

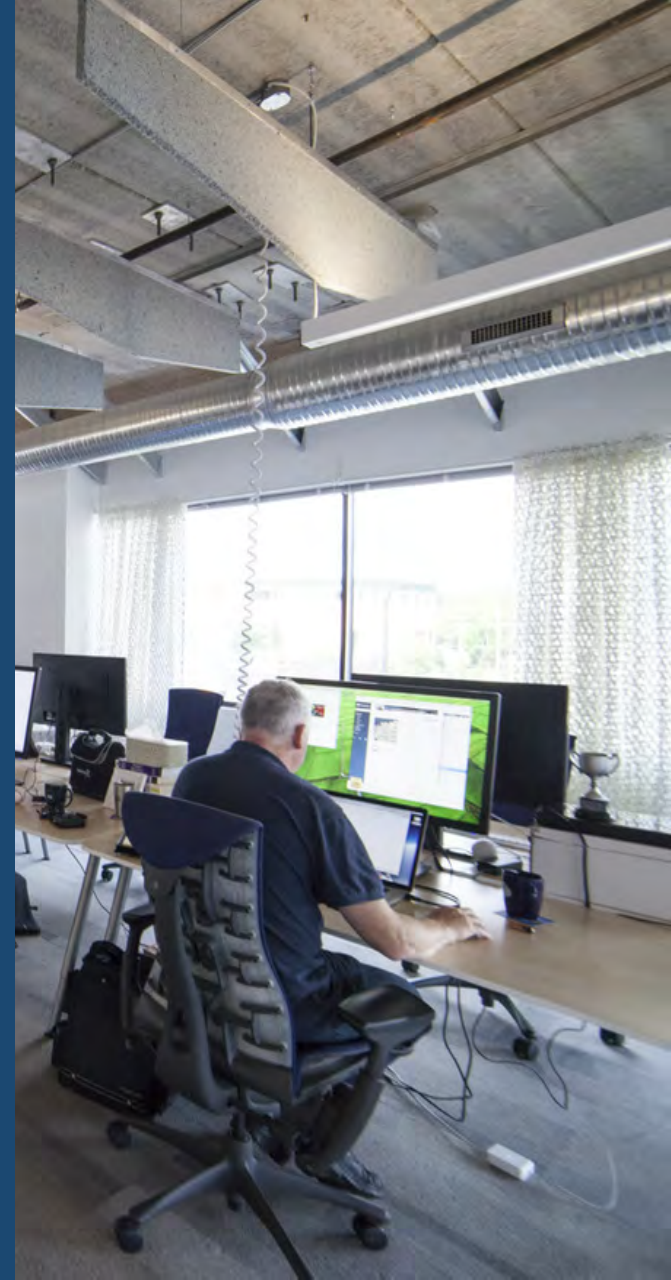
# ECONOMIC DEVELOPMENT: STRATEGIES AND PROJECTS

*City Council Planning Retreat  
January 27, 2017  
Greenville City Hall*

# PRESENTATION OUTLINE

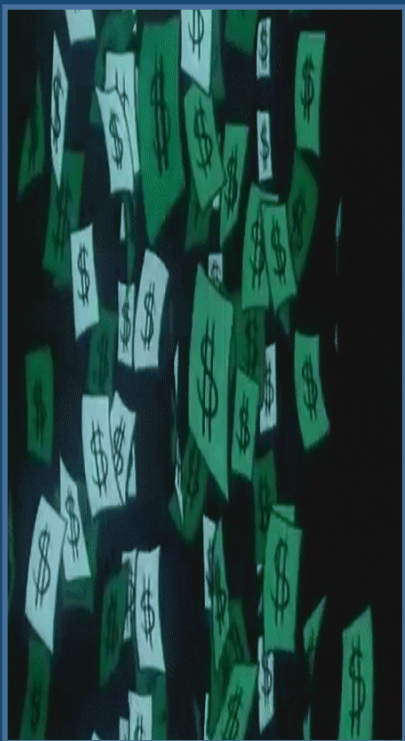
- I. Economic Development Strategy  
(2020 Strategic Economic Development Plan)
- II. 2017 Action Items  
(Items requiring City Council approval)
- III. Imperial Site Redevelopment  
(Presenting DFI Redevelopment Program)

Our economic  
development priority  
is to bring **new wealth**  
into our community





SHOW ME THE  
MONEY!!!



# How do we **SHOW YOU THE MONEY?**



**1** Business  
recruitment  
& expansion



**2** Grow  
our own  
businesses  
(Innovation &  
Entrepreneurship)



**3** Attract new  
private capital  
investment

# Recent Accomplishments

| Building Reuse Grants   | Small Business Plan Competition Grants  | Other Accolades   |
|---|---|---|
| <ul style="list-style-type: none"><li>• 9 New Businesses</li><li>• \$772,500 Pay Out</li><li>• \$28,375 City match</li><li>• 120 new full-time jobs</li></ul> | <ul style="list-style-type: none"><li>• 120 New Jobs</li><li>• 82% Success Rate</li><li>• Summer 2016: MELT &amp; Blackbeard Coffee Roasters</li><li>• Scullery, DAP, Winslow's</li></ul> | <ul style="list-style-type: none"><li>• \$527 Million in Uptown</li><li>• Saved &lt; \$300 K via Federal/State Grants</li><li>• 22% Increase in Labor Force (Last 10 years)<br/><i>Eastern Region</i></li><li>• 2,300 Jobs in Metro</li></ul> |



**MONEYBALL**





# BUSINESS RECRUITMENT & EXPANSION

## Refresh target industries

### 2016-2019 Target Sectors

|                                   | Industry growth | Workforce | Regional assets | Location feasibility |
|-----------------------------------|-----------------|-----------|-----------------|----------------------|
| Back office and data centers      | ✓               | ✓         | ✓               | ✓                    |
| Digital media/software/simulation | ✓               | ✓         | ✓               | ✓                    |
| Artisanal Manufacturing (new)     | ✓               | ✓         | ✓               | ✓                    |
| Healthcare IT (new)               | ✓               | ✓         | ✓               | ✓                    |

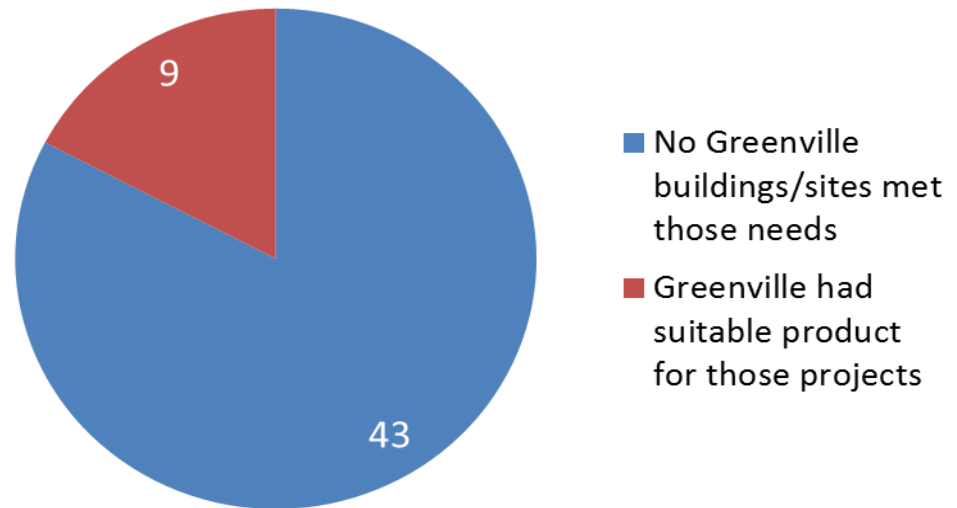




## KEY challenge

Availability of buildings and sites suitable for economic development projects

**Since January 2016, 52 regional ED projects identified building/site needs**







# BUSINESS RECRUITMENT & EXPANSION

## SOLUTION = 3-TIERED APPROACH

### 1. Short-term:

- Virtual building program
- Evaluate & Recommend changes to Zoning

### 2. Mid-term:

- Business Park (public-private partnerships)

### 3. Long-term:

- Corporate/industrial park



# VIRTUAL BUILDING





# VIRTUAL BUILDING LOCATIONS

## Bayswater Rd Site



## Old Creek Site







## Business Park

Mid-term strategy (1-3 years): partner with a private sector partner to create a mid-sized business park:



- 50-100 acres, privately owned
- In the City limits
- Served by utilities and infrastructure
- Some public investment
- Minimal external impacts



# BUSINESS RECRUITMENT & EXPANSION

## Business Park

### Cornelius Business Park, Hillsboro, OR



### HELSEAN BUSINESS PARK RICHFIELD, WISCONSIN



Photo by American Images, Marshfield, WI



### Park 1764, Hickory, NC





## Corporate Park

A longer-term strategy (3-20+ years) to develop a larger-scale corporate park:



- > 150 acres
- Mixed-use and/or rail-served light industrial
- Annexation/Utilities/Infrastructure
- Local, State, and Federal Investment
- Transferred to private ownership/management





# BUSINESS RECRUITMENT & EXPANSION

## Corporate Park

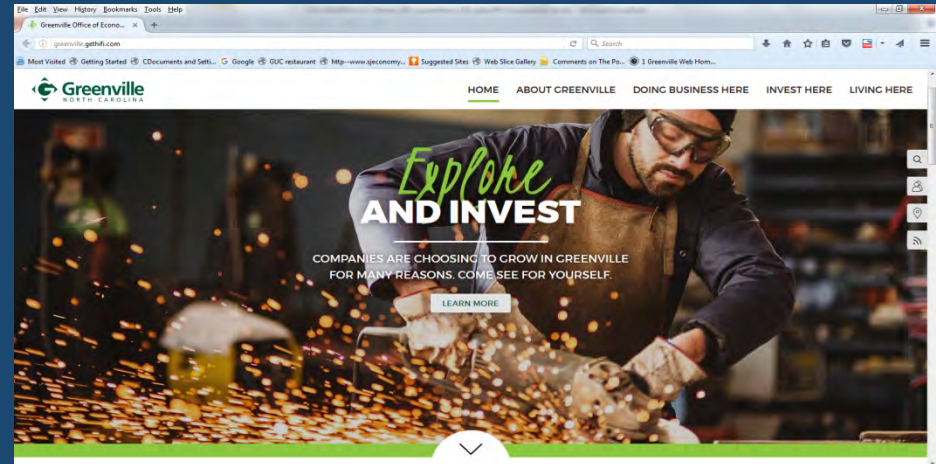




# BUSINESS RECRUITMENT & EXPANSION

## Selling our Community

- New OED Website
- Targeted Marketing Plan
- FAM Tour
- Conventions/Trade Shows
- Joint Marketing Efforts







## Jobs-based Incentive

For companies that create a minimum number (e.g., 25) of living wage jobs, selling a good or service primarily outside of the MSA<sup>1</sup>

“Sliding scale” formula based on quantity and quality of jobs created+

| Ave wage      | Possible Cash Incentive Per Job |
|---------------|---------------------------------|
| \$11.00-13.00 | \$500                           |
| \$13.01-15.00 | \$1,000                         |
| \$15.01-20.00 | \$1,500                         |
| \$20.01-above | \$2,000                         |



<sup>1</sup> Subject to Council approval and availability of funding



## Jobs-based Incentive

NC Statutory Authority: SECTION 1. G.S. 158-7.1 reads as rewritten: "§ 158-7.1. Local development. SESSION LAW 2015-277 SENATE BILL 472

### Benchmarking

#### NORTH CAROLINA

| City       | Program                   | Type                      |
|------------|---------------------------|---------------------------|
| Raleigh    | Business Investment Grant | Jobs + Capital Investment |
| Concord    | ED Grant Program          | Jobs + Capital Investment |
| Asheville  | Job Creation Tax Credit   | Jobs                      |
| Greensboro | NA                        | Jobs + Capital Investment |
| Cary       | NA                        | Jobs + Capital Investment |
| Gastonia   | ED Investment Grant       | Jobs + Capital Investment |

#### BEST PRACTICES

|                             |                           |
|-----------------------------|---------------------------|
| Wichita/Sedgwick County, OK | Jobs + Capital Investment |
|-----------------------------|---------------------------|



# 2 INNOVATION & ENTREPRENEURSHIP

YOUR PLAN.



