
REDEVELOPMENT



COMMISSION

MEMO

To: Redevelopment Commission Members
From: Tom Wisemiller, Economic Development Project Coordinator
Date: June 3rd, 2016
SUBJECT: Redevelopment Commission Meeting

The Redevelopment Commission is scheduled to meet for a regular business meeting on Tuesday, June 7th, 2016 at the Greenville City Hall.

The main action item that will be addressed at the meeting:

- A proposal to revise the Small Business Plan Competition Guidelines to require applicants to provide a signed lease (or similar documentation) as part of their application package.

Staff will also give updates on the Merchants Lot parking study, the Uptown Theatre, the Imperial brownfields cleanup, and other alleyway improvement plans.

We look forward to seeing you at the meeting. If you have any questions or need additional information, please call me at 329-4514.

Redevelopment Commission Meeting
Tuesday, June 7th 1st, 2016 ~ 5:30 PM

City Council Chambers ~ 200 West 5th Street

Amended Agenda

- I. Welcome
- II. Roll Call
- III. Approval of Minutes – March 1st, 2016
- IV. Consideration of Revision to Small Business Plan Competition Grant Guidelines
- V. Update on the Merchants Parking Lot Study
- VI. Update on the Uptown Theatre Remediation and Building Stabilization Project
- VII. Update on the Imperial Site Brownfields Cleanup Project
- VIII. Update on Uptown Alley Improvements
- IX. Public Comment Period
- X. Report from Secretary
 - a. Monthly Financial Report
- XI. Comments from Commission Members
- XII. Adjournment

DRAFT OF MINUTES PROPOSED FOR ADOPTION
Redevelopment Commission
Meeting Minutes
Tuesday, March 1, 2016
Greenville, North Carolina

Present:

Angela Marshall
 Jeremy King
 Judy Siguaw

Tracie Gardner
 Patricia Dunn
 Richard Patterson

Sharif Hatoum
at 5:38 PM

Absent:

Angela Marshall
 Jeremy King
 Judy Siguaw

Tracie Gardner
 Patricia Dunn
 Richard Patterson

Sharif Hatoum

Staff:

Merrill Flood
 McClean Godley (City Council Liaison)
 Roger Johnson
 Tom Wisemiller

Casey Verburg
 Christian Lockamy
 Betty Moseley

I. Welcome

II. Roll Call

III. Approval of Minutes – February 2, 2016

Mr. King stated that there has been an item added to the agenda. The new item is V. Consideration of Merchants Parking Lot Design Study. This is in regards to the parking lot off of Washington Street behind the theatre.

Motion was made by Mr. Patterson and seconded by Ms. Siguaw to approve the amended agenda. Motion carried unanimously.

Motion was made by Ms. Dunn and seconded by Mr. Patterson to approve the meeting minutes from February 2, 2016 as presented. Motion carried unanimously.

IV. Authorization of Contractor Selected to Complete the Uptown Theatre Remediation and Building Stabilization

Mr. Wisemiller stated that at the February meeting the commission approved the Brownfields sub-grant. The theatre is in need of remediation for items such as asbestos, lead-based paint surfaces, biological contamination, and removal of impacted materials. The building stabilization consists of removal of chimney and fly loft, and putting a new roof on. The remediation and stabilization must

be done concurrently. The environmental remediation work is necessary regardless of project outcome.

Project Budget is approximately \$290,000:

- \$125,000 sub-grant from the Revolving Loan Fund program can be used on brownfields eligible expenses
- \$165,000 from Center City bond funds can be used either on building stabilization or remediation

Ms. Dunn asked if the Brownfields funds were a revolving loan or a grant.

Mr. Wisemiller replied that the funds will not need to be paid back. This is a sub-grant to do clean-up projects.

Mr. Wisemiller continued the theatre report. The Public Works Department (PWD) advertised the bid package in January.

Three bids were received:

- Progressive Contracting Company = \$271,300
- American Builders, Inc. = \$185,000
- IMEC Group, LLC = \$168,200 (low bidder)

All three contractors met the initial requirements. PWD has been vetting IMEC Group's references and working with them to ensure that both parties are in agreement. IMEC Group is currently satisfying additional regulatory requirements associated with this type of project. Once it is determined that IMEC Group is in compliance with all requirements, PWD will proceed to negotiate a contract with IMEC Group to complete the work.

Ms. Dunn asked if someone in the Public Works Department was overseeing the project.

Mr. Wisemiller replied correct. Also, the consultant, Cardno, will assist us in determining what parts of the project are Brownfields eligible so we can get full value of the sub-grant.

Ms. Dunn stated that there was quite a difference in the bids received. She asked what factors accounted for that.

Mr. Wisemiller replied that he will need to follow up with PWD.

