



Special City Council Workshop  
October 30, 2018

# Urban Land Institute Technical Assistance Panel

*Preliminary Presentation*

ONE CITY. ONE DIRECTION: FORWARD

The City of Savannah  
wishes to thank the following  
**Community Partners**  
for their sponsorship support:

*Downtown Neighborhood Association*

*Historic Savannah Foundation*

*Savannah Area Chamber of Commerce*

*Savannah Downtown Business Association*



ONE CITY. ONE DIRECTION: FORWARD



# TAP findings for the highest and best use of Savannah's Historic Civic Center Site

October 29 – 30, 2018

**PRELIMINARY DRAFT**



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## OUR MISSION

The Urban Land Institute provides leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.







## TAPs Mission

To provide local municipalities, government agencies, and nonprofit organizations with objective, multi-disciplinary guidance and advice on land use, real estate development and urban design-related issues.

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# City of Savannah TAP Objectives

- 1) What is the best use of this property that respects the integrity of Savannah's National Landmark Historic District as well as celebrates and promotes our cultural assets including the Oglethorpe Plan, the urban forest, the architectural landscape, and a diverse community?
- 2) How can the City best leverage this property to have a catalytic economic impact on downtown while respecting the character of the surrounding neighborhood(s) and serving as a partner in community building?
- 3) What type of partnership structures (public-private, joint venture, sale/lease, City as developer, etc.) would best support the successful redevelopment of the site?
- 4) What opportunities are possible for the site to serve as a gateway to the National Landmark Historic District and to connect to the developing Canal District?



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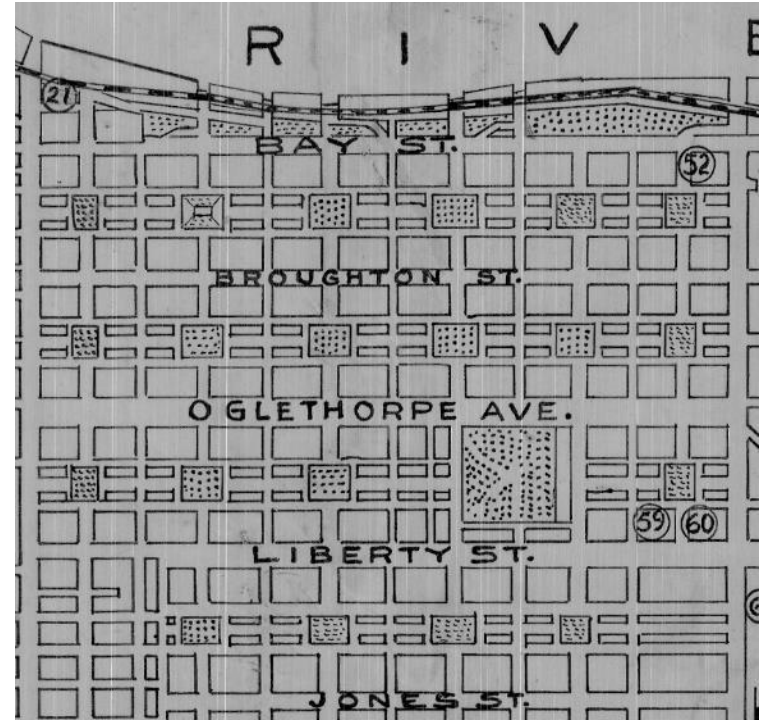
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# The Panel's Assignment

Situated as the western gateway into Savannah's National Landmark Historic District, the City of Savannah's Civic Center site represents a unique and significant redevelopment opportunity within Savannah's National Landmark Historic District (NLHD). **The City's goal is to realize the highest and best use within the context of respecting the Oglethorpe Plan, reconnecting neighborhoods, and determining compatible mixed-use redevelopment opportunities.** The city will consider the options of private redevelopment and/or a public/private joint venture development or other forms of redevelopment partnerships.



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# Framework for recommendations

- 1) Shared vision and goals and public purposes
- 2) Capitalize on strengths and mitigate weaknesses
- 3) Reinstate pieces of the Oglethorpe Plan
- 4) Consider highest and best uses of the site
- 5) Understand fundamentals of economics



# 1) Create a shared vision, goals, and public purpose

FIGURE 3-1

## Elements of a Successful Project



Source: SB Friedman Development Advisors.

