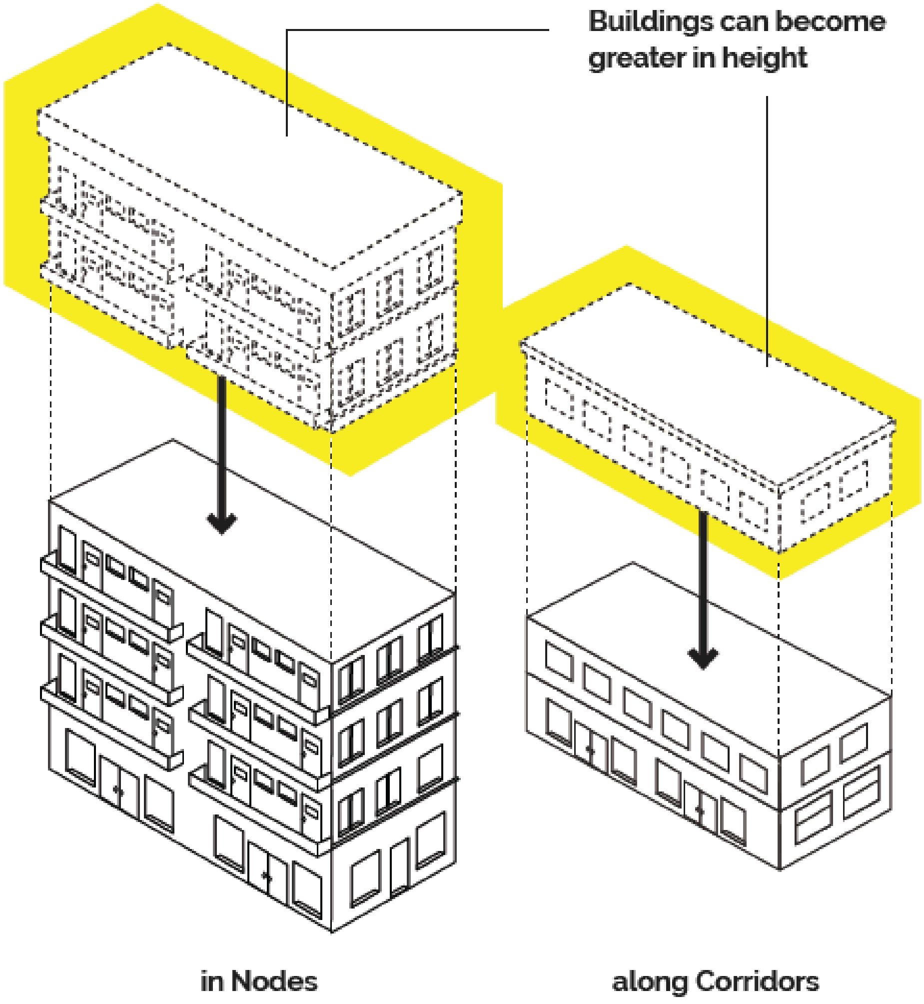
GVL2040



Make at least 10% of all new housing units affordable

Preserve as much as 35% of Greenville's remaining vacant land

Height Bonus



<u>The height bonus applies only to sites within the following zoning districts:</u>

- Community 2 (RC-2) - from 2 stories up to 4 stories maximum height
- Community 3 (RC-3) - from 3 stories up to 5 stories maximum height
- Community 5 (RC-5) - from 5 stories up to 7 stories maximum height
- Mixed Use 2 (MX-2) - from 2 stories up to 4 stories maximum height
- Mixed Use 3 (MX-3) - from 3 stories up to 5 stories maximum height
- Mixed Use 5 (MX-5) - from 5 stories up to 7 stories maximum height
- Shopfront 2 (MXS-2) - from 2 stories up to 4 stories maximum height
- Shopfront 3 (MXS-3) - from 3 stories up to 5 stories maximum height
- Shopfront 5 (MXS-5) - from 5 stories up to 7 stories maximum height

To obtain all or only part of the available bonus units or height, an applicant must commit to:

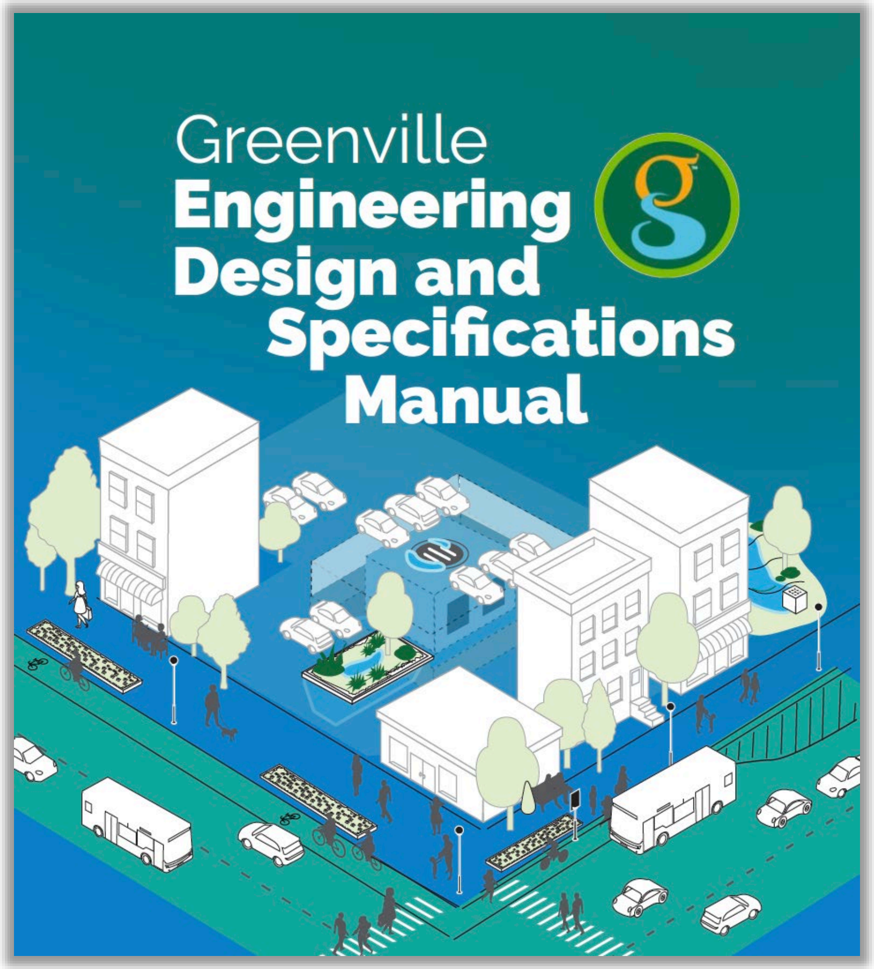
- 15% of all residential units in the project, regardless of tenure, must be affordable to households with an annual income at or below 80% of the City's median household income; and
- Pay a one-time $5,000 fee per each additional residential unit in the project

Short-Term Rentals

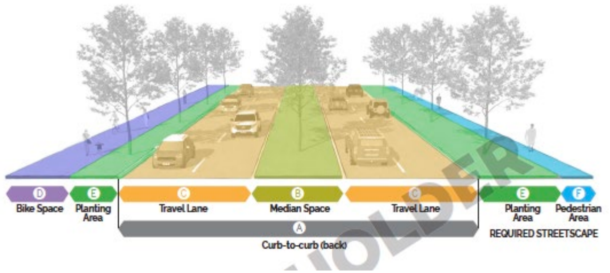
Short-term rentals are only permitted in <u>commercial or mixed-use districts</u>. They fall under the use category of 'general lodging,' a category that also includes hotels and other lodging facilities.

Short-term rentals are NOT allowed in any residential zone or in accessory dwelling units (ADUs) in residential districts.

DSM Overview



District
Mixed-use (two-lane)



Equations and Symbols

Equations and symbols included in each chapter of this Manual are summarized in Table A13-2.

Table A13-2: Summary of Equations

Description and Equation(s)		Symbol	Description	Unit
TR-55 Method of Time of Concentration	$T_T = \frac{0.007(nL)^{0.8}}{(P_2)^{0.5} S^{0.4}}$	L	Flow length	ft
		n	Manning's roughness coefficient	-
		P_2	2-year, 24-hour rainfall	in
		S	Average slope of the flow path	ft/ft
		T_T	Travel time of overland or sheet flow segment	hr

This manual is organized to guide one from the conceptual planning stage through construction.

It includes guidance on:

- The permitting process
- Resources available to applicants
- Property regulations
- Permitting responsibilities
- General development requirements
- Street Design Criteria
- Wastewater Design Criteria
- Stormwater Design Standards
- Construction Inspection and Administration
- Construction BMPs and Guidance
- Right-of-Way and Encroachment Management


PUBLIC REVIEW DRAFT

ARTICLE 19

GREENVILLE DEVELOPMENT CODE

GVL2040 IN ACTION

PUBLIC REVIEW DRAFT
JANUARY 13, 2023

The New Development Code

Hybrid code that includes components from a variety of code types:

- Use Code
- Performance code
- Form-based code

The New Development Code

- Understandable code
- Directed demand through incentives
- Greater development intensity at key locations BY RIGHT
- Preserved character of existing neighborhoods
- Future development connected to housing affordability + open space
- Streamlined processes
- Base-bonus system

Districts and Uses

ARTICLE 19-2. ZONING DISTRICTS ESTABLISHED

In order to carry out the purposes of this Code, the following districts are established.

HOUSE-SCALE	
RH-A	House A
RH-B	House B
RH-C	House C
RH-D	House D
NEIGHBORHOOD-SCALE	
RN-A	Neighborhood A
RN-B	Neighborhood B
RNX-B	Neighborhood Flex B
RN-C	Neighborhood C
RNX-C	Neighborhood Flex C
COMMUNITY-SCALE	
RC-2	Community 2
RC-3	Community 3
RC-5	Community 5
MIXED USE	
MX-2	Mixed Use 2
MX-3	Mixed Use 3
MX-5	Mixed Use 5
MX-D	Mixed Use Downtown

SHOPFRONT MIXED USE	
MXS-2	Shopfront 2
MXS-3	Shopfront 3
MXS-5	Shopfront 5
MXS-D	Shopfront Downtown
BUSINESS	
BG	Business General
BH	Business Heavy
INDUSTRIAL	
IX	Industrial Flex
IG	Industrial General
SPECIAL	
CM	Campus
CV	Civic
PK	Park
OVERLAY	
-DD	Downtown Design
-P	Preservation
-NR	Neighborhood Revitalization
-AP	Airport
-SFHA	Special Flood Hazard Area

A Look at the Zoning Districts

R = Residential

RH Residential **House-Scale**
- RH-A
- RH-B
- RH-C
- RH-D

RN Residential **Neighborhood-Scale**
- RN-A
- RN-B
- RNX-B
- RN-C
- RNX-C

RC Residential **Community-Scale**
- RC-2
- RC-3
- RC-5

MX = Mixed Use

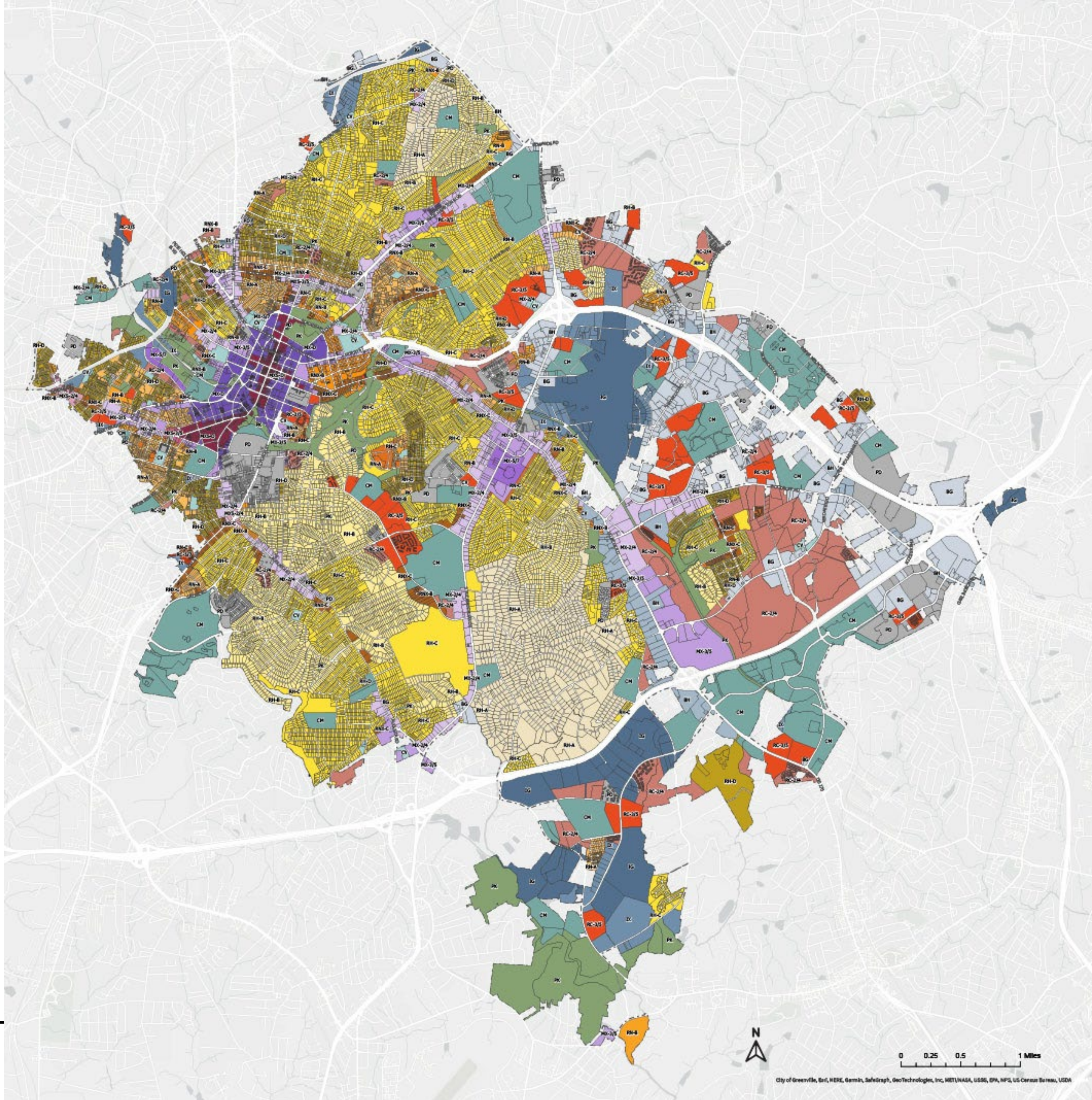
MX Mixed Use
- MX-2/4
- MX-3/5
- MX-5/7
- MX-D

MX Mixed Use **Shopfront**
- MXS-2/4
- MXS-3/5
- MXS-5/7
- MXS-D

B = Business
- BG
- BH

I = Industrial
- IX
- IG

S = Special
- CM
- CV
- PK
- PD



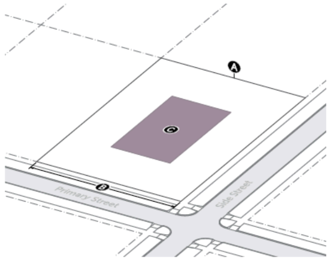
District Standards

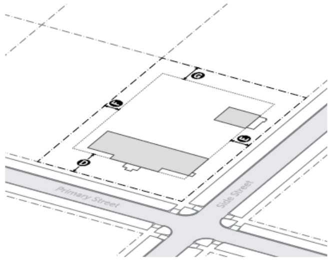
Each Zoning District has a similar configuration in the new code – a **SITE** info page followed by a **BUILDING** info page – with specific code sections referenced to guide the user to a code page that includes detailed information.

