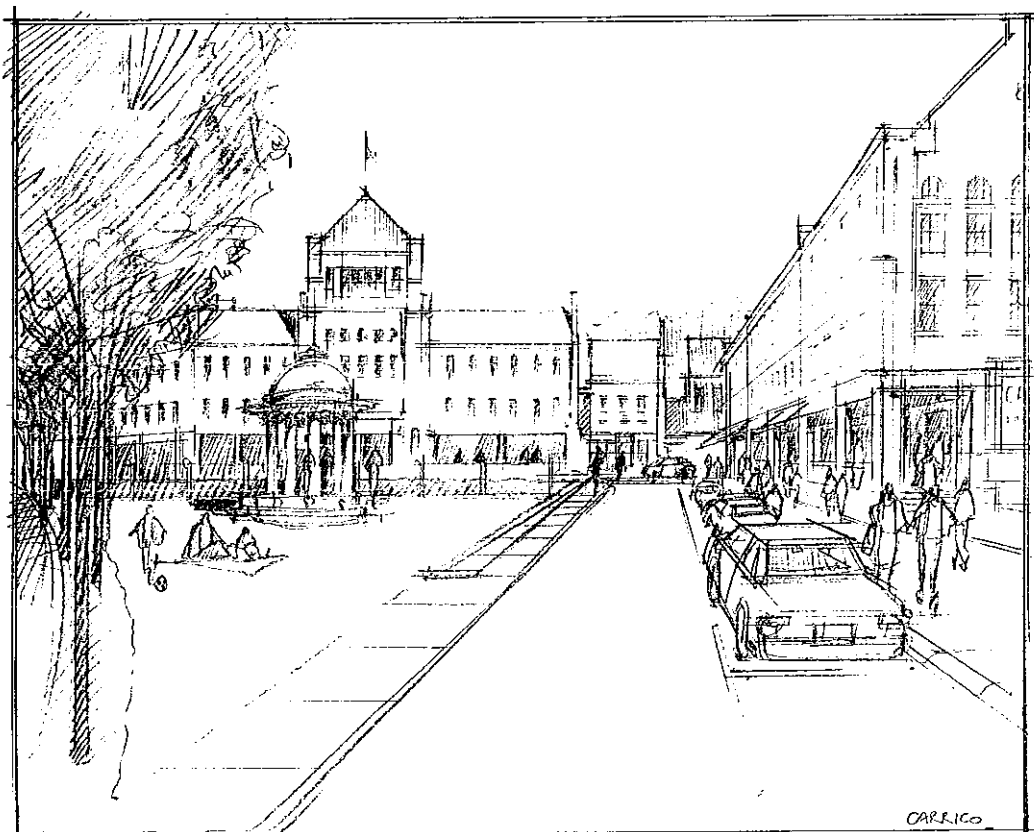




City of Greensboro

# Urban Development Investment Guidelines

For evaluating development and redevelopment projects in downtown, reinvestment areas, reinvestment corridors, corporate parks, and long-term vacant big box shells that have requested City participation.



## **Purpose of the Urban Development Investment Guidelines**

On May 6, 2003, the Greensboro City Council adopted the *Connections 2025 Comprehensive Plan*. This plan provides a goals and policy framework for the future development of the City. As a part of this future vision, the Plan recommends intensification of development within the central business district and identified reinvestment corridors and areas.

These **Urban Development Investment Guidelines** have been prepared as part of the City's effort to promote high quality urban developments that meet the community's intended vision. By implementing these Guidelines, the City hopes to provide prospective developers with a consistent and dependable set of criteria that will be used in evaluating how closely proposed development projects meet the City's development goals. In addition, these Guidelines establish how project risks and returns to the City will be reviewed and evaluated.

These Guidelines do not establish an entitlement program. The provision of financial assistance, in any form, is solely at the discretion of City Council. Council may waive or modify any aspect of these Guidelines and determine levels of assistance to be provided, as it deems appropriate.

### **Eligible Projects**

To be eligible for any funding assistance connected with these Guidelines, projects must meet all of the following:

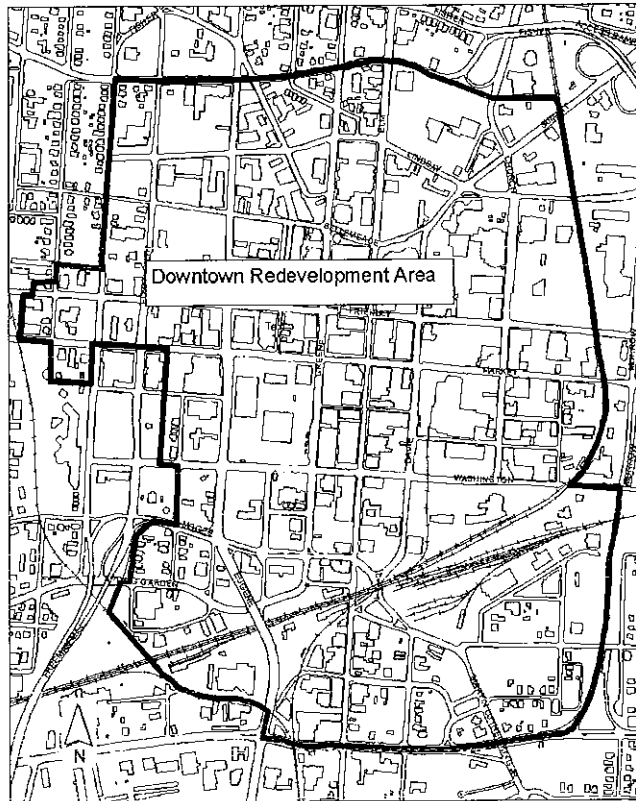
1. Located within the corporate limits of Greensboro.
2. Located within either the downtown area, reinvestment areas, or reinvestment corridors as shown on the enclosed maps.
3. Meet the following minimum investment thresholds:
  - 3.1. Downtown projects - \$1,500,000
  - 3.2. Reinvestment areas and corridors - \$500,000
4. Must not also be applying for assistance through the City's Economic Development Incentive Program or Targeted Loan Pool Program.
5. ***Developer will be required to*** follow City M/WBE Program for any public infrastructure improvements funded with City assistance.
6. Refer to Part 4 of the Guidelines for eligibility criteria specifically applicable to corporate/industrial parks and Part 5 for eligibility criteria specifically applicable to long-term vacant big box shell revitalization loans.

**Eligible Areas Description (not applicable to Corporate/Industrial Parks or Long-Term Vacant Big Box Revitalization Loans)**

The **Urban Development Investment Guidelines** are targeted to new development and redevelopment projects within the downtown redevelopment area and zones identified in *Connections 2025* as reinvestment areas and corridors. These areas represent priority opportunities for combined private and public sector reinvestment. The intent in these areas is to promote the redevelopment of underutilized, outdated properties and the filling in of vacant sites, thereby creating more economically and socially vibrant communities. A strong preference is given to *catalyst* projects that stimulate the private market and encourage the mixing and diversification of uses as a means to a more efficient and sustainable development pattern.