REALITY.





# INNOVATION & ENTREPRENEURSHIP

## Greenville SEED@ ECU

- ECU management
- Collaborative working space
- Business programs, mentoring
- Shared auditorium



## Proof of Concept Grant

## Greenhouse Project

## Small Business Plan Competition







# ATTRACTING PRIVATE CAPITAL

## Building Reuse Grants

| Business                    | Grant Amount     | City Match 5%   | # of New Full-Time Jobs |
|-----------------------------|------------------|-----------------|-------------------------|
| One Source Comm.            | \$205,000        | \$12,500        | 41                      |
| Purilum                     | \$210,000        | \$10,500        | 21                      |
| Uptown Brewing Co.          | \$60,000         | \$3,000         | 12                      |
| Luna Pizza Café             | \$30,000         | \$1,500         | 6                       |
| Pitt St. Brewing Co.        | \$112,500        | \$5,625         | 9                       |
| Blackbeard Coffee Roasters  | \$30,000         | \$1,500         | 6                       |
| The Shave on Fifth          | \$50,000         | \$2,500         | 10                      |
| Greenville Theatre Ventures | \$60,000         | \$3,000         | 12                      |
| Jenni K Jewelry             | \$15,000         | \$750           | 3                       |
| <b>9 Businesses</b>         | <b>\$772,500</b> | <b>\$28,375</b> | <b>120</b>              |





# ATTRACTING PRIVATE CAPITAL

## RETAIL STRATEGIES, LLC

### Phase 1 - Market Analysis

*November 2016 - February 2017*

### Phase 2 – Boots on the Ground

*March 2017 – June 2017*

### Phase 3 – Retail Strategy

*April 2017*

### Phase 4 – Retail-Developer Recruitment

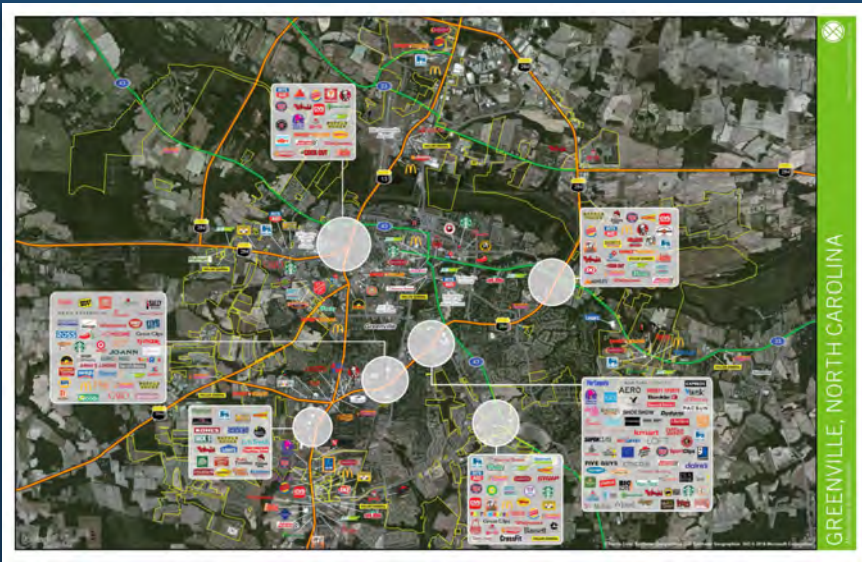
*April 2017 – November 2019*





# ATTRACTING PRIVATE CAPITAL

## RETAIL STRATEGIES, LLC



City Comparison Report - 5 Minute Drivetimes from Target

| Your Community             |              | Greenville, NC |  | Pitt County            | 17,928                 | 17,393                      | \$36,218         | \$578,665,452 | 2,323,545                  |
|----------------------------|--------------|----------------|--|------------------------|------------------------|-----------------------------|------------------|---------------|----------------------------|
| Averages                   |              |                |  |                        | 16,683                 | 16,665                      | \$39,684         | \$540,444,328 | 2,049,681                  |
| Address                    | City         | State          | CBSA   | County                 | Residential Population | Employee Daytime Population | Median HH Income | Market Supply | Retail Shopping Center GLA |
| 4711 New Centre Dr         | Wilmington   | NC             | Wilmington, NC Metro Area                    | New Hanover County, NC | 22,934                 | 16,756                      | \$34,478         | \$711,123,366 | 1,627,889                  |
| 425 Cox Rd                 | Gastonia     | NC             | Charlotte-Concord-Gastonia, NC-SC Metro Area | Gaston County, NC      | 16,804                 | 20,403                      | \$35,609         | \$362,148,496 | 2,639,386                  |
| 8199 Warren H Abernathy Pk | Spartanburg  | SC             | Spartanburg, SC Metro Area                   | Spartanburg County, SC | 15,996                 | 15,580                      | \$42,109         | \$610,930,010 | 2,603,817                  |
| 1395D Western Blvd         | Jacksonville | NC             | Jacksonville, NC Metro Area                  | Onslow County, NC      | 15,957                 | 14,126                      | \$42,888         | \$301,132,017 | 1,405,558                  |
| 1204 Sumburst Dr           | Goldsboro    | NC             | Goldsboro, NC Metro Area                     | Wayne County, NC       | 14,243                 | 13,151                      | \$42,925         | \$604,911,371 | 1,883,136                  |
| 731 Sutters Creek Blvd     | Rocky Mount  | NC             | Rocky Mount, NC Metro Area                   | Nash County, NC        | 14,164                 | 19,972                      | \$40,093         | \$652,420,709 | 2,138,302                  |





# ATTRACTING PRIVATE CAPITAL

## NAVIGATING/REDUCING BUREAUCRACY & BEING PROACTIVE

- **Grants & Incentives**
  - Building Reuse Grants
  - Small Business Plan Competition
  - Site Ready
- **Developer/Broker Relationships**
  - Concierge Permitting
  - Developer/Broker Convention
- **Public-Private Partnerships**
  - Parking Demand
- **Reduce Barriers to Market Entry**
  - Zoning Text Amendments



# 2020 STRATEGIC PLAN



**1** Business  
recruitment  
& expansion



**2** Grow  
our own  
businesses  
(Innovation &  
Entrepreneurship)



**3** Attract new  
private capital  
investment

# SMALL BALL, HOME RUNS, & MONEY



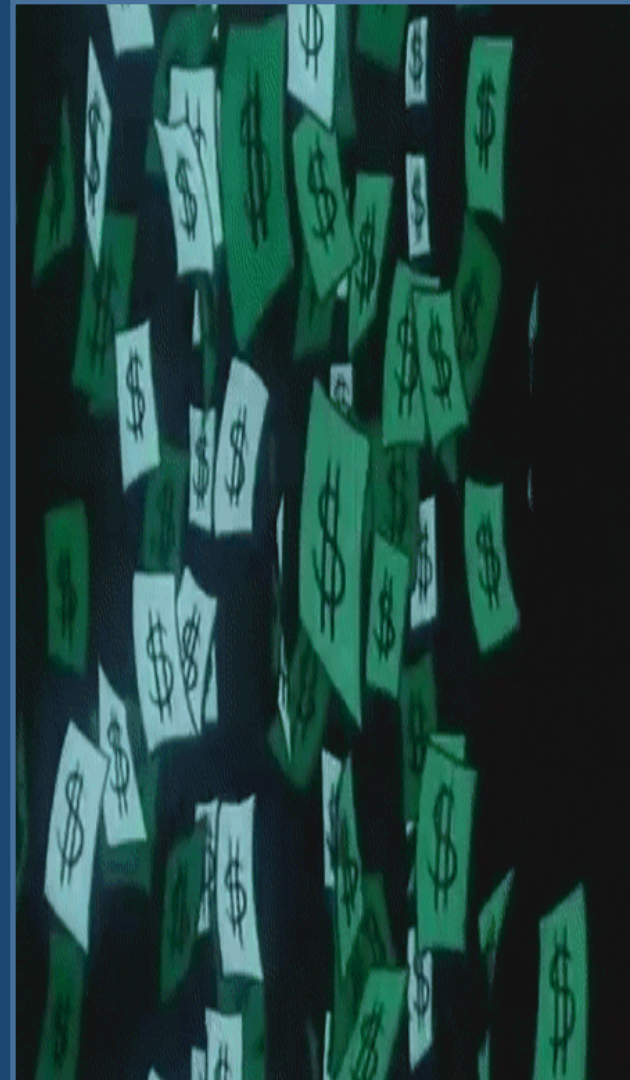
- Virtual Building
- **Business Park**
- **Corporate Park**
- Retail Strategies
- New Target Sectors
- Private Capital
- **Minimize Zoning Barriers**
- **Imperial Site**



# NEW ACTION ITEMS

## III. NEW ACTION ITEMS

- Business park (PPP)
- Commercial/industrial park
- Jobs-based Incentive
- Elimination of Site Ready Program
- Proactive Zoning text amendment changes





### III. IMPERIAL SITE REDEVELOPMENT



**Presentation to City Council  
Imperial Mill Pre-Development Process  
Executive Summary  
January 27, 2017**

About Development Finance Initiative

The Development Finance Initiative (DFI) at the School of Government partners with local governments in North Carolina to attract private investment for transformative projects by providing specialized finance and development expertise. Jordan Jones is one of DFI's Project Managers and is overseeing this project. He has been with DFI since 2012. For more information on DFI, please visit: <http://www.sog.unc.edu/dfi>.

City of Greenville engaged DFI to provide its iterative pre-development process that focuses on four key components: public engagement, site analysis, market analysis, and financial analysis. The purpose of its work is to help the City identify a development partner(s) to redevelop the Imperial Mill site that aligns with the project's guiding public interests.

Guiding Public Interests

DFI identified six guiding public interests for the redevelopment of the Imperial Mill. The process for identifying these guiding public interests included reviewing public dialogue about the site and previous plans for area; meeting with City Council, City Staff, and local residents and business owners; as well as conducting an online survey that had more than 700 responses.

