

MEMORANDUM

TO: Mayor and Alderman & Alderwomen

FROM: Michael Brown, City Manager

DATE: January 22, 2021

SUBJECT: Fairground Property

On August 5, 2016, Savannah City Council approved the purchase of the 66.5 +/- acre tract located at 4701 Meding Street. The parcel, known as the Fairgrounds Property, remains one of the largest undeveloped properties within the City's incorporated limits.

The primary purpose of this entire project must be to protect and enhance the lives of approximately 3,000 people that live the designated project area. That area includes 57th Street and Meding Street to the north, and Montgomery Street to the east, Derenne Ave to the South, and CXS railroad track to west. All aspects of the project should improve the housing conditions in this area, provide for new housing in this area, increase employment in this area, explore the establishment of a soundstage, expand neighborhood recreation in the area, restore and enhance the nature areas, and establish a public square, esplanade, and connectivity.

The area contains approximately 3,000 people, of whom 29% (870) are under 18 years old, and 15% (450) are 65 or older. Poverty in this area is substantially higher than in the city as a whole. The 2018 poverty rate for Savannah was 22.9%, while the rate in the Fairgrounds neighborhoods was 36.6%, with 60.5% of children living in poverty and 19.4% of people 65 and older living in poverty.


Over the estimated 960 workers in the area, 75% are working in the private sector, while 19% are government (local, state and federal) or nonprofit employees. Only 6% are self-employed. For the individuals who have year-round, full-time employment, the largest area of work is in "health care and social assistance" (28%), followed by "accommodation and food service" (15%), and "retail" and "manufacturing" (both 9%). Of the residents in the labor force, 69% are women and 31% are men. In 2018, the unemployment rate was 14%.

The foundational keys to delivering transformational items listed above include a Housing and Commercial Revitalization Plan and ensuring vital elements are included within a development agreement of the Fairground property.

Neighborhood Housing and Commercial Revitalization Plan

As part of the long-term investment in the revitalization of this area in conjunction with the Fairgrounds Property Development, any sale's net proceeds should be dedicated to two specific transformational purposes for the surrounding area:

- Neighborhood housing renovations, and

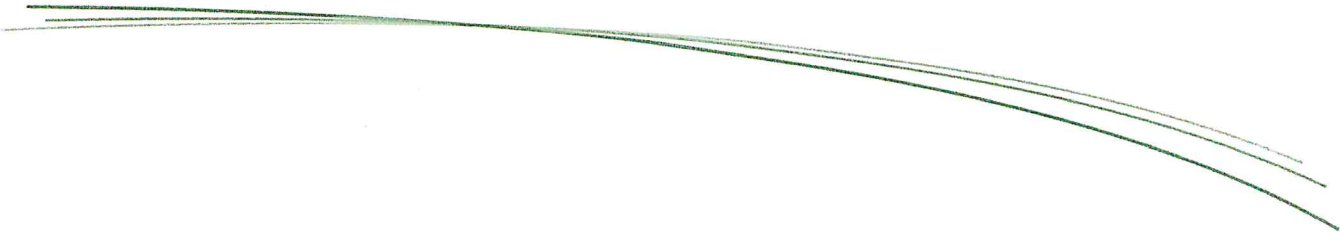
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- Commercial revitalization.

Proceeds from the PPP Fairgrounds Project would be appropriate to dedicate to this purpose as the revitalization of the neighborhood is part of the purpose of that project. Rather than wait for the completion of the RFP process and the finalization of the Fairgrounds' Development Agreement, we propose to begin a housing rehabilitation program immediately. Such a program would:

- Provide funding for housing renovations by existing homeowners with specific needed home improvements, such as roofs, structures and code compliance. These homeowners would be eligible for grants which are forgivable if agreed-upon improvements are made.
- Provide funding also for the purchase and renovation of vacant structures.
- Potentially provide funding for new housing construction on vacant lots.
- In all cases, local and minority preferences would be considered.

