



Legislation Text

File #: ID 17-0488, **Version:** 1

Resolution Authorizing the February One Downtown Development Project Including a Construction Reimbursement Agreement between the City of Greensboro and Elm Street Hotel, LLC for the Construction of the February One Parking Deck and, Authorizing a not to exceed amount of \$30,000,000 for the February One Parking Deck Project

Department: Transportation
Council District: 3

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE:

For the City Council to approve the February One Downtown Development Project pursuant to NCGS 160A-458.3 or other State law, authorizing the City Manager to enter into a construction reimbursement agreement with Elm Street Hotel, LLC in an amount not to exceed \$25,866,241 for the construction of the February One Parking Deck, to authorize a not to exceed amount of \$30,000,000 for the February One Parking Deck project (i.e., \$2 million for project design, \$2,133,759 million for land cost, and \$25,866,241 for construction), and to authorize the Mayor to execute any necessary deeds, easements, or other closing documents to effectuate construction of the new parking structure.

BACKGROUND

Currently the City's four (4) parking structures are at or near capacity with monthly and transient parkers. Over the past twelve months the City of Greensboro has experienced a significant growth in parking demand due to new and anticipated development in downtown Greensboro. Within the downtown core, the City is projecting a deficit within the next two years due to new residential, office development, commercial, and hotel development. Elm Street Hotel LLC intends to invest \$30,000,000 in the redevelopment of the Elm Street Center and the construction of a new hotel and retail space adjacent to February 1 Place. The hotel tower will contain approximately 180 rooms located above part of a new public parking structure.

On April 18, 2017, the City Council authorized the City Manager to enter into a Memorandum of Understanding with Elm Street Hotel, LLC to design and build a public parking deck in the 100 block of South Davie Street and spanning February One Place, pursuant to Resolution #089-17. The new hotel and retail space is anticipated to need 180 parking spaces which it will lease from the City at market rates. The new City parking structure will contain approximately 850 parking spaces. And in addition to the needs of the new hotel,

the new parking deck will also allow the City to respond to the growing employment needs of Lincoln Financial and an anticipated parking demand of 300 to 500 monthly spaces over the next 3 to 5 years.

Pursuant to North Carolina General Statutes Section 160A-458.3, if the City Council finds that it is likely to have a significant effect on the revitalization of the City's central business district, then the City may enter into binding contracts with one or more private developers with respect to acquiring, constructing, owning, or operating a downtown development project. A downtown development project is defined as a capital project in the City's central business district comprising one or more buildings and including both public and private facilities. The February One Downtown Development Project would include both the parking deck and the new hotel and retail space.

As currently proposed, Elm Street Hotel, LLC would construct the February One Parking Deck and its public components in for the City and conjunction with their hotel project development at a currently estimated not to exceed Guaranteed Maximum Price (GMP) of \$25,866,241 (with the City of Greensboro shall pay for the design and construction of the public components of the February One Parking Deck and that Elm Street Hotel, LLC shall pay for the design and construction of the private components of the Eugene Parking Deck), the final GMP will be communicated to the City prior to the start of construction to allow the City an opportunity to ensure all City pre-construction requirements have been satisfied and to allow the City Manager the opportunity to inform City Council on the GMP result and construction start date, and the February One Parking Deck project will be subject to requirements of the City's MWBE Program Plan.

BUDGET IMPACT:

The overall February One Downtown Development project will cost over \$60,000,000. As planned, Elm Street Hotel, LLC will invest over \$30,000,000 in their hotel project and the City will invest up to \$30,000,000 in the parking deck portion of the project (including \$25,866,241 toward construction of the parking deck, \$2,000,000 previously authorized for design by Resolution #089-17 and, \$2,133,759 expended for land cost). The City intends to issue limited obligation bonds in 2018 to finance its share of the project subject to a public hearing and City Council and Local Government Commission approval. 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. The Developer and other businesses and patrons will pay market rates for parking in the City's new deck.

RECOMMENDATION / ACTION REQUESTED:

City staff recommends and requests City Council pass the attached resolution approving the February One Downtown Development Project pursuant to NCGS 160A-458.3 or other State law, authorizing the City Manager to enter into a construction reimbursement agreement with Elm Street Hotel, LLC in an amount not to exceed \$25,866,241 for the construction of the February One Parking Deck, to authorize a not to exceed amount of \$30,000,000 for the February One Parking Deck project (i.e., \$2 million for project design, \$2.134 million for land cost, and \$25,866,241 for construction), and to authorize the Mayor to execute any necessary deeds, easements, or other closing documents to effectuate construction of the new parking structure.

