

City Council Meeting

January 8, 2018



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Item 7

Presentations by Boards and
Commissions

a. Environmental Advisory
Commission



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Environmental Advisory Commission

- Durk Tyson, 2017 Chair
- Emilie Kane, 2017 Vice-Chair
- David Ames
- Drake Brinkley
- Nathaniel Hamilton
- Diego LLerena
- Ann Maxwell



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Support to EAC

- Brian Meyerhoeffer – Council Member (current)
- Kevin Mulligan – Public Works Director
- Daryl Norris – Civil Engineer II
- Lisa Kirby – Senior Engineer
- Amanda Braddy – Administrative Assistant



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EAC Goals

1. Identify and deploy ways to promote environmental education and engage citizens (including students) in addressing environmental (sustainability) issues.

Actions:

- a) Increase public awareness of the Watershed Master Plans.
- b) Continue to administer and champion the EAC Grant Program.
- c) Participate in 2017 Earth Week Events.
- d) Develop educational segments for GTV9 that highlight EAC's mission and current initiatives.
- e) Increase recycling initiatives.



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EAC Goals cont'd.

2. Continue engagement with Council and other Boards and Commissions.

Actions:

- a) Assign commission members (liaisons) to follow Boards and Commissions that may consider and/or advise on environmental issues. The liaisons will provide quarterly updates to EAC on topics that have potential for partnering or collaboration.

Redevelopment Commission – Durk Tyson

Greenville Utilities Commission – Durk Tyson

Greenville Bike & Pedestrian Commission – Emilie Kane

Recreation and Parks Commission – Nathaniel Hamilton

Community Appearance Commission – David Ames

Neighborhood Advisory Board – Ann Maxwell

Public Transportation & Parking Commission – Emilie Kane

Planning & Zoning Commission – Drake Brinkley



EAC Goals cont'd.

3. Identify and suggest ways to reduce volume of our waste.

Actions: Toured East Carolina Vocational Center



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EAC Goals cont'd.

4. Seek ways to conserve and protect our water resources.

Actions:

- a) Provide guidance and recommendations to City Council on the utilization of the Watershed Master Plans. This includes water quality monitoring results completed as part of the master planning process.



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EAC Goals cont'd.

5. Identify ways to increase renewable energy production.

Status: In partnership with Sierra Club, EAC will continue collaboration in presenting a Clean Energy Discussion to highlight best management practices that may be utilized within the City of Greenville.

Actions:

- a) Facilitate Commission and/or Council presentation on renewable energy options for City activities.
- b) Develop resolution focusing on adoption of renewable energy initiatives.
- c) Explore feasibility of Sustainability Coordinator for the City of Greenville.



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Thank You



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NORTH CAROLINA

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Item 8

Presentation of the Student and
Market-Rate Housing Analysis



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Student and Market-Rate Apartment Housing Analysis

CITY OF GREENVILLE
08 JANUARY 2018



Project Description & Major Tasks

Project Description: to determine whether the supply of private, off-campus student and market-rate communities, both existing properties and those approved for construction, could saturate the apartment housing market.

- Describe economic drivers and community anchors
- Profile ECU and PCC student enrollment
- Prepare comparable university case studies
- Analyze employment and demographic trends
- Review performance of existing student and market-rate apartment product
- Highlight announced apartment development activity
- Reconcile current and future supply with projected demand

Public Input Summary



Public Input Opportunities

Stakeholder Interviews

- Public-Sector Session (October 3rd and 4th)
- Private-Sector Session (November 6th)