**Downtown Redevelopment Area**

The Downtown Redevelopment Area, as currently adopted and including areas that may be added to the redevelopment area by future amendments, currently covers roughly 500 acres as shown on Exhibit A. Within this area, the City is looking for unique projects that promote reinvestment, preservation, diversification, and selective intensification of activity that reinforces its importance as the economic, cultural, and civic center of the City.



*Exhibit A – Downtown Area*

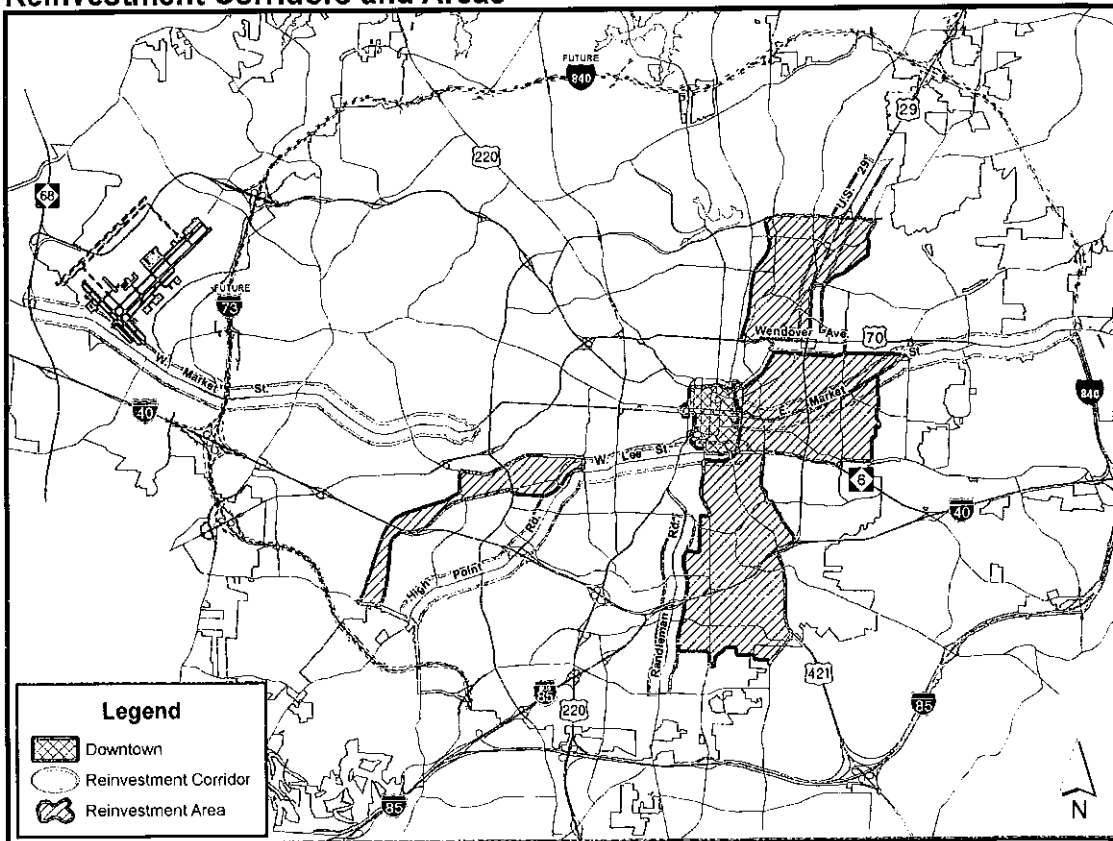
**Reinvestment Areas**

Reinvestment areas include currently designated Redevelopment Areas and additional locations identified in *Connections 2025* as Reinvestment Opportunity Areas, as shown below. These are mostly older neighborhoods and industrial sections of east Greensboro that are in need of private investment. A focus within these areas is to return business, community services, and housing choices to sections of the City that are currently underserved.

**Reinvestment Corridors**

*Connections 2025* identified eight Reinvestment Corridors for public and private sector investment, as shown below. These are primarily older commercial corridors along major thoroughfares. Within these corridors, the City is looking for private initiatives that promote reuse of existing buildings and new infill development that enhances economic viability and strengthens adjacent neighborhoods.

**Reinvestment Corridors and Areas**



*Exhibit B - Reinvestment Areas and Corridors  
(see Attachment 1 for more detailed maps)*

## **Use of the Urban Development Investment Guidelines**

The Urban Development Investment Guidelines provide a mechanism for the City to use in evaluating the strengths and weaknesses of private development projects proposed within the identified priority areas. Well planned and clearly financed proposals will receive priority for assistance over proposals that offer unclear development objectives and unknown risks. Once financial risk is determined, the quality, creativity, and sustainability of the proposed development product is also evaluated.

The following is a list of possible uses of City assistance. Infrastructure assistance is the preferred method of assisting urban development projects since the City is normally the provider of these facilities and services. Other forms of assistance may be proposed where infrastructure assistance alone is not sufficient and will be considered based on the merits of the proposal:

### **Eligible Uses of City Assistance**

1. Infrastructure upgrades (water, sewer, storm sewer and streets)
2. Provision of off-street parking
3. Streetscape improvements
4. Purchase of land/reduce cost of land
5. Environmental site assessment
6. Site preparation
7. Affordable housing assistance

The decision to invest or not to invest shall be at the sole discretion of City Council. In circumstances determined to be justified and appropriate, the City Council may vary from these Guidelines, regardless of whether or not a project meets these Guidelines.

Projects meeting the minimum thresholds established herein will also be eligible for the City's "Rapid Review Process". Through this process, Department Heads from all Departments involved in the City Economic Development Review Team meet to expedite the approval process.

### **Application Requirements (Refer to Section 4 for additional items specifically for Corporate/Industrial Parks)**

Developers requesting City assistance through the Urban Development Investment Guidelines should submit an application with the basic elements listed below. Other items may be requested by the City following an initial review of the application.

- I. Proposal Letter and Attachments** – A letter should be submitted signed by the principal or chief operating officer of the development entity. The letter should describe the proposed project scope, including range of uses, amount of investment, uniqueness of the project, barriers that need to be overcome, funding gap requiring City assistance, and timeframe for the project. The attachments must include the developer's proforma, the financial commitments that are in

place for the project, and the level of experience of the development team. *A Truth in Borrowing Statement will be required, in a format acceptable to the City, certifying that the developer has submitted complete and accurate information. If it is later determined that full disclosure was not made in the submitted “truth in borrowing” statement, it may be grounds to declare the City participation agreement null and void. This would trigger a full reimbursement of any public funds received.*

2. **Independent Financial Analysis** – prepared by an independent economic development professional or economist. This analysis will present and review the project development and operating proformas against local and regional market conditions and provide assessment of any conditions or issues that may impact viability of the project.
3. **Completed Urban Development Investment Guidelines Criteria Forms** – Developers will submit their self-assessment, including Part 1 for all projects and either Part 2, Part 3, or Part 4 depending on the location and/or type of project.
4. **Site and Building Plans** – Conceptual site plan and building elevation plans sufficient to show the design and construction intent of the project.