The six guiding public interests are:

- Enhance the ***pedestrian experience and connectivity*** to Uptown and the Millennial Campus
- Increase the ***diversity of residential and retail options*** available in Uptown
- Contribute to the revitalization of the ***Dickinson Avenue Corridor*** and ***West Greenville Neighborhood*** Program
- Minimize ***public investment*** and maximize ***private investment***
- Incorporate ***area's history, authenticity, and existing assets, including arts***
- Provide a ***sustainable parking solution*** that will meet current demands as well as facilitate private development

Market Analyses

DFI completed market analyses for the residential, retail, and office sectors. The purpose of these market analyses is to identify projected demand for each use over the next five years. Each analysis is based on quantitative data sourced from industry standard sources.

These market analyses assume a “base case scenario” based on historical development trends across Greenville and Pitt County. Transformative economic development projects could significantly increase these projections.

The residential market analysis identified Uptown could absorb 205 to 375 market-rate apartments within the next five years. DFI is confident about the residential market in Uptown due to population growth and lack of existing market-rate apartments in Uptown. Downtown market-rate apartments are thriving in communities across the Southeast, even in smaller communities such as Danville, VA.

The retail analysis projects an additional 20,000 to 40,000 SF could be absorbed in Uptown. Retail is critical for creating pedestrian corridors, particularly along Dickinson Avenue, to help with pedestrian connectivity. Retail would also create opportunities for local entrepreneurs to open new businesses or expand as well as provide new services and employment to the West Greenville Neighborhood.

The office sector is strong. DFI projects Uptown could absorb 82,000 to 163,000 SF of office over the next five years. The North Carolina Department of Commerce is projecting strong growth for office occupying industries in the Northeast Prosperity Zone that includes Greenville. Challenge with office development is financing will require developments to have significant pre-leases.

#### Development Program

DFI is recommending Council approve a development program for the Imperial Mill site that includes a mix of market-rate apartments, retail, office, and parking. The program will be subject to market economics and feedback from developers. The potential mix of uses would include:

- 150 - 200 market-rate apartments
- 10,000 - 20,000 SF of retail
- 40,000 - 60,000 SF of office
- 450 - 580 parking spaces

#### Next Steps

DFI’s next steps include:

- Meet with community to obtain additional feedback and input on potential mix of uses;
- Discuss project with developers and investors;
- Work with design partner to develop site plan options;
- Create financial models; and
- Evaluate public-private partnership structures.

DFI will present site plan options and a potential public private partnership structure in May.

#### Questions

Jordan Jones can be reached by email at [jones@sog.unc.edu](mailto:jones@sog.unc.edu) or on his cell at 919-630-0302.

# IMPERIAL SITE: PREDEVELOPMENT PROCESS



UNC  
SCHOOL OF GOVERNMENT

DEVELOPMENT FINANCE INITIATIVE - JANUARY 2017

Jordan Jones  
Project Manager  
Cell: 919-630-0302  
Email: [jones@sog.unc.edu](mailto:jones@sog.unc.edu)



# DISCUSSION OBJECTIVES

- **Approve** updated timeline
- **Approve** design solicitation process
- **Approve** guiding public interests
- **Review** market analysis
- **Approve** potential program





# WHERE WE ARE IN PROCESS

| Updated Timeline       |         |         |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|---------|---------|
|                        | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q1 2018 |
| Parcel analysis        |         |         |         |         |         |         |         |
| Public engagement      |         |         |         |         |         |         |         |
| Market analysis        |         |         |         |         |         |         |         |
| Public engagement      |         |         |         |         |         |         |         |
| Developer outreach     |         |         |         |         |         |         |         |
| Site design            |         |         |         |         |         |         |         |
| Financial analysis     |         |         |         |         |         |         |         |
| PPP structure          |         |         |         |         |         |         |         |
| Developer selection(s) |         |         |         |         |         |         |         |
| Negotiate MDA          |         |         |         |         |         |         |         |

# TIMELINE: KEY DATES AND REQUIRED APPROVALS

- **January 2017**
  - Mix of uses
  - Design solicitation process
- **May 2017**
  - Site design
  - PPP structure
- **June 2017**
  - Selection process
  - Solicitation document
- **September 2017**
  - Development partner(s)

DFI Presents Recommendations to Staff  
and Imperial Mill Task Force

DFI Updates Recommendations

DFI Presents to Council and Requests  
Approvals

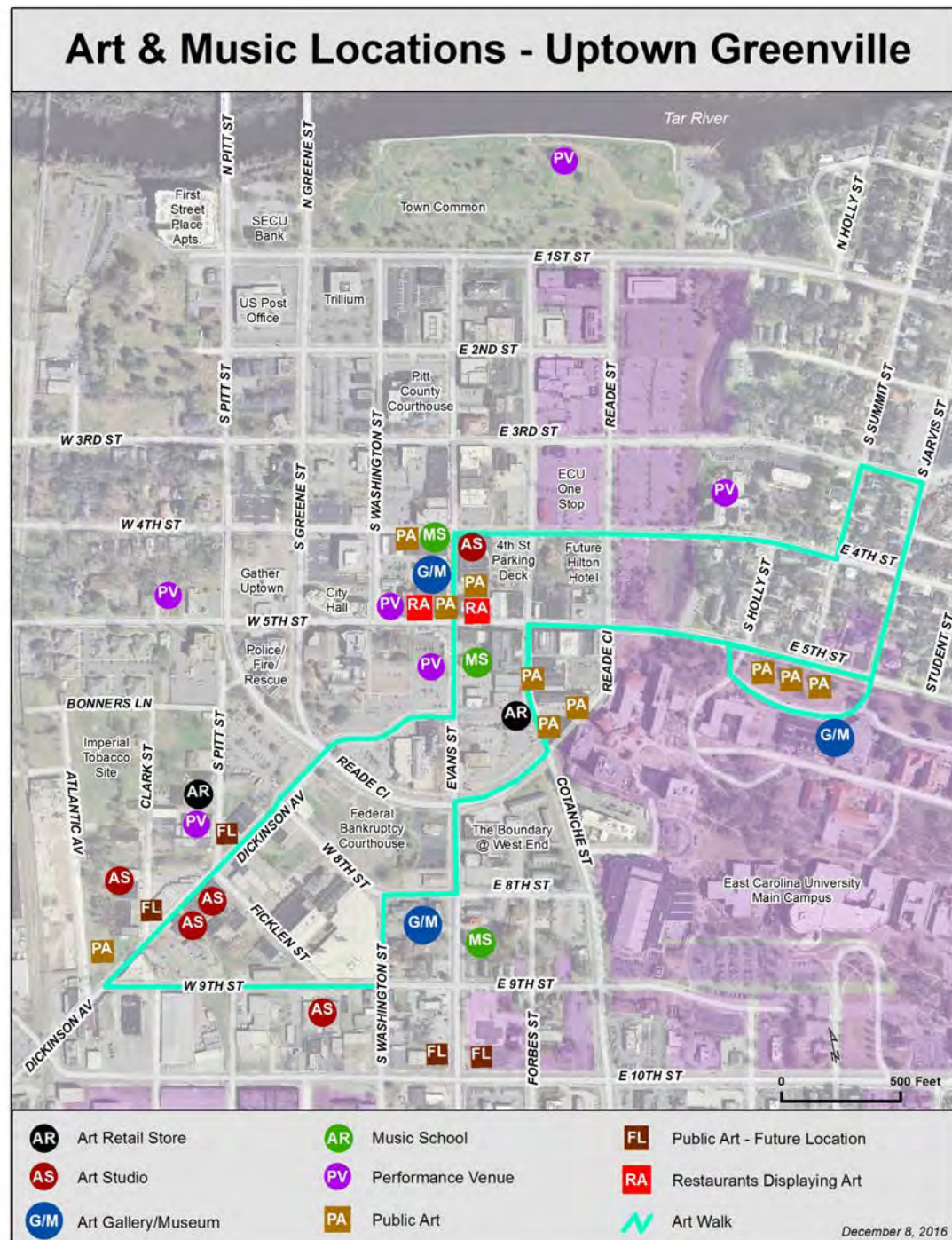
# GUIDING PUBLIC INTERESTS

- Enhance the *pedestrian experience and connectivity* to Uptown and the Millennial Campus
- Increase the *diversity of residential and retail options* available in Uptown
- Contribute to the revitalization of the *Dickinson Avenue Corridor* and *West Greenville Neighborhood* Program
- Minimize *public investment* and maximize *private investment*
- Incorporate *area's history, authenticity, and existing assets, including arts*
- Provide a *sustainable parking solution* that will meet current demands as well as facilitate private development



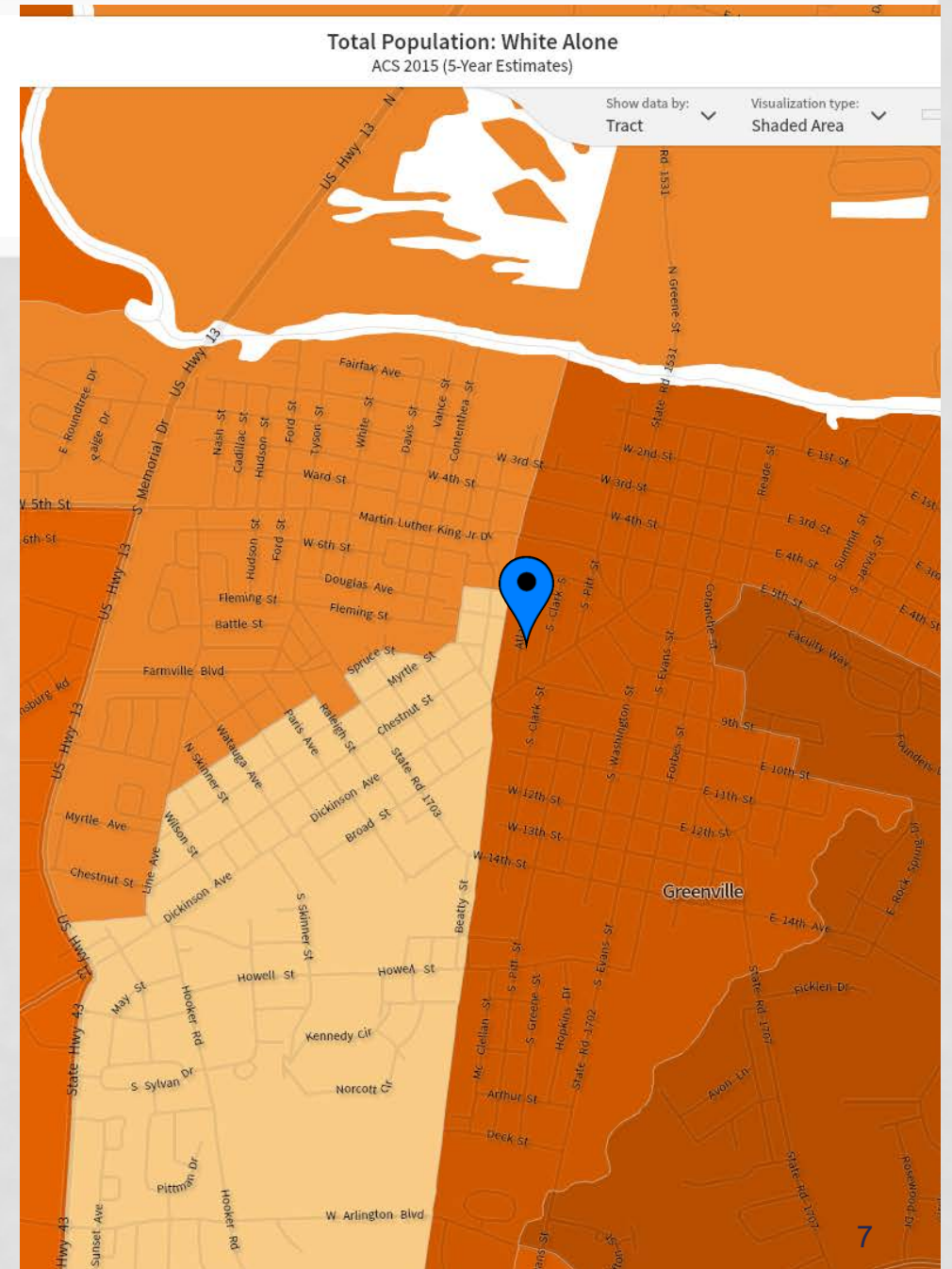
# INFUSE “ART”