Public Workshop on October 3rd

ECU Student Forum on November 6th



Affordability



Connectivity



Demographics



Location/
Distribution



Quality



Safety

Local Education Profiles



East Carolina University

Total enrollment of 29,131 students

- 23,265 undergraduates
- 5,331 graduates

Distance learning comprises 23.7% of total enrollment

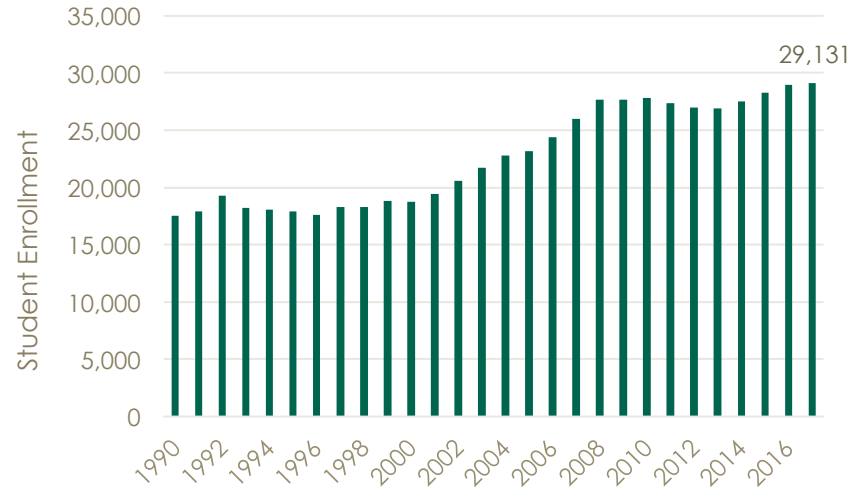
Growth modest since 2008

Approximately 80% of students live off-campus

- Freshman stay on-campus
- Most relocate off-campus after first year

Feedback from ECU suggests similar growth rates in future

ECU Student Enrollment Trends, 1990-2017



Source: ECU

Pitt Community College

Total enrollment of 22,022 students

- 11,678 curriculum programs
- 10,344 continuing education

Almost one-third of the curriculum students attend full-time

No on-campus housing

Demand for student housing far more varied than ECU

Economic cycles impact growth



Pitt Community College, 2017

Demographics & Employment



Population & Households

Greenville has added nearly 6,300 people since 2000

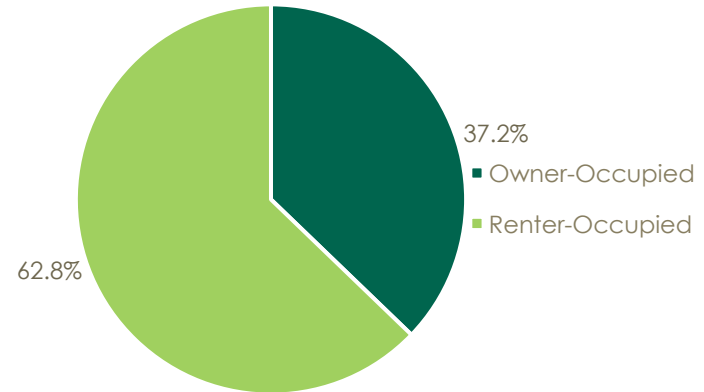
Driven by ECU and PCC, residents aged 15-24 make up 28% of total

Median household income \$36,425

Socio-economic traits:

- Greenville dominated by student profile types
- Young with focus on education
- Mobile as they begin careers
- Apartments are important housing type

Household Tenure, City of Greenville, 2010



Source: US Census, ESRI

Jobs

Important driver of market-rate apartments

Local economy dominated by Education and Healthcare

Pitt County added nearly 5,200 jobs in the last five years

Approximately 73% of all jobs in Pitt County are in Greenville

- Healthcare & Education = 45%
- Leisure and Hospitality = 16%

Annual Net New Job Growth, Pitt County, 2005-2016



Source: North Carolina Labor and Economic Analysis Division

Apartment Performance



Off-Campus Student Apartments

Data focuses on larger, professionally-managed communities

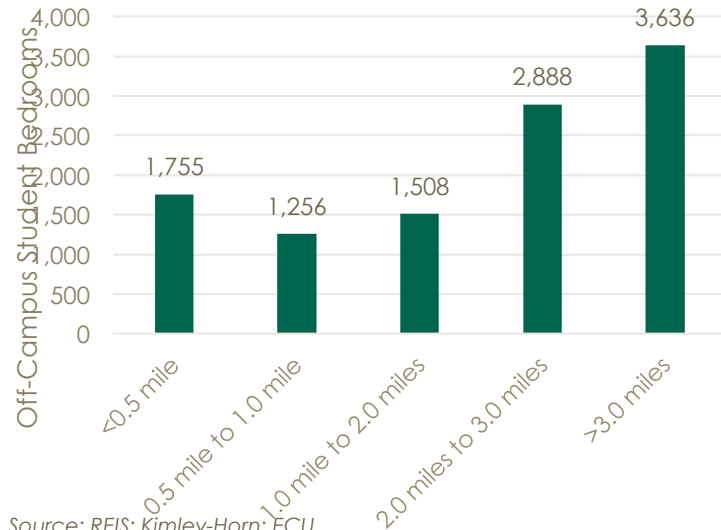
- Measured by bedrooms
- 16 properties tracked and inventoried
- Not exclusive to students

