



REQUEST FOR COUNCIL ACTION

City of Greenville, South Carolina

Agenda Item No.

15b

TO: Honorable Mayor and Members of City Council

FROM: John F. McDonough, City Manager

Ordinance/First Reading Ordinance/Second & Final Reading Resolution/First & Final Reading Information Only

AGENDA DATE REQUESTED: May 23, 2022

ORDINANCE/RESOLUTION CAPTION:

TO APPROPRIATE FUNDING IN THE CAPITAL PROJECTS, HOSPITALITY TAX AND LOCAL ACCOMMODATIONS TAX FUNDS AND AUTHORIZE THE USE OF PREVIOUSLY APPROPRIATED FUNDS IN THE UNITY PARK PROJECT FOR THE DESIGN AND CONSTRUCTION OF THE UNITY PARK HONOR TOWER AND PLAZA

SUMMARY BACKGROUND:

The project now known as the Unity Park Honor Tower has been in development for about seven years. In late 2015, the City hired MKSK to create a plan for the Reedy River Redevelopment Area (RRRA) and provide the design for what was then called "City Park" to the 30% percent detail level. The initial design effort, presented at public workshops in October 2016, included an "Observation Area" as a recommended park element. By January 2017, early design elements for an observation tower were included in the publicly presented designs, which was later affirmed by Council Resolution No. 2017-09 as the City Park Implementation Plan. In March 2017, MKSK was tasked with advancing design to the 50% percent detail level, and included in the scope of work was the observation area and tower. The RRRA Community Character Plan, adopted by Council Resolution No. 2017-31, included the observation tower in the City Park Master Plan elements. In November 2018, following a comprehensive update on park planning progress, the concept of a phased construction approach was introduced based on projected construction costs, and the tower was removed from the initial construction phase of the project. In 2019, Harper Corporation was selected as Construction Manager for the project, and 100% percent design for the park was completed with the tower as a future phase element. As the initial construction on Unity Park nears completion, focus has shifted to the final major elements, including the wetlands restoration and Honor Tower. The wetlands project will be fully covered by donated funds, and will come to Council in the near future for appropriation. The Honor Tower project is recommended to be funded by a combination of tourism funds, Phase 1 savings, and private donations. This appropriation will allow the tower project to move forward to final design and construction. The tower project will be funded from private donations (\$5.5m), Local Accommodations Tax (\$3.5m), Hospitality Tax (\$1m) and Unity Park phase 1 construction savings (\$1m).

IMPACT IF DENIED:

If denied, the Honor Tower project will not move forward at this time.

FINANCIAL IMPACT:

This action will reduce the available fund balance in the Hospitality Tax and Local Accommodations Tax funds for FY23.

REQUIRED SIGNATURES

Department Director

DocuSigned by:

Matt Edgard

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OMB Director

City Attorney

DocuSigned by:

Leigh Paolletti

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City Manager

DocuSigned by:

John McDonough

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A N O R D I N A N C E

TO APPROPRIATE FUNDING IN THE CAPITAL PROJECTS, HOSPITALITY TAX AND LOCAL ACCOMMODATIONS TAX FUNDS AND AUTHORIZE THE USE OF PREVIOUSLY APPROPRIATED FUNDS IN THE UNITY PARK PROJECT FOR THE DESIGN AND CONSTRUCTION OF THE UNITY PARK HONOR TOWER AND PLAZA

WHEREAS, City Council has supported the development of the Unity Park project for multiple years by appropriating funding for planning, design, property acquisition and construction; and

WHEREAS, the initial construction phase has reached a point of substantial completion; and

WHEREAS, since 2016, the plans for Unity Park have included an observation tower element; and

WHEREAS, the observation tower, now known as the Unity Park Honor Tower, was deferred to a future construction phase in 2019 to match park construction with available resources; and

WHEREAS, the City has a long history of Public-Private Partnerships, and the financing of Unity Park construction is a model approach to leveraging public funds and private investments; and

WHEREAS, the construction of Unity Park is already creating a return on investment for the City, seeing Taxable Market Value for the surrounding area grow from \$41.8 million in 2017 to \$180.7 million in 2022, an increase of over 300% percent; and

WHEREAS, the Park has also spurred additional business activity, adding 11 new businesses since 2017 and increasing business license fees collected in the area by 66.1% percent; and