- Will evaluate variety of options including:
  - Public art displays
  - Artist studios
  - Artist housing units
- Strategize with local partners
- Public subsidy could be required
- Art funding sources outside DFI scope/expertise



# FEEDBACK FROM WEST GREENVILLE

- Historic economic hub
- Agree with guiding public interests
  - Connectivity
  - Diversify residential/retail
- “Gateway of inclusion”

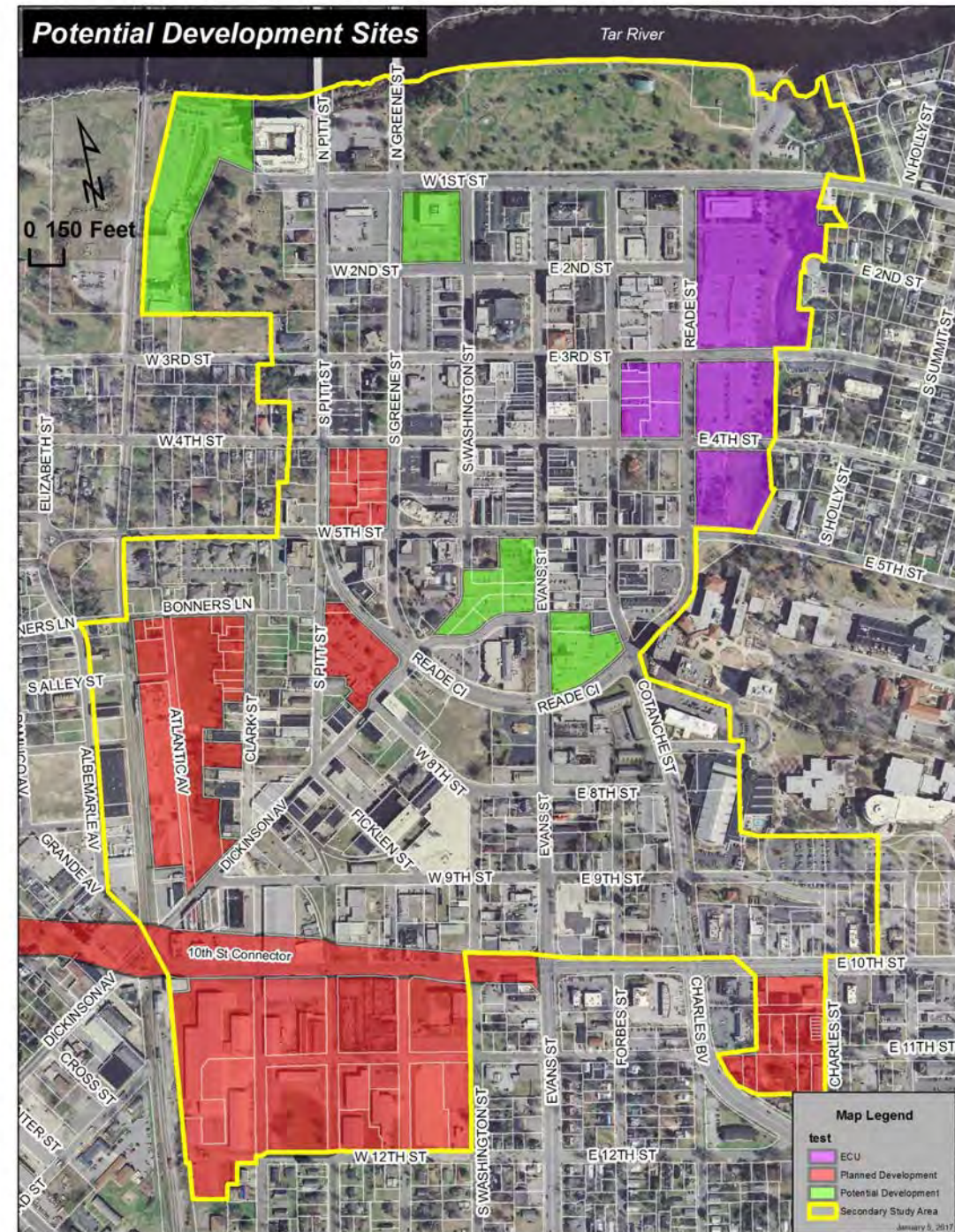


# MARKET ANALYSES



# MARKET ANALYSES

- Analyzed three markets:
  - Residential
  - Retail
  - Office
- Focus of analysis: baseline demand projections
- Projections do not assume any transformative projects



# MARKET ANALYSIS

MARKET-RATE MULTI-FAMILY RESIDENTIAL

# DEMAND FOR MULTI-FAMILY HOUSING

- Urbanization, even in smaller communities such as Danville



- 275 units absorbed since 2013 with 300+ more in pipeline

Sources: ESRI Business Analyst Online, Danville Register and Bee

- Target market
  - Young professionals, in particular health care workers
  - Baby boomers
- Two sources of demand
  - New household growth
  - Mobility



# LACK OF UPTOWN MARKET-RATE HOUSING OPPORTUNITIES

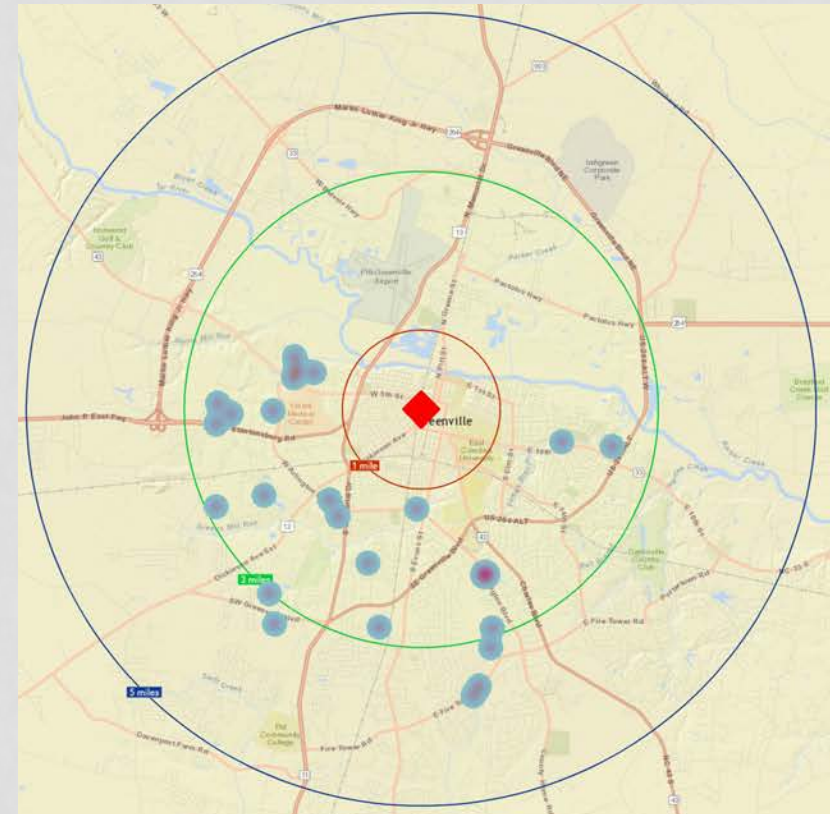
## Pipeline MFH Projects within City

| Project Name         | Location                     | Units                             |
|----------------------|------------------------------|-----------------------------------|
| Campus-Edge          | 10 <sup>th</sup> and Charles | 609 beds                          |
| Gather Uptown        | Fifth and Greene             | 400 beds                          |
| Sidewalk Development | Dickinson and Reade Circle   | 250 beds and 45 market-rate units |



City Block Apartments in Wilmington

## Existing MFH Projects (excludes affordable and student targeted properties)



Sources: ESRI Business Analyst Online, City of Greenville, Daily Reflector 12

# MULTI-FAMILY TRADE AREAS

## Primary Trade Area

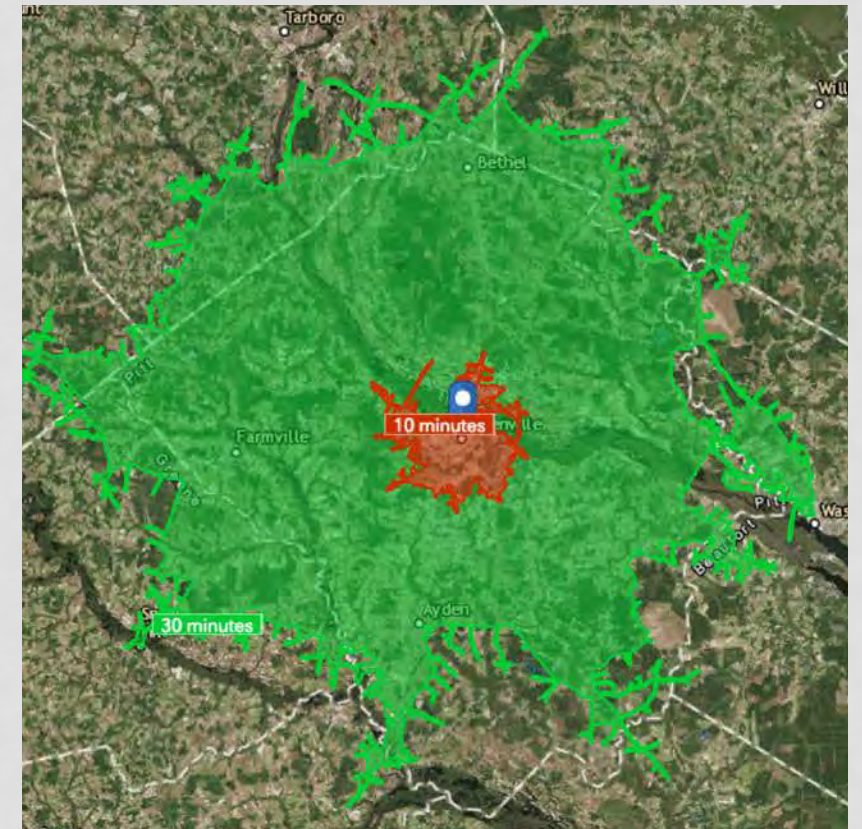
10 Minute Drive-Time  
from Site:

## Secondary Trade Area

30 Minute Drive-Time  
from Site:

|                   | 2016     | 2021     | Annual Change |
|-------------------|----------|----------|---------------|
| HHs               | 24,701   | 25,752   | 0.9%          |
| Population        | 58,691   | 61,169   | 0.8%          |
| Per Capita Income | \$21,862 | \$23,164 | 1.2%          |
| Avg HH Income*    | \$49,384 | \$52,650 | 1.3%          |

|                   | 2016     | 2021     | Annual Change |
|-------------------|----------|----------|---------------|
| HHs               | 73,994   | 76,804   | 0.8%          |
| Population        | 187,003  | 194,852  | 0.8%          |
| Per Capita Income | \$23,482 | \$25,151 | 1.4%          |
| Avg HH Income*    | \$58,144 | \$62,658 | 1.5%          |



Source: ESRI Business Analyst Online

\* Projected average HH income adjusted for inflation

# PRIMARY TRADE AREA HOUSEHOLD INCOME

- Multi-family targeted age groups: 24-35 and 55+
  - 58% of households with incomes \$50,000 - \$74,999
  - 54% of households with incomes \$75,000 - \$99,999
  - 51% of households with incomes greater than \$100,000

| Household Income by Age Group |     |       |       |       |        |       |
|-------------------------------|-----|-------|-------|-------|--------|-------|
|                               | <25 | 25-34 | 35-54 | 55-64 | >65-74 | Total |
| Less than \$49,999            | 29% | 22%   | 22%   | 10%   | 17%    | 100%  |
| \$50,000 - \$74,999           | 11% | 27%   | 31%   | 14%   | 17%    | 100%  |
| \$75,000 - \$99,999           | 9%  | 25%   | 37%   | 17%   | 12%    | 100%  |
| Greater than \$100,000        | 6%  | 20%   | 43%   | 18%   | 13%    | 100%  |



# BASELINE DEMAND PROJECTION: GROWTH IN HOUSEHOLDS

## Primary Trade Area

| 10 Minute Drive-Time from Site  |                        |
|---|------------------------|
| Households (2016)   | 24,701                 |
| Households (2021)   | 25,752                 |
| Increase in Households 2016-2021  | 1,051                  |
| Estimated Development Capture Rate*                                       | 10% - 15%              |
| <b>Projected Development's Capture Rate from Growth in New Households</b> | <b>100 - 160 units</b> |

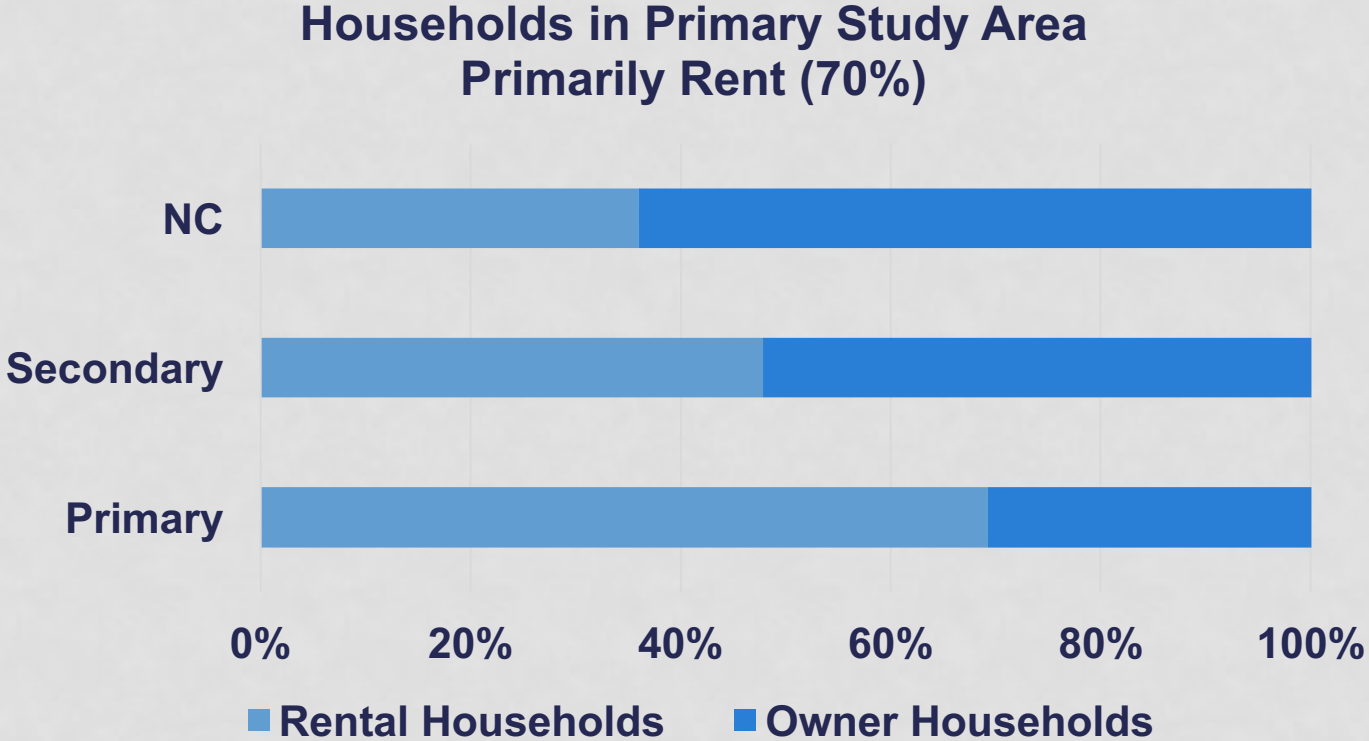
## Secondary Trade Area

| 30 Minute Drive-Time from Site  |                      |
|---|----------------------|
| Households (2016)   | 49,293               |
| Households (2021)   | 51,052               |
| Increase in Households 2016-2021  | 1,759                |
| Estimated Development Capture Rate*                                     | 1% - 2.5%            |
| <b>Projected Development Capture Rate from Growth in New Households</b> | <b>20 - 45 units</b> |

Source: ESRI Business Analyst Online

\* Potential households interested in MFH based on income, age, and demographic analysis

# MOBILITY



- In 2016, 52% of rental households didn't renew existing lease\*
- Estimated 4,000 people work in Uptown
- 25% of rental households pay \$1,000 or more in monthly rent

Source: ESRI Business Analyst Online  
\* National Statistic from National Real Estate Investor, 2017-01-03

# RESIDENTIAL: BASELINE DEMAND PROJECTION

## Mobility in Primary Trade Area

| 10 Minute Drive-Time from Site  |                       |
|---|-----------------------|
| Existing Rental Households (2016)   | 17,160                |
| Estimated Development Capture Rate*   | 0.5% - 1%             |
| <b>Projected Development's Capture Rate from mobility within primary trade area</b> | <b>85 – 170 units</b> |

## Total Projected Demand

| Projected Development's Capture From: |                        |
|---------------------------------------|------------------------|
| HH Growth in Primary Study Area       | 100 – 160 Units        |
| HH Growth in Secondary Study Area     | 20 – 45 Units          |
| Mobility within Primary Trade Area    | 85 – 170 units         |
| <b>Total Projected Demand</b>         | <b>205 – 375 units</b> |

Source: ESRI, Business Analyst Online, Inc.

\* Potential households interested in Multi-Family based on income, age and demographic analysis



# RESIDENTIAL: OPPORTUNITIES AND CHALLENGES

- Opportunities to leverage
  - GTAC
  - 10<sup>th</sup> Street Connector
  - Millennial campus



*Conceptual Rendering of GTAC*



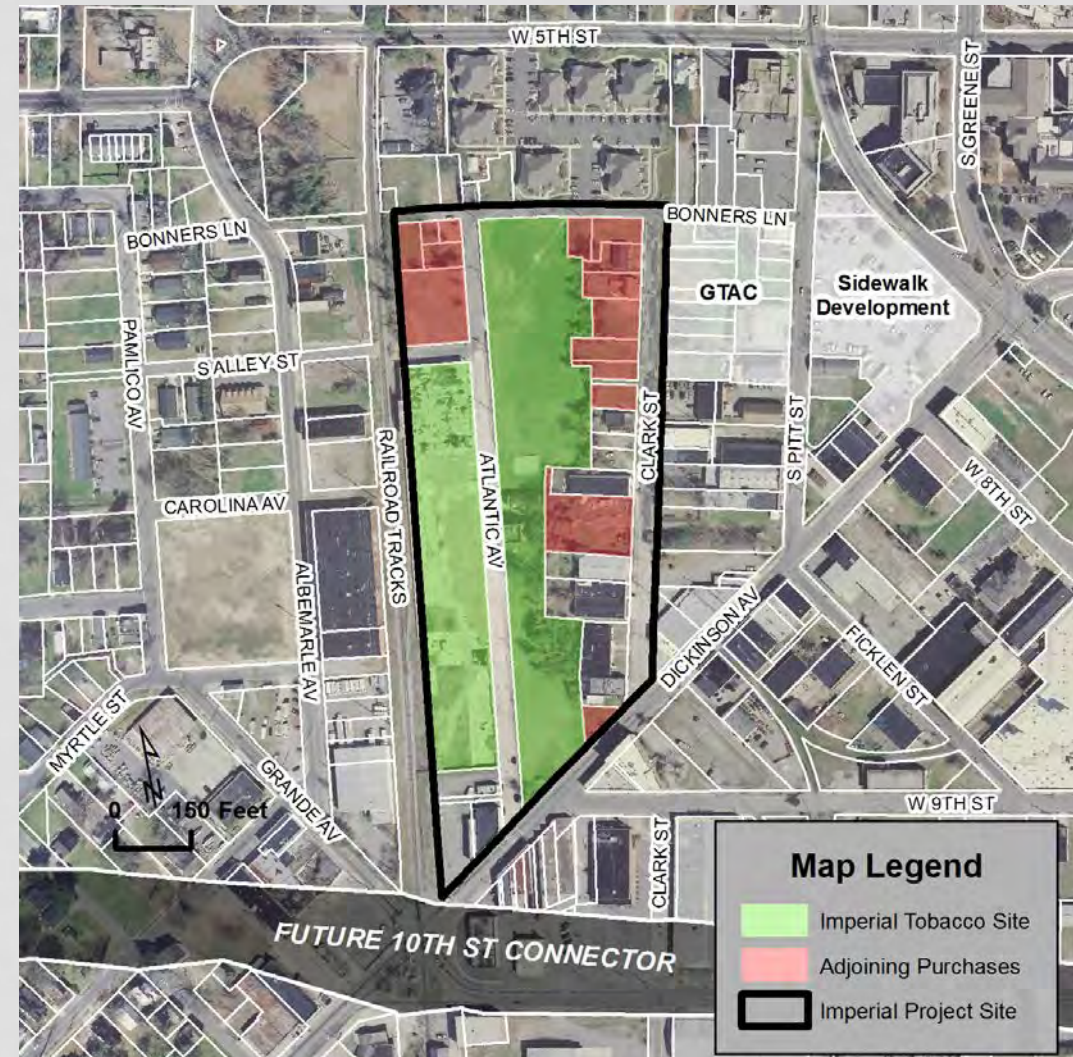
*Lofts 29 in Concord, NC*



*Haynie Building owned by ECU*

# RESIDENTIAL: OPPORTUNITIES AND CHALLENGES

- Opportunities to leverage
  - GTAC
  - 10<sup>th</sup> Street Connector
  - Millennial campus
- Challenges for developers
  - Brownfields restrictions
  - Active railroad
  - No comparable properties