Over 11,000 bedrooms targeting students

Nearly one-third located more than three miles from campus

+/-7,000 bedrooms completed in the 2000s during period of high growth

Bedrooms by Distance from ECU Campus, 2017



Off-Campus Student Apartments

Aggregate vacancy rate at student-targeted communities is 11.6% (nearly 1,300 available bedrooms)

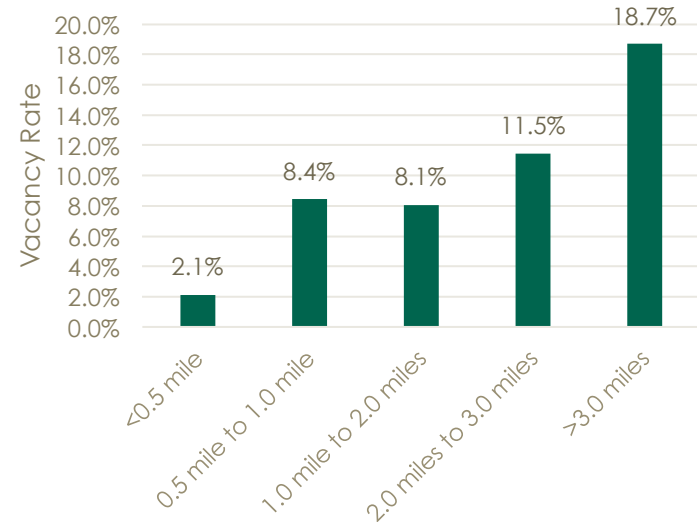
Vacancy highest at communities furthest from campus

- Communities more than three miles from ECU have vacancy rate of 18.7%
- Impacted by Paramount 3800 (formerly Captains Quarters)

Rents decline further from campus

- \$645 per bedroom/month within 0.5 mile
- \$484 per bedroom/month beyond three miles

Vacancy Rate by Distance from ECU Campus, 2017



Source: REIS; Kimley-Horn; ECU

Off-Campus Student Apartments

Comparable Student-Targeted Communities, Greenville, 2017

Map Key	Community	Location	Management	Year Open	Bedrooms by Floorplan				Total Bedrooms	Avg. Rent/Bedroom
					1BR	2BR	3BR	4BR		
1	The Province	504 Boxelder Way	EDR	2010	31	62	171	464	728	\$611
2	The Boundary at West End	630 Cotanche Street	Preiss	2015	71	172	135	172	550	\$797
3	First Street Place	400 West 1st Street	Campus Advantage	2009	113	130	45	0	288	\$708
Subtotal/Avg. <1.0 Mile from Campus					215	364	351	636	1,566	\$694
4	Copper Beech	2001 Copper Beach Way	ACH	2008	72	178	390	592	1,232	\$517
5	The Bellamy	2200 Bellamy Circle	Caliber Living	2008	0	176	0	880	1,056	\$439
6	The Landing	1920 Exchange Drive	Pierce	2007	0	216	144	528	888	\$597
Subtotal/Avg. >1.0 Mile from Campus					72	570	534	2000	3,176	\$514
Total/Avg.					287	934	885	3,272	4,742	\$573
Share					6.1%	19.7%	18.7%	69.0%		

Source: ECU; REIS; Kimley-Horn

Six comparable student targeted communities selected to demonstrate most competitive product

Impact of proximity in vacancy and rents even more clearly demonstrated than in market-wide data

Market-Rate Apartments

Data focuses on professionally-managed communities with more than 25 units

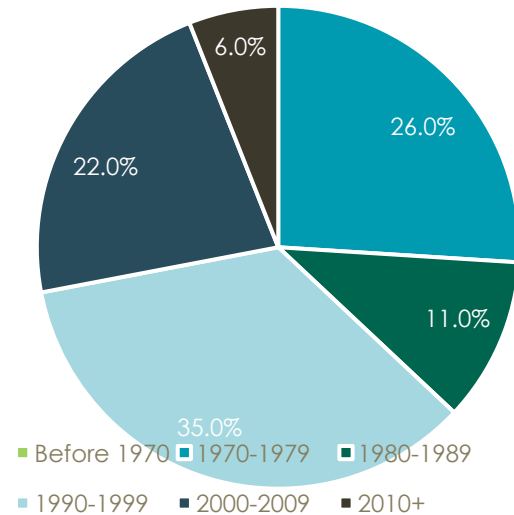
- Measured by units; lease to households
- Residents are not restricted

