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## The Gallery at Falls Park

Mills A. Armstrong  
*Clemson University*

Sheppard G. Benjamin  
*Clemson University*

Katelyn P. Graham  
*Clemson University*

Darren D. Pellegrin  
*Clemson University*

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# The Gallery

at Falls Park



Palmetto  
Property  
Partners



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Special Thanks To:

Dr. Robert Benedict  
Prof. Jeff Randolph  
Mr. Joseph Kernell  
Mr. H.G. "Butch" Kirven  
Mr. Joseph M. Pazdan II  
Mr. Bogue Wallin  
Mayor Knox White  
Mrs. Nancy Whitworth  
Mrs. Jean Pool  
Mrs. Mary Douglas Hirsch  
Mr. Mack Whittle Jr.

Prepared By:

Master of Real Estate Development Candidates 2012

*Palmetto Property Partners:*

Mills A. Armstrong  
Sheppard G. Benjamin  
Katelyn P. Graham  
Darren D. Pellegrin  
John D. Roberson

April 18, 2012





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# Development Team

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**Mills A. Armstrong** *University of South Carolina with a B.A. in Journalism & Mass Comm., 2005*

Industry experience with property management and project management. Managed 2.6 million square feet of industrial, retail and office space at NAI Earle Furman in Greenville, SC. Responsibilities included tenant relations, budget allocations, reporting, and project generation. At CBRE|The Furman Company, managed industrial, multi-tenant retail, medical REIT, and Upstate office facilities. Responsibilities included producing owner cash flow, client & tenant satisfaction, developing budgets, initializing projects to create sustainability, and project management. Interned with Mayor Knox White of Greenville and Centennial American Properties.



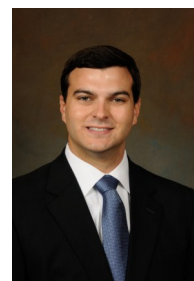
**Sheppard G. Benjamin** *University of Denver with a B.S. in Marketing and Economics, 2005*

Three years experience as a project superintendent for Edge Construction Specialties, Inc. in Lakewood, CO. Project portfolio consists of mixed-use, LEED-certified development (Denver, CO), the remodel and expansion of Manor Vail resort (Vail, CO), and the new construction of the Four Seasons Hotel (Vail, CO) and of One Steamboat Place resort (Steamboat Springs, CO). Promoted to Superintendent upon first annual review in 2008 and selected as Employee of the Year for 2009. Interned with Barclays Gedi Group, Inc. (Palm Beach, FL). Assisted with BGG's upcoming developments in Haiti and Port St. Joe, Florida.



**Katelyn P. Graham** *University of Virginia with a B.A. in Economics, 2009*

During an internship with Post Properties in Charlotte, NC participated in the conceptualization of a new multifamily project. Leased apartments in a mixed-use development and an urban mid-rise property; exceeded internship leasing goals by 50%. Recently a Summer Associate with Estates Management Company in Columbia, SC. Now interning with TRG Communities in Greenville, SC working on residential and commercial development. Other professional experiences include work on Capital Hill and teaching math at a bilingual school in the Dominican Republic upon graduation from UVA.



**Darren D. Pellegrin** *Louisiana State University with a B.S. in Construction Management, 2007*

Five years experience in the residential and commercial construction industry. Project portfolio consists of over \$70 million in commercial construction. Assistant project manager, Lemoine Company Construction, member for 2-½ years. Developed over \$1 million in multifamily residential units working independently for 2 years as a licensed residential and commercial general contractor. Interned with Tax Advantage Group, LLC, Greenville, SC, providing New Market Tax Credit and Historical Tax Credit consulting and gap financing. Recently accepted a Business Development Analyst position at Woodward Design Build in New Orleans, LA.



**John D. Roberson** *University of Texas with a B.A. in Urban Studies, 2008*

Experience as an Associate at a successful Land Planning and Consulting firm in Austin, Texas. Worked to acquire and develop over 200 acres of land valued over \$20 million. While interning with Crescent Resources, LLC, in Charlotte, NC, was involved in the development and capitalization of \$120 million in multifamily properties. Transactions included ground up development, pre-development due diligence, financial modeling and capital raising.