SITE INFO

2.2.2. **RH-A** HOUSE A

A. **SITE**



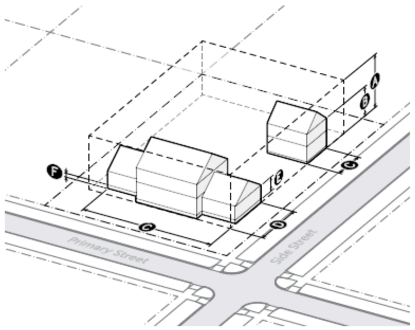


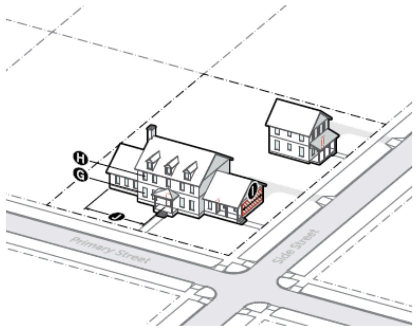
1. **LOT SIZE**	Sec. 3.11.2
A Area (min)	18,000 SF
B Width (min)	80'
2. **DENSITY**	Sec. 3.11.3
Dwellings per lot (max)	
Primary units	1
Secondary units	1
3. **COVERAGE**	Sec. 3.11.4
C Building coverage (max)	20%

4. **BUILDING SETBACKS**	Sec. 3.11.5
D Primary street lot line (min)	
Primary structure	30' or Setback Range
Accessory structure	60'
E Side street lot line (min)	15'
F Side lot line (min)	12'
G Rear/alley lot line (min)	
Primary structure	20'
Accessory structure	10'
5. **PARKING SETBACKS**	Sec. 3.11.8
Primary street (min)	40'
Side street (min)	15'
6. **WALLS & FENCES**	Sec. 3.11.9
Front yard height (max)	Type B | 3'
Side street yard height (max)	Type C | 6'
Side/rear yard height (max)	Type E | 6'

BUILDING INFO

B. **BUILDING**





1. **HEIGHT**	Sec. 3.11.10
A Overall height (max stories/feet)	
Primary structure	2.5 / 35'
Accessory structure	2 / 25'
B Side wall (max)	
Primary structure	25'
Accessory structure	18'
2. **MASSING**	Sec. 3.11.11
C Building width (max)	100'
D Building depth (max)	100'
3. **GROUND STORY**	Sec. 3.11.12
E Story height (min)	9'
F Finish floor elevation (min/max)	2' / 5'

	Primary St.	Side St.
4. **TRANSPARENCY**	Sec. 3.11.13	
G Ground story (min)	25%	20%
H Upper story (min)	15%	15%
I Blank wall width (max)	10'	20'
5. **ENTRANCES**	Sec. 3.11.14	
J Street-facing entry spacing (max)	60'	60'
Entry feature	Yes	No

Questions and Discussion

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FY24-FY28 Preliminary Forecast and Planning Model

January 27, 2023

city of greenville

Topics

- Historical Review of Great Recession and "Stress Test"
- Overall Planning Assumptions
- General Fund Projections and Capacity
- HTAX Projections and Capacity
- LATAX Projections and Capacity
- Parking Projections and Capacity
- Overall Debt Portfolio Review

Recession Stress Test

city of
greenville

Why talk recession?

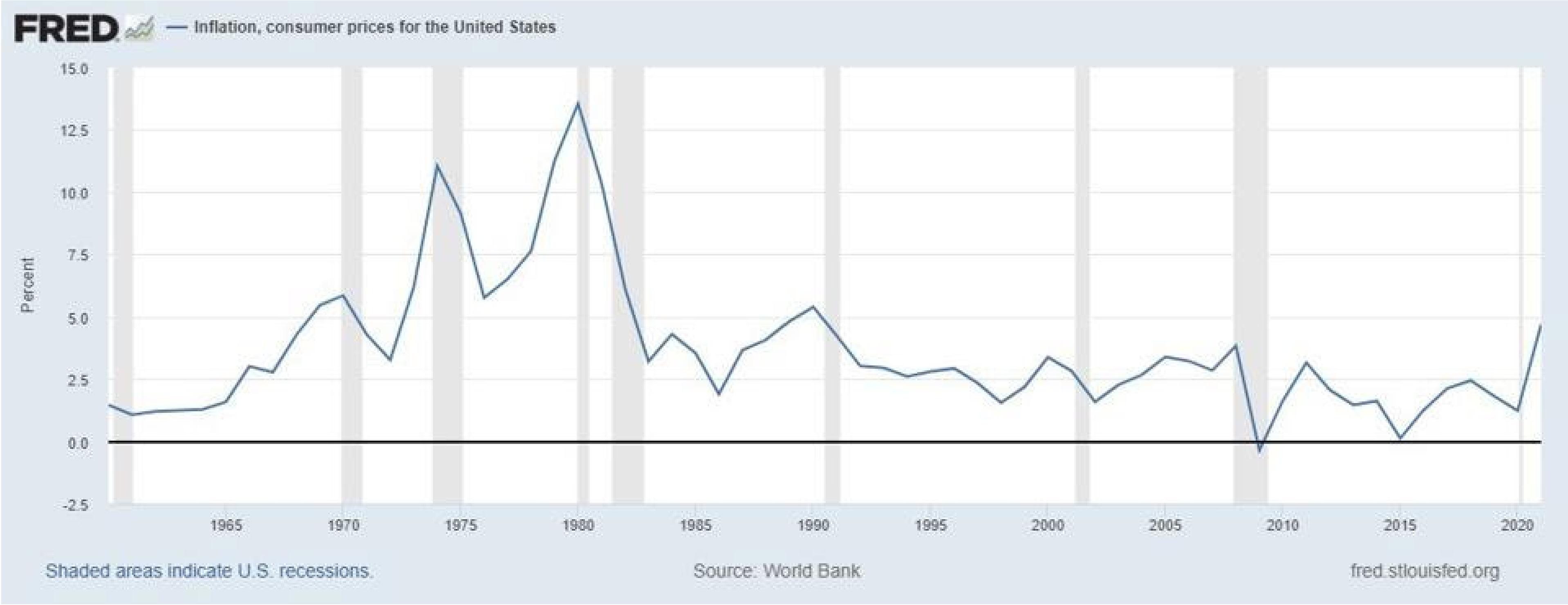
- It is a good practice for the City to review this information and prepare, as a recent survey of economists opines a 70% chance of recession in 2023.
    - Nobody likes to think about it, but it IS coming, it is just a matter of when and how bad it will be.

- Impacts will vary widely based on local conditions – lets review how Greenville fared in the most recent downturns (Great Recession, COVID Pandemic)

- The City has historically had a very resilient local economy, but there are some risks that Council should consider when prioritizing investments for the coming years

Crystal Ball

- US recessions tend to occur after high inflation (see chart below)
- Other indicators – housing starts, unemployment, tightened lending – are all pointing towards a coming recession



2007-2009 Great Recession

- "Great Recession" refers to global general economic decline noted as "the most severe economic and financial meltdown since the Great Depression" by the International Monetary Fund (IMF)

- Official dates of US recession 12/2007 – 6/2009 – 19 months
  - Full recovery not felt in most areas until 2011, some not until 2016
  - US GDP Declined 0.3% in 2008 and 2.8% in 2009, and unemployment topped out at around 10%
    - Compare to Great Depression, which saw 10% declines in GDP and 25% unemployment rates

- Factors
  - 2011 Financial Crisis Inquiry Commission cited failures in financial regulation, in particularly mortgage lending; too much financial risk by banks in unregulated markets (derivatives, swaps, etc.); excessive borrowingg and asset value inflation.

2007-2009 Great Recession

- Greenville Experience
  - The City's finances experienced moderate declines during and after the Great Recession

  - **<u>Property taxes,</u>** which represent about 46% of GF revenues, did not decline overall, but fell from 5.1% average growth from 2006-2010 to 0.7% in FY11 and 0.3% in FY12.
    - General citywide property taxes did fall by about $33.5k or .1% in FY11 but was offset by growth of $207k or 11.4% in the CBD/WE TIFS
    - From FY12-FY22 property tax revenues grew at an average annual rate of 6.8%, exceeding pre-recession levels.
      - This included one millage rate increase in FY14 of 4 mills (4.6%)

2007-2009 Great Recession

- **<u>Licenses and Permits</u>**, which includes Insurance Tax, Business License and Building-related permits, averages about 45.5% of GF revenues
    - Overall L&P revenues fell faster and farther than property taxes, and took longer to recover
        - Category revenue fell 5.8% in FY09, 5.9% in FY10, and did not reach pre-recession levels until FY13
        - In dollar terms, revenue declined $1.7m in FY09 and $1.6m in FY10, a total drop of $3.3m from pre-recession peak.
        - Pre-recession growth averaged 5.0%, average growth since FY12 has been 5.2%, so the City has returned to trend.

2007-2009 Great Recession

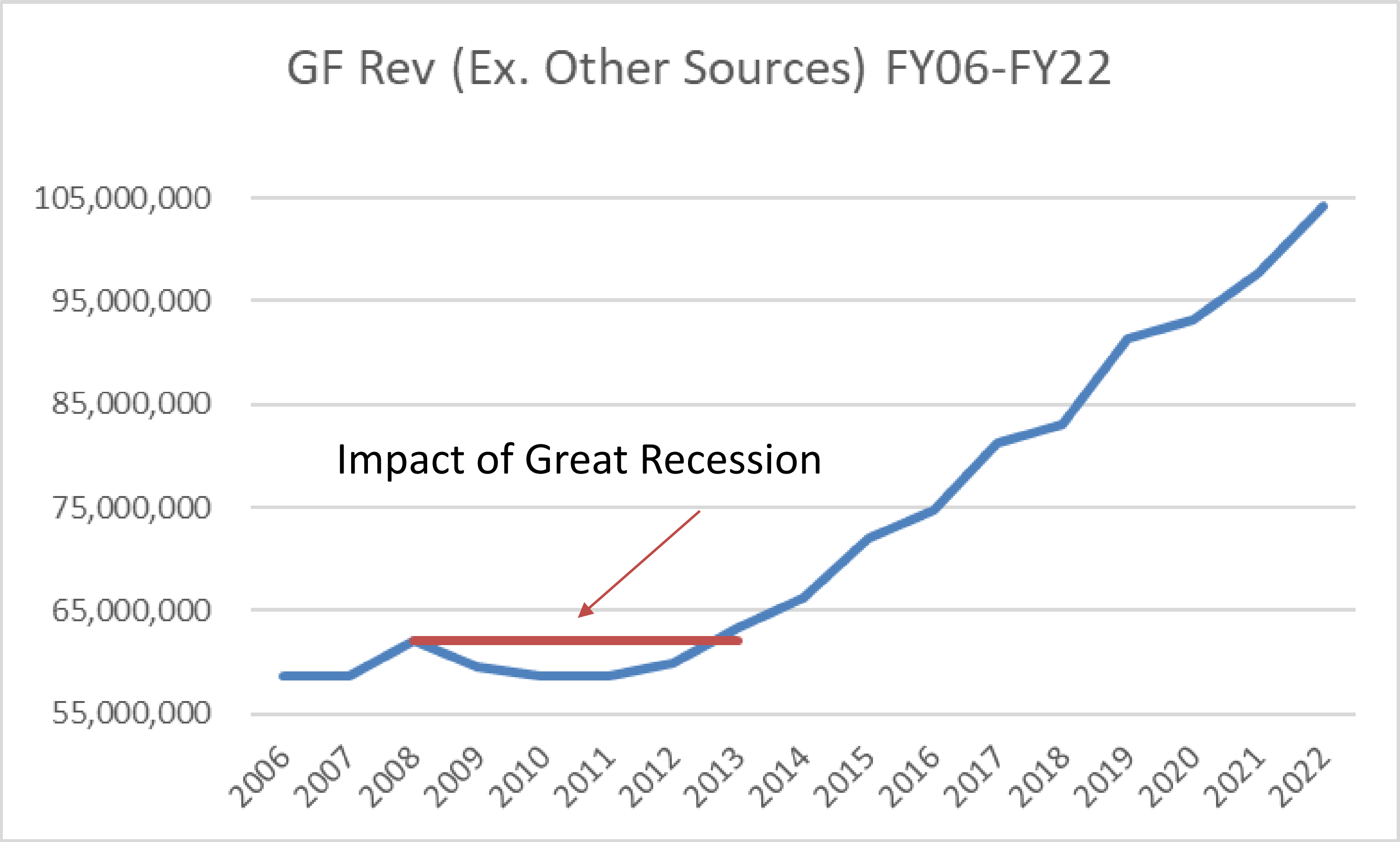
- Insurance Tax revenue fell from $8.9m in FY08 to a low of $7.8m in FY10, and returned to FY08 levels in FY13. Decline of $1.1m or 12%.
- Business License revenue fell from $11.9m in FY08 to $10.5m in FY10, and returned to FY08 levels in FY13. Decline of $1.4m or 11.6%.
- Building Permit revenue fell from $2.8m in FY08 to $1.6m in FY11, and returned to FY08 levels in FY15. Decline of $1.25m or 44.5%.