Vital Elements

1. **Neighborhood Recreation Expansion.** There is a complete lack of fields and playgrounds between the Feiler Park playground on 57th Street to Staley Avenue. Access by residents north of 61st Street to the walking trail, playground, neighborhood center, lake, and basketball court at Tatemville Park should be considered. A direct connection between the Fairground site and Tatemville Park might be considered.
2. **Benefit to surrounding neighborhoods.** Proposals should explicitly address how the development will benefit the residents of the surrounding neighborhoods.
3. **Key elements of site plan.** The site plan should establish a central square and internal streets, potentially making use of the previously filled portion of the site. This approach will maximize the land area that can be used for development. The northern property frontage on 61st Street and the Meding Street frontage should include an esplanade with tree planting and landscaping to beautify adjacent neighborhoods and establish an appropriate residential buffer on the border of the site. The site plan should reflect the intrinsic value of the freshwater and hardwood wetlands within and adjacent to the site. The preservation and expansion of wetlands should benefit the development by assisting with storm water management and would support the city's initiatives for sustainability and climate change.
4. **Access.** Development plans should consider public transportation access and provide on-site amenities for transit and ridesharing to avoid large expanses of surface parking.
5. **Net benefit to City.** Calculations of the net benefit to the city needs to be presented and include an explanation of such calculations
6. **Commercial proposals.** A feasibility analysis should be included for any commercial proposals, including the proposals for a soundstage, recreational complex, hotel, housing, and retail facilities. Any housing proposal needs to specify the type and density proposed. Proposals must demonstrate economic viability of a concept. The economic evaluation must include a 20-year projection of funding sources, including debt and cash contributions by the developer, development and capital costs, interest rates, operating costs, depreciation, and rates of return over the 20-year projection period.
7. **Soil conditions.** Approximately 14 acres of the site are affected by previous filling activities of construction debris. These areas could serve as streets and open spaces or should provide details how they plan to build on these soil conditions.

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8. **Wetlands and flood plain.** Proposals must take into account the presence of freshwater and hardwood wetlands, which border the west side of the site and Tatemville Park. The establishment and expansion of a hardwoods wetland will provide a place of beauty and education for adults and children who don't currently have access to areas of environmentally intrinsic value. Proposals must indicate how any building in the floodplain will achieve proper mitigation.
 9. **Extension of roadway over the railroad line.** Consideration of an extension of a major roadway from the site connecting over the railroad would need to consider the traffic impact, how such an extension would bring additional east-west traffic through existing residential neighborhoods that have narrow streets and single-family houses.
 10. **Transfer of property by City.** Proposals that include the transfer of a portion of the property to the developer need to propose the mechanism through which the city can be assured it will achieve expected benefits.

Request for Proposals for Public-Private Partnership (P3)

The Mayor and Aldermen gave detailed redevelopment instructions through the issuance of a "Request for Proposals" (RFP) to direct the Fairgrounds development in an open-ended, beneficial, competitive process in cooperation with the private sector. The RFP issued on June 19, 2020, asked responders to present proposed uses, a project timeline, qualifications, experience, and financial capacity along with economic and community benefits to the City and its citizens.

The RFP indicated that development of the site should be designed to help meet one or more of the City's strategic priorities, including increased public safety, infrastructure investment, neighborhood revitalization, economic strength and poverty reduction.

Three private-sector groups submitted proposals by the deadline of August 18, 2020. The firms presented their extensive backgrounds in commercial and residential development endeavors. Their proposals included a range of economic and commercial activities, including a film studio, employment center, a hotel, a regional sports complex, extensive commercial development, and high-density residential development. Site plans in the proposals included the establishment of a square and open space, and a proposed road connection between the Fairgrounds site and Summerside/Liberty City over the CSX mainline.

The three private sector proposals highlighted the extreme transformation potential of the Fairgrounds site and contained ambitious plans. They also included elements that would not be feasible given the constraints of the site, potentially due to the lack of particular detail within the RFP itself. In addition, the RFP allowed for only 58 days for response; this is in contradiction with State regulations which require RFP's for a P3 to be advertised for 90 days. This statutory requirement must be met in order for the City to legally enter into a P3 partnership. To comply with state law, we must reissue the RFP for the legally required 90 day period. However, this provides us an opportunity to better incorporate the condition analysis report on the property and surrounding neighborhoods, along with more public feedback and private sector input. Therefore, we anticipate reissuing the RFP in March 2021.



NEXT STEPS

Several next step actions we will take:

1. **Fairground, Tatemville, and Feiler Park Vitality Report.** We have completed an extensive report analyzing the Fairgrounds property and the surrounding neighborhoods in order to accurately assess the constraints and feasibility of recommended concepts. This report provides accurate information which will be used in drafting the next request for proposals. This report is attached.
2. **Public Input.** Obtaining public input will allow the City to determine the best possible components, site planning guidance and maximum community benefits as viewed by area residents. The public input process can proceed immediately, as envisioned by City Council. The City should define the affected area as 57th Street and Meding Street to the north, Montgomery Street to the east, DeRenne Avenue to the south, and the CSX railroad to the west. The public input process will be used to better construct the RFP to match the needs of the community.
3. **RFP.** The City will use the information learned within the initial RFP and report to properly highlight site constraints and opportunities. Additionally, the City of require developers address the foundational requirements to ensure this becomes a transformational project and reissue the improved RFP. The new RFP will allow the existing three private-sector groups to modify and formally re-submit their proposals; it will also allow any new entities to submit a proposal for this project.