### Shared goals identified through TAP

- ✓ Supporting the Historic Landmark District Designation
- ✓ Restoring Oglethorpe plan
- ✓ Creating tax revenue
- ✓ Urban forestry
- ✓ Mixed-use development
- ✓ Positive economic impact

### Further consensus building required:

- Clear vision of how success is defined
- Need for civic/ cultural facilities on site
- Need for facility of size if Mercer Theater
- Opportunity to achieve other community goals (e.g. sustainability, mixed-income housing)
- Rank priority of goals on site
- Priority of various development redevelopment initiatives

All successful projects start with a vision. Without a vision, the project will most likely fail. The vision is the framework for project goals and serves as the benchmark to ensure the realization of joint objectives.



## 2) SWOT Analysis



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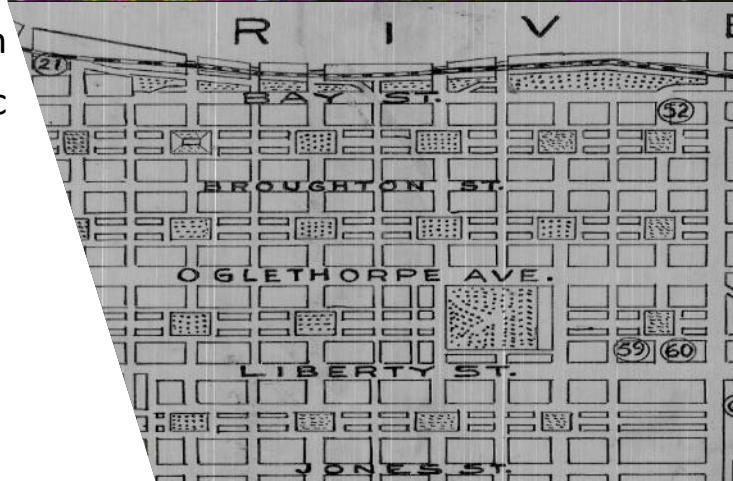
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# Strengths

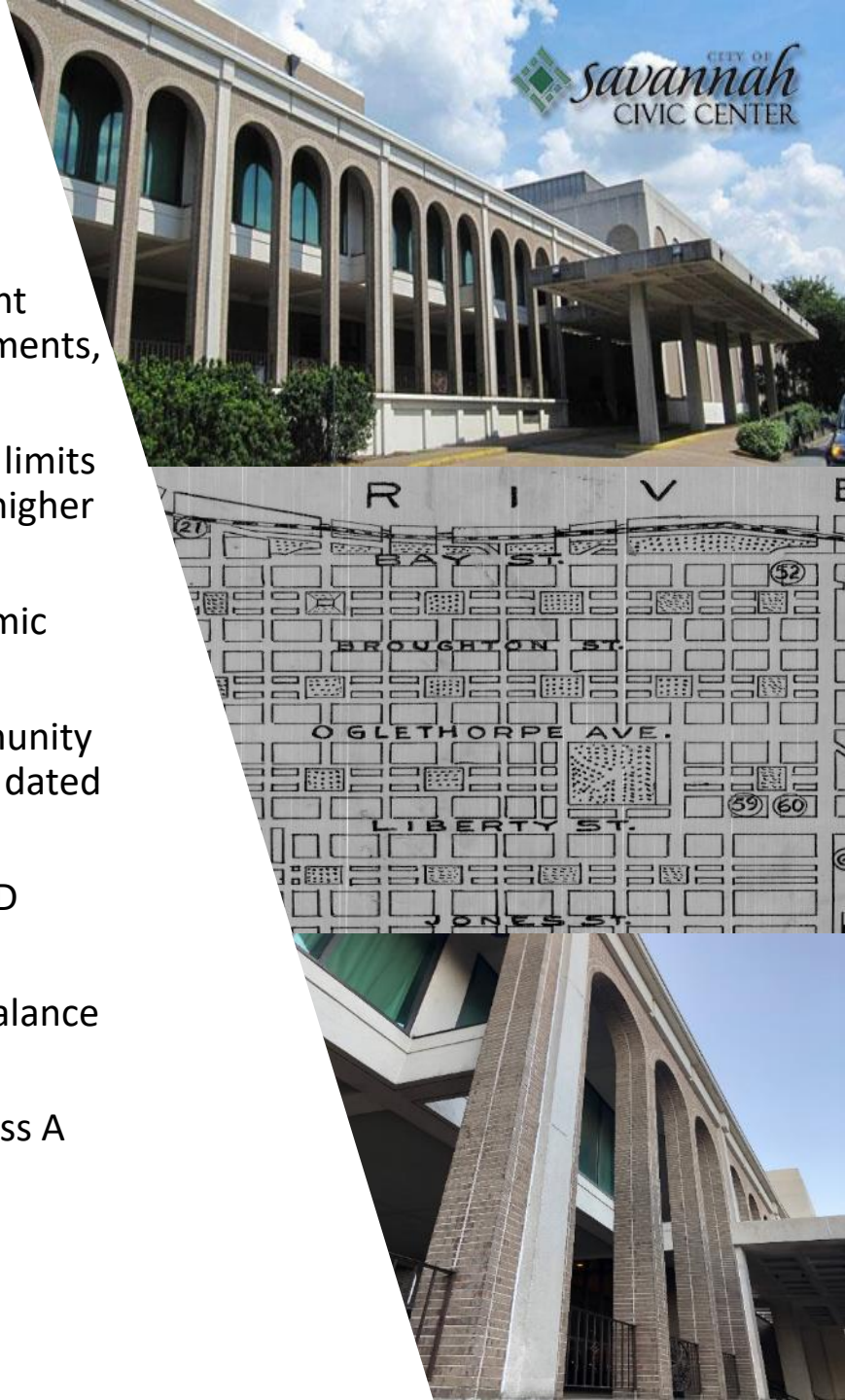
- Historic district character. Largest historic district in the U.S.
- 14 million visitors per year, a third of which are 'tourists'
- Class A development nearby demonstrates strong market fundamentals
- Downtown resident support and passion for the Oglethorpe plan
- Excellent location, considered A+ for real estate values in historic district, adjacent to other redevelopment, good visibility, access:
  - \$750k - \$900k SFD
  - Broughton \$35 - \$45 stabilized retail rents
  - Apartments \$2.00 - \$2.50/ foot
- Location characteristics, walking distance and access to
  - Hotels, museums, and parks
  - Adjacent parking, access to interstate
- Energy, design, and street life created through SCAD
- Facility: Serves a niche for audience size as well as more affordable option for civic and community events. Unique assets such as Mercer Theater stage.
- City's ownership – ability to influence what happens on this site.
- Significant acreage in the historic district