2007-2009 Great Recession

- Property Taxes and Licenses & Permits make up an average of 91.5% of GF revenues (excluding debt proceeds and transfers), but the other revenue categories, though relatively minor, experienced declines and slow recovery as well
  - <u>Intergovernmental</u> revenues, which is predominately made up of State Aid to Subdivision funds, fell from $3.3m in FY08 to a low of $2.2m in FY12, and did not reach pre-recession levels until FY19 (when Act 84 updated the formula)
  - <u>Interest Earnings</u>, though not a significant source of GF revenues, fell from around $330k in FY07 to $29k in FY12, and only in FY19 reached pre-recession levels on a much larger pool of invested funds as federal monetary policy slashed interest rates and held them low for a decade.

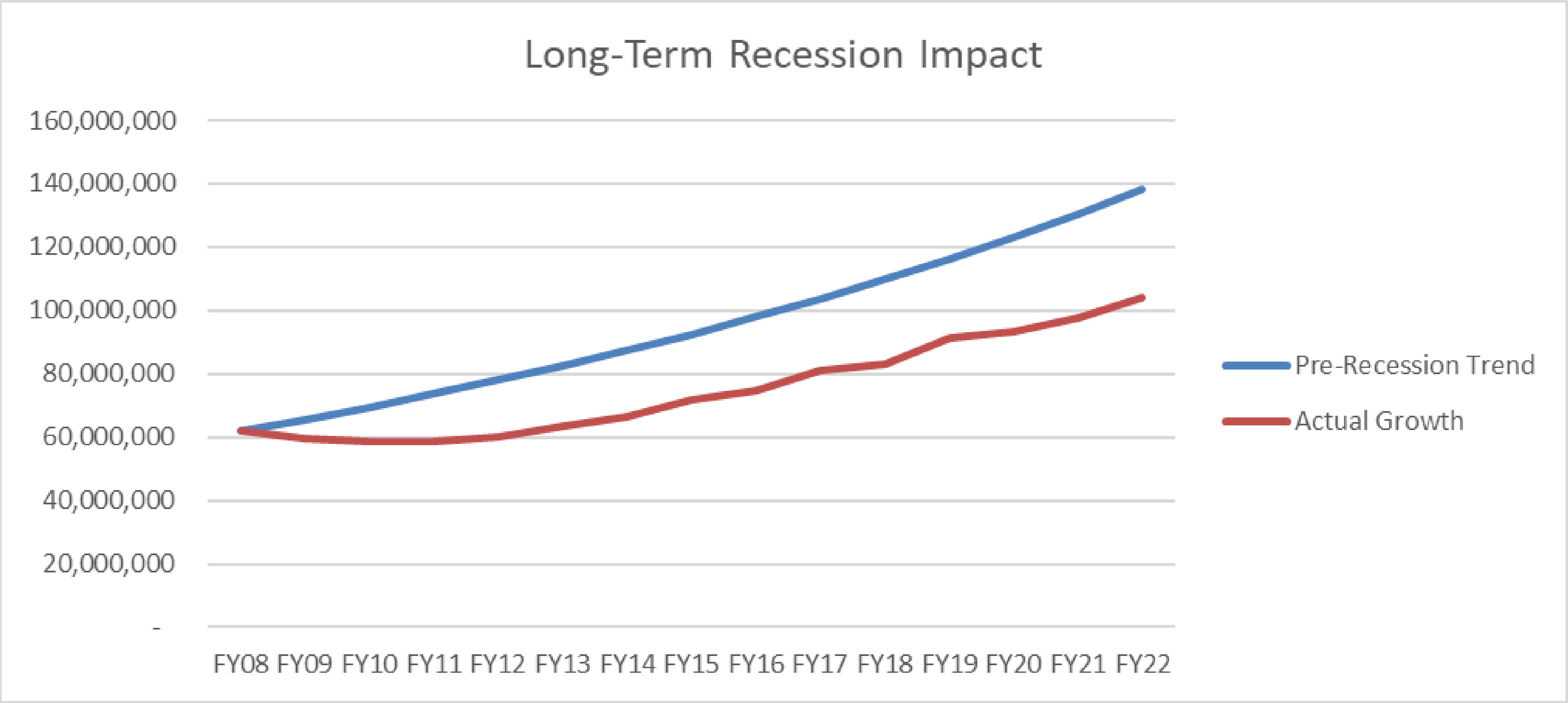
2007-2009 Great Recession

- **<u>Overall</u>, GF revenues fell a cumulative 5.5% ($3.4m) from FY08 – FY11, and reached pre-recession levels by FY13. 3 years of declining revenue and 2 additional years of recovery.**



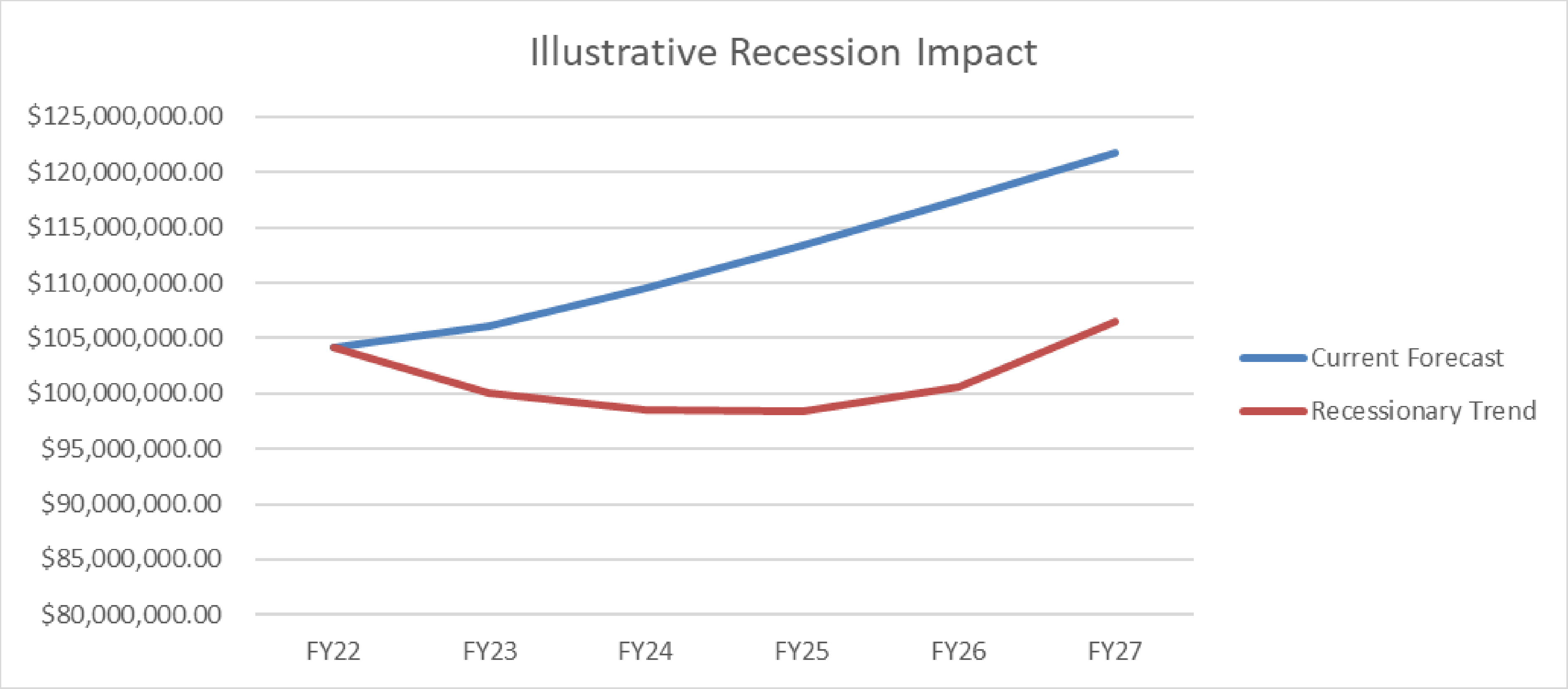
Stress Test

- The true impact of the Great Recession on the General Fund is closer to $34 million, the difference between continued growth from FY08-FY22 on pre-recession trends to actual growth



Stress Test

- **If FY22-FY27 followed the same pattern as the Great Recession, the total impact over the next 5 years could be about $15.3m in lost ground compared to current forecast.**



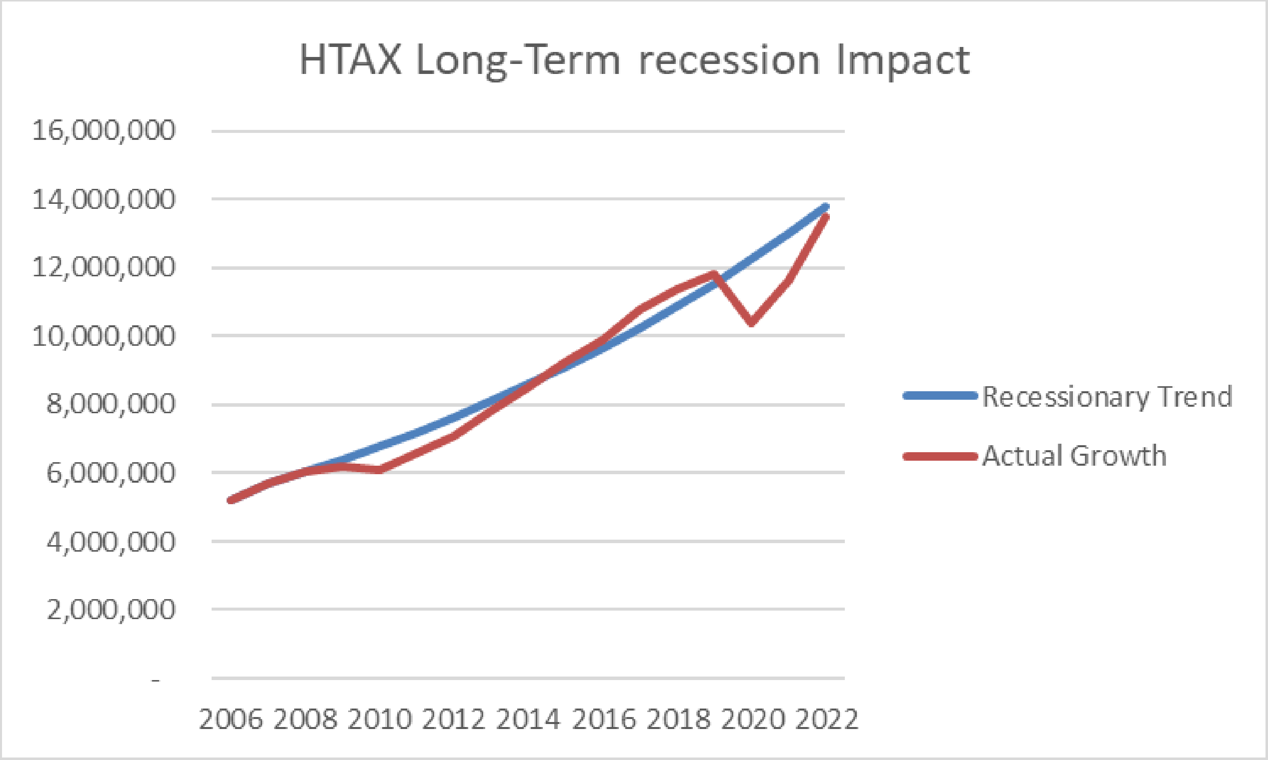
Stress Test

- If City experienced a similar recession impact, what is exposure in the General fund?
  - Personnel and operating are relatively consistent as a percentage of revenues compared to FY09
  - Capital and Debt Service are slightly higher, Transfers significantly lower and CIP significantly higher
  - **Primary recession impact would be deferred Capital and CIP – depending on duration of recession impacts**
  - **Future debt plans for NIB round 2 and City Hall renovation/replacement may be impacted**

GF Comparison - FY09 - FY23				
	FY09	% of Revenues	FY23	% of Revenues
Revenue	$ 66,853,040		$ 115,164,104	
Expenses				
Personnel	$ 41,771,298	62.5%	$ 72,892,432	63.3%
Operating	$ 14,295,791	21.4%	$ 25,221,577	21.9%
Capital	$ 1,538,618	2.3%	$ 4,088,500	3.6%
CIP	$ 1,545,000	2.3%	$ 13,381,399	11.6%
Transfers	$ 5,576,963	8.3%	$ 3,533,801	3.1%
Debt Service	$ 2,125,370	3.2%	$ 4,784,517	4.2%
Total	$ 66,853,040	100.0%	$ 123,902,226	107.6%

2007-2009 Great Recession

- **<u>Hospitality Tax</u>** saw just 1 year of actual decline in the recession, FY10 dropped by $88.5k or 1.4%, but bounced back strong and consistent from FY11 through the COVID pandemic. FY09 did see slower growth than pre-recession years (2.4% compared to 6%+).
    - Post-recession growth has covered recession losses, even after COVID impacts