# Project Overview

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Palmetto Property Partners (PPP) is pleased to present The Gallery at Falls Park, a 31-acre mixed-use development, located at the southern end of the Central Business District (CBD) in Greenville, South Carolina. Considering its premier location, The Gallery at Falls Park will be a highly desirable, pedestrian-friendly residential, retail and office district.

The site, known as County Square, is currently owned by Greenville County and serves as the location of many of their agencies and services. The county offices are housed in an outdated, converted shopping center. The chance to partner with Greenville County for this project presents an excellent opportunity to create lasting value for both the public and private sectors.

The Gallery at Falls Park integrates a new 6-story, 300,000 square foot (SF) county office building with almost 1 million additional SF of mixed-uses strategically placed along a new network of streets, and sidewalks. The building program will be complete by 2018.

Additionally, the project takes full advantage of the site's topography by providing excellent views of downtown and the Blue Ridge Mountains. Furthermore, an extension of the popular Swamp Rabbit Trail will connect bicyclists and joggers to The Gallery at Falls Park.

## Partnership Summary

### Palmetto Property Partners

- Master Plan Developer
- Boulevard Retail and Office Developer
- Town Center Promenade Developer
- Multifamily Developer

### Greenville County

- Contributes land to project as equity
- Debt financing source

### City of Greenville

- Purchases infrastructure from PPP in 2018 as part of an inverted Tax Increment Finance (TIF) model, shifting risk from the public to the private sector

### Third Parties

- Six pad sites will be sold to qualified third-party developers for designated uses



*Liberty Bridge at Falls Park*



*Downtown Greenville Skyline*

# Development Goals & Objectives

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## Opportunity

Respond to the call for a Request For Proposal (RFP) for the re-development of the obsolete Greenville County office complex positioned on 31-acres in downtown Greenville, South Carolina.

## Vision

Seize the exclusive and unique opportunity to deliver an innovative development plan to introduce a new district, *The Gallery at Falls Park*, which will enhance Greenville's urban environment and compliment the city's evolving downtown area.

## Mission

Palmetto Property Partners is dedicated to creating a vibrant, community-oriented urban center on the current County Square site. The Gallery at Falls Park will prove to be an environmentally sensitive, economically viable and socially responsible mixed-use development, which will yield a plentiful return on enjoyment to South Carolina's entire Upstate Region.

## Development Cornerstones

1. Integrate the Greenville County office complex as part of a thriving mixed-use district of downtown Greenville, which will support and enhance the existing urban fabric of Main Street.
2. Introduce a community-oriented downtown neighborhood, which allows residents to rent or purchase a home that fits their lifestyles, preferences and financial capabilities.
3. Deliver neighborhood retail convenience to the surrounding neighborhoods of Haynie-Sirrine, Augusta Road, and downtown Greenville and provide destination shopping and dining for the greater Upstate South Carolina region.
4. Promote healthy living for district residents and visitors alike through avenues such as the expansion of the Swamp Rabbit Trail along the site's northern boundary.
5. Encourage outdoor "living rooms" through the implementation of an extensive network of internal pedestrian walkways, public green spaces, al fresco dining options, and outdoor residential amenities such as a rooftop pool area for condominium residents and hotel guests

# Market Analysis Summary

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## **Greenville Market**

Greenville, South Carolina is one of the 10 fastest growing cities in America. With a population of 400,492, Greenville has experienced 32.5% growth over the period 2000-2010. This region of South Carolina known as “The Upstate”, which includes Spartanburg, Anderson, and other neighboring counties, has welcomed over 250 international companies in the last couple decades. These world-renowned firms include BMW, Michelin and GlaxoSmithKline, many of which have expanded since their market entrance. Downtown Greenville is the business, entertainment, cultural, and civic core of Upstate of SC. Over the past 30 years, downtown has transformed into a destination for area residents and visitors alike. With over 90 restaurants, 19 of which have opened since 2010, and a growing density of retail shops and boutiques, there are many venues through which one can enjoy the downtown area.