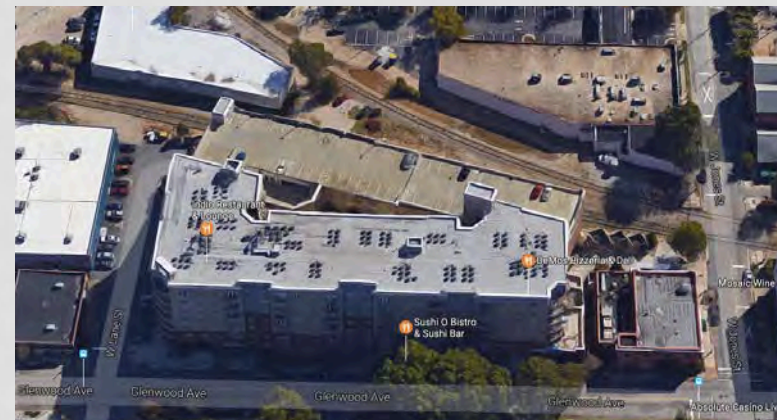


# RESIDENTIAL: OPPORTUNITIES AND CHALLENGES

- Opportunities to leverage
  - GTAC
  - 10<sup>th</sup> Street Connector
  - Millennial campus
- Challenges for developers
  - Brownfields restrictions
  - Active railroad
  - No comparable properties



*City View Apartments in Greensboro*



*222 Glenwood in Raleigh*



# RESIDENTIAL: SUMMARY OF MARKET ANALYSIS

- Potentially strong demand
  - Projected growth in households
  - Targeted age segments strong
  - Majority of households are mobile
- Lack of supply
- Challenges, yet opportunities
- **Baseline demand projections: 205-375 units**



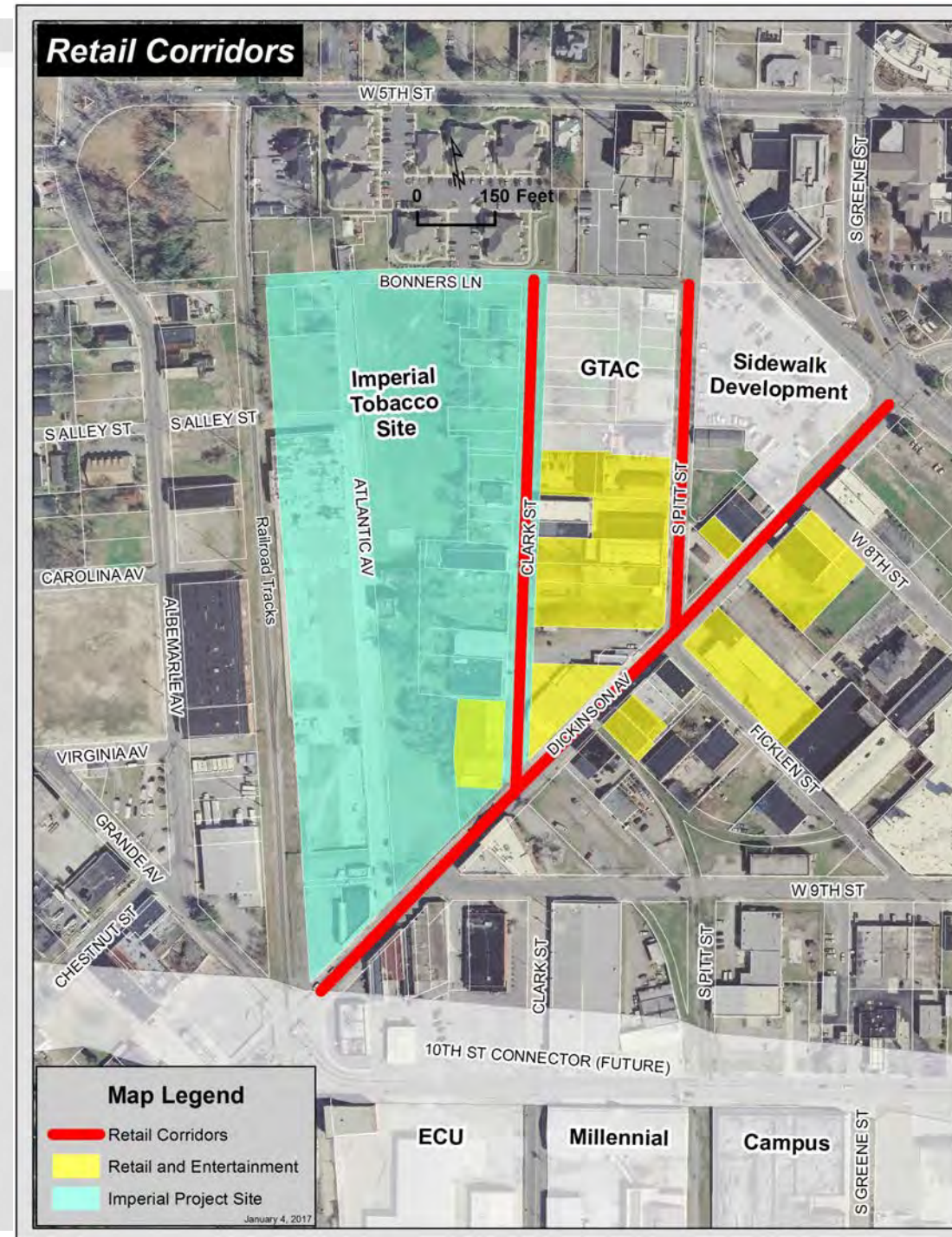
*Demonstration Project in Kannapolis, NC*

# MARKET ANALYSIS

RETAIL

# IMPORTANCE OF RETAIL

- Most common public feedback: “connectivity”
- Retail supports pedestrian connectivity
- Critical to create retail corridors along Dickinson, Clark, and Pitt Street





# RETAIL TRADE AREAS

## Primary Trade Area

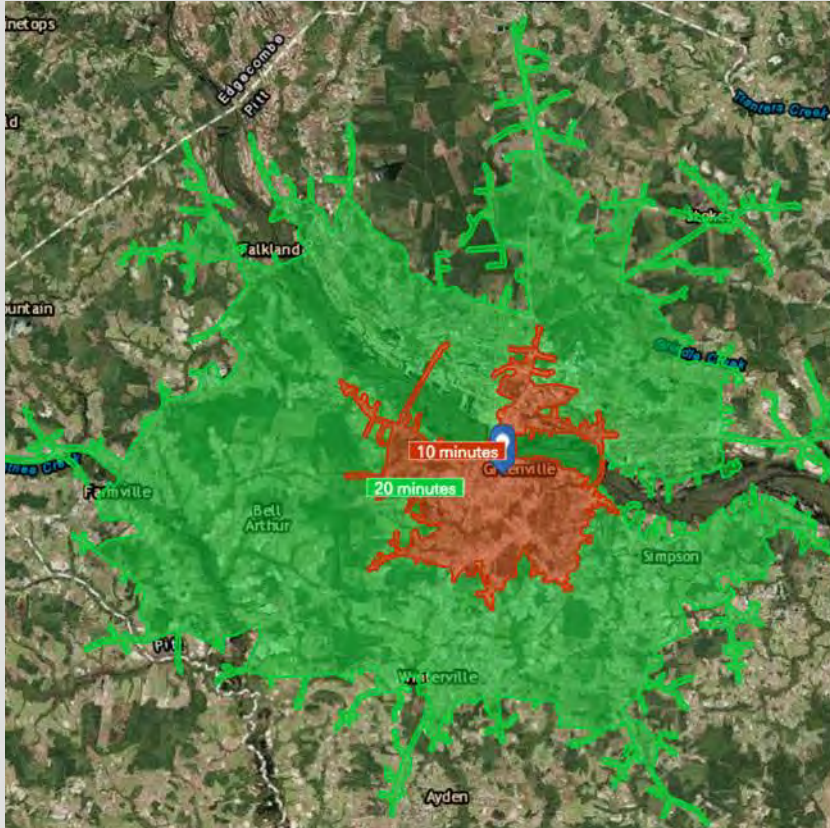
10 Minute Drive-Time  
from Site:

|                   | 2016     | 2021     | Annual Change |
|-------------------|----------|----------|---------------|
| HHs               | 24,701   | 25,752   | 0.9%          |
| Population        | 58,691   | 61,169   | 0.8%          |
| Per Capita Income | \$21,862 | \$23,164 | 1.2%          |
| Avg HH Income*    | \$49,384 | \$52,650 | 1.3%          |

## Secondary Trade Area

20 Minute Drive-Time  
from Site:

|                   | 2016     | 2021     | Annual Change |
|-------------------|----------|----------|---------------|
| HHs               | 54,962   | 57,320   | 0.9%          |
| Population        | 136,607  | 142,966  | 0.9%          |
| Per Capita Income | \$24,822 | \$26,604 | 1.4%          |
| Avg HH Income*    | \$60,218 | \$64,954 | 1.6%          |



Source: ESRI Business Analyst Online

\* Projected average HH income adjusted for inflation

# GREENVILLE IS STRONG RETAIL DESTINATION

| Strength of City's Retail           |                |
|-------------------------------------|----------------|
| Built SF of Retail in City          | 5.3m SF        |
| City's Average Retail SF per Person | 56 SF / Person |
| US Average Retail SF per Person     | 38 SF / Person |

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**Leakage** = Retail Potential > Sales  
Locals spend outside trade area (pent-up demand)

**Surplus** = Retail Potential < Sales  
Outsiders coming into trade area (imported dollars)

| Category          | Primary Trade Area<br>(10 minutes) | Secondary Trade Area<br>(20 minutes) |
|-------------------|------------------------------------|--------------------------------------|
| Compatible Retail | \$300,000,000                      | \$163,000,000                        |
| Food & Drink      | \$127,000,000                      | \$90,000,000                         |
| <b>Total</b>      | <b>\$427,000,000</b>               | <b>\$253,000,000</b>                 |



# STRENGTH OF UPTOWN RETAIL

- Uptown currently captures 6% of City's retail despite less than 1% of population
- Six new retail businesses recently opened or planned within two blocks of site
- Sidewalk Development including 20,000 SF of commercial



*Dickinson Avenue Public House*

| Number of New Retail Businesses in Uptown |                   |
|---|-------------------|
| Year                                      | # of New Openings |
| 2014                                      | 12                |
| 2015                                      | 20                |
| 2016                                      |                   |