Stress Test

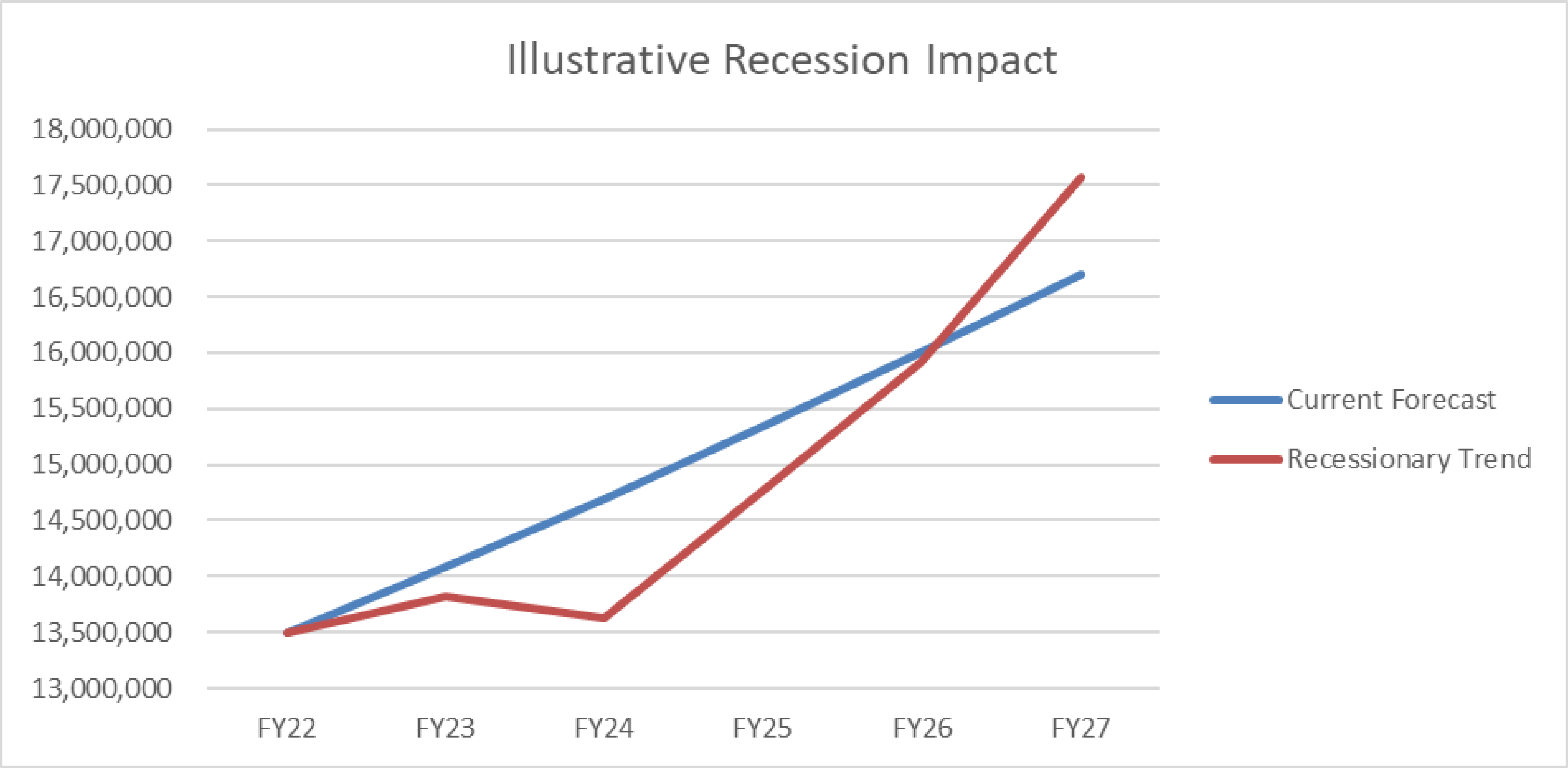
- **<u>Hospitality Tax</u>** **did not experience significant drop or lasting impact from Great Recession. COVID caused more significant drop and lost ground.**
- **If City experienced a similar recession impact, what is exposure in HTAX fund?**

- Debt service lower as percentage of revenues than 09, and debt service declines FY24- beyond
- GF transfer has increased significantly in gross terms ($3.3m or 155%), as a percentage of revenues (5.7 percentage points, or 16.3%), and as a percentage of GF revenues (3.4% to 4.6%, a 32% increase)
- CIP has increased significantly in terms of dollars and percentage of revenues, but those expenses are controllable through project deferral

HTAX Comparison - FY09 - FY22				
	FY09	% of Revenues	FY22	% of Revenues
Revenue	$ 6,167,633		$ 13,495,966	
Expenses				
Operating	$ -	0.0%	$ 712,500	5.3%
CIP	$ 964,900	15.6%	$ 3,950,000	29.3%
Debt Service	$ 2,251,093	36.5%	$ 4,327,530	32.1%
GF Transfer	$ 2,165,244	35.1%	$ 5,510,892	40.8%
GCC	$ 789,717	12.8%	$ 997,993	7.4%
Zoo	$ 475,000	7.7%	$ 505,012	3.7%
Total	$ 6,645,954	107.8%	$ 16,003,927	118.6%

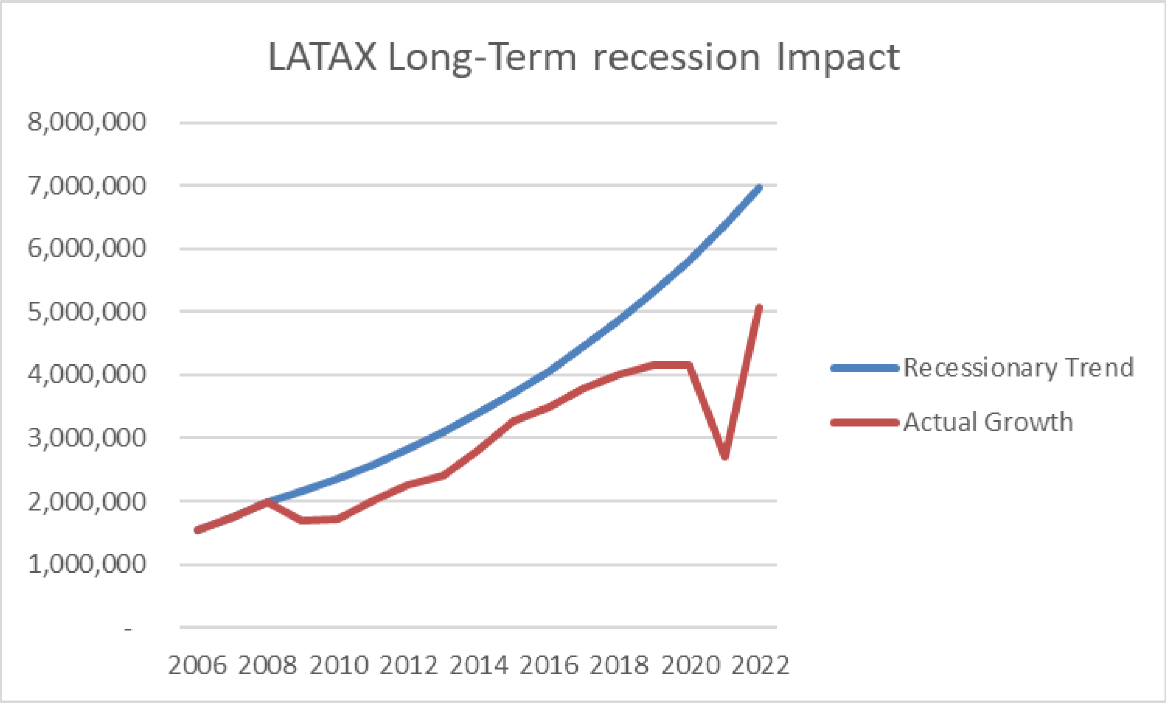
Stress Test

- **<u>Hospitality Tax</u> is moderately sensitive, but has ample reserves and controllable expenses. Primary risk is GF transfer.**



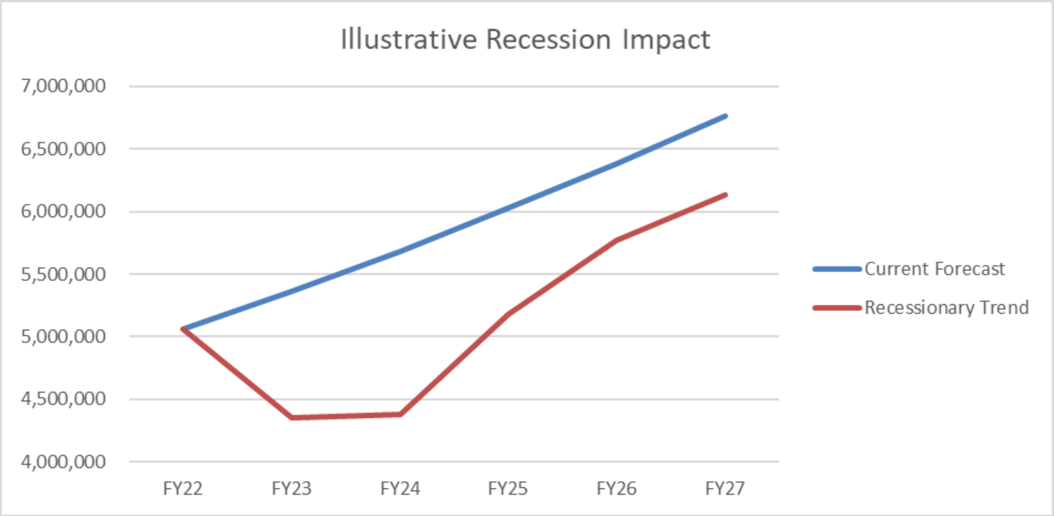
2007-2009 Great Recession

- <u>Local Accommodations Tax</u> saw just 1 year of actual decline in the recession, FY09 dropped by $278k or 14.0%, but bounced back strong and consistent from FY11 through the COVID pandemic. FY10 did see slower growth than pre-recession years (0.6% compared to 12.5%+).
  - Post-recession growth has been very strong (9.4% 10-yr avg) but not as strong as pre-recession



Stress Test

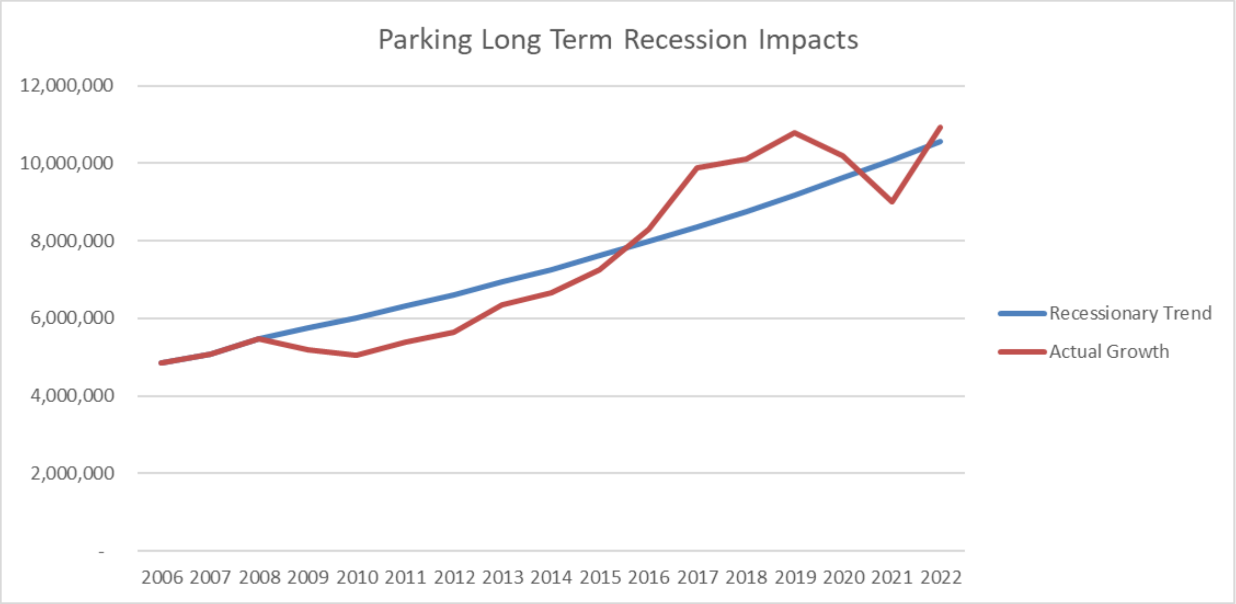
- **<u>Local ATax</u> did not experience significant drop or lasting impact from Great Recession. COVID caused more significant drop and lost ground.**
- **If City experienced a similar recession impact, what is exposure in LATAX fund?**
  - LATAX is sensitive to sudden and major downward shifts in revenue as seen during 2009 recession and 2020 COVID pandemic
  - During FY09, only use of LATAX was Arena Debt and VGSC Funding
  - FY22 uses
    - Arena Debt – 21.3% of revenue
    - VGSC Funding – 22.4% of revenue but dependent on collections
    - CIP – 8.8% of revenue – AIPP and Fluor Field
    - GF Transfer – 6.1% of revenue
    - Arena Operating Support – 4.6% of revenue (expires 6/30/23)
    - Total Allocations = 63.2% of revenues



- **LATAX is sensitive, but has ample reserves and flexibility to absorb a recessionary hit**

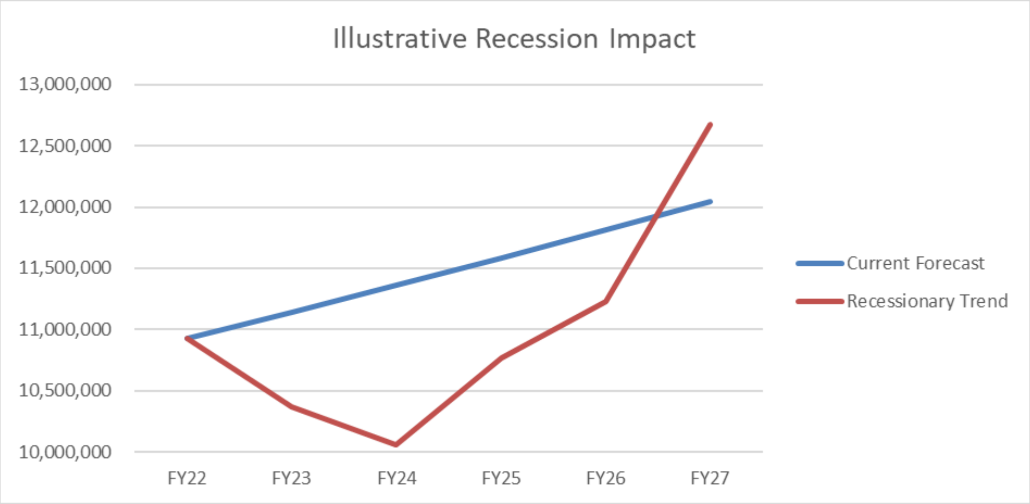
2007-2009 Great Recession

- **Parking** saw 2 years of actual decline in the recession, FY09 dropped by $280k or 5.1% and FY10 dropped another $152k, a total of 7.9% down from pre-Recession
  - Revenues returned to pre-Recession levels in 2012, and grew consistently until the COVID pandemic
  - COVID had more severe immediate impact, and long-term impacts on parking demand are still uncertain



Stress Test

- **<u>Parking</u>** saw moderate (~8%) drop in total revenues, and took about 4 years to recover to pre-Recession levels. COVID caused more significant drop and lost ground (~17% drop in revenues, 2 year recovery).
- If City experienced a similar recession impact, what is exposure in Parking fund?
  - Parking is sensitive to sudden and sustained shifts in revenue as seen during 2009 recession and 2020 COVID pandemic
- Parking is sensitive, but has ample reserves and flexibility to absorb a recessionary hit – but may delay any future debt issues beyond current debt service level
  - FY24 and beyond has about $2.8m in annual additional capacity available – can fund 1-2 projects



Parking Comparison - FY09 - FY23				
	FY09	% of Revenues	FY23	% of Revenues
Revenue	$	5,320,916	$	10,352,555
		Expenses		
Operating	$ 2,804,325	52.7%	$ 4,483,315	43.3%
CIP	$ 285,000	5.4%	$ 1,700,000	16.4%
Debt Service	$ 2,142,680	40.3%	$ 4,293,765	41.5%
GF Transfer	$ 301,529	5.7%	$ 796,957	7.7%
Total	$ 5,533,534	104.0%	$ 11,274,037	108.9%