# Weaknesses

- Not clear how to pay for improvements, value of current land (hard cost like demolition, infrastructure improvements, site preparation cost)
- Constraints of Oglethorpe plan, historic grid with lanes limits options to smaller scale, which generally translates to higher end
- No clear champion for site as goals are unclear (economic and definition of success).
- Current civic center facility serves as 'wall' in the community and is functionally challenged with poor acoustics, and dated infrastructure
- Lack of housing affordable to young professionals, SCAD graduates
- Lack of robust business recruitment to downtown to balance and diversify the economy
- Economics likely don't support new construction of Class A office







# Opportunities

- Mixed-use development
- Consensus building on economics of options (demo, renovate, develop)
- Creating job opportunities to retain educated, creative workforce emerging from SCAD and other institutions. More robust incubator, flex space. Tech 'corridor' should be where the talent wants to be
- This site serves as the 'connective tissue' for the city, opportunity to remove a psychological barrier
- Return land to tax rolls and ensure through RFP process
- Arena site can be home to cultural and community assets
- 'Right historic wrongs' (urban renewal)
- Restore Elbert and Orleans Wards and honor Oglethorpe plan in new way
- Removing walls and enhance public safety





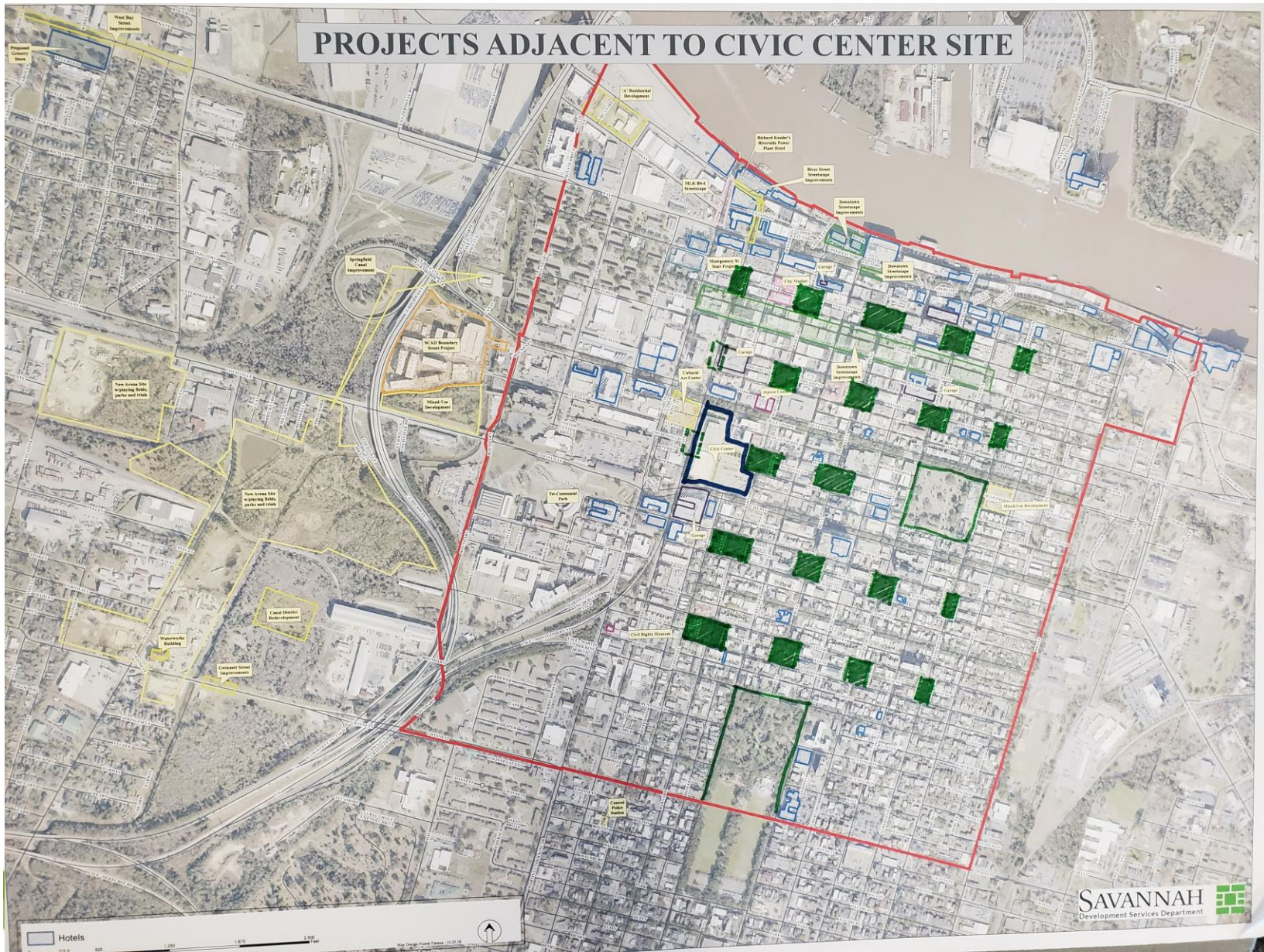


# Threats

- Potential for the “French Quarter” effect- loss of residential in favor of entertainment
- History of urban renewal and backlash of not contributing to ‘public good’ with anything that happens on a redeveloped site
- Potential loss of cultural experiences and exposure to residents
- Losing place and community gathering space
- Competing priorities cancel everyone out and political momentum is lost
- If arena doesn’t happen...?
- I-16 flyover