## **For-Sale Housing Market**

Recent reports released show that the state of the U.S. housing market is still below pre-2007 levels. Housing prices have stayed suppressed and are still falling in some distressed markets. However, home sales have stabilized and are beginning to trend upwards. Locally, homes sales followed a path similar to the national and statewide trends in the previous quarter — they increased. Barring unforeseen conditions, the current forecast is a gain of 4.5% to 5% this year. The underlying fundamentals, along with continued local job creation, is a positive indicator for future home sales at The Gallery at Falls Park.

## **For-Rent Housing Market**

Vacancy rates in the Greenville for-rent housing market are suppressed and falling. A senior real estate economist with AXIOMETRICS predicts the Greenville apartment vacancy rate will fall 1.4% between 2011 and 2012, from 7.1% to 5.7% respectively. In addition, McBee Station, located 1 mile from The Gallery at Falls Park, has experienced steady rental growth since its completion in 2007. Rates for studio apartments have reached \$1.68/SF and \$1.47/SF for 1-bedroom units. Research at every level - national, regional and local - indicates strong demand for for-rent housing.

## **Retail Market**

The Greenville retail market shows positive signs with new retail development underway. The market is experiencing an increase in lease rates and a decrease in vacancy rates. Looking forward, 2012 is anticipated to be a year of growth for the retail sector, especially in the downtown market. We believe that The Gallery at Falls Park will attract national retailers, restaurants and grocers alongside local businesses.

## **Office Market**

The office market in Greenville continues to gain momentum and flourish as more industry-leading companies relocate into the area and help increase employment rates. Considering these trends, the development can and will support an integral office component. Specifically, there is an opportunity for technology-based flex-office space and the integration of smaller office space above a retail component in a mixed-use design.

## **Hospitality Market**

The proposed hotel at The Gallery at Falls Park will be positioned on the western half of the site, closest to Main Street, Fluor Field and Falls Park, three of the primary hospitality demand drivers for leisure-travelers. Additionally, two entertainment venues, the Bi-Lo Center and the Peace Center, as well as a cluster of businesses and hospitals located in close proximity to the site will attract visitors regularly.

# Competitive Analysis Summary

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## **Multifamily For-Rent**

The existing multifamily inventory in competition with The Gallery at Falls Park is approximately 1,000 units. Half of these units are located in the urban core, or within a 5-minute drive from the site, and the other 500 apartment units represent two Class A properties positioned five miles east. With the exception of a 35-unit apartment proposed near Cleveland Park, all of the 1,100 apartment units proposed in the Greenville market are positioned outside of the competitive area. A market capture rate of 25% is projected with an absorption schedule of 25 units per month.

## **For-Sale Housing**

There are currently 843 total dwelling units located in 27 developments in the PMA, which encompasses downtown Greenville. After compiling existing supply information and examining the demand generators, this report concludes that the market currently supports the addition of 40 proposed for-sale dwelling units within the first phases of The Gallery at Falls Park priced between \$240-\$250 PSF. However, forecasted improved market conditions will support additional absorption of 40-50 units beyond initial phasing timeframe.

## **Retail**

Six high-end retail properties were studied for the competitive analysis. The average rental rate for the comparable properties in the Greenville area is approximately \$21.70. The average percentage of space leased is 92.8%. One of the comparable properties has 100% occupancy. The average total square footage of the comparable properties is 45,275 square feet.

## **Office**

Seven competitive office properties, all of which are located in the Greenville CBD and within a 10-minute drive from the site, were analyzed for the development's office space component. The average rental rate for these properties is \$19.09 per square foot, while the average rentable building area (RBA) for the seven properties is 110,989 square feet. The average percentage of leased space among the comparable properties is 91.5%.

## **Hospitality**

Six comparable hotels were studied within a 5-minute drive of the site. The two closest competitors, the Courtyard Marriot at Main @ Broad and the Hampton Inn Suites at RiverPlace, boast Average Daily Rates (ADR) pushing \$200 and hover around 75% Occupancy. These properties are full service hotels with structured parking garages and prove to be quite successful. The other four competitors analyzed also achieve ADR's well above \$100 and healthy occupancy rates.

