

# **Agenda**

## **Greensboro City Council**

### **Economic Development Committee**

**Friday, April 11, 2014**

**10:00 a.m.**

**Plaza Level Conference Room**

1. Call meeting to order – Chairman Matheny
2. Approval of Draft Minutes 3/28/14 - Committee
3. Update on 3/28/14 Follow-up Items – Andy Scott
4. Economic Development (ED) Case Study – Andy Scott
5. Public Comment Period – Chairman Matheny
6. ED Strategic Plan Development Process – Jim Westmoreland
7. Schedule Next Meeting (Friday, April 25<sup>th</sup> or after) – Chairman Matheny
8. Adjourn

### **MEMBERS OF COUNCIL**

**NANCY VAUGHAN, Mayor**  
**YVONNE J. JOHNSON, Mayor Pro Tem**  
**MIKE BARBER, At Large**  
**MARIKAY ABUZUAITER, At Large**

**SHARON M. HIGHTOWER, District One**  
**JAMAL T. FOX, District Two**  
**ZACK MATHENY, District Three**  
**NANCY HOFFMANN, District Four**  
**TONY G. WILKINS, District Five**

**DRAFT**  
MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE  
OF THE  
CITY OF GREENSBORO, NORTH CAROLINA

COMMITTEE MEETING

28 MARCH 2014

The Economic Development Committee of the City of Greensboro met at 10:00 a.m. on the above date in the Plaza Level Conference Room of the Melvin Municipal Office Building with the following members present: Councilmember and Chairman Zack Matheny; and Councilmembers Marikay Abuzuaite, Tony Wilkins. Absent: Mike Barber.

Also attending: City Manager Jim Westmoreland, Assistant City Manager Andy Scott; Assistant City Attorney Tom Carruthers; and Deputy City Clerk Diana Schreiber.

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Chairman Matheny opened the meeting at 10:00 a.m.

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Councilmember Abuzuaite made a motion to adopt the 11/13/2013 committee minutes. The motion was seconded by Councilmember Wilkins and adopted by unanimous voice vote of the Committee.

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**Directives typed in bold.**

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**Last Year in Review**

City Manager Jim Westmoreland introduced the item.

Assistant City Manager Andy Scott reviewed the Economic Development Committee's actions from last year that included work, results and unfinished business; and made a PowerPoint presentation.

**Committee members requested a review of EDA's SC2 Challenge grant to include an update on the rules, financing and participants; and to bring a working summary for discussion at an upcoming work session.**

Committee members discussed the importance of making development in the city easier; expressed concerns shared by constituents regarding the protest petition; that the current policy encouraged sprawl; and expressed support for infill development that could be incorporated into neighborhoods without being obvious.

Chairman Matheny requested staff review the requirements of the protest petition process; encouraged a 6:3 vote rather than a 7:2; and that twenty-percent of adjacent landowners be used rather than five-percent.

**Committee members requested that the City's infill policy and standards be reviewed; and to consider a community education plan.**

**Committee members requested that the industrial site item be placed onto the April 15<sup>th</sup> agenda rather than May 1<sup>st</sup>; directed staff to determine whether the developer or its LLC involved with the shovel ready site initiative was delinquent in tax payments; verify the name of the McConnell Center LLC investor group; and to update the full Council.**

The committee discussed directional signage; inquired about the landfill energy technology/leaf mulching recycling offer; providing water/sewer to Randolph County to the megasite; the high impact zone in East Greensboro; development at the Airport; the status of the Wyndham hotel development in Downtown; status of the good repair ordinance; and requested details on the manner in which grants to non-profits had been utilized.

It was the consensus of the Committee for staff to sponsor a small business summit similar to the one hosted by former City Councilmember Trudy Wade; to contact other municipalities about their practices; and requested to send the information to Committee members.

Chairman Matheny stated that Councilmember Jamal T. Fox was selected as an alternate member of the ED Committee; and that Councilmember Fox would sit on the sidelines unless a member of the committee was absent.