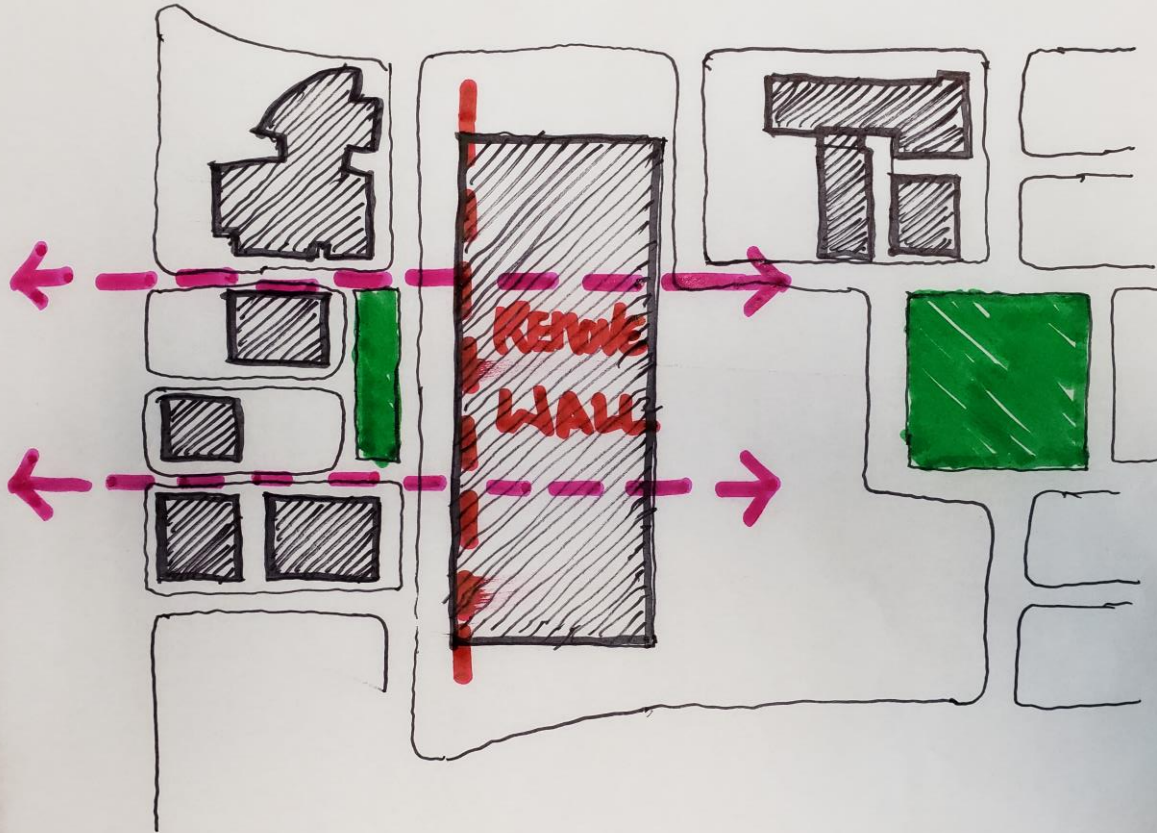


# Existing Conditions



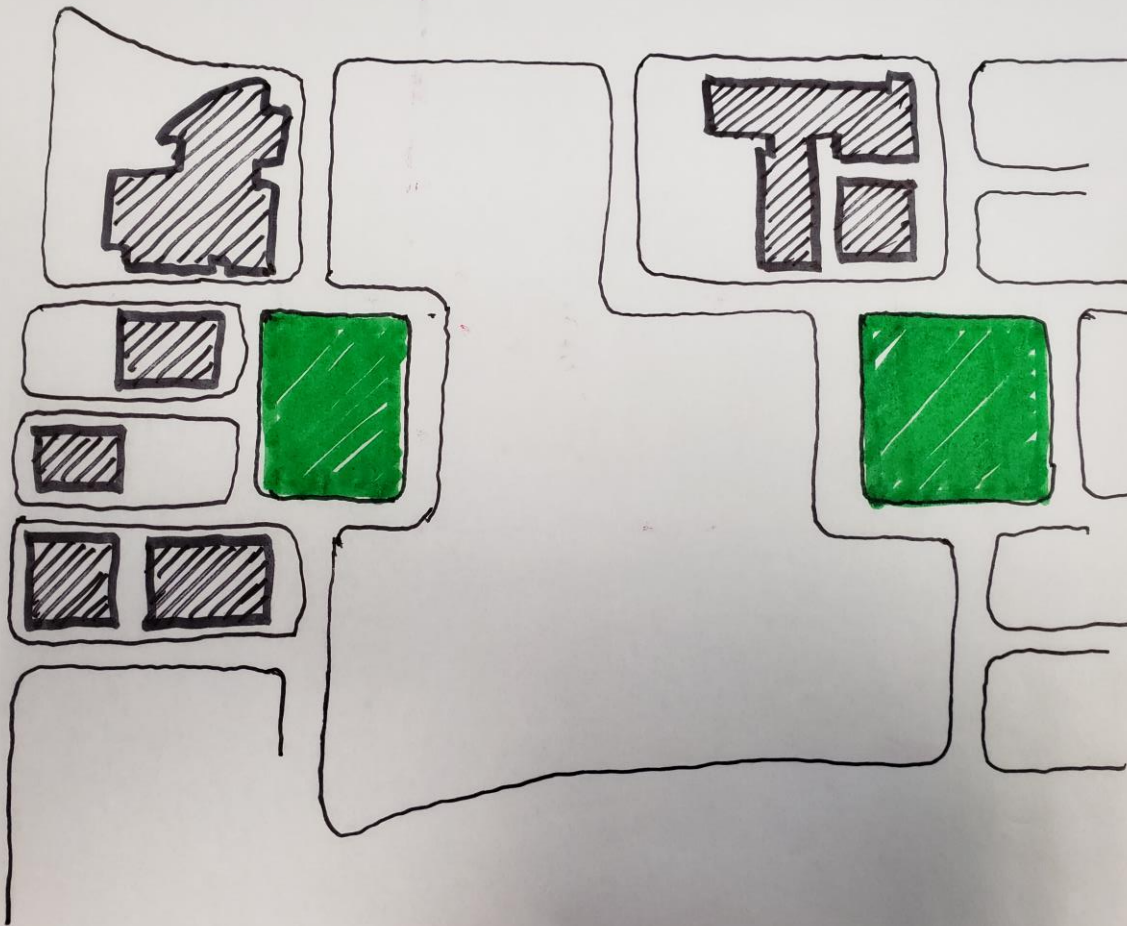
- Little visible pattern remains
- Large 'super block' building
- Loss of Squares and character of Ward.