## **Application Review Process**

Following receipt and acceptance of a completed application, the City will schedule a meeting with the applicant to discuss the project and identify any additional information needed. Following this meeting, City staff will undertake an analysis of the request for assistance, including review of the independent financial analysis and self assessment and develop a recommendation for City Council consideration.

Applicants receiving City Council approval will enter into a performance-based development agreement with the City that will include benchmarks for receipt of assistance and requirements for reporting the progress of the development project.

## **Priority and Criteria Listing**

The following objectives and evaluation criteria provide a consistent framework for evaluating development projects. Further refinement of these criteria is likely as experience is gained in its use.

The criteria are divided into four parts. *Part 1* evaluates the estimated risks and financial returns of the proposal and is to be completed for all projects covered by this policy. *Part 2* is to be used for project proposals within the downtown redevelopment area and assesses the likely impact of the project on the downtown environment. *Part 3* provides a

similar analysis of projects proposed in reinvestment areas and corridors. *Part 4* is specifically for corporate/industrial park projects requesting public participation. *Part 5* is for long-term vacant big box properties requesting public participation in the form of a loan.

# Urban Development Investment Guidelines

For projects requesting City participation

**Project:** \_\_\_\_\_

## Scoring Summary

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b>Part 1 – All Projects</b>		
<i>Priority 1-A: Viability and Need for Public Assistance</i>		
<i>Priority 1-B: Return on Investment</i>		
<b>Priority 1 Sub-total</b>		
<i>Minimum Part 1 Threshold Score for Consideration</i>	<b>75</b>	
<b>Part 2 – Downtown Projects</b>		
<i>Priority 2-A: Catalyst Projects</i>		
<i>Priority 2-B: Intensification and Diversification of Uses</i>		
<i>Priority 2-C: High Quality and Sustainable Development</i>		
<b>Priority 2 Sub-total</b>		
<i>Minimum Part 2 Threshold Score for Consideration</i>	<b>50</b>	
<b>Part 3 – Reinvestment Area and Corridor Projects</b>		
<i>Priority 3-A: Catalyst Projects</i>		
<i>Priority 3-B: Intensification and Diversification of Uses</i>		
<i>Priority 3-C: High Quality and Sustainable Development</i>		
<i>Priority 3-D: Increase Public Safety by Redeveloping High Crime Zones</i>		
<b>Priority 3 Sub-total</b>		
<i>Minimum Part 3 Threshold Score for Consideration</i>	<b>50</b>	
<b>Part 4 – Corporate/Industrial Parks</b>		
<i>Priority 4-A: Corporate/Industrial Parks</i>		
<b>Priority 4 Sub-total</b>		
<i>Minimum Part 4 Threshold Score for Consideration</i>	<b>50</b>	
<b>Part 5 – Long-Term Vacant Big Box Revitalization Loan Program</b>		
<i>Priority 5-A: Long-Term Vacant Big Box Revitalization Loans</i>		
<b>Priority 5 Sub-total</b>		
<i>Minimum Part 5 Threshold Score for Consideration</i>	<b>50</b>	
<b>OVERALL SCORE</b>		

*Summary description of project benefits and issues:*



# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 1 - For all projects requesting City participation:***

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b><i>Priority 1-A: Viability and Need for Public Assistance</i></b>		
<i>( up to 10 points each)</i>		
1. Independent analysis demonstrates viability of project		
2. "But for" financial analysis demonstrates need for assistance. - less than 10% return on investment to developer (10 points) - 10 to 20% (5 points) - greater than 20% (0 points)		
3. Demonstrates ability to pay private debt service. With City assistance, project provides private debt coverage ratio of: - 1.25 or more to 1 (10 points) - 1.1 – 1.25 to 1 (5 points) - 1.1 or less to 1 (0 points)		
4. Clearly documented financial commitments		
5. Debt coverage ratio of any public debt issued to fund the project - 1.25 or greater (10 points) - 1.1 to 1.25 (5 points)		
6. Developer, or development partner, has experience successfully developing similar projects		
7. Developer equity in project, including cash and basis in property - 20% or more (10 points) - 10% to 20% (5 points) - Less than 10% (0 points)		
<b><i>Priority 1-A Score</i></b>		

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 1 - For all projects requesting City participation: (con't)***

<b><i>Priority 1-B: Return on Investment</i></b>		
<i>(up to 10 points each)</i>		
1. Creates one or more permanent jobs per \$50,000 of City assistance		
2. Tax increment revenue, based on current rate, exceeds City assistance - within 5 years (10 points) - within 15 years (6 points) - within 20 (3 points)		
3. Increases the tax base of the property being redeveloped - 250% or more (10 points) - 150% to 250% (5 points) - 100% to 150% (0 points)		
<b><i>Priority 1-B Score</i></b>		
<b><i>Priority 1-A &amp; 1-B Total Score</i></b>		
<b><i>Minimum Part 1 Threshold Score for Consideration</i></b>	<b>75</b>	

***Other comments on financial viability, risks and returns of this request:***

# Urban Development Investment Guidelines

## Criteria Details

Project: \_\_\_\_\_

### ***Part 2 - Additional Criteria for projects proposed in Downtown area:***

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b><i>Priority 2-A: Catalyst Projects</i></b>		
<i>(up to 10 points each)</i>		
1. Corporate headquarters and other significant office space projects greater than 50,000 square feet		
2. Unique project for downtown – ex: Elon Law School, downtown hotel		
3. Retail use exceeding 15,000 square feet		
4. New or adaptive reuse housing construction of 30 or more housing units		
5. Regional draw due to uniqueness of use		
6. Appropriate rehabilitation of contributing building in a designated historic district or individually listed historic property		
<b><i>Priority 2-A Score</i></b>		
<b><i>Priority 2-B: Intensification and Diversification of Uses</i></b>		
<i>(up to 5 points each)</i>		
1. Project is mixed-use		
2. Commercial space is provided on first floor		
3. Eliminates a blighted property		
4. Reuses a vacant or underutilized property		
<b><i>Bonus Points</i></b>		
<i>( 1 point each)</i>		
a: Provides rental apartments		
b: Provides workforce housing		
<b><i>Priority 2-B Score</i></b>		