Nearly 5,200 market-rate units in Greenville

35% completed between 1990 and 1999

Newest product has gravitated to northwestern Greenville, capitalizing on proximity to Vidant

Share of Market-Rate Inventory by Decade Completed, 2017



Source: REIS; Kimley-Horn

Market-Rate Apartments

Vacancy rates have notably declined between 2011 and 2017, reaching 2.6% in third-quarter 2017

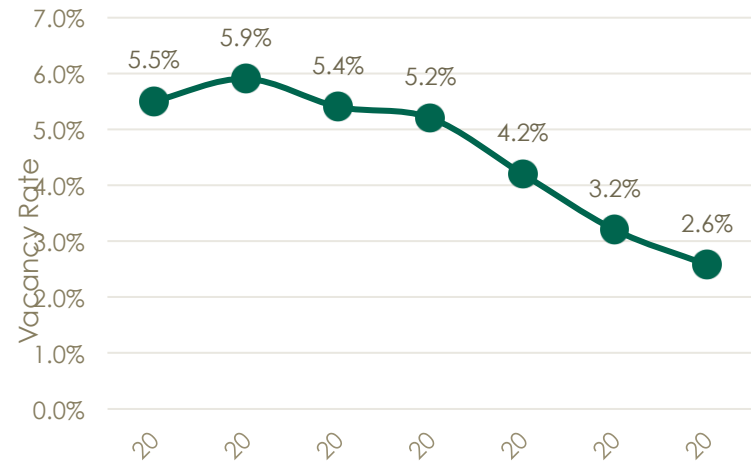
Industry standard ~7.0% represents healthy market

Average lease rates have increased by 16.4% since 2011

- Limited new supply
- Introduction of product with a higher standard for features and amenities

Average monthly rent is \$761 per unit for market-rate product in Greenville

Market-Rate Vacancy Trends, Greenville, 2017



Source: REIS; Kimley-Horn

Market-Rate Apartments

Comparable Market-Rate Communities, Greenville, 2017

Map Key	Community	Location	Management	Year Open	Unit Mix				Avg. Sq. Ft.	Avg. Rent	Rent/ Sq. Ft.
					1BR	2BR	3BR	Total			
1	Waterford Place	2792 Stantonsburg Road	Consolidated Management	2003	42	348	42	432	1,022	\$965	\$0.94
2	Meridian Park	2707 Meridian Drive	Meridan Park Apartments	1994	190	184	0	374	1,006	\$829	\$0.82
3	The Heritage at Arlington	2700 W Arlington Boulevard	Consolidated Management	2012	117	176	31	324	1,031	\$1,077	\$1.04
4	The Pointe at Wimbledon	153 Wimbledon Drive	Synco Properties	2001	53	209	18	280	928	\$882	\$0.95
5	The Berkeley at Medford Pointe	3400 Briarcliff Drive	Eastern Property Management	2016	108	108	0	216	957	\$971	\$1.01
6	The Madison Apartments	8 Hyde Drive	Synco Properties	1990	72	144	0	216	1,222	\$912	\$0.75
Total/Avg.					582	1,169	91	1,842	1,022	\$939	\$0.92
Share					31.6%	63.5%	4.9%				

Source: REIS; Kimley-Horn

Six comparable communities selected to demonstrate the most competitive product

Average 1,022-square-foot unit leases for \$939 per month or \$0.92 per square foot

Comparable communities have aggregate vacancy rate of 1.5%, representing only 28 available units