# Site Analysis

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## **The Site**

County Square, a 31-acre hilltop site, is positioned at the southern end of the Central Business District (CBD) in Greenville, South Carolina. The parcel is framed by Church Street to the east, University Ridge to the north, Howe Street to the east, and the South Carolina's Governor's School for the Arts and Humanities along the northern boundary.

The site was previously the location of the Furman University campus and subsequently a suburban-style shopping center. Today, County Square is home to a number of Greenville County agencies and services located in 300,000 square feet of office space. Two outparcels also exist on the site: the Greenville County Family Court building and a local automotive shop.

## **Zoning**

The subject site is located inside the city limits of Greenville, SC and is therefore subject to all City of Greenville zoning and development regulations. The area has been zoned a Planned Development as part of the Haynie-Sirrine Neighborhood (HSN) Master Plan and has been designated as the University Ridge Village Center (URVC) overlay sub-district. The URVC represents the most dense business, service, and institutional sub-district of the HSN Master Plan. Based on the current zoning designation, specific building types permitted include but are not limited to: detached housing, townhouse, apartment building, shop front, workplace building, civic building. Maximum height allowance is six stories and all city signage codes are permitted.

## **Topography**

The site slopes downward from its southwest corner to its northeast corner towards the Reedy River, which runs along the property's northern boundary. The highest elevation point at the southwest corner is 980ft above sea level and offers great views of the downtown Greenville skyline. The northeast corner marks the lowest point on the site at 920 feet above sea level. The significant change in elevation will be used to the development's advantage by offering prime views of downtown Greenville to the site's future residents and visitors.

## **Utilities**

All major utilities exist on the site and include power, sanitary sewer, water, gas and storm drainage. However, these utilities are incapable of supporting high density re-development and will require significant upgrades and improvements. Sanitary sewer capacity continues to be a major concern with all new real estate development projects in downtown Greenville.

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## Access

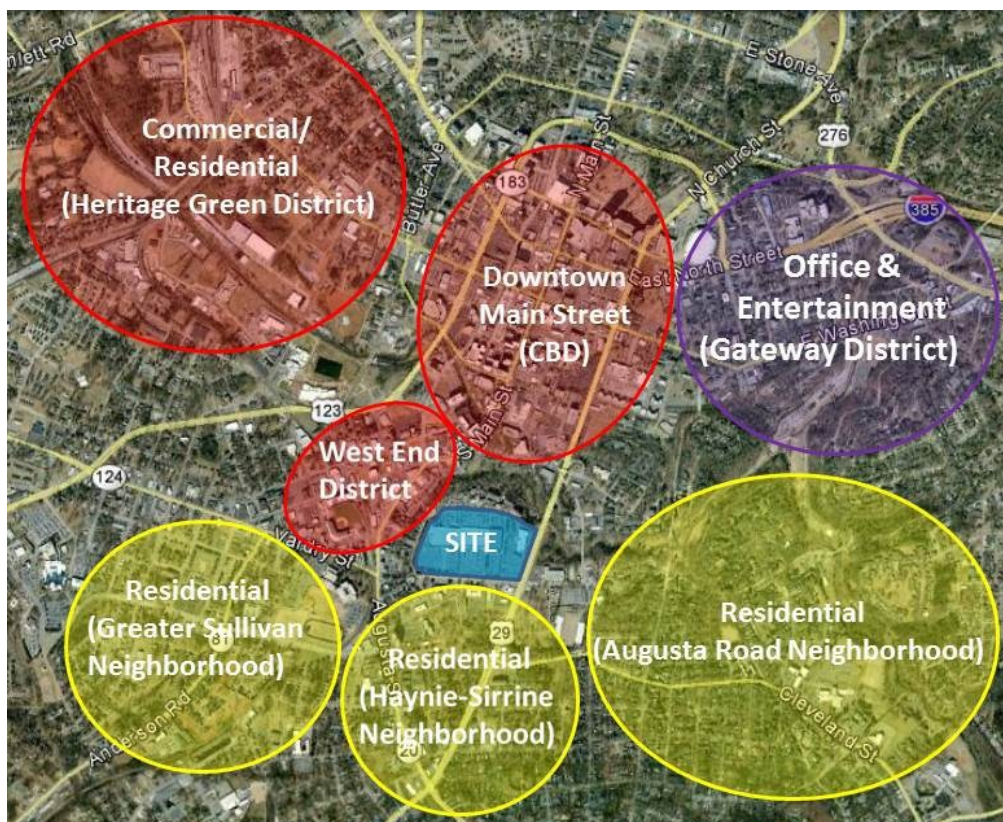
The centrality of County Square within the context of downtown Greenville allows for ease of site access. The site can be reached by a variety of transportation modes including automobile, bus, trolley, bike and by foot. The main entrance into the site by car is off Church Street on University Ridge. Interstate 85, which connects Greenville with Atlanta to the south and Charlotte to the north, is a 5 minute drive from the site by way of Interstate 185 or 385, respectively. Routes 4 and 10 of Greenville's Greenlink Bus System both run in proximity to and have stops within a 1/4 mile of the site. Lastly, the downtown trolley system runs from West Earle Street to Fields Street and has a local stop above the northwest corner of the site.