# Remove Wall



- Tear down the wall
- Oglethorpe Ward Pattern naturally promotes east/west connectivity
- Aligns current pedestrian activity

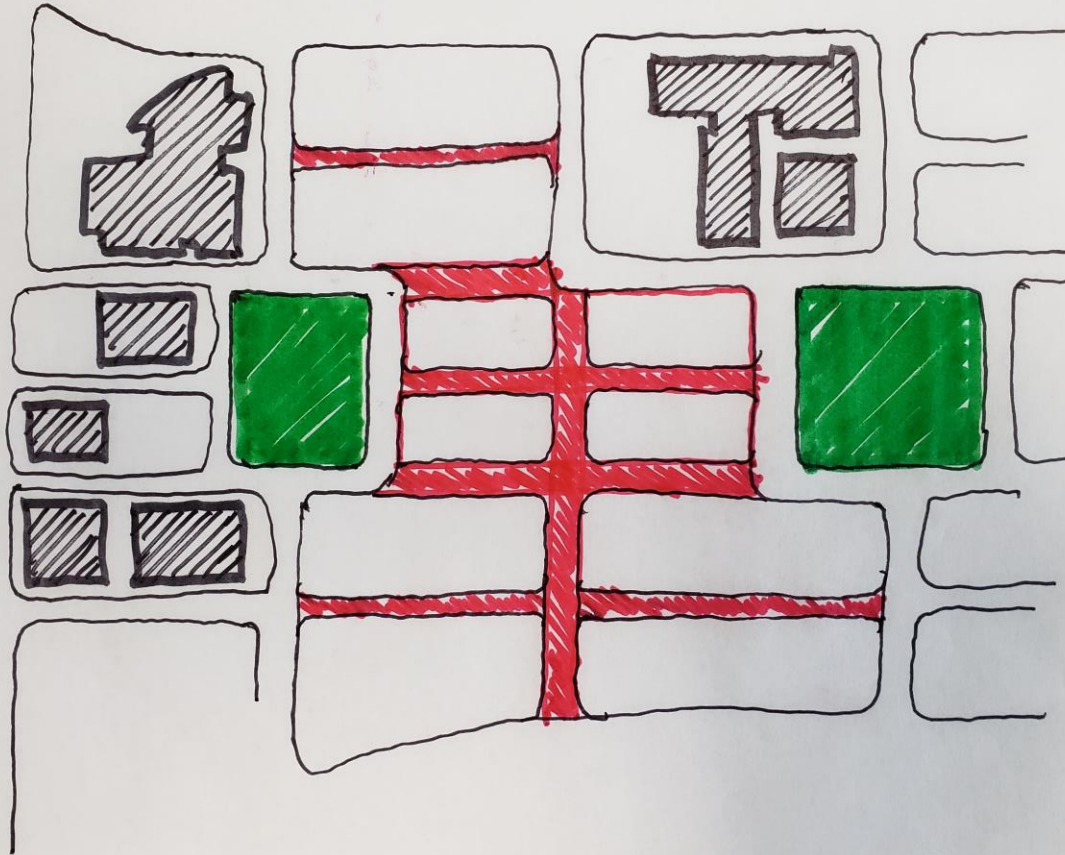
# Re-establish Square



- Bring back the Square

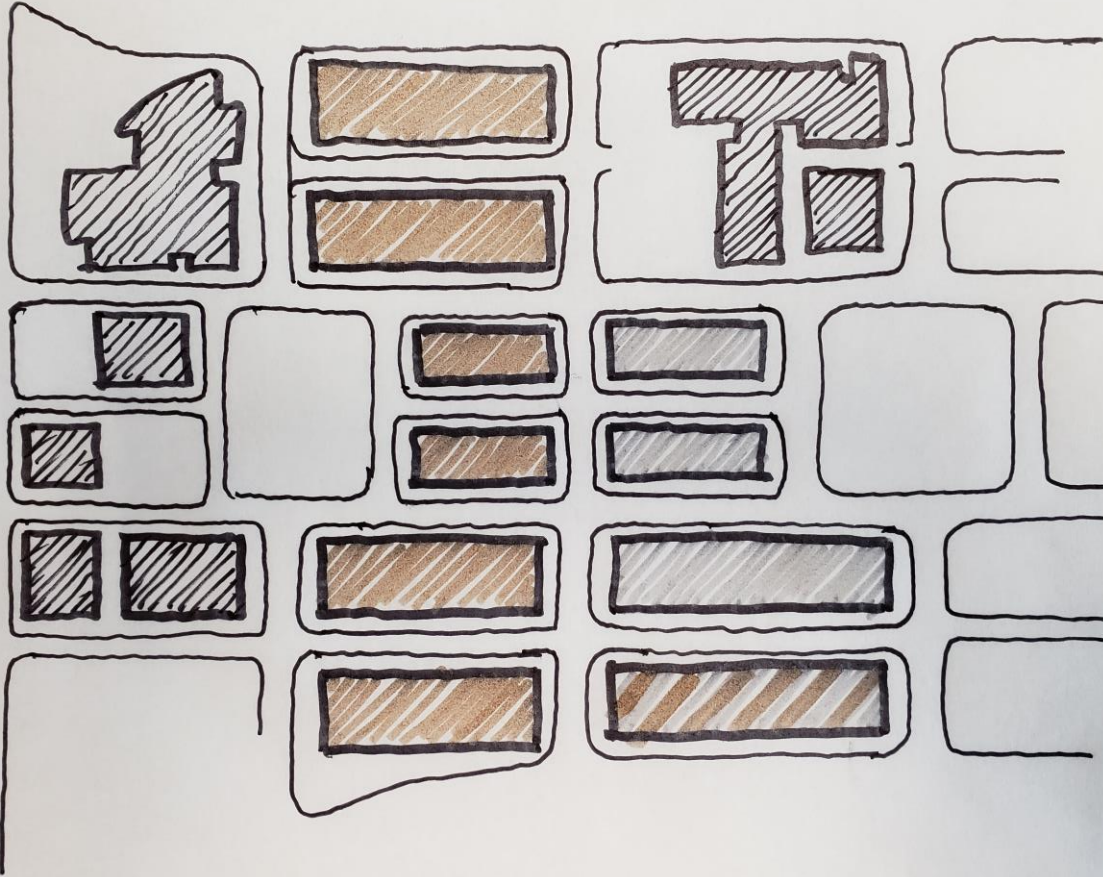


# Re-Establish Street Pattern



- Recreate Streets and Lanes
- Establish Tything Blocks and Trust Blocks

# Establish Height Limits



- Closer to Montgomery allow 4-6 stories
- Closer to Barnard Street allow 2-4 stories
- West Liberty Street optional height 4-6



## 4) Highest and best use of site

- Historically the Oglethorpe Plan has accommodate all uses for a thriving city and has adapted over time
- Context of new framework provides flexibility for mix of uses – both across the restored ward and vertically integrated in each building
- Uses should support the Collective Vision and Goals
  - *Cultural Assets – Urban Forest – Architectural Landscape – Diverse Community*
- Specific Considerations
  - *Desired Intensity*
  - *Financial/Economic Return*
  - *“Fit” – physical and community*





