



Legislation Text

File #: ID 17-0728, **Version:** 1

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

Department: Executive
Council District: 3

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

Contact 1 and Phone: David Parrish, Ext. 2002
Contact 2 and Phone: Adam Fischer, Ext. 2861

PURPOSE:

City Council adopt a 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 Eugene Parking Deck Project.

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.

On May 2, 2017, the City Council authorized the City Manager to enter into a Memorandum of Understanding (MOU) with CHI Greensboro LLC to design and build a public/private parking structure and committed to reimbursing the design costs in an amount not to exceed \$2,000,000 pursuant to Resolution #098-17. On September 19, 2017, the City Council authorized a Downtown Development Project and Parking Agreement with Downtown Slugger, LLC to lease up to 265 parking spaces in the new parking structure, pursuant to Resolution #264-17.

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 1050 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 complete private construction of a residential, hotel and/or office space on top of the

Eugene Parking Deck intended to be constructed by CHI Greensboro LLC and/or an affiliated entity known as Park Lot LLC.

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.

As currently proposed, 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; that CHI Greensboro LLC, or an affiliated entity, shall pay for the construction of the private components of the Eugene Parking Deck; that the City Manager be 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; that City be authorized to expend up to \$30,000,000 (\$2 million for design and \$28 million for construction) for the project; that the Eugene Parking Deck project will be subject to requirements of the City's MWBE Program Plan; that the Mayor be authorized to execute any necessary deeds, easements, or other closing documents to effectuate the construction of the Eugene Parking Deck Project; and that City Council shall approve the award of the final construction contract for the Eugene Parking Deck project.

BUDGET IMPACT:

The City desires to commit up to \$28,000,000 toward construction of the new parking structure, in addition to \$2,000,000 previously committed for design of the parking structure through adoption of Resolution #098-17. 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. Both CHI Greensboro and Downtown Slugger LLC 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 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 Eugene Parking Deck Project.