# Urban Development Investment Guidelines

## Criteria Details

Project: \_\_\_\_\_

### ***Part 2 - Additional Criteria for projects proposed in Downtown area:(con't)***

<b><i>Criteria</i></b>	<b><i>Score</i></b>	<b><i>Comments</i></b>
<b><i>Priority 2-C: High Quality and Sustainable Development</i></b>		
<i>( Up to 5 points each)</i>		
1. Development of an environmentally impaired site		
2. Greater than 50% of 1 <sup>st</sup> floor frontage is transparent windows		
3. Provides enclosed off-street parking hidden from street view		
4. High quality and generally compatible architectural design and materials		
<b><i>Bonus Points ( 1 point each unless otherwise indicated)</i></b>		
a: Project has obtained a LEED designation indicating high level of sustainability in design and construction <i>(5 points)</i>		
b: Approved deconstruction techniques for demolition work		
c: Creates or enhances downtown parks, plazas or greenways		
d: Adds street activity, such as outdoor eating areas or public art space		
e: Accommodations for bike racks, transit shelters and other pedestrian amenities		
<b><i>Priority 2-C Score</i></b>		
<b><i>Priority 2A-2C Totalled Score</i></b>		
<b><i>Minimum Part 2 Threshold Score for Consideration</i></b>	<b>50</b>	

***Other comments on unique design and development aspects of this request:***

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 3 - Additional Criteria for projects proposed in Reinvestment Areas and Corridors:***

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<b><i>Priority 3-A: Catalyst Projects</i></b>		
<i>(up to 10 points each)</i>		
1. Significant office space projects greater than 30,000 square feet		
2. Renovation and reuse of existing retail and industrial buildings exceeding 30,000 square feet		
3. New or adaptive reuse housing construction of 50 or more units		
4. Extent market is already supporting similar projects in the area - No other similar projects in area (10 points) - One other similar project (5 points) - Multiple similar projects (0 points)		
5. Appropriate rehabilitation of contributing building in a designated historic district or individually listed historic property		
<b><i>Priority 3-A Score</i></b>		
<b><i>Priority 3-B: Intensification and Diversification of Uses</i></b>		
<i>(up to 5 points each)</i>		
1. Project is mixed-use		
2. Project promotes compact, efficient development - Residential components at an average density of at least 7 units/acre - Commercial components at an avg. floor area ratio of 0.50 or greater		
3. Provides neighborhood businesses and services to underserved areas - without these services within 1 mile radius (5 points), or - without these services within ½ mile radius (2 points)		
4. Eliminates a blighted property - project site is blighted (5 points), or - other blighted properties within ¼ mile radius (2 points)		
5. Reuses a vacant or underutilized property		
<b><i>Bonus Points</i></b> (1 point each)		
a: Provides housing unit sizes and types not found in area		
b: Provides mixed-income housing		
<b><i>Priority 3-B Score</i></b>		

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 3 - Additional Criteria for projects proposed in Reinvestment Areas and Corridors:***

<b>Criteria</b>	<b>Score</b>	<b>Comments</b>
<b><i>Priority 3-C: High Quality and Sustainable Development</i></b>		
<i>(up to 5 points each)</i>		
1. Development of an environmentally impaired site		
2. Compatible with surrounding developments or with objectives contained in an adopted neighborhood, corridor or activity center plan		
3. Adds pedestrian amenities, such as 1st floor retail, outdoor eating areas, connected sidewalks, street trees, on-street parking, and public art space		
4. Provides connected and shared access and parking areas		
5. Provides additional off-street parking screened from street view		
6. High quality and generally compatible architectural design and materials		
<b><i>Bonus Points (1 point each unless otherwise indicated)</i></b>		
a: Project has obtained a LEED designation indicating high level of sustainability in design and construction <i>(5 points)</i>		
b. Approved deconstruction techniques for demolition work		
c: Creates or enhances neighborhood parks, plazas or greenways		
d: Accommodations for bike racks and transit shelters		
e: Removes non-compliant signage		
<b><i>Priority 3-C Score</i></b>		
<b><i>Priority 3-D: Increase Public Safety by Redeveloping High Crime Zones</i></b>		
<i>(up to 5 points)</i>		
1. Level of crime rate in area compared to City average <ul style="list-style-type: none"> <li>- Crime rate greater than 110% of City average <i>(5 points)</i></li> <li>- Crime rate 100% to 110% of City average <i>(2 points)</i></li> <li>- Crime rate less than 100% of City average <i>(0 points)</i></li> </ul>		
<b><i>Priority 3-D Score</i></b>		
<b><i>Priority 3A–3D Totaled Score</i></b>		
<b><i>Minimum Part 3 Threshold Score for Consideration</i></b>	<b>50</b>	

***Other comments on unique design and development aspects of this request:***

## **Part 4 - Sites for Corporate/Industrial Park Projects**

In order to capitalize on the positive situation that Greensboro has with its nationally recognized highway system, pro-business climate, and new supplier interest associated with recently announced corporate relocations and expansions, the City desires to be proactive and assist in creating suitable site inventory for major corporate/industrial park development.

### **Sites for Industrial Projects**

The primary handicap confronting Greensboro in recruiting large employers is lack of inventory of suitable sites that can accommodate new facilities/job centers. In today's global economy, site selection specialists typically seek a site that has been graded and is ready for construction. A portion of the November 2006 economic development bond funds would be allocated to partner with private developers to acquire and prepare land for industrial sites and/or a corporate park. This will enable the economic development team to leverage our existing workforce development, quality of life and infrastructure with available sites to generate additional jobs and investment in the community. Time is of the essence in bringing site inventory on-line as the FedEx hub will be opening for business in 2009. Based on experience in other cities, there are typically 12+ businesses that co-locate in proximity to FedEx distribution hubs. The city's commitment to site development projects will be in the areas of infrastructure and possibly land acquisition.

Due to the high up-front costs and long-term outlook required to get a park off the ground, community development partners have indicated that public participation is necessary to launch a successful project. These guidelines represent a collaborative effort among departments of the city and our community Economic Development partners to create guidelines that are in-line with other city policies and procedures to include the Connections 2025 Comprehensive Plan, the Economic Development Bond purposes as approved by the citizens of Greensboro, and the proposed City and County Consolidated Water and Sewer Line Agreement.

It is expected that corporate/industrial park projects receiving public funds will ultimately house two or more entities with each entity employing in excess of 100 people on-site.

### **Purpose:**

These protocols/guidelines have been developed as another part of the City's effort to promote high quality industrial/corporate park site development as called for in the "Connections 2025 Comprehensive Plan." Through implementation of these protocols/guidelines, the City's intent is to provide prospective developers with a consistent and dependable framework that will be used in evaluating how closely proposed site development projects meet City development goals. Additionally, these guidelines establish how project risk and returns to the City will be reviewed and evaluated. Well-planned and clearly financed proposals will receive priority for assistance over proposals that offer unclear development objectives and unknown risks.