Overall Recession Risk Matrix

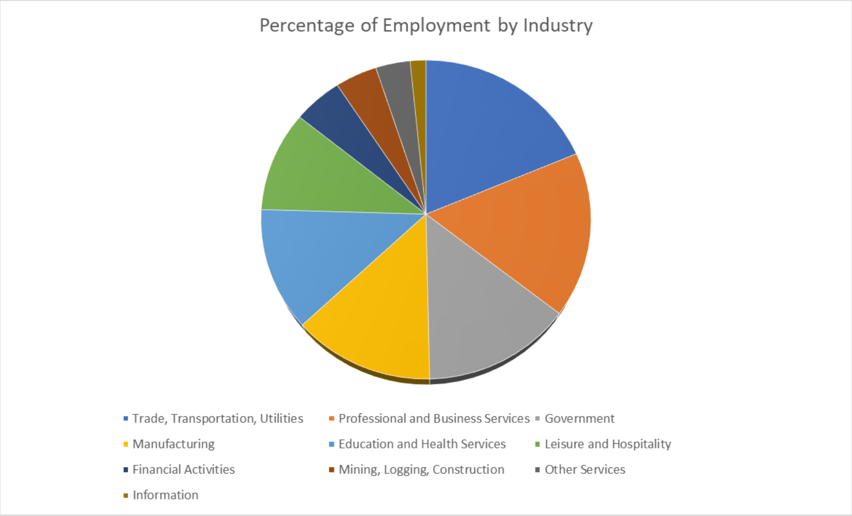
Fund	Peak Recession Losses (%)	Peak COVID Losses (%)	Risk Factor – Consumer Spending	Risk Factor - Unemployment
General Fund	-5.5%	N/A	Low/Moderate (Business License, Insurance Tax, Building Permits)	Low (Property Tax, Licenses & Permits)
Hospitality Tax Fund	-1.4%	-12.1%	Moderate/High	Moderate
Local Accommodations Tax Fund	-14.0%	-35.4%	Moderate (Leisure travel)	Moderate (Business travel)
Parking Fund	-7.9%	-16.6%	Low/Moderate	High

Stress Test Summary

- Overall, Greenville is well positioned, based on historical experience, to weather a recessionary event
  - Local economy is well diversified and has been relatively stable during two most recent economic downturns (see charts)
  - Primary operating funds (GF, HTAX, LATAX, Parking) have appropriate reserves and controllable spend (through capital deferral) that should avoid interruption of services and/or personnel reductions

Category	Employment (thousands)	Percentage of Employment
Trade, Transportation, Utilities	84.3	18.7%
Professional and Business Services	75.4	16.7%
Government	63.9	14.2%
Manufacturing	60.5	13.4%
Education and Health Services	55.7	12.4%
Leisure and Hospitality	46.1	10.2%
Financial Activities	22.4	5.0%
Mining, Logging, Construction	19.1	4.2%
Other Services	15.7	3.5%
Information	7.2	1.6%
Total	**450.3**	**100.0%**

Source: BLS Report 12/29/22
https://www.bls.gov/regions/southeast/summary/blssummary_greenville_sc.pdf



Preliminary Forecast

city of
greenville

FY24-FY28 Financial Forecast and Capital Planning

- Focus on major funds – General Fund, HTAX, Local ATAX, Parking
  - Other major funds have self-driven CIP (Sewer, Stormwater)

- Basic Assumptions – All funds
  - No significant changes to taxes, fees, charges, etc.
    - Proposed Solid Waste Fee increase - $0.50 FY24, $0.50 FY25
  - Salary/wage growth at 4.5% annually
    - Average since FY18 =4.4%
  - Pensions – PEBA has no rate increases built past FY23, but model assumes 5% annual growth in contributions to account for growth
    - Average growth since FY18 = 9.6%
  - Fire Pension has no additional programmed rate increases, model assumes 5% annual contribution growth
    - Average growth since FY18 = 7.7%

FY24-FY28 Financial Forecast and Capital Planning

- Basic Assumptions – All funds continued
  - Health Insurance increases 4.5% annually
    - Average growth since FY18 = 3.5%
  - Fuel increases **10.0% annually**
    - Average growth since FY18 = 15.7%*
  - Risk Charges increase 5.2% annually
    - Average growth since FY18 = 4.9%
  - Operations & Maintenance expenses increase 4% - 5% annually
    - Average growth since FY18 – 3.3%

FY24-FY28 Financial Forecast and Capital Planning

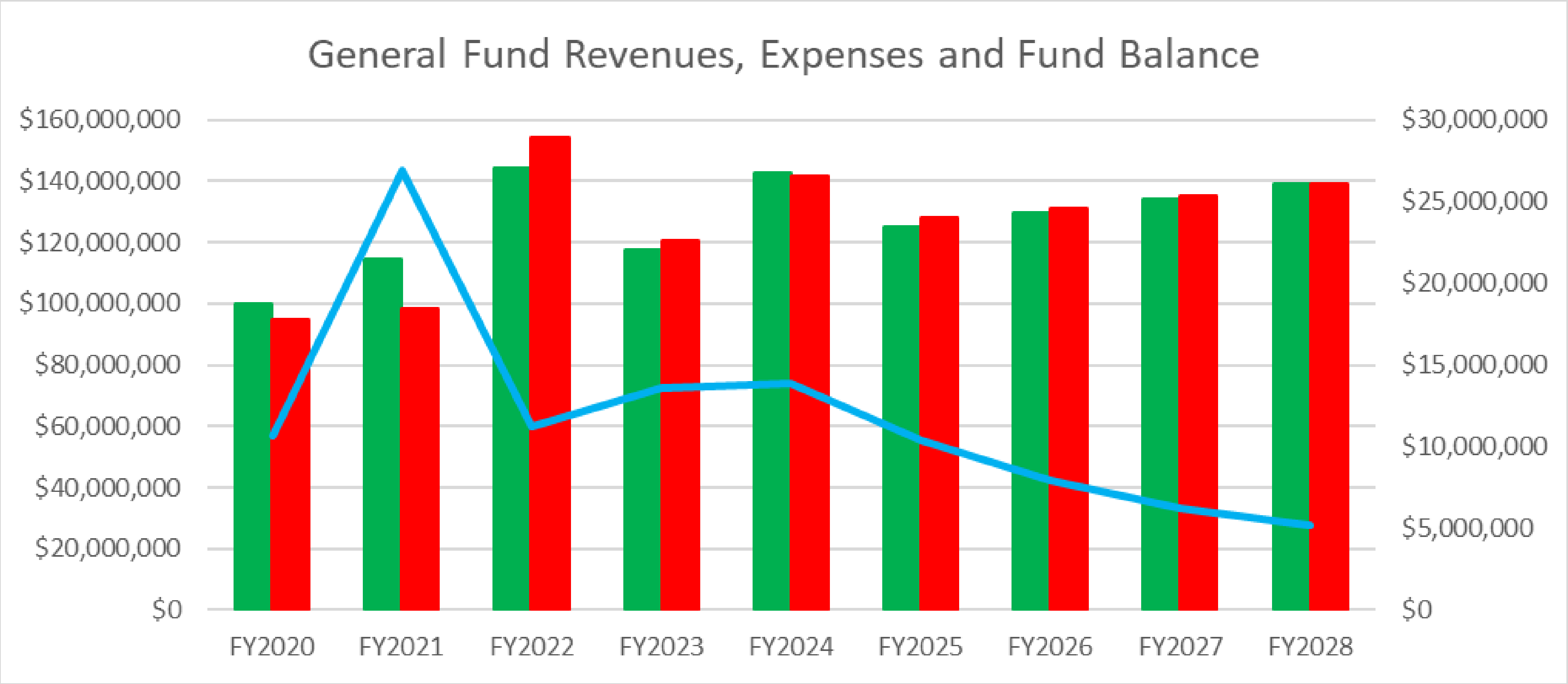
- General Fund – Revenue Assumptions
  - Property Tax growth rate 4.0%
    - Average growth since FY18 = 7.9%
  - Business License growth rate 2.75%
    - Average growth since FY18 =4.7%
  - Insurance Tax growth rate 4.0%
    - Average growth since FY18 = 8.1%
  - Permit growth rate 3.0%
    - Average growth since FY18 = 2.3%
  - All other GF revenue growth 4%
    - Average growth since FY18 = 6.5%

FY24-FY28 Financial Forecast and Capital Planning

- General Fund – Expense Assumptions
  - Addition of 2 FTE per year
  - New Debt Service – NIB Round 2 in FY24, Capital Lease in FY24 (Fire apparatus)
  - CIP – continuation of current funding priorities
  - Transfer out to Solid Waste fund held at current level, offset with Solid Waste Fee increase
  - Capital Outlay averages **$4.5m per year** to keep up with vehicle and equipment replacements

FY24-FY28 Financial Forecast and Capital Planning

- Upticks in FY22 and FY24 are reflective of NIB debt issues
- Revenues and Expenses structurally balanced – within about 1% of each other
- Trend shows gradual depletion of excess fund balance through transfer to Capital Reserves
  - Reminder – each year when books are closed any fund balance in excess of 20% is transferred to CIP: 80% to Capital Reserves and 20% (up to $1m) to Council District Dividends.

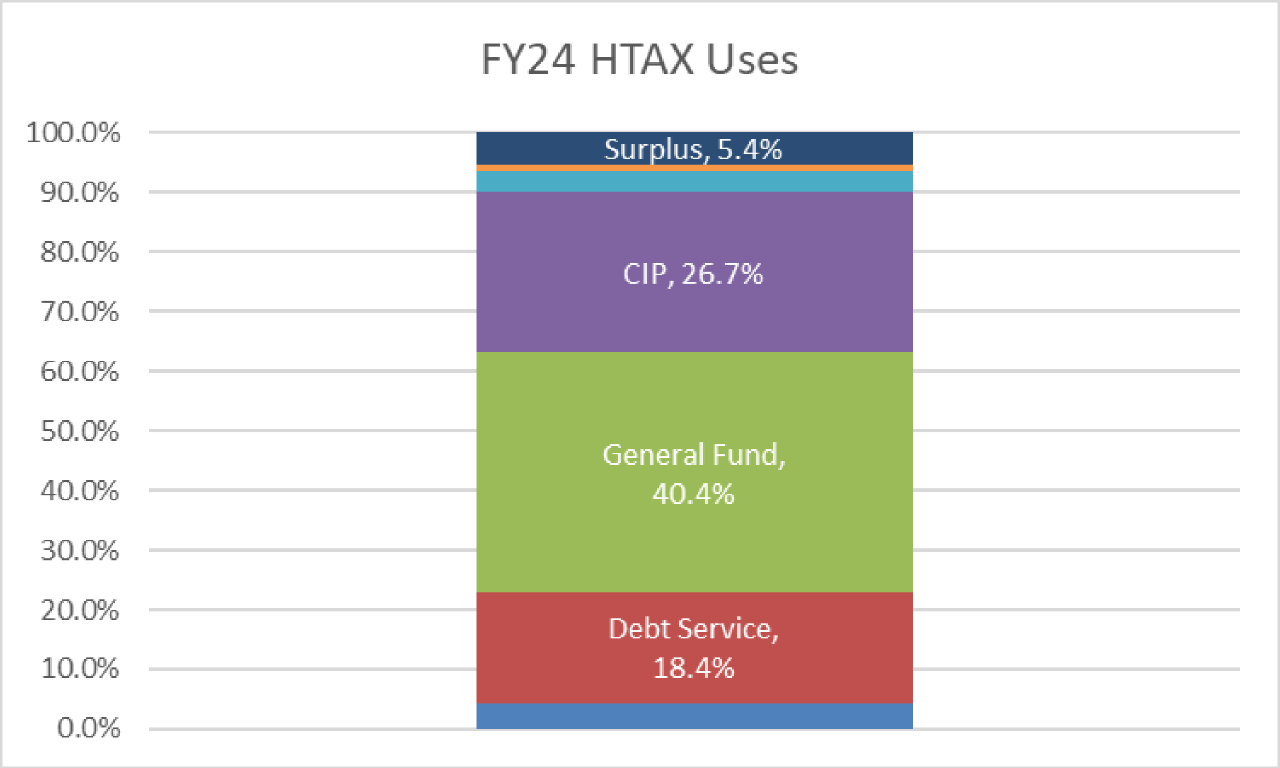


FY24-FY28 Financial Forecast and Capital Planning

- Hospitality Tax Fund
    - Revenues grow at 4%-5% annually
        - 5-year growth trend was 8.3% annually
    - Expenses
        - Includes planned $35 million debt issuance for Downtown Conference Center
    - Minimal adopted CIP - $1.45m annually after FY23
    - No Assumption on continued GCC operating subsidy
    - Assumes gradually declining zoo subsidy
    - General Fund operating subsidy increases 4% annually