Bicyclists and walkers passing through Falls Park on the Swamp Rabbit Trail have access just to the north of County Square. Other pedestrian access is limited to surrounding sidewalks along Howe Street, University Ridge and Church Street.

## Surrounding Land Uses

To the north of the site, Main Street runs more than a mile in length with numerous commercial and residential uses. The West End district, adjacent to the site, is comprised of local shops, restaurants, and Fluor Field- home to the Greenville Drive minor league baseball team. The residential neighborhoods of Augusta Road, Haynie-Sirrine, and Greater Sullivan to the east and south of the site introduce a variety of surrounding housing types and income levels to the area.

"The Gateway District" was the distinction given to the northeast pocket of downtown in the 2008 Sasaki Downtown Greenville Master Plan because many traveling into downtown by way of I-85 arrive through this corner. Finally, the northwest corner of downtown holds a number of institutional components such as the Children's Museum, Hughes Public Library and the Greenville Art Museum. This region is commonly referred to as the "Heritage Green District."



*Surrounding Land Use Map*

# Development Master Plan

## The Design

The conceptualized design plan for The Gallery at Falls Park will integrate Greenville’s rich architectural history with contemporary design and sustainable features. The use of brick combined with other building materials such as glass and rock will portray a classic, yet natural look.

The architectural styles of the late 1800’s and 1900’s are permanently woven into Greenville’s fabric. The historic Huguenot Mill, which is part of the downtown Peace Center campus, for example, proves old red-brick architecture mixes well with more modern design.

## Development Program

<b>BUILDING PROGRAM</b>	
<b>Commercial</b>	
<u>Retail &amp; Restaurant</u>	
90,000 SF	Retail/Restaurant
50,000 SF	Retail-Wrapped Parking Garage
35,000 SF	Stand-Alone Retail along Church St
20,000 SF	Stand-Alone Restaurant
20,000 SF	Retail Below Condominiums
<u>Office Space</u>	
90,000 SF	2nd Floor Promenade
50,000 SF	Wrapped Parking Garage
25,000 SF	SE Corner (University Ridge and Church St)
<b>Residential</b>	
<u>For-Sale</u>	
	90 Condominium Units
	15 Townhomes
<u>For-Rent</u>	
	350 Multifamily Apartments
<b>Hospitality</b>	
	110 Rooms
80,000 SF	East End of Town Green

<b>BUILDING PROGRAM</b>	
<b>Parking Program</b>	
County Square	800 Structured
County Square	75 Surface
Multifamily	400 Structured
West End Garage	400 Structured
East End Garage	400 Structured
Pad 1 (Office)	60 Surface
Pad 2 (Retail)	175 Surface
Pad 3 (Restaurant)	85 Surface
On-Street	300 Surface

# Site Plan



- County Office
- Hospitality
- Office
- Residential - Townhomes
- Residential - Multifamily
- Retail / Restaurant
- Structured Parking



# Building Program & Phasing

Surrounding the new County Office Building anchoring the site, the Development Master Plan conceptualizes a diverse mix of residential and commercial uses that will be carefully positioned to produce excellent synergy within the site. The Gallery Green, a public green space at the center of the site, will incorporate the Veterans Memorial and a replica of the historic Furman University Bell Tower.