Mr. King asked if there was a contingency.

Mr. Wisemiller replied yes, five percent.

Mr. King stated he wants to be sure that IMEC is fully aware of all that needs to be done and the full scope of the work. If they are unable to fulfill the requirements, will the project go to the next responsible bidder?

Mr. Wisemiller replied that if IMEC was deemed unable to fulfill the requirements then the bid would go to Americans Builders, then Progressive Contracting Company and then open back up for bids.

Mr. Hatoum stated that he felt the developer could utilized the resources better since they are bringing in contractors.

Mr. Wisemiller replied that the letter of intent from the developer states they will invest about a million dollars for improvements and the City will take care of the remediation and stabilization part according to the abatement plan.

Ms. Dunn asked if staff anticipated any overruns and how will the overruns be handled.

Mr. Wisemiller replied that the contingency is about five percent. IMEC cannot ask for any more than that.

Ms. Siguaw asked how much of the project will qualify for the \$125,000 sub-grant.

Mr. Wisemiller replied that the initial guess is about \$80,000.

Staff recommends that the Redevelopment Commission authorize the Public Works Department to hire IMEC Group, LLC to complete the Uptown Theatre Remediation and Building Stabilization, contingent on IMEC Group, LLC being compliant with all relevant regulatory requirements associated with the project.

Motion was made by Mr. King and seconded by Mr. Patterson to authorize the Public Works Department to hire IMEC Group, LLC to complete the Uptown Theatre Remediation and Building Stabilization, contingent on IMEC Group, LLC being compliant with all relevant regulatory requirements associated with the project; in the event IMEC is deemed unable to fulfill the requirements then the Public Works Department is authorized to proceed with the next lowest qualified bidder. Motion carried unanimously.

V. Consideration of Merchants Parking Lot Design Study

Mr. King gave an overview of the project and the consideration of the Merchants Parking Lot Design Study.

Mr. Hatoum asked if the parking lot was privately owned.

Mr. Flood replied that it is City owned.

Mr. Wisemiller delineated the parking on the map. This is the lot that would serve the theatre. It currently has an isle with dumpsters, a transformer box, and a grease pit. There are approximately 20 parking spaces.

Ms. Dunn asked how much was being proposed for the design study. Would it cover things like how to paint the lines and such?

Mr. Wisemiller replied that the proposal is for \$12,000. It will analyze the lot and make recommendations for more parking, better functionality, and how to make it more attractive. The isle takes up a considerable amount of space.

Ms. Dunn asked if the parking lot will be for merchants to lease.

Mr. Wisemiller replied that might be one use. The letter of intent, which the commission approved last month, states the following: "identify funding for improvements to the City-owned parking lot located on Parcel # 11436 and Parcel # 05937 which will reconfigure the parking lot in a manner that supports the Property and adjacent properties by relocating existing traffic islands and other

measures and in order to accommodate tour buses and trailers typically used by performers at venues similar to the Project at some location within 300 feet of the Property. The Parties, in consultation with the City, shall develop a mutually agreeable vehicle parking and traffic plan for the parking lot and surrounding areas no later than 120 days following the Effective Date.”

Improvements to the Merchant’s Parking Lot would aim to achieve the following goals:

- Accommodate the Uptown Theatre’s operational functions (tour buses, trucks)
- Upgrade the sanitation/utility infrastructure
- Increase efficiency of parking
- Make the lot more attractive, while supporting and complementing the adjacent business uses
- Build on existing improvements to Merchant’s Alley

To accomplish this, the proposal is to hire the East Group to complete a design study of the lot for \$12,500. The scope of services includes public input meeting(s). If the contract with IMEC Group goes forward, that contract would be more than \$100,000 under budget. RDC could use unneeded Center City Bond funds left over from the remediation and stabilization to pay for the East Group’s design study. Staff will come back to the RDC to request that additional Center City Bond funds be used for construction of the lot improvements.

Ms. Dunn asked if staff had an idea of how much the construction of improvements might cost.

Mr. Wisemiller replied that the total cost is to be determined.

Mr. Flood stated that this will be more of a schematic design than a study. The lot will need to be reconfigured to accommodate tour buses and the turning radius.

Staff recommends that the RDC authorize City staff to hire the East Group to complete a design study of the Merchant’s Parking Lot.

Motion was made by Ms. Dunn and seconded by Ms. Siguaw to authorize City staff to hire the East Group to complete a design study of the Merchant’s Parking lot. Motion carried unanimously.

VI. Discussion of Small Business Plan Competition Selection Subcommittee

Mr. Wisemiller stated that for the previous small business plan competition cycle in January, the board had elected to maintain the subcommittee members until the summer cycle. The current members are rotating off. There will be a couple of meetings prior to the summer cycle, so the board needs to address selecting a new subcommittee.

