

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROJECT INVOLVEMENT AND COST SHARING AGREEMENT WITH CHI GREENSBORO LLC FOR THE CONSTRUCTION OF THE EUGENE PARKING DECK AND AUTHORIZING A NOT TO EXCEED AMOUNT OF \$30,000,000 FOR THE PROJECT

WHEREAS, pursuant to Resolution #264-17, on September 19, 2017 the City Council found that the Eugene Downtown Development Project it is likely to have a significant effect on the revitalization of the City's central business district;

WHEREAS, pursuant to Section 4.55 of the City of Greensboro Charter, the City Council finds that this project will promote and enhance economic development;

WHEREAS, pursuant to Section 16-156 of the Greensboro City Code of Ordinances, the City of Greensboro operates a Public Enterprise which provides public off-street parking in the City and downtown, the public portion of the Eugene Parking Deck is a significant addition to the City's Parking Enterprise;

WHEREAS, the Eugene Downtown Development Project is defined into two phases; Phase One will consist of the complete design and construction of the Eugene Parking Deck, a public/private parking structure of approximately 1,050 public spaces and private basement parking and ground floor retail space, and the Stadium Office Project, an approximate 75,000 ± square foot office building to be constructed by Downtown Slugger LLC on a portion of the property now owned by Greensboro Baseball, LLC; Phase Two of the Project is intended to consist of the private construction of an additional 15-20 stories of hotel, office, and/or residential space on top of the Eugene Parking Deck and to be constructed by CHI Greensboro LLC and/or an affiliated entity known as Park Lot LLC.;

WHEREAS, the Eugene Parking Deck project will be designed to support the anticipated 15-20 stories of additional development on top of the parking deck (Phase Two) and its planned parking demand of 450 parking spaces, to provide additional parking capacity in the parking deck to accommodate hourly parkers and additional high density development in the northwest quadrant of downtown; and when complete, Phase Two of the project is envisioned to be a signature building in the City;

WHEREAS, pursuant to Resolution #264-17 and the Downtown Development Project and Parking Agreement, the City has committed to providing parking to Downtown Slugger LLC and its tenants in the new parking structure and Downtown Slugger LLC has committed to invest at least \$17 Million in the construction of the new 75,000 ± square foot office building;

WHEREAS, pursuant to Resolution #098-17 and the Downtown Development Agreement dated August 7, 2017, the City has committed to paying up to \$2 Million to CHI Greensboro LLC for the design of the new parking structure;

WHEREAS, City and Park Lot LLC agree that the value of the parcel on which the Eugene Parking Deck will be located, except for certain rights to be reserved by Park Lot LLC for private basement-level parking, ground floor retail space, Phase Two space above the deck, and a 24 foot alley, shall be \$2.5 Million (and is comparable to the cost of other property recently acquired by the City for the Tanger Performing Arts Center project and February One Parking Deck project and is reasonable for a project of this magnitude). The parcel shall be provided to

the City at no cost and shall be included as a cost borne by CHI Greensboro LLC in the total costs of the Eugene Downtown Development Project;

WHEREAS, the City shall pay for the design of the public components of the Eugene Parking Deck and, plans to publicly bid, build, and finance the parking deck as a City project;

WHEREAS, CHI Greensboro LLC, or an affiliated entity, shall pay for the construction of the private components of the Eugene Parking Deck (also referred to as Phase One of the Project) and shall provide documentation to the City that it has adequate financing or has funds available for the investment in the construction the Eugene Street Parking Deck;

WHEREAS, the Eugene Street Parking Deck project will be subject to the requirements of the City's MWBE Program Plan;

WHEREAS, the current anticipated cost of the project is \$30 Million which will be funded by limited obligation bonds issued in 2018;

WHEREAS, annual operating expenses and debt service costs totaling approximately \$2.3 million will be funded from operating revenues from the new deck, existing parking fund revenues, and general fund revenues.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

- (1) That the foregoing whereas clauses are adopted as findings and incorporated herein.
- (2) That the City of Greensboro shall pay for the design and construction of the public components of the Eugene Parking Deck and, plans to publicly bid, build, and finance the parking deck as a City project.
- (3) That CHI Greensboro LLC, or an affiliated entity, shall pay for the construction of the private components of the Eugene Parking Deck.
- (4) That the City Manager is authorized to negotiate and execute an appropriate project involvement and cost sharing agreement with CHI Greensboro LLC for the construction of the Eugene Parking Deck project. This agreement will allow CHI LLC to be involved in the project development/construction and to properly evaluate and separate the private versus public components, responsibilities, and costs of the project.
- (5) That based on current planning cost estimates, the Eugene Parking Deck project is currently estimated to cost approximately \$30,000,000 (estimated \$2,000,000 for design and \$28,000,000 for construction) to complete and, will serve as the authorized not to exceed amount for the project until such time more detailed project plans and cost estimates are available. Once available, staff will present the revised project cost estimates to City Council for review and consideration of potential adjustments to the authorized budget and not to exceed amount for the Eugene Parking Deck project.
- (6) That the City is authorized to expend up to \$30,000,000 for the project.
- (7) That the Eugene Parking Deck project will be subject to requirements of the City's MWBE Program Plan.
- (8) That the Mayor is authorized to execute any necessary deeds, easements, or other closing documents to effectuate the construction of the Eugene Parking Deck Project.
- (9) That City Council shall consider and approve the award of the final construction contract for the Eugene Parking Deck project.