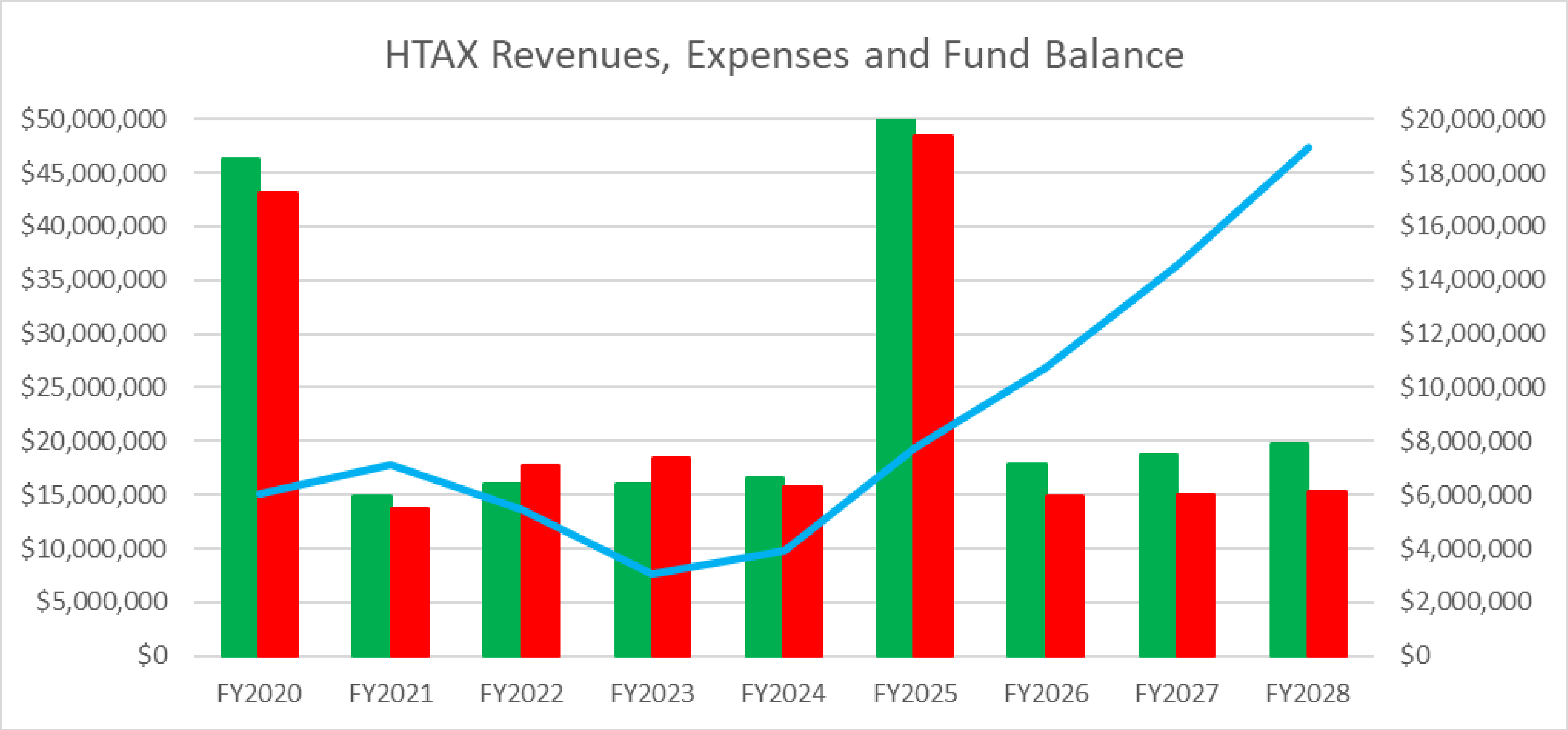
FY24-FY28 Financial Forecast and Capital Planning

- Hospitality Tax Fund
  - How are HTX funds projected to be used in the forecast?
  - FY24 Example
    - Projected Revenue - $16.6 million
      - Operating Expenses - $734k (Lake Conestee, Tourism Promotion)
      - Debt Service - $3.1m
      - General Fund Transfer - $6.7m (Tourism District, Downtown Police, Unity Park)
      - CIP - $4.45m (see summary printout)
      - GCC Transfer - $600k
      - Zoo Transfer $182k
      - Surplus - $898.5k



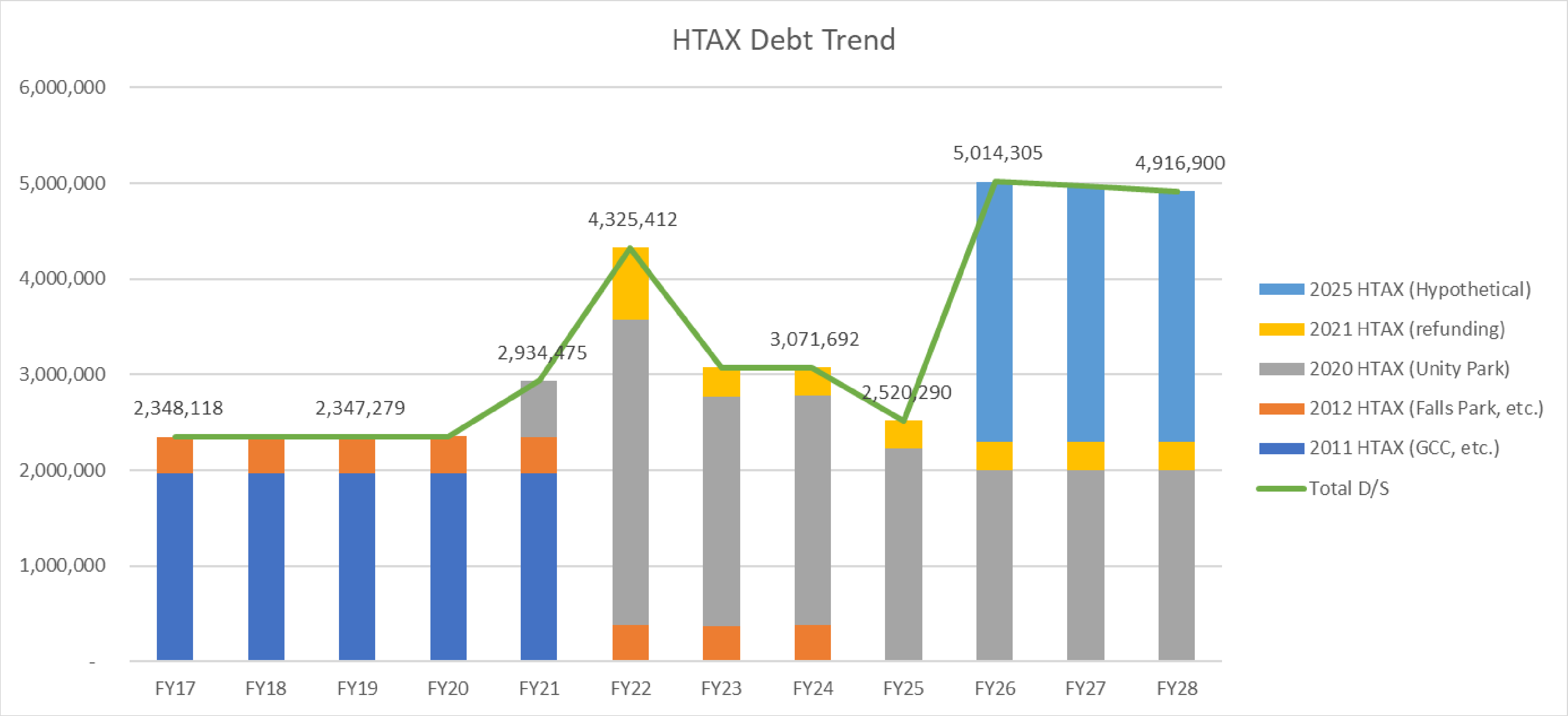
FY24-FY28 Financial Forecast and Capital Planning

- Revenues are trending up 12.9% ytd compared to FY22 – expenses are relatively set
- FY24-FY28 positively balanced – projected revenues (which are conservative) exceed projected expenses by an average of 18% annually



FY24-FY28 Financial Forecast and Capital Planning

- HTAX Debt Maturity in FY23 and FY25 will create about $1.8m in new capacity in the HTAX fund compared to FY22
- Hypothetical FY25 Debt Issue included in the forecast is currently projected at around $2.7m in annual debt service, requiring additional resources of about $688k compared to FY22

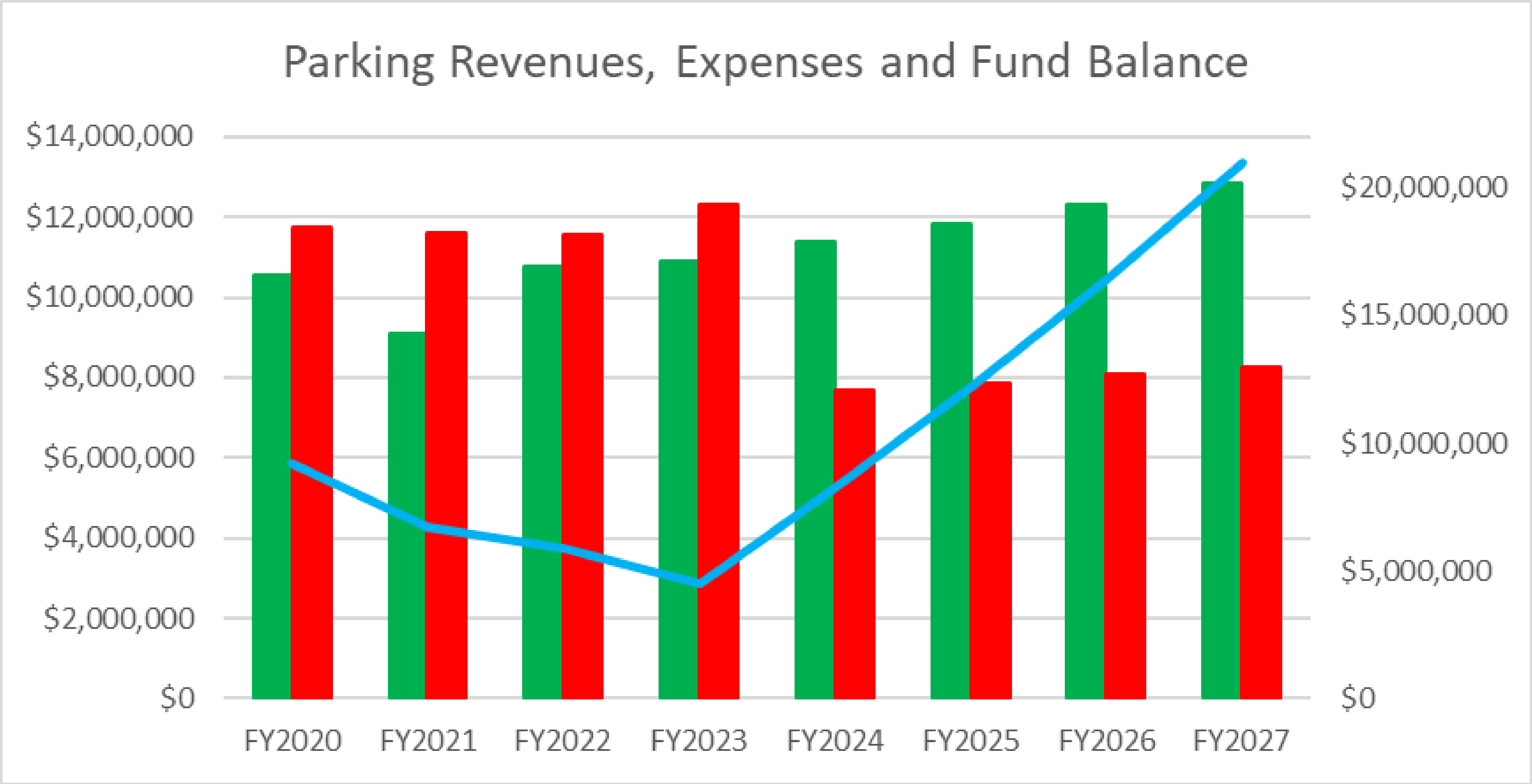


FY24-FY28 Financial Forecast and Capital Planning

- Parking Fund
  - Revenues – no significant fee adjustments, slow and steady overall system growth
  - Expenses
    - No additional planned debt
    - Minimal adopted CIP - $1.25m annually
    - Debt service declines significantly beginning in FY24
    - General Fund operating subsidy increases 5% annually

FY24-FY28 Financial Forecast and Capital Planning

- Revenues are trending up16.0% ytd compared to FY22
- FY24-FY28 positively balanced – projected revenues (which are conservative) exceed projected expenses by an average of 42% annually – ample room for additional investments in parking

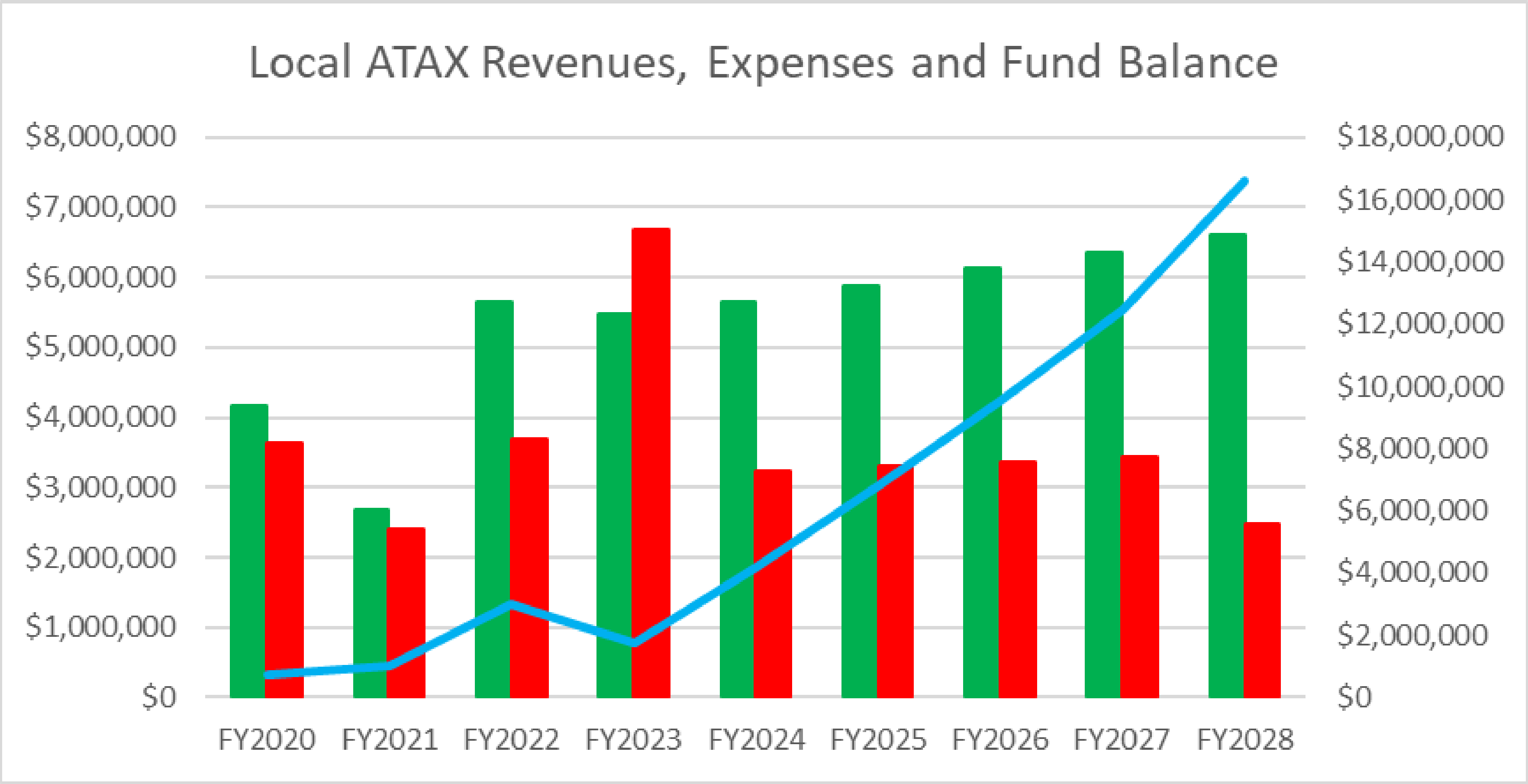


FY24-FY28 Financial Forecast and Capital Planning

- Local ATax Fund
  - Revenues – 4% annual growth
    - 5-year growth rate was 4.9% annually
  - Expenses
    - Arena debt service ends in FY27
    - Continues revenue share (0.7% of 3%) with VisitGreenvilleSC
    - **Arena operating agreement expires at the end of FY23 – what next?**
    - Maintains $75k annual transfer for Arts in Public Places, part of annual capital funding agreement for Fluor Field
    - No additional CIP investments in Convention Center
    - General Fund transfer grows commiserate with revenues