The building program will be completed across four separate phases by yearend 2018. This will allow for the appropriate absorption of newly constructed spaces.

<b>BUILDING PROGRAM</b>			
	<u>Units</u>	<u>SF</u>	<u>% of Total</u>
<u>Building Components:</u>			
County Offices		300,000	24%
Multi-Family Apartments	350	315,000	25%
Condominiums	90	135,000	11%
Townhomes	15	30,000	2%
Retail Space		217,500	18%
Office Space		165,000	13%
Hotel	110	80,000	6%
<b>Total Building Program</b>		<b>1,242,500</b>	<b>100%</b>

<b>Pad Sites Defined</b>		
<b>Pad #</b>	<b>Acreage</b>	<b>Definition</b>
Pad 1	1.25	NE corner of Church Street
Pad 2	2.25	Middle parcel facing Church Street
Pad 3	2.00	SE corner of Church Street
Pad 4	2.70	Condo/Parking/Hotel site on west side of Gallery Green
Pad 5	1.00	Townhome pad on the western boundary along Howe Street
Pad 6	0.85	Condominium parcel on the east side of Gallery Green
<b>Total</b>	<b>10.05</b>	

<b>BUILDING SUMMARY - PHASING</b>						
			<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Phase 4</b>
<b>Residential</b>		<b>Total SF</b>				
<i>For Lease</i>						
Units	350		-	350	-	-
SF Per Unit	900	315,000	-	315,000	-	-
<i>Condominiums</i>						
Units	90		-	-	45	45
SF Per Unit	1500	135,000	-	-	67,500	67,500
<i>Townhomes</i>						
Units	15		-	15	-	-
SF Per Unit	2000	30,000	-	30,000	-	-
<b>Office</b>		165,000	30,000	135,000	-	-
<b>Retail</b>		217,500	30,000	110,000	-	77,500
<b>Hotel</b>		80,000	-	-	80,000	-
<b>County Office</b>		300,000	300,000	-	-	-
<b>Total SF</b>		<b>1,242,500</b>	<b>360,000</b>	<b>590,000</b>	<b>147,500</b>	<b>145,000</b>

# Architectural Typologies

## County Office Building:



## Multifamily Apartments:



## Condominiums:



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**Townhomes:**



**Retail:**



**Office:**



**Hotel:**



**Green Space:**



**Parking Structure:**



# Financial Summary

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Palmetto Property Partners (PPP) will act as the Master Developer of The Gallery at Falls Park. PPP has conceptualized the Master Plan, including phasing, for the entire development of the 31-acre parcel. The firm will also perform as the Multifamily Developer and Town Center Promenade Retail and Office Developer.

In addition, Palmetto Property Partners will serve as a fee developer for the 300,000 square foot county office building and 800-space structured parking garage. Finally, PPP will orchestrate the sale of six padded land sites for designated residential and commercial uses.

The development pro-forma for The Gallery at Falls Park closely adheres to the financial assumptions determined through careful market analysis of each real estate sector. A land basis of \$850,000 per acre was determined through the study of recent land sale comparables in the market, demonstrated in a Land Value Matrix, and took into consideration the opinion of Greenville County in regard to value estimates from a 2006 appraisal of the site.

The public-private partnership for the project will be clearly defined in a detailed Development Agreement entered into by Palmetto Property Partners, Greenville County and the City of Greenville. The Development Agreement introduces financing instruments and partnerships opportunities for both Greenville County and the City of Greenville. Greenville County will contribute 25.55 acres of land as equity for the project and the City of Greenville will participate in funding the public infrastructure through their authorization of an inverted Tax Increment Financing (TIF) mechanism called the Purchase Model. These elements illustrate the necessity of gap financing and creative land contribution structures to achieve financial feasibility for The Gallery at Falls Park.