Apartment Supply



Future Pipeline

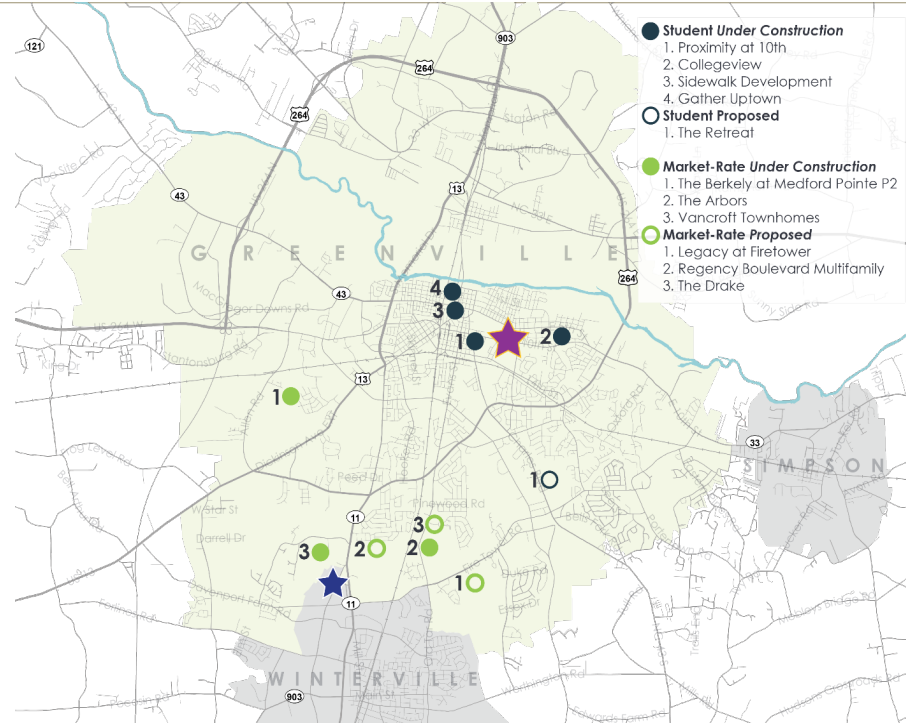
Apartment development has been heavily weighted towards student-targeted product

Student-targeted

- Under construction = 1,930 bedrooms
- Proposed = 656 bedrooms

Market-rate

- Under construction = 281 units
- Proposed = 508 units



Apartment Demand



ECU Student Enrollment Forecast

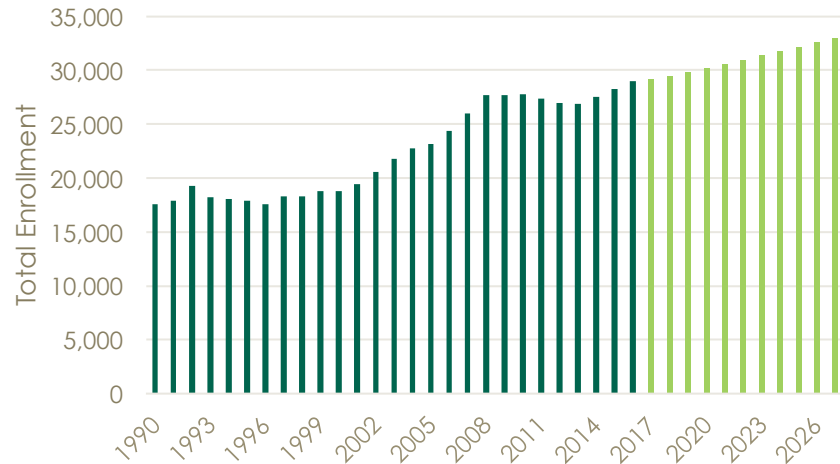
Based on 2015 *Enrollment Management Report*, coupled with university feedback

Forecasts can be impacted by a variety of factors, and can change based on state funding

Enrollment could increase by nearly 4,000 students by 2027

- Undergraduate = 85% of increase
- Graduate = 15% of increase

Student Enrollment Forecast, ECU, 2017-2027



Source: ECU; Kimley-Horn

PCC Student Enrollment Forecast

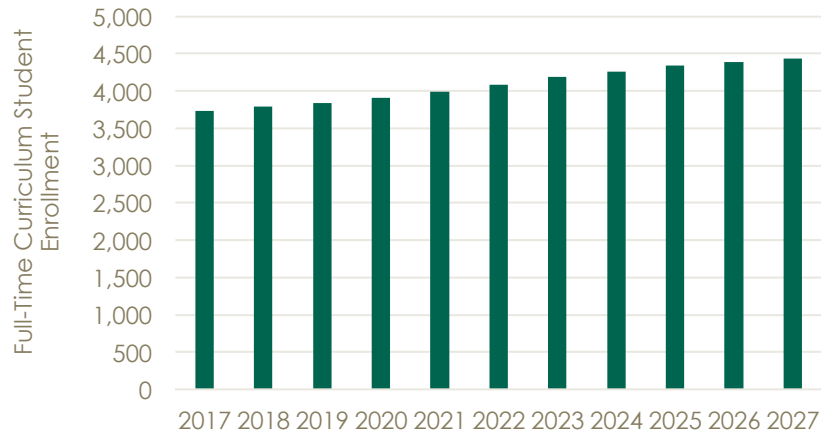
More limited information available; forecasts based on feedback from PCC