# RETAIL: BASELINE DEMAND PROJECTIONS

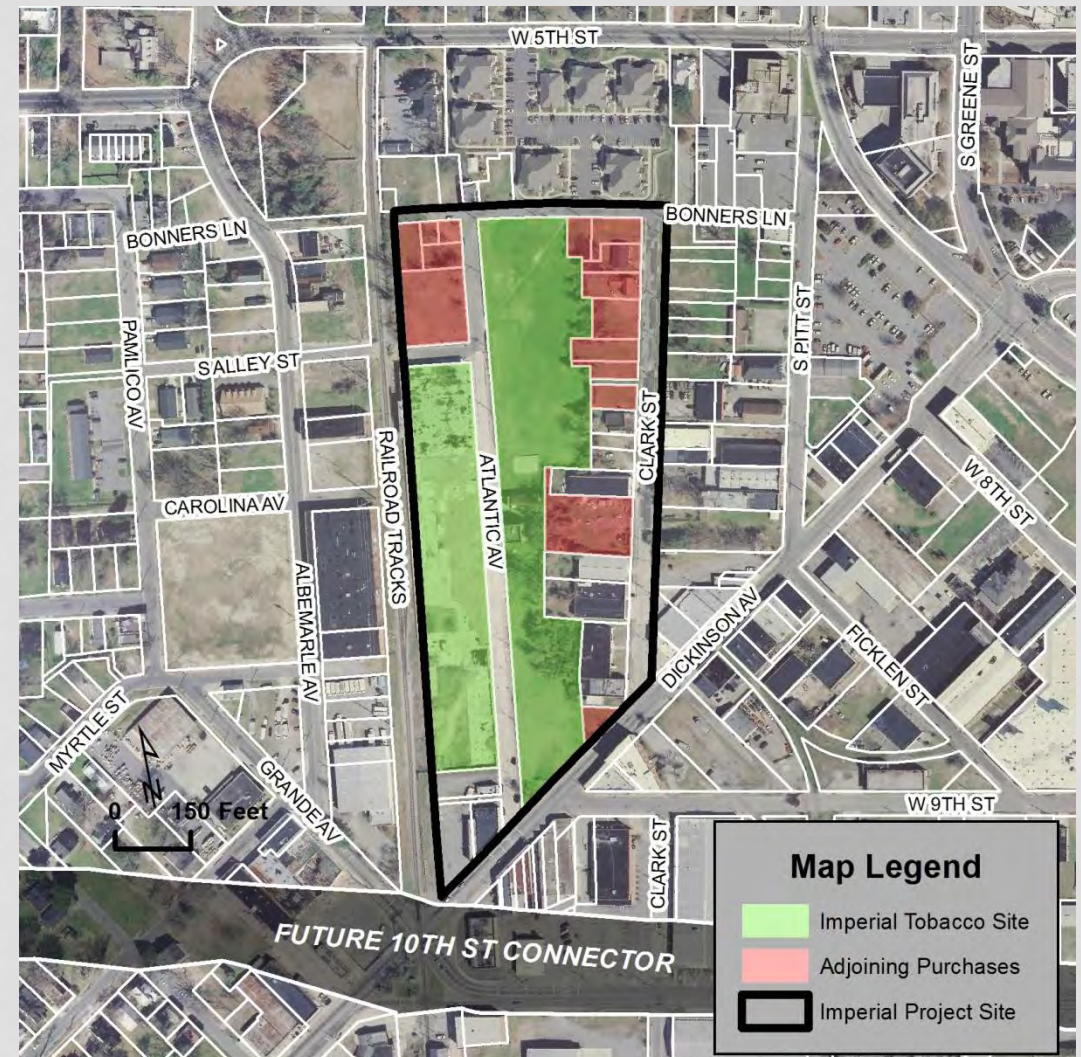
| Retail SF Demand based on 10 Minute Drive Time |                           |
|--|---------------------------|
| Projected Population Growth (2016-2021)        | 2,478                     |
| x City's Average Retail SF per Person          | 56                        |
| = Projected Retail SF over 5 Years             | 140,000 SF                |
| x Estimated Capture Rate                       | 10 - 20%                  |
| <b>= Projected SF Retail Demand</b>            | <b>14,000 - 28,000 SF</b> |

| Retail SF Demand based on 10 - 20 Minute Drive Time |                          |
|---|--------------------------|
| Projected Population Growth (2016-2021)             | 3,881                    |
| x City's Average Retail SF per Person               | 56                       |
| = Projected Retail SF over 5 Years                  | 220,000 SF               |
| x Estimated Capture Rate                            | 2.5 - 5%                 |
| <b>= Projected SF Retail Demand</b>                 | <b>5,000 - 10,000 SF</b> |

Sources: ESRI Business Analyst Online, CoStar  
 \* Northeast Prosperity Zone Projections

# RETAIL: OPPORTUNITIES AND CHALLENGES

- Opportunities to leverage
  - 10<sup>th</sup> Street Connector
  - New residential units
  - Millennial campus
  - Emerging retail district
- Challenges for developers
  - Existing and planned retail opportunities
  - Site not located along prominent corridor





# RETAIL: SUMMARY OF MARKET ANALYSIS

- Critically important for connectivity and vitality of district
- Potentially strong demand
  - Projected growth in households
  - Continued strength of Uptown and Dickinson Avenue as retail districts
- Significant existing and planned retail locations
- **Baseline demand projections: 20,000 - 40,000 SF**



*Dickinson Avenue Public House*

# MARKET ANALYSIS

OFFICE

# OFFICE TRADE AREAS

## Primary Trade Area

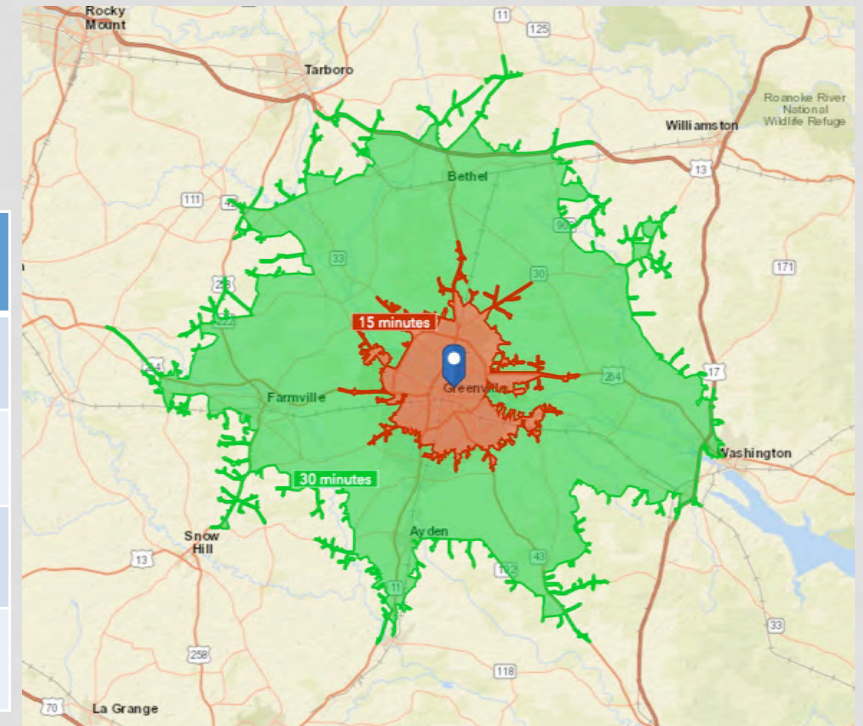
City of Greenville

## Secondary Trade Area

30 Minute Drive-Time  
from Site:

|                   | 2016     | 2021     | Annual Change |
|-------------------|----------|----------|---------------|
| HHs               | 38,304   | 40,121   | 0.9%          |
| Population        | 90,683   | 95,277   | 1.0%          |
| Per Capita Income | \$23,999 | \$25,529 | 1.3%          |
| Avg HH Income*    | \$55,717 | \$59,711 | 1.4%          |

|                   | 2016     | 2021     | Annual Change |
|-------------------|----------|----------|---------------|
| HHs               | 73,994   | 76,804   | 0.8%          |
| Population        | 187,003  | 194,852  | 0.8%          |
| Per Capita Income | \$23,482 | \$25,151 | 1.4%          |
| Avg HH Income*    | \$58,144 | \$62,658 | 1.5%          |



Source: ESRI Business Analyst Online

\* Projected average HH income adjusted for inflation



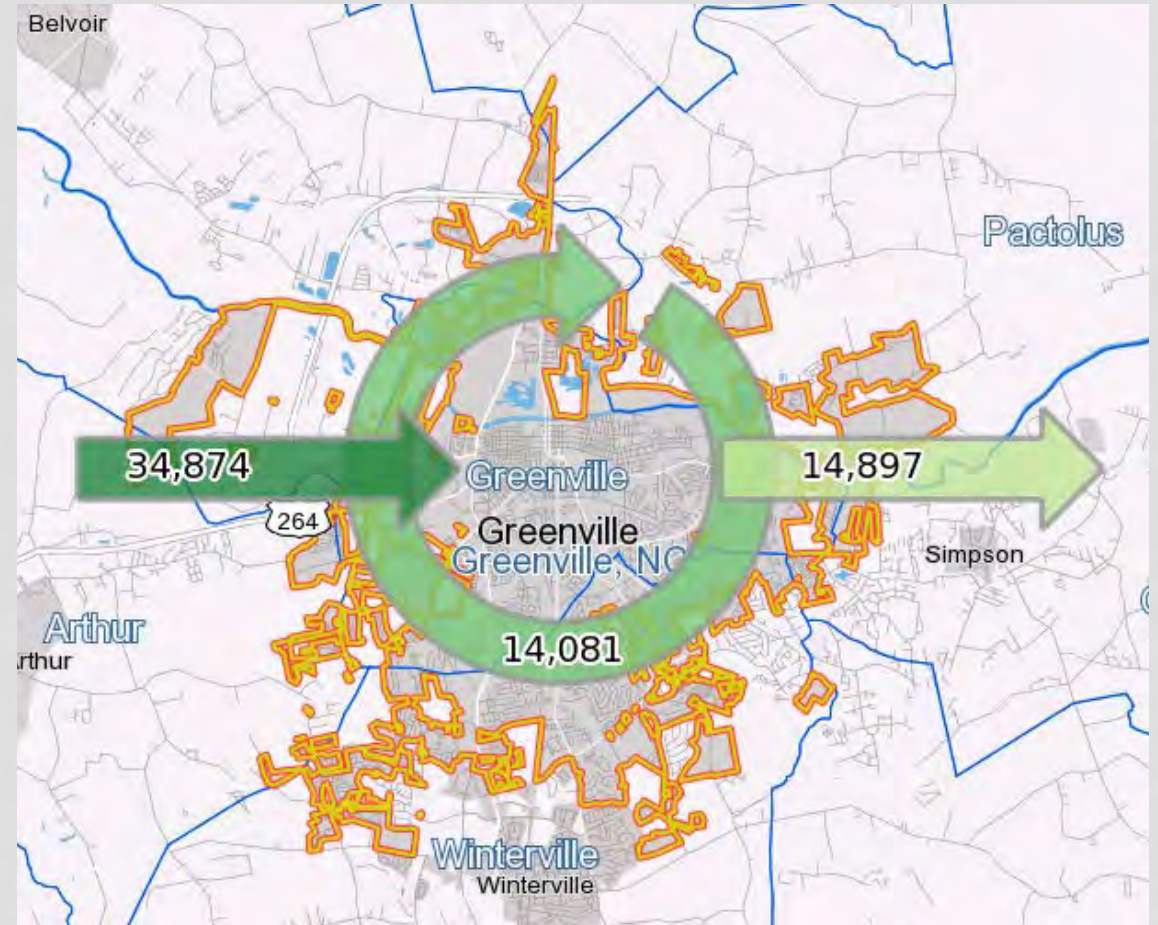
# JOB COUNTS – WHERE GREENVILLE WORKERS LIVE