Mr. King stated that he cannot do it due to involvements with the small business owners.

Mr. Hatoum and Ms. Siguaw volunteered to serve.

Ms. Gardner requested clarification on the subcommittee.

Ms. Siguaw and Mr. King explained the small business plan process.

Ms. Gardner and Mr. Patterson volunteered to serve.

Mr. King asked if it was restricted to three members.

Mr. Wisemiller replied that he didn't know of any reason why four people couldn't serve.

Motion was made by Ms. Dunn and seconded by Mr. King to appoint Sharif Hatoum, Judy Siguaw, Tracie Gardner, and Richard Patterson to the Small Business Plan Competition Subcommittee. Motion carried unanimously.

VII. Public Comment Period

No comments received.

VIII. Report from Secretary

a. Monthly Financial Report

Mr. Flood gave the financial report.

Mr. King asked if there was a deficit in the Evans Gateway account.

Mr. Flood replied yes, however, the accounts will be trued up with any revenue. The overall budget does still have funds.

IX. Comments from Commission Members

No comments received.

X. Adjournment

Motion was made by Ms. Dunn and seconded by Ms. Siguaw to adjourn the Redevelopment Commission meeting at 6:16 PM. Motion carried unanimously.

Respectfully submitted,

Thomas G. Wisemiller
The Economic Development Project Coordinator
City of Greenville Community Development Department

Memo

To: Redevelopment Commission
From: Casey Verburg
CC: Roger Johnson
Date: 6/3/2016
Re: Consideration of Small Business Plan Competition Guidelines Revision

Agenda Item # 8

The priority placed on re-seeding Greenville's redevelopment areas with home grown, prosperous commercial enterprises is made clear by the adopted Center City/West Greenville Revitalization Plan which includes broad goals of:

"Increasing the economic competitiveness of the revitalization area" and "Repositioning the downtown as a vibrant activity center for the city and region"

As such, the Greenville Redevelopment Commission authorized the Business Plan Competition to provide an incentive to small business owners and other entrepreneurs to create or expand businesses within the Center City - West Greenville Redevelopment Areas.

Submissions are accepted twice a year with due dates of **July 1** and **December 1**. Awards are typically made within 90 days of submission. The availability of grant funds from year to year is based on continued authorization of the program by the Redevelopment Commission and funding from the Greenville City Council.

PURPOSE

The purpose of the Business Plan Competition is to provide an economic incentive to small business owners and other entrepreneurs both from within and without the redevelopment areas to create or expand small business enterprises and create jobs within the bounds of the Center City - West Greenville Redevelopment Areas.

SCORING

Scoring factors under consideration by the Redevelopment Commission include:

- Cash flow – Evidence that the business venture is or will bring in more revenue than expenditures at the end of an accounting period.
- Credit History – Applicant/s should have demonstrated the responsible use of credit either as individuals or for their business ventures. Applicant/s should not have any active liens or judgments on their credit
- Employees - The number of full or part time, low and moderate income employees that the proposed business intends to hire. The income test for this purpose will include any employees whose total annual income in the previous tax year did not exceed 80% of the area median income.
- Equity - Level of equity brought by applicant/s to the project. Equity may include cash, real estate, equipment or inventory.
- Experience - Applicant's level of experience with the specific business type as well as other general employment, educational and management experience. Attendance at small business seminars such as those described in section 5.1 may be cited in place of or in addition to other formal education or business related experience.

The program has been successful. So far, 29 of 32 funded businesses survived at least 3 years; and, 25 of 32 are still actively in business.

Despite this success, the Small Business Plan Competition panel strives for continuous improvement. As such, the panel recommends an update to the business plan guidelines. The specific recommendation is to require applicants to include a copy of their lease, a letter of intent, purchase contract or similar documentation in the application submittal.

The rationale behind this request is twofold.

1. First, the type of lease a small business owner signs has a large impact on the long-term viability of the business.

To exemplify, if an owner signs a short term Absolute Net Lease the tenant is responsible for paying all operating expenses associated with a property and structural maintenance repairs; . Since the landlord is not responsible for paying any operating expenses or structural maintenance, a faulty roof or HVAC could be extremely harmful to the cash flow of the business owner. And, it places the start-up business at risk of having a significant rental increase at the end of the contract.

Conversely, if a small business signs a Gross Lease, the tenant pays a set amount for rent and the landlord pays all real estate expenses. In this scenario, the lease payments are a fixed cost and there is less risk to the small business' cash flow.

2. Secondly, submittal of lease documentation confirms that the location of the business will be in an approved designated area (currently Uptown, West Greenville).

Therefore, the Small business Panel requests that applicants be required to provide lease documentation along with their application.