**Eligible Projects Criteria:**

1. Must be located within the corporate limits of Greensboro or in an area likely to be annexed within the next 5 years.
  - a. If not already in the corporate limits, developer must submit to the city a voluntary petition for annexation into the City, and complete a utility services agreement.
2. Site development standards should be consistent with the Connections 2025 Comprehensive Plan.
3. Minimum development partner investment is \$15,000,000.
  - a. Includes the current appraised value of the land as well as any developer financed improvements to the site.
4. Minimum acreage is 150 acres (total) with at least 100 buildable.
  - a. Smaller sites may be considered if a catalyst project is proposed that would stimulate the private market and quality job creation; examples FedEx, HondaJet.
5. ***The City's expectation is that the corporate park will contain at least one site 75 acres or larger or two sites 50 acres or larger. Tracts located in the remainder of the park's buildable acreage should be 15 acres or larger. The minimum tract size restrictions will be removed from the agreement five years after the infrastructure is complete and the park is declared ready for clients to begin on-site construction.***
  - a. ***Exceptions may be considered for:***
    - i. ***Smaller tracts due to physical topography constraints.***
    - ii. ***Interest by an exceptional tenant/purchaser in a smaller size tract, or a tenant/purchaser that generates a major economic impact (job creation).***
  - b. Any exception will have to be reviewed by City staff and approved by City Council.
6. Developer must commit the land to be held for corporate/industrial park development for a minimum 15 year period.
  - a. Land owner must agree to file a restrictions and conditions agreement with the deed limiting the use of the land to corporate park/industrial purposes



for a 15 year period and development standards acceptable to the City as identified in item 4-F under the “Application Requirements” section below.

- i. Clawback Provision – if the developer requests to be allowed to use some portion of the land for a use other than corporate/industrial purposes after the initial 5 year period but before the 15-year period is complete, the developer must agree to reimburse the City for public funds invested in the project. The developer must agree that for the first 5 year period, the land is restricted for use as a corporate/industrial park purpose only. No other uses will be permitted under any circumstances.

1. The amount of the reimbursement will be 100% of all public funds invested in the project if any portion of the corporate/industrial park site is used for any other purpose.

7. ***Developer will be required to*** follow City M/WBE Program for any public infrastructure improvements funded with City assistance.

8. In order to achieve maximum desirability of the site and an accelerated development timetable, the City expects and encourages the site developer to make the land available for sale or lease to the end-user depending upon the desires and needs of the client.

### **Application Requirements:**

Developers requesting City assistance through these Guidelines/Protocols should submit an application with the basic elements listed below. Other items may be requested by the City following an initial review of the application.

1. Application packages must address the Viability and Need for Public Assistance Criteria (Priority 1-A).
2. Developer should also include a letter of recommendation from the Greensboro Economic Development Alliance, in addition to their own historical data, regarding past interest in the property, i.e. number of times the site, or sites in close proximity, have been shown to prospective clients. It should also be noted whether the developer already has any commitments from interested corporate users in the land. Legally, public funds cannot be committed to any project unless the “but for” doctrine is upheld, i.e. the project would not move forward were it not for the public funds investment.
3. Developer must submit an independent financial analysis/feasibility study on the proposed site.
4. Submit a site plan layout, phasing plan, and development standards.

- a. Site must be developed to City standards.
- b. Plan must define the development plans and a timeline for having the site “pad-ready” for corporate clients.
- c. Proposed water and sewer lines must be designed in accordance with generally accepted engineering standards and in the best interest of the utility as determined by the City of Greensboro Water Resources Department.
- d. Information to be shown on the site plan includes:
  - i. Topography and water features.
  - ii. Preliminary layout of parcels.
  - iii. Existing and planned streets.
  - iv. Location of, or distance from, transit stops.
  - v. Locations of planned open space, wetlands, and critical habitat preservation areas.
  - vi. Planned pedestrian connections, trails, etc.
  - vii. Drainage patterns and primary stormwater management system.
  - viii. Locational map showing relationship to surrounding development patterns.
- e. Phasing plan should identify sequencing and timing of infrastructure development and a generalized strategy for parcel availability, which can be adjusted based on needs of potential users.
- f. Development standards should, at a minimum, address the following types of requirements:
  - i. Siting standards for buildings, access points and parking areas to ensure a consistently high quality development pattern and site amenities. e.g. parking is minimized between the building and the street.
  - ii. Well designed vehicular access that creates safe and efficient access system and locates parking areas, particularly for truck loading and storage that are screened from primary access routes.
  - iii. Setback and design standards, particularly for primary thoroughfare and highway frontages.
  - iv. Signage guidelines to provide a consistent and efficient signage system. e.g. demonstrates a coordinated and consistent signage plan or theme.
  - v. Bonus points will be awarded to the project for encouraging the use of green building techniques, such as green roofs, rainwater retention, stormwater management, habitat preservation, energy saving features, and alternative transportation programs such as carpooling and alternative fueled vehicles.

5. Identification of carrying costs associated with the site and a demonstrated capacity to cover these costs until the ultimate sale or lease to an end-user.
6. Must include a comprehensive estimate of total site development costs and provide a sources and uses of funds summary. If borrowed funds are required, a bank commitment letter must be provided before any public funds are invested in the project.

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 4 – Corporate/Industrial Park Criteria:***

<b>Criteria</b>	<b>Score</b>	<b>Comments</b>
<i>(Up to 10 Points Each, unless Otherwise Noted)</i>		
1. In compliance with Connections 2025 Generalized Future Land Use Map - shown as Industrial, Corporate Park, Mixed Use Corporate Park or Planned Community <i>(10 points)</i> - In Growth Tier 1 <i>(5 points)</i>		
2. Catalyst Project - 300 + Acres <i>(15 Points)</i> - 200 + Acres <i>(10 Points)</i> - 150 + Acres <i>(5 Points)</i>		
3. Documentation submitted showing site has been considered by 2 or more prospects in the past 24 months <i>(5 points)</i>		
4. Transportation access to site for employees and trucks - Direct access to major or minor thoroughfare <i>(10 points)</i> - Access via connectors and some local residential streets <i>(5 points)</i> - Access is primarily via local streets <i>(0 points)</i>		
5. Environmental suitability of site for intended use - Site is primarily previously developed property or cleared farmland <i>(10 points)</i> - Site is mostly undeveloped but wetlands and habitats are to be protected <i>(5 points)</i> - Site is mostly undeveloped and wetlands and habitats are not being protected <i>(0 points)</i>		
6. Development standards (refer to Part 4 “Application Requirements) - Comprehensive development standards that will ensure high quality development <i>(10 points)</i> - Development standards address a limited number of quality issues <i>(5 points)</i> - Not submitted or does not adequately address development quality <i>(0 points)</i>		

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 4 – Corporate/Industrial Park Criteria: (con't)***

<b><i>Bonus Points:</i></b>	<b><i>(1 point each)</i></b>	
a: Site plan layout exhibits good accessibility and connectivity		
b: Site has good highway frontage to promote regional economic development		
c: Located in a designated transit route or corridor		
<b><i>Bonus Points:</i></b>	<b><i>(5 points)</i></b>	
a: Promotion of green building techniques in site planning and development standards		
<b><i>Part 4 Score</i></b>		
<b>Minimum Part 4 Score Required for Consideration</b>	<b>50</b>	

## **Part 5 – Long-Term Vacant Big Box Revitalization Loan Program**

Recognizing the negative impact that long-term vacant big box shells have on livability, crime, and continued reinvestment in neighborhoods, the City desires to assist in providing a source of capital to credit worthy developers with a demonstrated source of repayment that are willing to reinvest in these empty retail sites. Successful redevelopment or repurposing of these empty big box sites will help to focus future development on revitalizing existing infill sites and creating employment prospects within existing neighborhoods as opposed to contributing to urban sprawl by encouraging green field development of new retail projects.