## Where Pitt County Employees Live

| Where Employee Lives   | Number of Employees | Percentage Share |
|------------------------|---------------------|------------------|
| Pitt County            | 37,218              | 55.2%            |
| Outside of Pitt County | 30,299              | 44.8%            |

## Where Greenville Employees Live

| Where Employee Lives  | Number of Employees | Percentage Share |
|-----------------------|---------------------|------------------|
| Greenville            | 14,081              | 27.8%            |
| Outside of Greenville | 34,874              | 72.2%            |



# OFFICE: BASELINE DEMAND PROJECTIONS

| Office SF Demand Based on City of Greenville               |                            |
|--|----------------------------|
| Existing Office Space in City                              | 8.4m SF                    |
| Number of Office Employees in City                         | 26,467                     |
| <b>Office Space per Office Employee</b>                    | <b>320 SF</b>              |
| Projected Job Growth in City (2016-2022)*                  | 3,500                      |
| Projected Office Space Demand (2016-2022)                  | 1,312,500                  |
| x Estimated Office Capture Rate in Uptown Greenville       | 5 – 10%                    |
| <b>Projected Office Space Demand in Uptown (2016-2022)</b> | <b>66,000 – 132,000 SF</b> |

| Office SF Demand Based on 30 minute Drive-Time from Site                      |                        |
|---|------------------------|
| Projected Job Growth Within 30 Minute Drive-Time, excluding City (2016-2022)* | 1,950                  |
| x Office Space per Worker   | 320 SF                 |
| = Projected Office Space Demand (2016-2022)                                   | 624,000                |
| x Estimated Office Capture Rate in Uptown                                     | 2.5 - 5%               |
| <b>Projected Office Space Demand in Uptown (2016-2022)</b>                    | <b>16,000 - 31,000</b> |

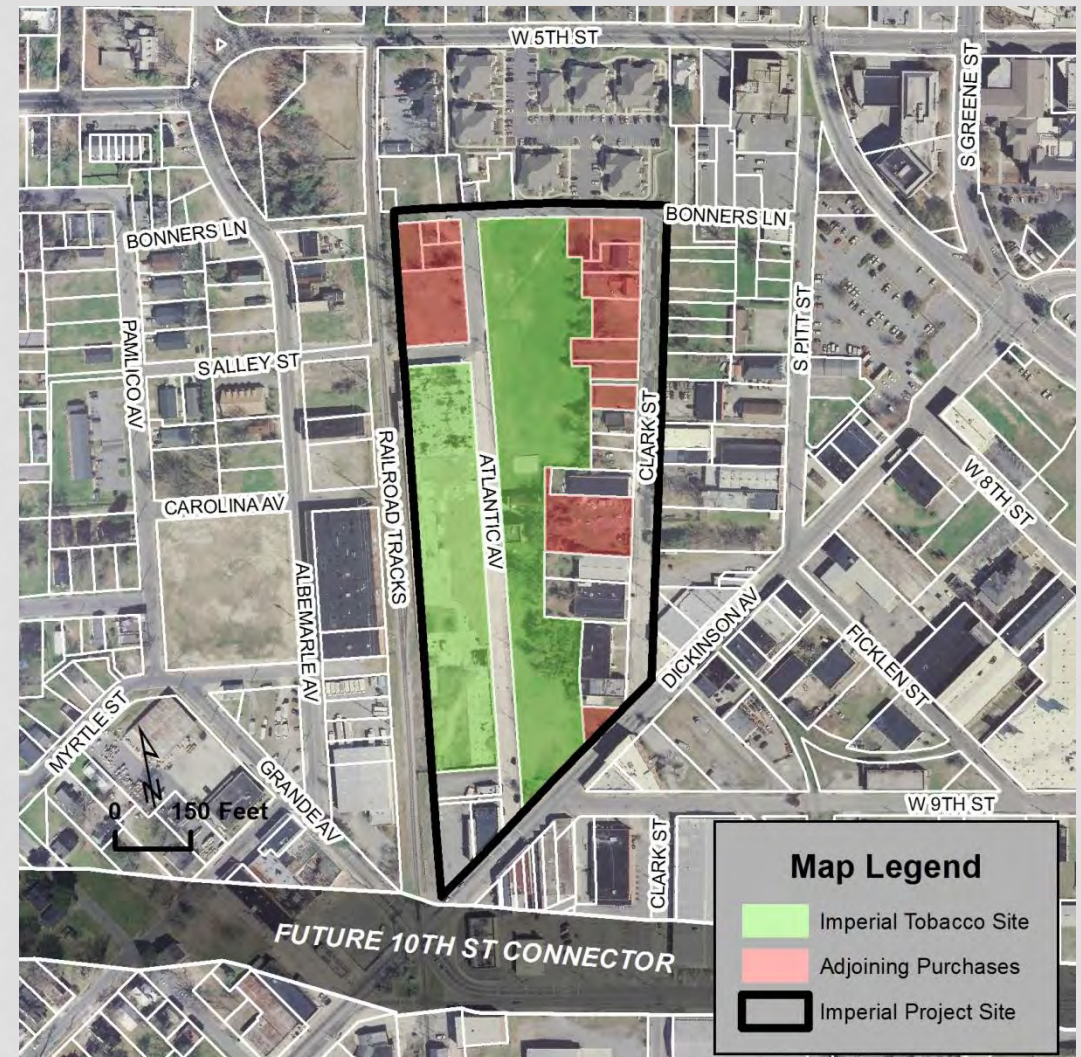
Sources: ESRI Business Analyst Online, CoStar

\* Northeast Prosperity Zone Projections



# OFFICE: OPPORTUNITIES AND CHALLENGES

- Opportunities to leverage
  - Millennial campus
  - 10<sup>th</sup> Street Connector
  - Proximity to key amenities
- Challenges for developers
  - Pre-leasing critical for financing
  - Not located in Uptown core





# OFFICE: SUMMARY OF MARKET ANALYSIS

- Healthy existing office market
- Potentially strong demand
  - Projected growth in office occupying industries
  - Strong pipeline of local employees
  - Lower cost of living
- Financing critical
- Recruitment tool for economic development
- **Baseline demand projections: 82,000 - 163,000 SF**



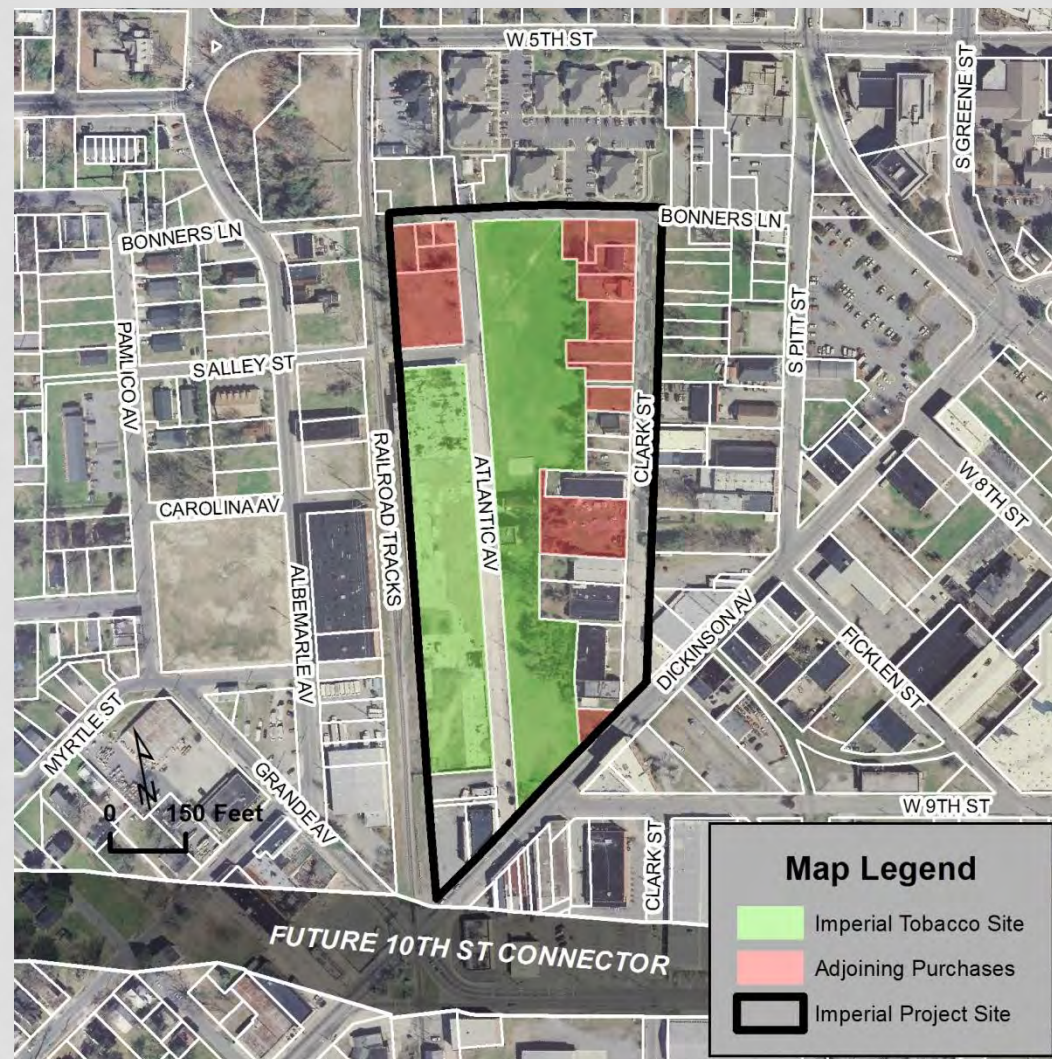
*Durham Innovation District*

# POTENTIAL MIX OF USES

| Potential Mix of Uses |                             |
|-----------------------|-----------------------------|
| Residential           | 150 - 200 market rate units |
| Retail                | 10,000 - 20,000 SF          |
| Office                | 40,000 - 60,000 SF          |
| Parking*              | 450 - 580                   |

| Parking Demands for Imperial Site                     |                  |
|---|------------------|
| City employees  | 100              |
| Sidewalk Development                                  | 200 - 220        |
| On-site developments                                  | 400 - 600        |
| Public parking  | 40 - 60          |
| <b>Total Parking Demand<br/>(assuming 40% shared)</b> | <b>450 - 580</b> |

\*Parking could include on-street, surface, and structured



**Map Legend**

- Imperial Tobacco Site
- Adjoining Purchases
- Imperial Project Site

# NEXT STEPS: KEY DATES AND REQUIRED APPROVALS

- **January 2017**
  - Mix of uses
  - Design solicitation process
- **May 2017**
  - Site design
  - PPP structure
- **June 2017**
  - Selection process
  - Solicitation document
- **September 2017**
  - Development partner(s)

DFI Presents Recommendations to Staff  
and Imperial Mill Task Force

DFI Updates Recommendations

DFI Presents to Council and Requests  
Approvals



# IMPERIAL SITE: PREDEVELOPMENT PROCESS



UNC  
SCHOOL OF GOVERNMENT

DEVELOPMENT FINANCE INITIATIVE - JANUARY 2017

Jordan Jones  
Project Manager  
Cell: 919-630-0302  
Email: [jones@sog.unc.edu](mailto:jones@sog.unc.edu)