It was the consensus of the Committee for staff to provide an update on loan funding for Ashley Creek Apartments and Kotis' Roses Shopping Center to include the date that the loan passed, its effective date and payback schedule. Chairman Matheny suggested that the loan funds could be recycled into the small business loan program.

#### Items to Address this Year

Committee members expressed support for staff to develop an economic development strategic plan that included high impact zones in East Greensboro, specifically along the Urban Loop; to include incentive/grant opportunities; and to bring the process and timeline to an upcoming Committee meeting.

It was the consensus of the Committee to invite Jason Cannon of DGI to a work session for an update.

City Manager Westmoreland stated that the Mayor intended to review investment/incentive guidelines; and recommended staff bring forward a process and timeline for moving forward that was based on the committee's priorities.

Staff was requested to place signage on the customary side of the roadway; to bring back information on the signage at Clifton and West Wendover Avenue; encouraged beautification efforts of Randleman Road and its on/off ramps; and requested sub-branding of the High Point Road corridor between Groometown Road and I-40.

Chairman Matheny requested Councilmember Wilkins contact Marty Kotis for a copy of his marketing research of businesses along High Point Road.

It was the consensus of the Committee to allow for 10-15 minutes of public comment at the next Committee meeting; and to incorporate a public comment section of the meeting onto the agenda.

#### Next Meeting

The next meeting of the Committee was scheduled for Friday, April 11 at 10:00 a.m. in the Plaza Level Conference Room.

#### Adjournment

Councilmember Abuzuaiter made a motion to adjourn. The motion was seconded by Councilmember Wilkins and adopted by voice vote of the Committee.

The Committee adjourned at 11:00 a.m.

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DIANA SCHREIBER  
DEPUTY CITY CLERK

ZACK MATHENY  
CHAIRPERSON & COUNCILMEMBER

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(Copy of the PowerPoint presentation is hereby referenced and made a part of the minutes.)

**Shovel Ready Sites Loan Program**

In October and November 2013, Council approved a \$600,000 each loan to McConnell Partners LLC and Samet Corporation. After a review of the Council Resolutions regarding the Shovel Ready Sites Loan Program, Legal determined that no additional Council approval is required.

- **McConnell Corporate Center** – McConnell Partners, LLC
  1. The Contract has been drafted sent to the attorney for McConnell Center Partners, LLC for review on April 4, 2014.
  2. Developer will submit engineering plans to the City in the next few weeks. Once approved, the project will be put out for bid.
  3. Windsor Commercial Development Services, LLC currently owns a nonvoting interest of approximately 3.1% in McConnell Center Partners, LLC. The balance of the ownership interest is owned evenly by the Gorla and Sears families either individually or through various trusts and/or limited liability companies owned and controlled by the Gorla or Sears families.
- **Campground Road (Business 85)** – Samet Corporation, is currently working on a specific timeline for beginning the development of the Business-85 site. A draft of the Shovel Ready Sites Program contract has been sent to Samet at their request to begin review.
- **Loan Terms** – The loan is a fixed rate loan with the interest to be set a closing (10-yr treasury plus 50 basis points). The loan (Principal and interest) is due in full at the sale or transfer of the property or within 61 months of closing – whichever is first.

**Triad Local First**

The City will conduct compliance review when the \$25,000 of grant funds is fully expended and an independent audit is submitted at end of the calendar year. TLC has gained 30 members in 2014.