More reactive to economic cycles

Full-time curriculum students could increase by 700 over the next ten years

- Most likely to drive demand for nearby student targeted housing
- Equates to ~70 new full-time curriculum students/year

Student Enrollment Forecast, Pitt Community College, 2017-2027



Source: PCC; Kimley-Horn

Student Apartment Demand

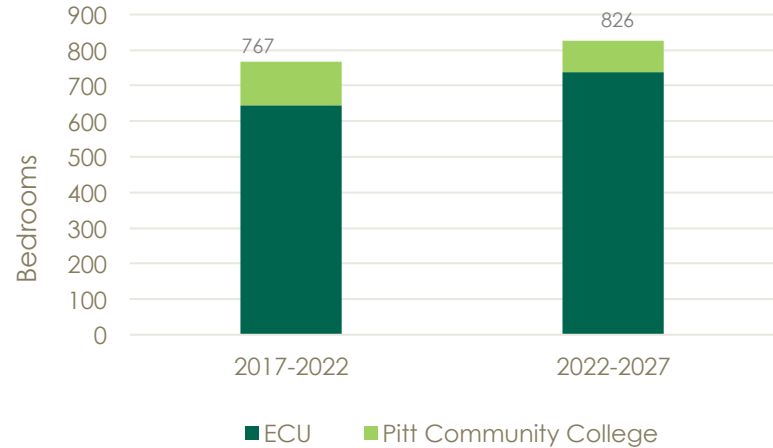
Demand for off-campus student housing communities is based on capture assumptions by enrollment profile

- Considers on- versus off-campus splits
- Excludes distance learning growth
- Considers demand for professionally managed communities versus alternatives

Combining ECU and Pitt Community College equates to ten-year off-campus demand of nearly 1,600 bedrooms

Majority of the demand is expected to come from ECU

Off-Campus Student Apartment Demand, 2017-2027



Source: Kimley-Horn

Student Supply & Demand Reconciliation

Forecasted demand of 1,593 bedrooms is less than future supply

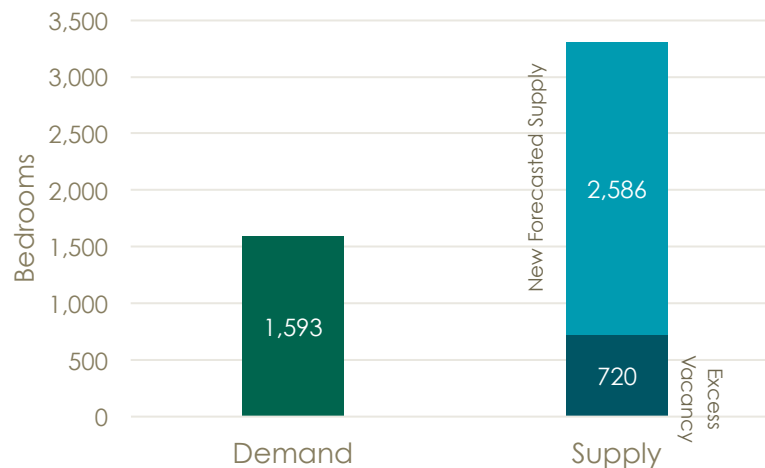
- 1,930 bedrooms under construction to deliver in next two years
- Additional 656 bedrooms proposed

Including the current excess vacancy, adds another 720 bedrooms to the market for absorption