WHEREAS, the completion of the Park, including the construction of the Honor Tower, and the redevelopment of Mayberry Street are expected to create additional future growth in City value and revenue; and

WHEREAS, a combination of private fundraising, value engineering and favorable bond sale results have generated certain expected savings at the end of the initial phase of construction, which will be used for part of the tower construction; and

WHEREAS, there is sufficient capacity in fund balance above the level of necessary reserves in the Hospitality Tax and Local Accommodations Tax funds to make an appropriation for the tower construction; and

WHEREAS, the approximately \$11,000,000 tower project will be funded by approximately \$5,500,000 in private funds, \$3,500,000 from the Local Accommodations Tax Fund, \$1,000,000 from the Hospitality Tax Fund and \$1,000,000 in phase 1 savings; and

WHEREAS, the project is contingent on private fundraising, and while final design and permitting will move forward, construction will not be approved until private funds are committed; and

WHEREAS, City Council desires to appropriate the public share of funding necessary to move forward with the final design and construction of the Unity Park Honor Tower and plaza;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA, the amount of \$10,000,000 is appropriated in the Capital Projects Fund, Hospitality Tax Fund and Local Accommodations Tax Fund as reflected in the attached Exhibit, and that \$1,000,000 in previously appropriated funds for Unity Park construction are authorized for the same use. This Ordinance shall become effective July 1, 2022.

DONE, RATIFIED AND PASSED THIS THE ____ DAY OF _____, 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

REVIEWED:

CITY MANAGER

EXHIBIT

BUDGET AMENDMENT - Unity Park Honor Tower					
BUDGET	Capital Projects, HTAX, LATAx		REQUESTED BY		
FISCAL YEAR	2022-2023		DATE		
INCREASE			DECREASE		
<u>Description</u>			<u>Description</u>		
Capital Projects Fund			Capital Projects Fund (Phase 1 Construction)		
Transfers/HTAX (Rev)		1,000,000	Transfers/HTAX (Rev)		1,000,000
Transfers/Local ATAX (Rev)		3,500,000	Contingency (Exp)		1,000,000
Contributions/Donations (Rev)		5,500,000			
Planning/Design (Exp)		900,000			
Construction (Exp)		10,100,000			
Hospitality Tax Fund					
Fund Balance Approp (Rev)		1,000,000			
Transfer to Capital Projects (Exp)		1,000,000			
Local Accommodations Tax Fund					
Fund Balance Approp (Rev)		3,500,000			
Transfer to Capital Projects (Exp)		3,500,000			
Explanation:	To appropriate \$10,000,000 in Capital Projects Fund for the construction of Unity Park Honor Tower and transfer of \$1,000,000 from phase 1 construction to the tower project.				
DATE			APPROVED BY	City Council/City Manager Camilla Pitman/City Clerk	
FOR OMB POSTING PURPOSES ONLY					
Budget Adjustments		Increase (Decrease) Amount	Journal Entry		
<u>Project Code</u>	<u>Account</u>		<u>Project Code</u>	<u>Account</u>	<u>Amount</u>
PR4172	341-0000-391.81-22	(1,000,000)	PR4172	341-0000-391.81-22	DR 1,000,000
PR4172	341-9010-455.68-07	(1,000,000)		122-9030-491.81-41	DR 1,000,000
PR4226?	341-0000-391.81-22	2,000,000		130-9090-491.81-41	DR 3,500,000
PR4226?	341-0000-391.81-30	3,500,000		122-0000-101.05-00	DR 1,000,000
PR4226?	341-0000-365.30-02	5,500,000		130-0000-101.05-00	DR 3,500,000
PR4226?	341-9010-455.68-01	900,000		341-0000-101.05-00	CR 4,500,000
PR4226?	341-9010-455.68-04	10,100,000	PR4226?	341-0000-391.81-30	CR 3,500,000
	122-0000-390.10-01	1,000,000	PR4226?	341-0000-391.81-22	CR 2,000,000
	122-9030-491.81-41	1,000,000			
	130-0000-390.10-01	3,500,000			
	130-9090-491.81-41	3,500,000			
	Total	29,000,000		Total	-
	Prepared By				
	Posted By				
	Date			Number	