**Grants Funds used to date:**

- Holiday local gift guide designed and published in November 2013 - \$2,000
- New website with mobile functionality launching in May 2014 – \$12,000

**Balance of grant funds will be used in 2014 towards:**

- Updating and printing of 2014 holiday gift guide, member directory, and marketing brochure – budgeted \$4000
- Economic impact study – budgeted \$2000
- City required independent audit – budgeted \$3000
- 4<sup>th</sup> quarter education and “Buy Local” campaign – budgeted \$2000

**Agenda Item: 3**

## Non-Profit Grants from the Economic Development Fund Compliance Review Schedule

- Triad Stage - 4/2/2014
- Greensboro Sports Commission - 4/16/2014
- Preservation Greensboro - 3/6/2014
- Community Theatre of Greensboro - 4/9/2014
- Triad Local First – TBD

### Ashley Creek Apartments

On August 5, 2013, City Council awarded \$391,251.78 loan to LSA Ashley Creek LLC for multi-family housing rehabilitation project located at 1600 Pinecroft Road. Rehabilitation is underway. The project is approximately 40% complete. Significant site drainage improvements are being made to reduce the incidence of water retention on the site, as well as exterior and interior unit improvements. First disbursement of City loan funds is projected for May 2014.

#### **Funding Source**

- \$335,000.00 in available 2009 Housing Bond funds targeted to multi-family energy efficiency
- \$56,251.78 in Nussbaum Housing Partnership funds.
- These funds are set up as revolving funds. It is expected that the payoff from this loan would result in funds being available for additional eligible housing activities.

#### **Terms of the loan**

1. Up to \$391,251.78 as an unsecured loan with personal guarantee.
2. Interest at 1.5% is compounded annually from date of first disbursement.
3. No payments made during construction and lease up, with a balloon repayment of principal and accrued interest at closing of permanent financing loan or upon default.
4. Project is expected to close permanent financing and repay the City in May 2015.
5. Required to strive for 15% improvement in energy and potable water efficiencies.

### Big Box Loan – Kotis Holdings, LLC

On January 15, 2013 City Council authorized a 10-year loan in the amount of \$850,000.00 at 6.36% per annum to Kotis Holdings, LLC for the revitalization of a long-term vacant big box shell at 1421 East Cone Boulevard in east Greensboro and create 17 new full-time jobs to be created by the tenant, Roses Department Store.

The final loan amount was \$848,171.83. The terms of the loan are interest only for the first 12 months (\$53,878.10). Beginning in January 1, 2015 the loan payment will be \$76,733.28 per year (principal and interest) for the remaining 9 years. There is a balloon payment of \$606,033.19 due in the first month of the 10<sup>th</sup> year. The loan payments are returned to the Economic Development Fund as program income.

The company is current on all payments.

<b>Amortization Schedule:</b>	
Loan Advance Amount:	\$865,416.06
Interest Rate:	6.36
Amortize for # Months	239
Monthly Payment (P&I)	\$6,394.44

	<u>Start</u> <u>Balance</u>	<u>Payment</u>
Interest Only for 12 Months	\$865,416.06	\$53,878.10
Principal & Interest for 9 Yrs		
Yr 1 -Principal & Interest	\$865,416.06	\$76,733.28
Yr 2 - Principal & Interest	\$843,079.62	\$76,733.28
Yr 3 - Principal & Interest	\$819,280.42	\$76,733.28
Yr 4 - Principal & Interest	\$793,922.69	\$76,733.28
Yr 5 - Principal & Interest	\$766,904.35	\$76,733.28
Yr 6 - Principal & Interest	\$738,116.66	\$76,733.28
Yr 7 - Principal & Interest	\$707,443.75	\$76,733.28
Yr 8 - Principal & Interest	\$674,762.16	\$76,733.28
Yr 9 -Principal & Interest	\$639,940.35	\$76,733.28
Pay Off Loan on 10th Anniversary (balance + 1 month interest)	\$602,838.15	\$606,033.19

### **Gateway Landscaping and Signage**

GDOT has secured a consultant to redesign the gateway entry signs and develop design concepts for guide signs. The primary objective of the consultant will be to conduct a series of meetings with stakeholders to develop/determine the "look/feel" of the gateway signs and guide signs.

- Study to begin in 4 – 6 weeks and take approximately 6 months
- Consultants: Ramey Kemp & Associates (with Stewart Consultants)
- Contract cost: \$45,000
- Estimated time to completion: 6-9 months to bid package preparation
- Focus is on design and development of gateway signage at several key locations (up to 13) entering the City of Greensboro. *This is not intended to be a full-wayfinding signage package*
- A meeting with the Economic Development Committee is included in the scope of work and will be scheduled in the near future.

