



Legislation Text

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Resolution Approving the Sale and Option of Land in the South Elm Redevelopment Area to Union Square Campus, Inc.

Department: Planning
Council District: 2

Public Hearing: No
Advertising Date/By: N/A

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PURPOSE:

The Redevelopment Commission of Greensboro proposes to convey to Union Square Campus, Inc. for development of a downtown university campus building approximately 1.1 acres with an option on approximately 0.9 acres within the South Elm Street Redevelopment area, now known as Union Square @ South Elm. City Council must approve the conveyance, subsequent to a recommendation by the Commission.

BACKGROUND:

In November 2013, Opportunity Greensboro announced its intention to locate a downtown university campus at the South Elm Street Redevelopment site. At the February 4, 2014 meeting, City Council passed a resolution of support for the Union Square Campus (Attachment A), which included direction to the City Manager and staff to develop a funding methodology to help support provision of up to two (2) acres of land and 250 parking spaces at no cost to USCI.

On November 19, 2014, the Redevelopment Commission of Greensboro approved a Sale/Development Agreement (Attachment B) with Union Square Campus Inc. (USCI) for construction of the first building of a downtown university campus at the corner of Lee and Arlington Streets (Alternate A). The Agreement includes an option for USCI to acquire an additional parcel of approximately 0.9 acres at the corner of Lee and South Elm Streets for construction of a second building. The Agreement was subject to a 10-day upset bid process, which has been advertised in accordance with state redevelopment law. On January 8, 2015 a revised agreement was approved by the Redevelopment Commission to reflect the building size and location of the option parcel.

On January 5, 2015 and January 8, 2015, the Redevelopment Commission met to consider approval of an alternative Sale/Development Agreement (Attachment C) for construction of the first building at the corner of Lee and South Elm Streets (Alternate B). This Agreement includes an option for USCI to acquire approximately 0.9 acres at the corner of Lee and Arlington Streets for construction of the second campus building. This Agreement was approved by the Redevelopment Commission on January 8, 2015, and is subject to a 10-day notification period, and will be advertised in accordance with state redevelopment law.

On January 8, 2015 the Redevelopment Commission further approved a motion indicating their preference of Alternate A over Alternate B based on several factors discussed, including concerns about building scale, mix of uses, additional costs and schedule delays.

The relative locations for Alternates A and B are shown on Attachment D. Actual acreage and dimensions of the selected Alternate will be determined by survey.

The Terms and Conditions of both Sale/Development Agreements include:

- Description of the parcel of land to be conveyed at no cost;
- Description of improvements to be constructed;
- Submission and approval of financing capacity to complete development;
- Five-year option to acquire an additional 0.9-acre \pm parcel at no cost for development of the second building of the Campus;
- Compliance with Union Square @ South Elm Design Guidelines, Green Development Standards, and Conditions/Covenants/Restrictions;
- Compliance with South Elm Street Brownfields Agreement Land Use Restrictions;
- Compliance with City of Greensboro MWBE Guidelines;
- Submission and approval of plans and specifications;
- Construction start and completion time frame;
- Remedies for default and/or breaches of contract;
- Release of Option to Acquire by the South Elm Development Group to allow for land conveyance to USCI at no cost; and
- Agreement between USCI and the City of Greensboro to provide 250 surface or structured parking spaces for non-exclusive use at no capital cost to USCI.

The primary difference between the two agreements relates to the option parcel and the associated building requirements. Alternative A requires a future building of at least four stories and at least 85,000 square feet to be constructed on the option parcel located at South Elm and Lee Streets. Alternative B requires a building of at least three stories and at least 83,000 square feet to be constructed on the option parcel located at Arlington and Lee Streets.

BUDGET IMPACT:

Land sales revenue was intended to be used to repay the Section 108 Loan awarded to the City by the US Department of Housing and Urban Development (HUD). Loan funds were used for site assembly and environmental remediation. Disposition of this land will reduce the revenue available to repay the Section 108 Loan by up to \$900,000 based on the per-acre sales price set in the Master Development Agreement. Loan payments equivalent to the value of the land conveyed will be budgeted from future Community Development Block Grants (CDBG) entitlement funds.

RECOMMENDATION / ACTION REQUESTED:

The Redevelopment Commission of Greensboro has approved the attached Sales Development Agreements for Alternate A and Alternate B, and further indicated their preference that Alternate A be given priority. Staff requests approval of the sale and option of land identified as Alternates A or B, as described in the corresponding Sale/Development Agreements to Union Square Campus Inc.