FY24-FY28 Financial Forecast and Capital Planning

- Revenues are trending up 16.1% ytd compared to FY22
- FY24-FY28 positively balanced – projected revenues (which are conservative) exceed projected expenses by an average of 90% annually – ample room for additional investments in tourism-related projects

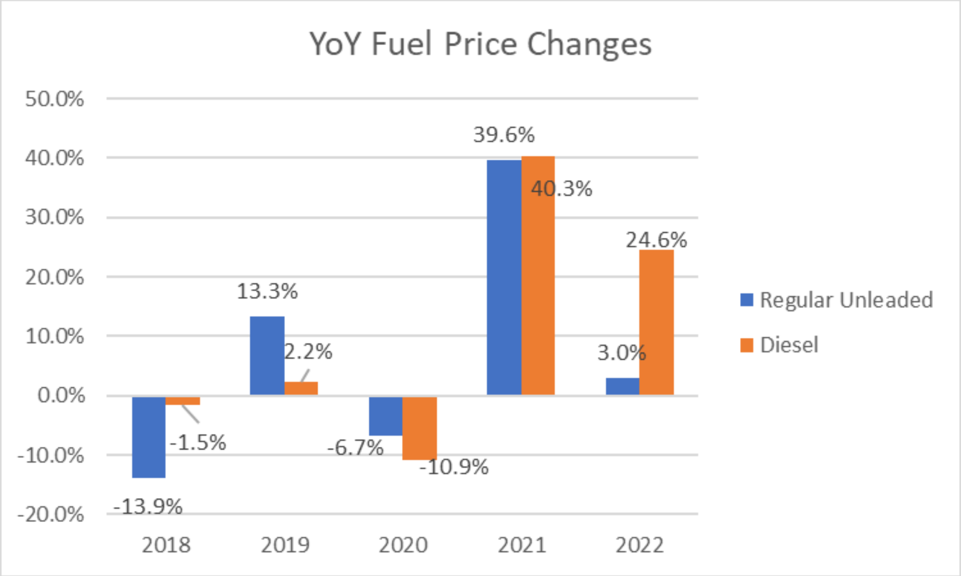


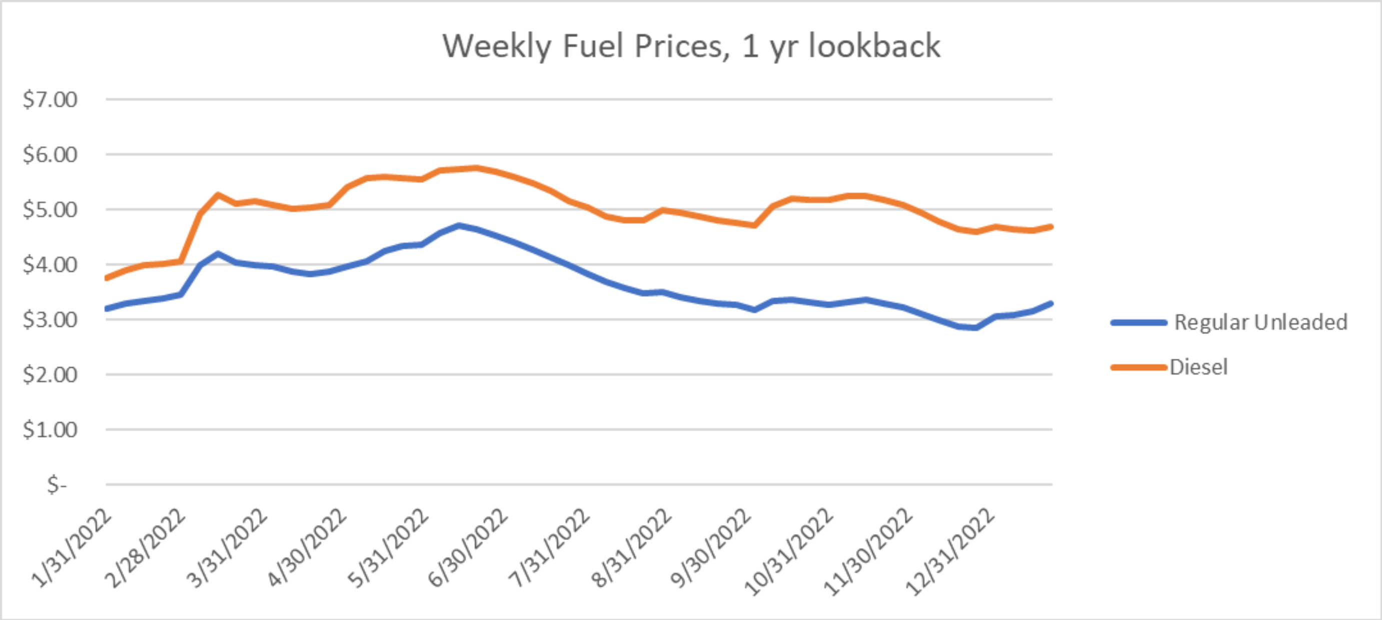
FY24-FY28 Financial Forecast and Capital Planning

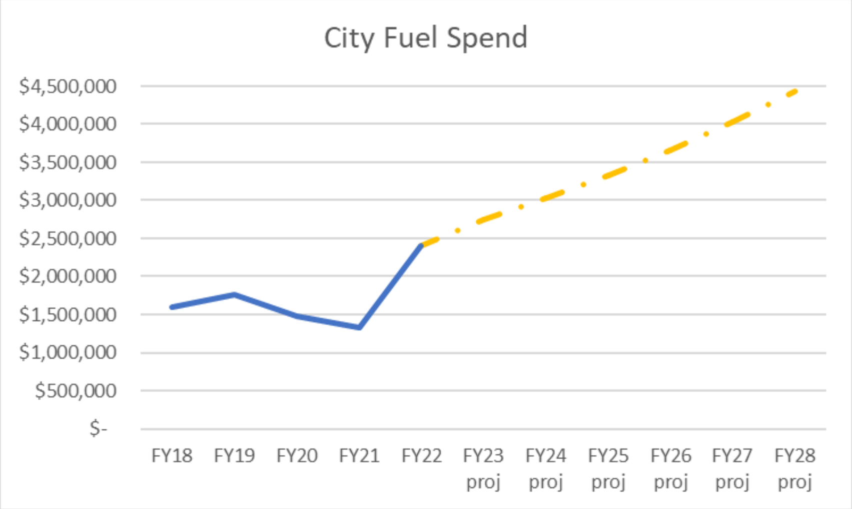
- TIF/ED Fund
  - Current available balance - $6.84 million
  - Programmed deposits of $1.5 million annually from General Fund
    - TIFs have all officially expired and been absorbed by General Fund
  - ED Fund is intended for use on ED Projects and Public-Private Partnerships
    - Past examples:
      - Northpointe (cash from ED fund plus Synthetic TIF)
      - Plush Mill (all cash from ED Fund)
      - Poe West (all cash from ED Fund)
      - Grand Bohemian (all cash from ED Fund)
      - Field St./Jackson Way (all cash from ED Fund)
  - Conversely – Commercial Corridors fund intended for PPP outside of downtown along major corridors – Laurens, Augusta, Wade Hampton, etc.
    - Current unencumbered balance $3,195,065 – growing by $2m per year via CIP

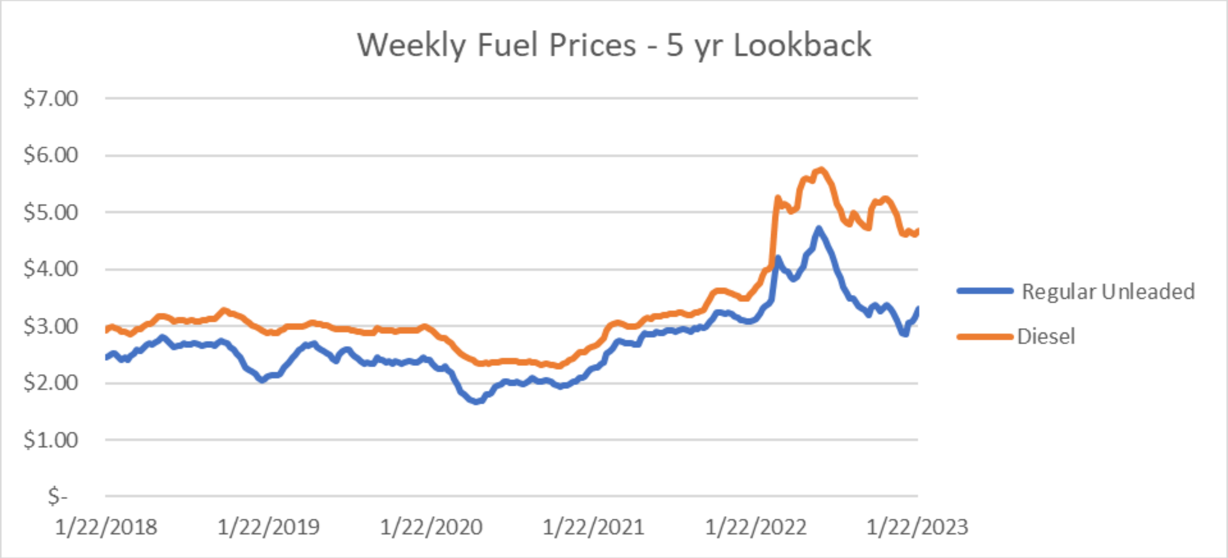
FY24-FY28 Financial Forecast and Capital Planning

- Fuel Price Uncertainty



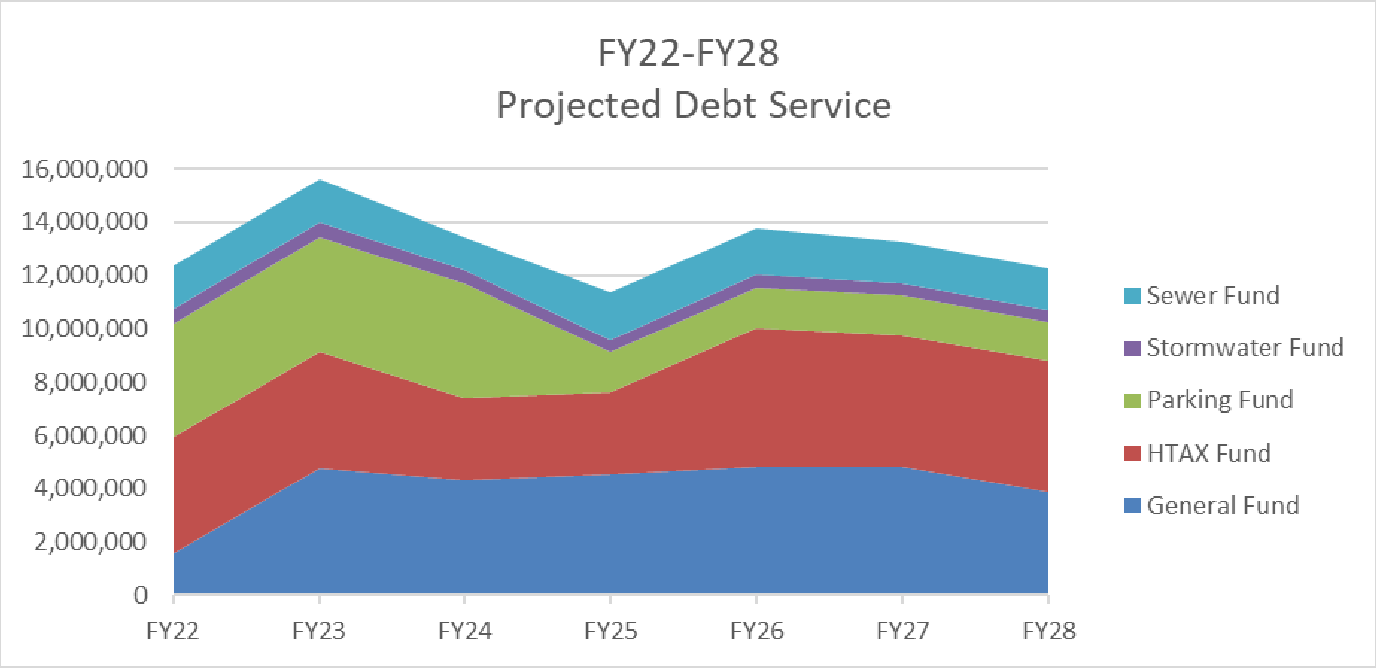






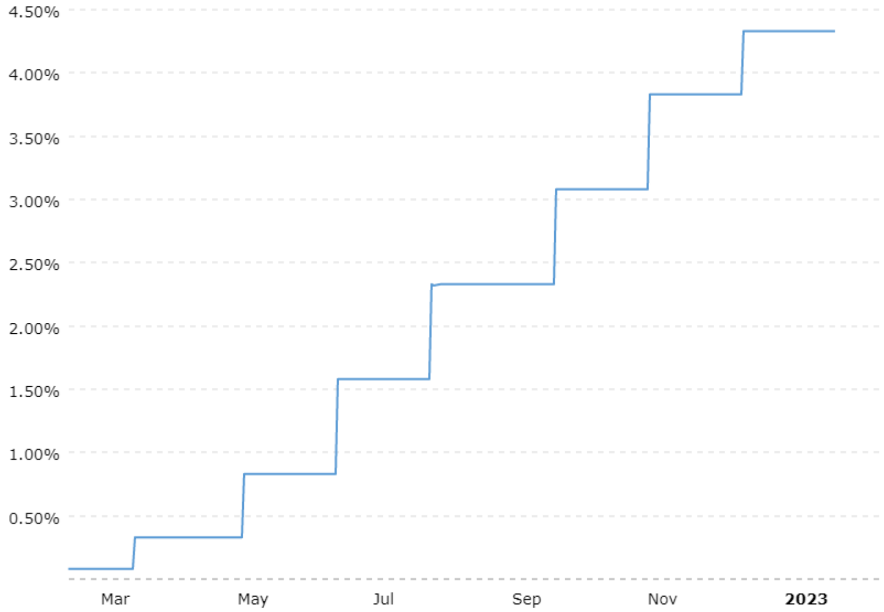
FY24-FY28 Financial Forecast and Capital Planning