# Public Space and Communal Uses

- WHY:
  - *Historic communal use at this location, dating back to Municipal Auditorium*
  - *desire to honor the public space ethos of Oglethorpe Plan*
  - *Create ward identity and character*
- Restoration of Elbert Square
- Trust Lot Opportunity – ONE could be dedicated to flexible – creative – neighborhood amenity that is ‘more than the square’ – privately operated ‘third place’ – examples include Farmer’s Market Shed, Bark ‘n Brew, Food Truck Park, Beer Garden





# Residential

- WHY:
  - *more residents Downtown support larger community goals of supporting a thriving urban neighborhood*
  - *Growing residential community to the south*
- Range of Potential Options – need diversity of population
  - *Owner-occupied*
  - *Rental*
  - *Seniors – Aging Place*
  - *Mixed-Income/Workforce*
  - *Missing Middle*



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# Workforce housing

- Integrated among market-rate units – a.k.a. mixed-income
- Policy mandate necessary to ensure inclusion
- Subsidies for rents to target individuals and families earning 80% of the Area Median Income (AMI) which ranges with household size and is +/- \$36,000 to \$45,000 annually
  - *Missing Middle*



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# Commercial

- WHY: Create 18-hour activity and ‘eyes on the street’ to support walkability and neighborhood character
- Ground-floor storefront space for flexible uses – not just retail, but small office for entrepreneurs and creative professionals
- Neighborhood-serving retail uses – small grocery/bodega, Ace Hardware, dry cleaning and the like
- Large-format commercial uses not desired – limitation of block sizes and not consistent with locally-serving
- Office – unique, smaller spaces but not large-format Class A
- Consensus that hotels are not desired



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## 5) Framing the cost and economic benefits

- When we talk about economics – 4 different lenses
  - Site and development
  - Tax and revenue
  - Economic impact
  - Jobs and Housing



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# Site Development

A valuable asset but not without inevitable costs for demolition and site preparation

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## Estimated Net Value of Site

<b>Est Land Value (Cleared)</b>	<b>\$12-\$18 Million</b>
<b>Demolition</b>	<b>(\$3-\$4 Million)</b>
<b>Site Prep</b>	<b>(\$4 to \$5 Million)</b>
<b>Net Value</b>	<b>\$3 to \$11 Million</b>

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# Cost and financing

- Costs are inevitably borne either in sale price or pre-development costs to be paid by City; comes out of gross value
- How to address the cost?
  - TAD or Bond
  - Cash
  - Developer-financed
  - Phased Sale







# Deal structure options

- Master Developer
- Hire Development Manager for Horizontal Development
- Phased Sales
- Ground Lease
- Public Private Partnership



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# Tax revenue

- What could city expect to see in property tax revenue after redevelopment?

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City	\$ 420,000
Schools	\$ 540,000
Transit	\$40,000
County	\$400,000
<b>Total Estimated Annual Property Tax Revenue</b>	<b>\$1.4 million</b>

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***Assumption: 6.8 acres 100% developed with 4-story MF***



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***2017 Millage Rates***

***Actual revenue will depend on land use, property valuation  
Development density and exempt land uses***



# Economic impact

- Sales Tax, Permits and Fees
- Tax Revenue from New Construction
- Economic Activity from New Residents and Jobs
- Halo Effect – Increasing Value of Adjoining and Adjacent Properties
- If Commercial Uses, New Jobs





# Jobs and housing

- Diversify City's Employment Base
- Potential Partnerships for Economic Development and Job Incubation
- Opportunities for Mixed-Income Housing & “Missing Middle”



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# Short-term (1 year)

- Meet with stakeholders
  - *Confirm intent to demolish the facility*
  - *Confirm intent to implement the Oglethorpe Plan*
  - *Importance of streets vs. streets and lanes in Oglethorpe Plan*
  - *Confirm uses desired, height and density*
- Define metrics for success
- Due diligence costs, property appraisal, market analysis
- Establish financial strategy and deal structure
- Develop implementation strategy, plan/schedule/phasing





## Mid-term (2-3 years)

- Develop and issue RFP/Agreement
- Establish financing mechanism
- Build partnerships and agreements
- Build/execute arena
- Potential Begin Phase 1 / infrastructure / utilities



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## Long-term (4+ years)

- Demolish Civic Center
- Manage process
- Monitor compliance
- Begin recognizing community economic benefits



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# Q&A



# TAP Panel Members

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