**Field Operations** - landscaping four gateway locations:

#### **East and West Wendover Ave, Battleground Avenue, and US 421**

- Estimated cost for materials is \$2,500.00 per location for a total of \$10,000.00
- Implementation is estimated at about one week per location
- These four projects could be started in June and be completed by the end of July 2014

**Randleman Road at I-40 /I-85** - Landscaped area at each of the four (4) corners

- Estimated total cost of \$4,000 (\$1,000.00 per location)
- Estimated time for installation is a couple of weeks
- Includes lining the fence on Farragut Street with trees (Crape Myrtles) down to the concrete pad. Estimated cost of \$2,500.00.
- Project could start May 1<sup>st</sup> and be completed by end of May.



April 11, 2014

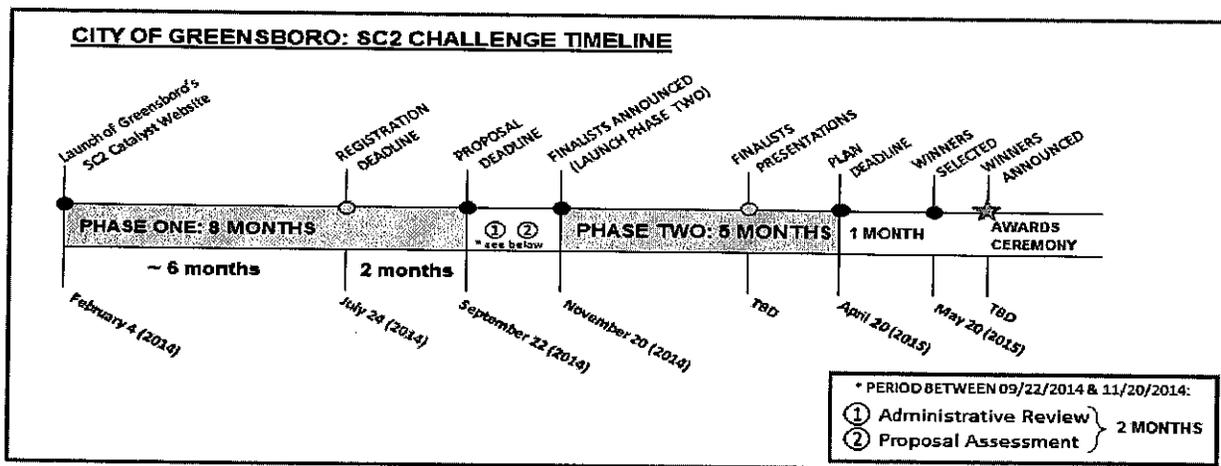
**TO:** Economic Development Committee  
**FROM:** Prince John Gaither-Eli, Project Manager  
**SUBJECT:** SC2 (Strong Cities, Strong Communities) Challenge Update

The purpose of this memorandum is to update you on the status of the SC2 Challenge.

**Overview**

The SC2 Challenge has settled into a “normal” operation after the significant changes to the initiative at the federal level regarding rules and implementation. Since launching of the challenge, the project team has met with the SC2 White House Council, Economic Development Administration, and EDA’s consultant, The Common Pool, to express the City’s objectives and its experience as the first of the SC2 Cities to animate the competition. Despite the difficulties the project has presented, the City has worked well with each party. As a result, the relationships are strong and support successful administration of the challenge. Overall, the project is on schedule and operating as designed. Please see timeline and other information below.

**Timeline**



No changes to the project schedule are expected as all SC2 Cities are on the same timeline.