Approval of each new loan under this program will be required to be authorized by City Council and will be dependent upon funding availability.

### **Vacant Big Box Shells**

The challenging economy has left Greensboro with vacant retail shells that formerly housed big box stores. Some national retailers have ceased operations, consolidated, or changed strategies thereby leaving empty big box shells in the middle of various neighborhoods across the City. These empty shells diminish the financial viability of the remaining stores in retail centers and can inhibit the attraction of new investment and reinvestment in the City. The loss of employment readily accessible to neighborhood residents and the increase in crime associated with vacant properties are further negative effects of these vacant retail sites. Availability of capital continues to be a problem for developers pursuing the revitalization of these empty shells. Public participation via a market rate repayable loan is necessary to enable viable projects to move forward. These guidelines represent a collaborative effort among departments of the city and our community economic development partners to create guidelines that are in-line with other city policies and procedures to include the Connections 2025 Comprehensive Plan, the Sustainability Action Plan, and MAP goals.

### **Purpose:**

These protocols/guidelines have been developed as another part of the City's effort to identify underutilized/abandoned properties and buildings, pursue funding, and expedite opportunities for development as called for in the "Connections 2025 Comprehensive Plan." Encouraging the reuse and redevelopment of previously developed properties and buildings that are no longer economically viable for their intended uses was identified as an important Comprehensive Plan strategy. Through implementation of these protocols/guidelines, the City's intent is to provide prospective developers and investors with a consistent and dependable framework that will be used in evaluating how closely proposed vacant big-box redevelopment projects meet City development goals and the likelihood of being approved for a loan under the program. Additionally, these guidelines establish how project risk and returns to the City will be reviewed and evaluated. Well-planned and clearly financed proposals will receive priority for assistance over proposals that offer unclear development objectives and unknown risks.

### **Eligible Projects Criteria:**

1. Must be located within the corporate limits of Greensboro.
2. The City encourages pursuit of green building certification and will give higher priority to projects that achieve a designation through one of the nationally recognized certification systems, such as the US Green Building Council's LEED or the federal ENERGY STAR programs.
3. Developer must have at least 10% equity in the project.
  - a. Includes the current appraised value of the land as well as any developer financed improvements to the site.
4. Developer must provide a Phase I Environmental Site Assessment acceptable to the City.
5. Project must be insured in an amount sufficient to cover the City's lien and any other liens ahead of the City and City must be named as an "Additional Insured."
6. Minimum size of the big box is 25,000 square feet.
7. Site must have been vacant for at least 2 years.
8. City will have no less than a second lien against the property securing the loan.
9. The loan must have the full unconditional personal and corporate guarantees of the property owner (s).
10. Developer must have a credit worthy tenant committed to occupy the big box.
  - a. Two years of financial statements and/or tax returns must be provided for the tenant.
  - b. Commitment may be contingent on City approval of the revitalization loan request.
11. Tenant lease term must equal or exceed the requested term of the City's loan.
12. Project cash flow must demonstrate capacity to repay the loan within 10 years.
13. Repayment of the City's loan may be interest-only for up to 12 months.
14. The loan interest rate will be fixed at the yield on a like term Treasury Security + 450 basis points for the term of the loan.
15. Developer must submit contractor estimates and have all permits in hand before any loan funds are disbursed.

- a. Comprehensive sources and uses of funds necessary to complete the project must be provided to the City at the time of application.
16. Developer will be required to follow City M/WBE Program for any public infrastructure improvements funded with City assistance.

**Application Requirements:**

Developers requesting City assistance through these Guidelines/Protocols should submit an application with the basic elements listed below. Other items may be requested by the City following an initial review of the application.

1. Application packages must address the Viability of the project and Need for a City Funded Loan (Priority 1-A and 1-B).
  - a. **Minimum points required for Priorities 1-A and 1-B are reduced to 50 for the Long Term Vacant Big Box Revitalization Loan program.**
2. Contractor and vendor estimates must be provided for the total project along with the application.
3. Closing costs to include a Phase I Environmental Site Assessment, title search, title insurance, filing fees, and external legal fees will be the responsibility of the borrower and must be paid at or prior to closing.
4. Borrower(s)/Guarantor(s) must provide 3 years of historical federal personal and corporate tax returns, a completed personal financial statement, and business financial statements.
  - a. Personal credit report will be run on guarantor (s).
5. Submit a site plan layout, development plan, and development standards.
  - a. Project must be developed to City standards.
  - b. Plan must define the development plans and a timeline for having the site revitalized and open for business.
  - c. Please address what improvements, if any, are being made to the existing site.
  - d. Information to be shown on the site plan includes:
    - i. Existing and planned streets.
    - ii. Location of, or distance from, existing and planned transit stops/routes.



- iii. Existing and planned pedestrian and bicycle connections, trails, etc.
  - iv. Locational map showing relationship to surrounding development patterns.
- e. Development standards should, at a minimum, address the following types of requirements:
- i. Siting standards for buildings, access points and parking areas to ensure a consistently high quality development pattern and site amenities. e.g. parking is minimized between the building and the street.
  - ii. Well designed vehicular access that creates safe and efficient access system and locates parking areas, particularly for truck loading and storage that are screened from primary access routes.
  - iii. Setback and design standards, particularly for primary thoroughfare and highway frontages.
  - iv. Signage guidelines to provide a consistent and efficient signage system. e.g. demonstrates a coordinated and consistent signage plan or theme.
  - v. Utilization of green building techniques, such as green roofs, rainwater retention, storm water management, habitat preservation, energy saving features, and alternative transportation programs such as carpooling and alternative fueled vehicles.
6. Must include a comprehensive estimate of total site development costs and provide a comprehensive sources and uses of funds schedule. If additional borrowed funds are required, a bank commitment letter must be provided before any public funds are invested in the project.