Enrollment forecasts are based on the best information available today

Market headed towards saturation, especially with significant influx next year

Student Apartment Supply and Demand Reconciliation, 2017-2027



Source: Kimley-Horn

Household Forecast

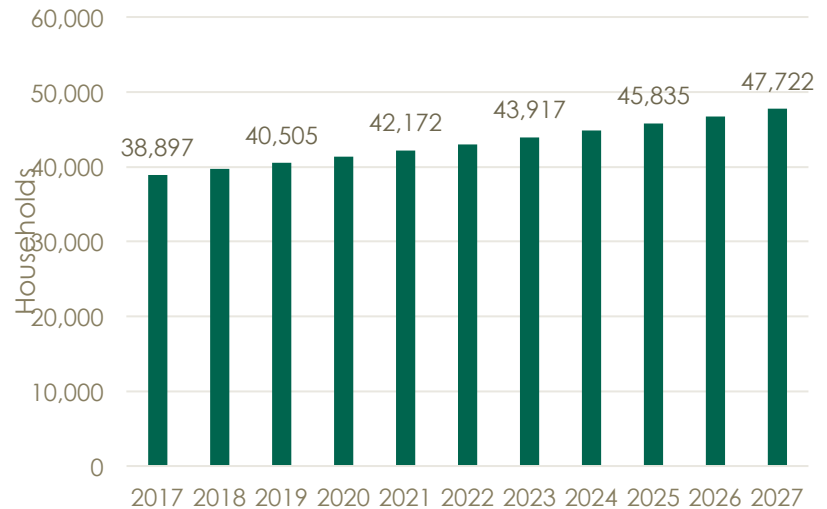
Forecast methodology considers historic trends and future potential

Based on increase of over 20,000 new residents over the next 10 years

Assumes limited change in the person per household measure (2.34)

City of Greenville could reach 47,772 households by 2027, an increase of 8,852, or 22.7%

Household Forecasts, Greenville, 2017



Source: Kimley-Horn

Market-Rate Apartment Demand

Market-Rate Apartment Demand, 2017-2027

	2017	2027	2017-2022 Δ	
			#	%
Greenville Household Forecast	38,897	47,722	8,825	22.7%
Submarket Household Growth			8,825	
Forecasted Market-Rate Renter Share			20.0%	
Estimated Market-Rate Renter Demand			1,765	

Source: Kimley-Horn; ESRI

Market-rate demand forecasted by analyzing household growth in Greenville

Relies on a 20% market-rate apartment capture; lower than 62.8% current share

- Targets non-student renters over the age of 24 that earn more than \$25,000 per year
- Also considers potential to attract graduate and medical students

Demand of 1,765 net new market-rate units supported in Greenville through 2027

Market-Rate Supply & Demand Reconciliation

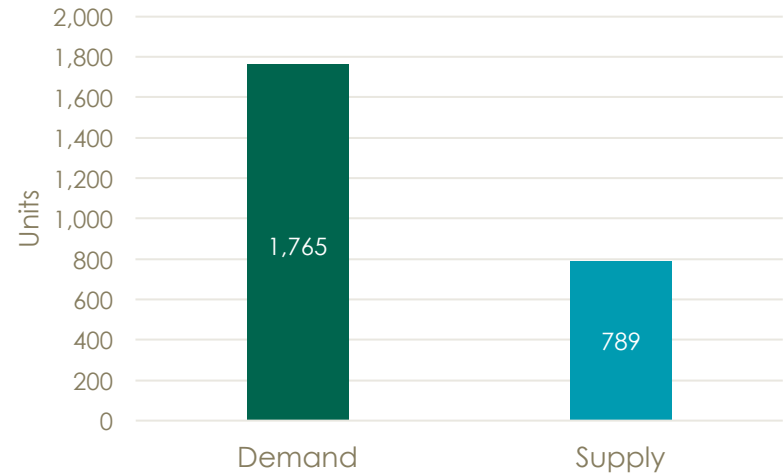
Forecasted demand of 1,765 units is more than future supply

Market-rate product appeals to a wide array of renter profiles, including students

New market-rate development has been limited; could be restricted by barriers to entry, including lower rent thresholds

Does not include pent-up demand that exists with a low vacancy rate of 2.6%

Market-Rate Apartment Supply and Demand Reconciliation, 2017-2027



Source: Kimley-Horn

Conclusion

For student housing, proximity to campus has been clearly highlighted in trend data, both nationally and in Greenville

- Occupancy at student-targeted apartment communities located further from ECU's campus have been impacted more noticeably than newer ones closer to Uptown and campus
- Communities further from campus have been adjusting pricing to stay competitive

Offering a variety of price points for student tenants is critical; student finances vary significantly