**Agenda Item: 3, cont.**

## **SC2 Evaluation Panel**

Evaluation panel members have been notified of the recent changes and encouraged to serve as ambassadors for the challenge sharing the opportunity in their respective networks. I met with the entire evaluation panel January 9, 2014 to go over recent changes and answer any questions. Using the new SC2 Catalyst Website as the information nexus for the challenge, we are encouraging members to use LinkedIn in as their main sharing tool.

## **SC2 Challenge Catalyst Website**

The City's new website debuted February 4, 2014 along with those of the other SC2 Cities. The website has seen strong use since its debut and has been well-received by the evaluation panel and participants. As of 4/8/:

- Total Visits: 1196
- 53.68% of users are new
- Registrations: 46
- Teams Created: 7

The website has drawn interested from twenty-eight countries and thirty-six states. Not including the United States and North Carolina the greatest interest has been from:

- Countries: Moldova, Brazil, Canada, and France
- States: Tennessee, District of Columbia, California, and New York

## **Project Activities of Note**

- The SC2 Challenge was promoted at the Institute of Sustainable Communities Leadership Conference in Baltimore, MD in mid-March.
- The SC2 Challenge was promoted April 4-6 at "Start-Up Weekend Triad".

## **Questions from Previous ED Committee Meeting**

1. Are previous participants who registered with "Letters of Intent" still eligible to compete? No. Individuals may participate but only multi-disciplinary teams may compete. Of the original fifty-one registrants under the "letter of intent" process, twenty-seven are still eligible. The other twenty-four may also compete if they add at least one team member and register.

2. What was the reason changes were made to the project's timeline and prize structure? As a federal grant, the changes were made to comply with terms and conditions of the cooperative agreement required by the Economic Development Administration and federal regulations.

Please contact me with any questions.

PJGE

**Partners:**

- City of Greensboro
- Greensboro Partnership for Economic Development
- NC Department of Commerce
- NC Department of Revenue
- NC Department of Transportation
- Guilford Technical Community College (GTCC)
- Guilford County Workforce Development

**Economic Development Focus**

- Economic Development
- Business Regulation
- Economic Incentives
- Innovation
- Workforce



**Economic Development Goals**

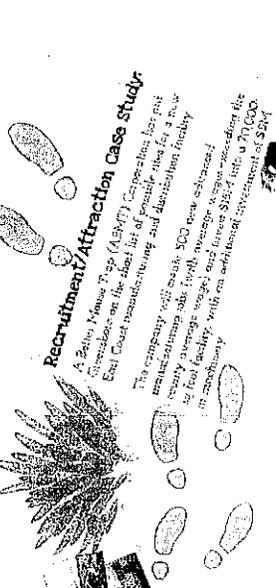


**Asset Based Strategy**



**Recruitment/Attraction Case Study**

A Berlin, Mass. T-90 (ASMT) Corporation has put considerable effort in the last few years to attract and retain talent. The company will seek 300 new employees in its new facility, with an average wage of \$14.00 an hour. The company is currently seeking 300 new employees in its new facility, with an average wage of \$14.00 an hour. The company is currently seeking 300 new employees in its new facility, with an average wage of \$14.00 an hour.



**The RFP**

- The RFP will impact critical infrastructure on the facility in order to ensure a high level of performance. The goal is to ensure a high level of performance.
- Availability of Public Land
- Construction of a New Facility
- Land Lease or Concession
- Financial Incentives
- Training and Development
- Transportation
- Environmental Impact
- Other

**Process**

The process will involve a number of steps, including the identification of potential sites, the development of a list of potential sites, and the selection of a site. The process will involve a number of steps, including the identification of potential sites, the development of a list of potential sites, and the selection of a site.