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 5 – Long Term Vacant Big Box Revitalization Loan Program:***

<b>Criteria</b>	<b>Score</b>	<b>Comments</b>
<i>(Up to 15 Points Each, unless Otherwise Noted)</i>		
1. Project will provide new jobs and in the neighborhood - 4 full-time equivalent jobs per \$50,000 of borrowed funds <i>(15 points)</i> - 3 full-time equivalent jobs per \$50,000 of borrowed funds <i>(10 points)</i> - 2 full-time equivalent jobs per \$50,000 of borrowed funds <i>(5 points)</i> - 1 full-time equivalent job per \$50,000 of borrowed funds <i>(3 points)</i>		
2. Catalyst Project - Expected to be a regional draw (Tenant will offer a product or service expected to pull in significant customers from outside of Guilford County) <i>(15 Points)</i> - Tenant is offering a product or service not currently available in the neighborhood <i>(10 points)</i>		
3. Incorporation of green building techniques and sustainable practices in the development - Achievement of a LEED Designation <i>(20 points)</i> - Achievement of the Energy Star Designation <i>(15 points)</i> - Incorporation of sustainable development practices <i>(5 points)</i>		
4. Transportation access to site for employees and delivery trucks - Direct access to major or minor thoroughfare <i>(10 points)</i> - Access via connectors and some local residential streets <i>(5 points)</i> - Access is primarily via local streets <i>(0 points)</i>		
5. Project is located in - A designated redevelopment area or corridor <i>(10 points)</i>		
6. Big Box Shell has remained vacant for - 5+ Years <i>(15 points)</i> - 2 to 5 years <i>(10 points)</i>		
7. Tenant financials demonstrate adequate capacity to cover lease obligation - Yes <i>(10 points)</i> - No <i>(0 points)</i>		
8. Development standards (refer to Part 5 “Application Requirements) - Comprehensive development standards that will ensure high quality development <i>(10 points)</i> - Development standards address a limited number of quality issues <i>(5 points)</i> - Not submitted or does not adequately address development quality <i>(0 points)</i>		

# Urban Development Investment Guidelines

## Criteria Details

**Project:** \_\_\_\_\_

### ***Part 5 – Long Term Vacant Big Box Revitalization Loan Program***

#### ***Criteria: (con't)***

<b><i>Bonus Points:</i></b>	<b><i>(1 point each)</i></b>	
a: Site plan layout exhibits good accessibility and connectivity		
- Via public transit <i>(1 point)</i>		
- Via pedestrian network <i>(1 point)</i>		
- Via bicycle network <i>(1 point)</i>		
b: Site has good highway frontage to promote regional economic development <i>(1 point)</i>		
<b><i>Part 4 Score</i></b>		
<b>Minimum Part 5 Score Required for Consideration</b>	<b>50</b>	

## **Definitions**

**Blighted Property** – As defined by NC Redevelopment Statutes, shall include properties that, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision of ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, impairs the sound growth of the community.

**Buildable Area** – Gross acreage outside of environmentally sensitive areas, such as stream corridors, steep slopes, and excessive rock or unstable soil conditions.

**Catalyst Project** – A proposed development project that, because of its size, location, unique uses, or ability to attract new jobs, is likely to stimulate significant additional development activity.

**Crime Rate** – The Index Crime Rate as reported by the City of Greensboro Police Department, which is inclusive of violent and property crimes.

**Debt Coverage Ratio** – A measure of an income producing property's ability to cover the monthly mortgage payments. Calculated by dividing the net operating income (NOI) by a property's annual debt service.

**Deconstruction Techniques** – Deconstruction is the process of building disassembly in order to recover and recycle materials for their highest and best re-use. Deconstruction reduces the volume of materials that end up in public landfills and protects the natural environment.

**Developer Equity** – Funding sources provided by the individual investors and not subject to scheduled payback from project revenues. Should be real dollars contributed to the project, including cash and basis in property. Loans, personal guarantees, deferred fees, etc. are not considered developer equity for these purposes.

**Downtown Redevelopment Area** – Area of downtown designated by the Redevelopment Commission of Greensboro according to NC Redevelopment Statutes, and including any additional areas added to the Downtown Redevelopment Area by future amendment.

**High Quality and Generally Compatible Architectural Design and Materials** – The City is seeking well designed proposals that meet the user's needs, understand and respond to its context, enhance the surrounding area, and are built to last. Architectural features should enhance the street environment and building materials should be high quality and durable. Siting of buildings should promote pedestrian-oriented streets.

**Job Creation** – To be considered as a newly created job, the applicant will need to demonstrate that the business being proposed is a new operation coming to Greensboro or

an expansion of an existing business operation already located in the City. Only permanent jobs are counted, not jobs related to construction, seasonal, or short-term employment.

**LEED Designation** – As established by the US Green Building Council, refers to buildings and developments that have been certified under one of the LEED designations, including LEED-NC (New Construction), LEED-EB (Existing Buildings), LEED-H (Homes), and LEED-CS (Core and Shell). LEED certification generally means buildings are designed to be efficient to operate and utilize environmentally friendly materials and techniques in their construction

**Mixed-Use** – A project that combines a principal use, such as housing units, with other different uses, such as commercial or office space. The principal use should not enclose more than 90% of the total square footage of the project.

**Mixed-Use Corporate Park** – A project that combines the principal uses, such as office, research, industrial, warehousing, distribution or office with other supporting uses, such as commercial, hotel or residential. The supporting uses should not exceed 20% of the total land acreage of the project.

**Proforma Analysis** – Presentation of a project development and operating proforma identifying all sources and uses of funds and rates of return in sufficient detail to explain what portion of the funding sources are not obtainable from private sources if a reasonable rate of return on investment is to be achieved.