Although some non-students do live at the existing off-campus communities, the design of student-targeted communities limit the target market; it is challenging to repurpose larger three- and four-bedroom units for families/households

New market-rate apartments have gravitated to job centers, primarily Vidant, as well as along corridors that offer easy access to retail goods and services; to-date Greenville has not attracted a significant amount of market-rate housing with pedestrian access to Uptown, a trend that diverges from national momentum

Student and Market-Rate Apartment Housing Analysis

CITY OF GREENVILLE
08 JANUARY 2018



Item 9

Budget Ordinance Amendment #6 to the 2017-2018 City of Greenville Budget (Ordinance #17-040), the Capital Reserve Fund (Ordinance #17-064), and the Capital Projects Fund (Ordinance #17-024)



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CITY OF GREENVILLE
BUDGET ORDINANCE AMENDMENT #6

Budget Ordinance Amendment #6 Includes Adjustment to the Following Funds:

- **General Fund**
- **Enterprise Capital Projects Fund**
- **Stormwater Fund**
- **Transit Fund**
- **Housing Fund**
- **Capital Reserve Fund**

CITY OF GREENVILLE
BUDGET ORDINANCE AMENDMENT #6

<u>Description</u>	<u>Funds Impacted</u>	<u>Amount</u>
A. Transfer Watershed Master Plan Capital Projects From Stormwater Utility Fund to Watershed Master Plan Capital Project Fund	Stormwater Fund Enterprise Capital Project Fund	\$1,326,000
B. Transfer Contracted Services From the Stormwater Utility Fund to the General Fund	General Fund Stormwater Fund	\$ 95,000
C. Recognize Funds Received From Federal and State Resources as well as Matching Funds for the Purchase of Four Transit Buses	Transit Fund	\$1,875,992

CITY OF GREENVILLE
BUDGET ORDINANCE AMENDMENT #6

<u>Description</u>	<u>Funds Impacted</u>	<u>Amount</u>
D. Recognize Estimated Revenues to be Received from the Red-Light Safety Camera Program. These Funds will be Passed Through to the Pitt County Board of Education	General Fund	\$1,337,500
E. Recognize Funds that have Rolled Over From Previous Years as well as Current Year Award for the Housing Fund	Housing Fund	\$4,440,417
F. Recognize Funds Received for Sidewalk on Evans Street as Part of NCDOT's Evans Street Widening Project	General Fund Capital Reserve Fund	\$ 11,200

CITY OF GREENVILLE
BUDGET ORDINANCE AMENDMENT #6

<u>Description</u>	<u>Funds Impacted</u>	<u>Amount</u>
G. Reclassify Funds From the Financial Services Budget to the Fire/Rescue Budget to Cover the Costs Associated with EMS Billing Staff	General Fund	\$ -

CITY OF GREENVILLE
BUDGET ORDINANCE AMENDMENT #6

2017-18 Contingency Fund Budget \$ 200,000

Appropriations as of Amendment #6

NC League of Municipalities Conference	\$ (50,000)	
Lawn Maintenance- Recreation and Parks	(50,000)	
Community Development Housing Analysis	(20,000)	
Uptown Greenville Contract Increase- Yr 2	<u>(50,000)</u>	
		(170,000)

Contingency Available for Appropriation per Amend #6 \$ 30,000

CITY OF GREENVILLE
BUDGET ORDINANCE AMENDMENT #6 SUMMARY

City of Greenville Operating Fund Budget per Amendment #6:

Fund	Budget	%
General	\$ 92,156,088	61.3%
Debt Service	5,448,934	3.6%
Public Transportation	4,746,577	3.2%
Fleet Maintenance	4,337,071	2.9%
Sanitation	7,619,286	5.1%
Stormwater Utility	8,185,766	5.4%
Housing	1,424,149	0.9%
Health Insurance	13,135,690	8.7%
Vehicle Replacement	5,268,695	3.5%
Facilities Improvement	3,042,730	2.0%
Capital Reserve	5,093,803	3.4%
Total	\$ 150,458,789	100.0%

CITY OF GREENVILLE
BUDGET ORDINANCE AMENDMENT #6 SUMMARY

RECOMMENDATION

Approve Budget Ordinance Amendment #6 to the 2017-18 City of Greenville budget (Ordinance #17-040), the Capital Project Fund (Ordinance #17-024), and the Capital Reserve Fund (Ordinance 17-064).

City Council Meeting

January 8, 2018



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