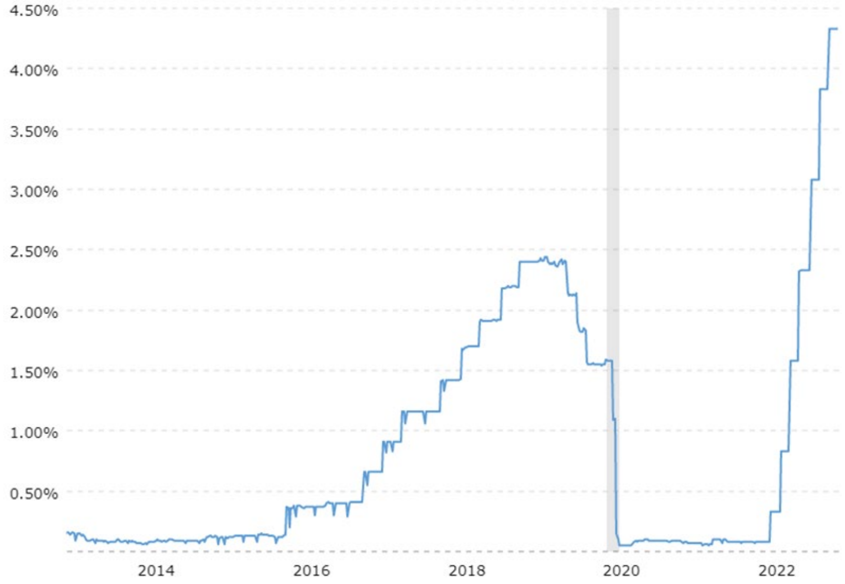
- Future Risks
  - Strong economic headwinds – inflation, market bubbles (housing, stocks, vehicles)
  - Potential for State property tax reform, additional adjustment to PEBA contributions
  - Forecast and CIP plans include a moderate increase in debt – important to maintain sustained growth to keep up with operating and debt service requirements



FY24-FY28 Financial Forecast and Capital Planning

- Summary
  - High interest rate environment, while driving up some costs, is also producing strong revenues on idle cash investments
    - 2021 Interest Earnings - $234,342
    - 2022 Interest Earnings - $342,075
    - 2023 YTD Interest Earnings - $1,049,626
    - 2023 Projected Interest Earnings - $2,030,274

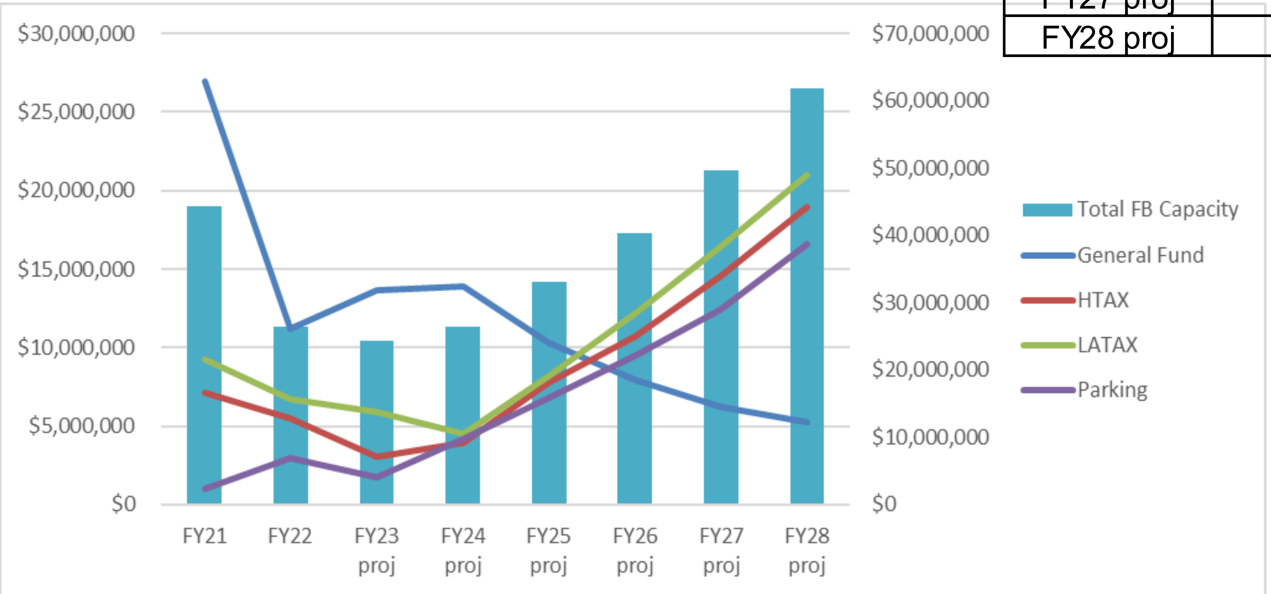




FY24-FY28 Financial Forecast and Capital Planning

- Summary
  - Major operating funds (GF, HTAX, Local ATax, Parking) in good shape with ample room for additional investments

Fiscal Year	General Fund	HTAX	LATAX	Parking	Total FB Capacity
FY21	$26,953,226	$7,108,865	$9,222,622	$1,031,829	$44,316,543
FY22	$11,240,053	$5,469,106	$6,697,010	$3,002,433	$26,408,602
FY23 proj	$13,618,149	$3,023,804	$5,905,738	$1,775,569	$24,323,260
FY24 proj	$13,910,752	$3,922,282	$4,489,197	$4,190,239	$26,512,470
FY25 proj	$10,336,118	$7,751,968	$8,212,236	$6,772,300	$33,072,622
FY26 proj	$7,947,077	$10,725,553	$12,178,591	$9,528,941	$40,380,162
FY27 proj	$6,263,287	$14,532,238	$16,415,275	$12,457,611	$49,668,412
FY28 proj	$5,229,950	$18,976,395	$20,993,193	$16,601,316	$61,800,854



Discussion

city of
greenville

Hospitality	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Beginning Balanc	2,843,628	6,020,057	7,108,865	5,469,106	3,023,804	3,922,282	7,751,968	10,725,553
Revenues	46,293,650	14,864,476	16,058,400	15,971,593	16,666,711	52,298,294	17,921,859	18,810,381
Expenses	(43,117,221)	(13,775,669)	(17,698,159)	(18,416,894)	(15,768,233)	(48,468,608)	(14,948,274)	(15,003,696)
YoY Change	3,176,429	1,088,808	(1,639,759)	(2,445,301)	898,478	3,829,686	2,973,585	3,806,686
Ending Balance	**6,020,057**	**7,108,865**	**5,469,106**	**3,023,804**	**3,922,282**	**7,751,968**	**10,725,553**	**14,532,238**
General Fund Su	4,098,640	4,194,738	5,510,892	6,732,224	6,732,224	7,035,174	7,351,757	7,682,586
Zoo Operating Su	436,354	449,444	252,506	303,007	181,804	172,714	164,078	155,874
GCC Operating S	711,778	997,993	914,827	600,000	600,000	0	0	0
Total Operating S	1,148,132	1,447,437	1,167,333	903,007	781,804	172,714	164,078	155,874
Existing Debt Se	2,520,279	6,849,676	4,333,229	4,325,412	3,070,392	3,071,692	2,520,290	2,296,555
New Debt Servic	0	0	0	0	0	0	2,717,750	2,668,750
Total Debt Servic	2,520,279	6,849,676	4,333,229	4,325,412	3,070,392	3,071,692	5,238,040	4,965,305
Public Safety Ca	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
SRT Bridges (Ins	120,000	0	250,000	250,000	250,000	250,000	250,000	250,000
Unity Park	2,000,000	0	0	1,000,000	0	0	0	0
Verdae Underpas	0	0	0	1,000,000	0	0	0	0
Cleveland Park I	0	0	0	0	2,000,000	0	0	0
Greenways and T	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Laurens Road Tr	0	0	2,500,000	1,500,000	1,000,000	1,000,000	0	0
	3,820,000	500,000	5,950,000	4,950,000	4,450,000	2,450,000	1,450,000	1,450,000

Local Accommo	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Beginning Balanc	190,519	732,623	1,031,829	3,002,433	1,775,569	4,190,239	6,772,300	9,528,941
Revenues	4,168,434	2,691,278	5,656,580	5,468,331	5,659,714	5,886,093	6,121,526	6,366,378
Expenses	(3,626,330)	(2,392,072)	(3,685,975)	(6,695,195)	(3,245,044)	(3,304,031)	(3,364,886)	(3,437,707)
YoY Change	542,104	299,206	1,970,604	(1,226,865)	2,414,670	2,582,062	2,756,640	2,928,670
Ending Balance	**732,623**	**1,031,829**	**3,002,433**	**1,775,569**	**4,190,239**	**6,772,300**	**9,528,941**	**12,457,611**
Arts in Public Pla	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Fluor Field Stadiu	820,000	0	0	350,000	350,000	350,000	350,000	350,000
	1,320,000	125,000	75,000	425,000	425,000	425,000	425,000	425,000

TIF/ED FUND	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Beginning Balanc	6,913,106	9,749,481	8,501,291	5,338,291	6,838,291	8,338,291	9,838,291	11,338,291
CY DIF Revenue	2,441,501	2,199,227	0.00	0	0	0	0	0
CY WE Revenue	1,871,650	1,691,943	0	0	0	0	0	0
GF Revenues	0	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Closed Projects	44,871	0	0	0	0	0	0	0
CIP Projects	-1,521,646	-5,139,360	-4,663,000	0	0	0	0	0
YoY Change	2,836,375	-1,248,190	-3,163,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Ending Balance	**9,749,481**	**8,501,291**	**5,338,291**	**6,838,291**	**8,338,291**	**9,838,291**	**11,338,291**	**12,838,291**

Parking	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Beginning Balanc	8,668,858	7,505,496	6,697,010	6,304,171	6,913,372	7,422,413	11,119,338	15,066,507
Revenues	10,567,043	12,700,818	10,922,621	12,403,174	10,890,384	11,460,052	11,914,879	12,403,281
Expenses	(11,730,405)	(13,509,303)	(11,315,460)	(11,793,973)	(10,381,343)	(7,763,127)	(7,967,711)	(8,183,088)
YoY Change	(1,163,362)	(808,485)	(392,839)	609,201	509,041	3,696,925	3,947,169	4,220,193
Ending Balance	**7,505,496**	**6,697,010**	**6,304,171**	**6,913,372**	**7,422,413**	**11,119,338**	**15,066,507**	**19,286,700**
Debt Service	4,164,074	4,203,564	4,243,581	4,293,765	4,288,846	1,479,380	1,483,066	1,483,089
Parking Garage I	1,250,000	0	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Parking Control E	2,700,000	250,000	0	450,000	0	0	0	0
	3,950,000	250,000	1,250,000	1,700,000	1,250,000	1,250,000	1,250,000	1,250,000

General Fund	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Beginning Balanc	28,781,503	33,700,448	49,953,226	40,138,652	37,178,030	38,180,661	35,397,105	33,900,873
Revenues	99,989,285	114,522,509	144,493,004	117,799,410	142,662,322	125,304,942	129,768,988	134,414,656
Expenses	(95,070,340)	(98,269,731)	(154,307,578)	(120,760,032)	(141,659,690)	(128,088,499)	(131,265,220)	(135,169,312)
YoY Change	4,918,945	16,252,778	(9,814,574)	(2,960,622)	1,002,632	(2,783,557)	(1,496,232)	(754,656)
Ending Balance	**33,700,448**	**49,953,226**	**40,138,652**	**37,178,030**	**38,180,661**	**35,397,105**	**33,900,873**	**33,146,217**
Affordable Housi	1,000,000	2,000,000	1,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000
Land Acqusition/	0	0	500,000	500,000	500,000	500,000	500,000	500,000
Bike/Ped Infrastr	0	0	250,000	250,000	250,000	250,000	250,000	250,000
Tree Fund Seed	0	0	250,000	100,000	100,000	100,000	100,000	100,000
Downtown Façac	0	0	150,000	250,000	250,000	250,000	250,000	250,000
Commercial Corr	500,000	0	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Economic Develo	228,747	330,000	293,994	333,308	334,975	336,650	338,333	348,483
Fire Station Impr	433,041	610,211	1,180,495	1,202,018	1,211,723	1,221,335	1,241,069	1,260,269
Intersection Safe	400,000	500,000	400,000	200,000	200,000	200,000	200,000	200,000
NSTEP (New Sic	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Police Body Carr	219,432	400,093	371,073	371,073	371,073	371,073	389,627	389,627
Sidewalk ADA Im	200,000	0	200,000	100,000	100,000	100,000	100,000	100,000
Street Lighting M	100,000	0	100,000	100,000	100,000	100,000	100,000	100,000
Traffic Calming	0	296,493	250,000	400,000	400,000	400,000	400,000	400,000
ED Fund Deposit	0	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
ED Initiatives (olc	0	14,800	850,000	850,000	750,000	750,000	750,000	750,000
Fluor Building Pu	0	0	10,000,000	0	0	0	0	0
Greenline Sparta	0	0	0	500,000	0	0	0	0
Wade Hampton E	0	0	0	500,000	0	0	0	0
Academy/Downto	0	0	0	250,000	500,000	1,000,000	1,000,000	1,000,000
Augusta Street Ir	0	0	0	650,000	2,000,000	2,000,000	2,000,000	1,000,000
Stone Avenue Im	0	0	0	250,000	750,000	750,000	0	0
Dunbar Purchase	0	0	0	2,800,000	0	0	0	0
NIB Round 2	0	0	0	0	20,000,000	0	0	0
Main Street Tree	0	0	75,000	75,000	75,000	75,000	75,000	75,000
	8,957,298	10,100,816	22,573,640	16,181,399	34,892,771	15,404,058	14,694,029	13,723,379
Transfer to Solid	3,061,233	3,361,233	3,611,233	3,430,671	3,259,137	3,193,955	3,098,136	2,974,211
GTA	1,224,863	1,276,424	1,141,198	1,506,930	1,612,415	1,725,284	1,846,054	1,975,278
Debt Service - Ex	1,695,737	1,720,978	1,589,693	4,784,517	4,350,977	4,201,373	3,104,373	3,099,638
Debt Service - Ne	0	0	0	0	0	350,000	1,702,104	1,702,104
Capital Replacen	2,177,481	2,224,279	2,582,287	6,234,042	3,666,659	5,136,505	4,275,717	4,470,750