**Economic Development Transaction**

# Economic Development Transaction



# Economic Development Goals

Expand business opportunities within the community to:

- Create jobs / Create wealth
- Increase private investment
- Expanded tax base
- Raise the community standard of living



# Economic Development

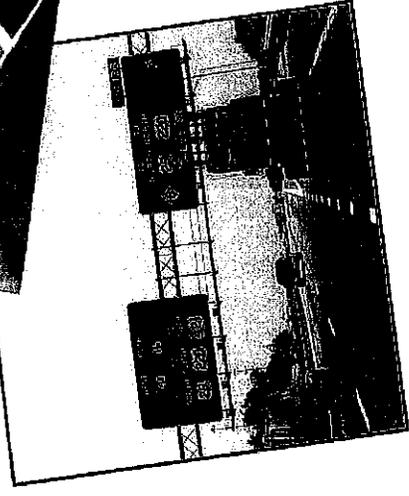
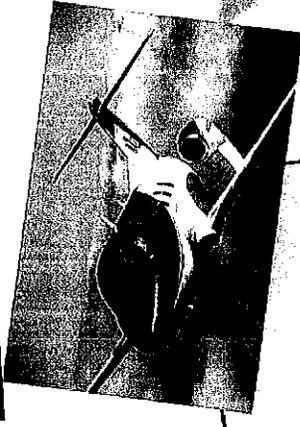
## Focus

- Business Recruitment / Attraction
- Business Retention
- Business Creation
  - Innovation
  - Place Making



# Asset Based Strategy

- Leverage strengths (enhance strengths)
- Manufacturing Legacy / Work Ethic
- Clusters:
  - Aviation
  - Innovative Manufacturing
  - Life Sciences
  - Specialized Business Services
  - Supply Chain & Logistics
- Higher Education
- Transportation & Logistics



# Recruitment/Attraction Case Study:

A Better Mouse Trap (ABMT) Corporation has put Greensboro on the short list of possible sites for a new East Coast manufacturing and distribution facility.

The company will create 500 new advanced manufacturing jobs (with average wages exceeding the county average wage) and invest \$15M into a 70,000-sq foot facility, with an additional investment of \$5M in machinery.



## **Process:**

The company will prepare a Request for Proposal (RFP) and invite the selected communities to respond. While the invitation could come directly to the City or the Greensboro Partnership for Economic Development, it will generally be directed through the North Carolina Department of Commerce.

The GPED is responsible for coordinating the response from the various partners in Greensboro and Guilford County.

# The RFP:

The RFP will request detailed information on the factors on which the company will make its decision. The most common concerns in level of importance are:

- Availability of Skilled Labor
- Competitive Labor Cost
- Occupancy or Construction Cost
- Low Union Profile
- Accessible Transportation
- Equitable Corporate Tax Rates
- Utilities Available at a Competitive Cost
- Incentives
- High Quality of Life:
  - Low Crime
  - Housing Cost
  - Public Schools/Colleges and Universities
  - Recreational Opportunities
  - Climate
  - Cultural Opportunities



# City of Greensboro

- The City of Greensboro Office of Economic Development and Business Support will develop the package of local incentives based on City policy.
- Water Resources will provide information on water, sewer, and storm water utilities. It is not unusual for the City to provide the cost to bring water or sewer to a prospective site if it is not currently served.
- The Planning Department will provide information on land use and development requirements as necessary. In addition, Planning will perform an economic model, forecasting the impact of the proposed development.
- Engineering and Inspections will provide information of applicable building and life safety codes.
- Other City departments, such as Transportation and Fire, are often asked to respond to questions on resources and services.

# Greensboro Partnership for Economic Development

- GPEC is responsible for coordination and preparing the final presentation.
- GPED is responsible for providing information of appropriate land and or buildings that meet the business's needs.
- GPED is responsible for providing demographic information (much of which is provided by the City's Planning Department and the Guilford County Planning Department).

# The State of North Carolina

- The NC Department of Commerce will provide a bundle of services and incentives based on State policy.
- The NC Department of Revenue will address corporate tax issues.
- The NC Department of Transportation will address highway transportation issues.

# Guilford County

- Guilford County will provide any county incentives that will be included in the package.

## GTCC

- GTCC will provide a training package based on the defined needs of the company.

## Workforce Development

- The Guilford County Workforce Development will provide an assessment and recruitment package based on the defined needs of the company.



# Economic Development Transaction