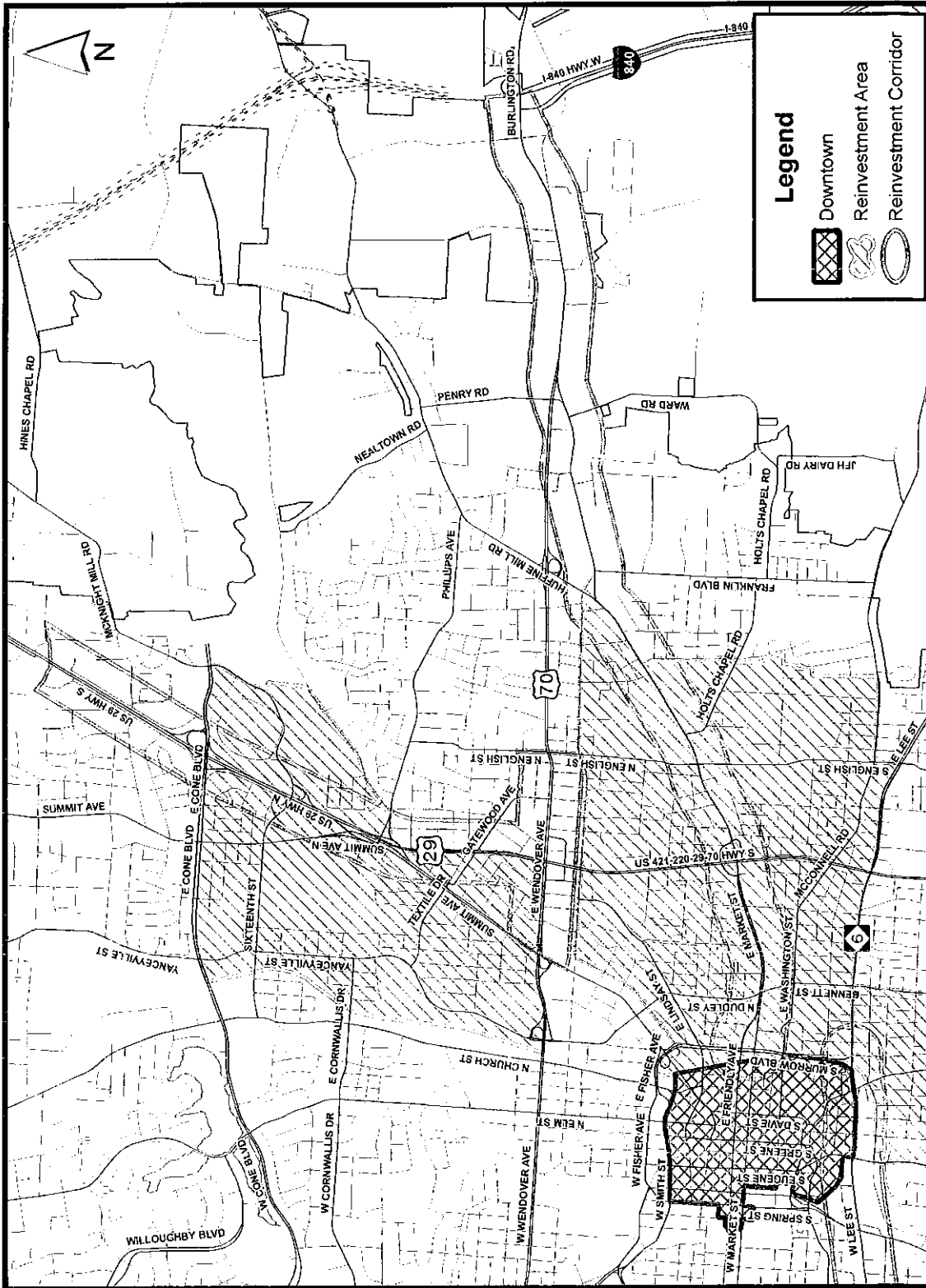
**Public Art Space** – The provision of space in outdoor locations or in publicly accessible buildings that is designed for the presentation of public art, including statues, monuments, murals, non-figurative art, and including performing arts space. Public art may also be integrated with architecture and landscaping in the construction or renovation of buildings and sites.

**Tax Increment Revenue** – The amount of additional City tax revenues estimated to be generated by the new development over and above what the property is currently paying.

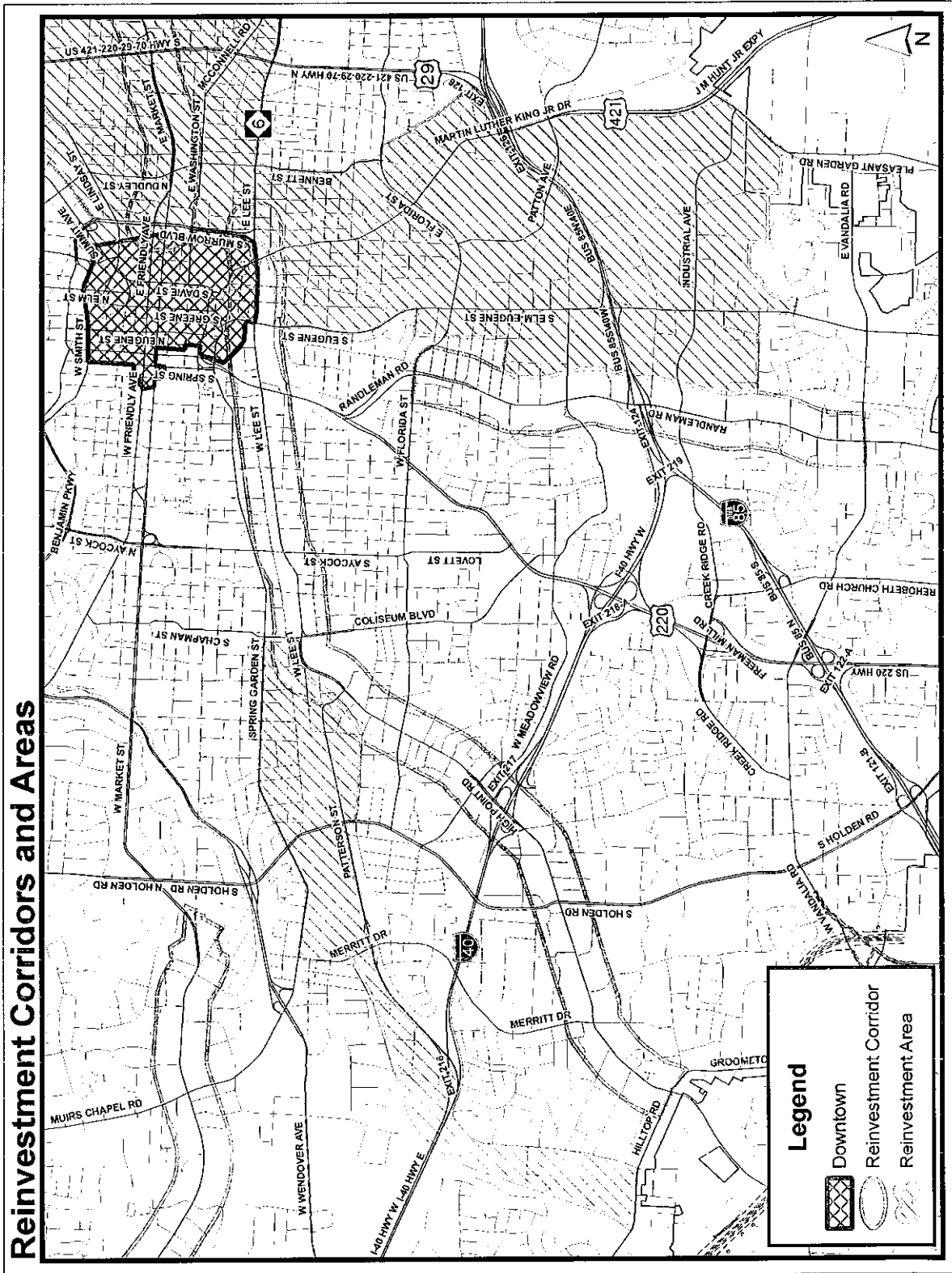
**Workforce Housing** – Conceptually defined as housing units affordable to the full range of individuals and families working within the area. For purposes of these Guidelines, units will meet this definition if they are affordable to families between 80% and 120% of the City's median family income, as established by the US Dept. of HUD each year.

**Attachment 1  
Detailed Maps**

**Reinvestment Corridors and Areas**



# Reinvestment Corridors and Areas



# Reinvestment Corridors and Areas