## **Financial Conclusions:**

- ◇ Total Development Budget: \$260,000,000
- ◇ Total Infrastructure Costs: \$16,500,000
- ◇ Annual Tax Basis Generated at Full Build-Out: \$2,200,000
- ◇ Total Revenues to Greenville County: \$31,000,000
- ◇ Total Returns to Palmetto Property Partners: \$14,000,000

# Land Contribution

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## Land Contribution Deal Structure

The proposed public-private partnership outlined in the Development Agreement will produce income for Greenville County through two primary avenues: Land Equity Notes for the contribution of land for development and Revenue Share for pad sales.

## Land Equity Note

The Land Equity Note Structure proposed in the deal states that the County will receive guaranteed annual note payments plus interest from Palmetto Property Partners. The note payments will commence after a 3-year grace period, measured by the date the land is contributed for the development of the specific parcel.

The Land Equity Note Structure will be utilized in the development of the west side Boulevard Retail and Office, Multifamily parcel, and Promenade Retail and Office. The amount and timing of each note payment for the Multifamily project is demonstrated below.

<b>Multifamily Land Equity Note Structure</b>					
<b>Payment Date</b>	<b>Land Basis</b>	<b>Acres</b>	<b>Return</b>	<b>Total Repayment</b>	
Aug-18	\$850,000	1	20%	\$	1,020,000
Aug-19	\$850,000	1	21%	\$	1,028,500
Aug-20	\$850,000	1	22%	\$	1,037,000
Aug-21	\$850,000	1	23%	\$	1,045,500
Aug-22	\$850,000	1	24%	\$	1,054,000
<b>Total Payment</b>	<b>\$</b>	<b>5,185,000</b>			
<b>Average Payment</b>	<b>\$</b>	<b>1,032,750</b>			

## Revenue Share for Pad Sales

As mentioned, the land value of \$850,000 per acre will be the basis for each of the six pad sales. Any revenues made about this amount for a pad sale will be shared between Palmetto Property Partners and Greenville County at an 80% and 20% split, respectively.

The Revenue Share Scenario Analysis is based on a yearly appreciation schedule. Appreciation percentages were assigned based on maturation of The Gallery at Falls Park over the infrastructure and building program.

# Infrastructure Funding: “The Purchase Model”

“Greenville is big on infrastructure. It’s our magic.” - Greenville Mayor Knox White

The downtown redevelopment of Quincy, Massachusetts has given the real estate world a new approach to the public-private partnership for the financing of public infrastructure. In the "Purchase Model", the traditional Tax Increment Financing (TIF) structure has been inverted.

Palmetto Property Partners will employ this model to finance the infrastructure at The Gallery at Falls Park. This new model shifts the majority of the risk from the public to the private sector, whereas the private developer purchases the land and funds all the public infrastructure improvements through interim financing.

In this case, Greenville County will act as the debt source for the infrastructure financing from 2013-2018. At the end of the period, once revenues onsite are already being generated, the City of Greenville will purchase the public infrastructure from Palmetto Property Partners. The total infrastructure costs and interest payments made are shown below.

Interest Payments for TIF Funding							
Year	Total	2013	2014	2015	2016	2017	2018
Light Grading, Erosion Control	\$ 372,000	\$ 87,600	\$ -	\$ 284,400	\$ -	\$ -	\$ -
Two Lane Road-24' Wide, 10' Sidewalk	\$ 1,601,250	\$ 560,000	\$ -	\$ 1,041,250	\$ -	\$ -	\$ -
Add New Sewer Line	\$ 786,500	\$ 786,500	\$ -	\$ -	\$ -	\$ -	\$ -
Add Parallel Parking	\$ 1,500,000	\$ 300,000	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -
Add Intercection with Stop Signs	\$ 845,000	\$ 260,000	\$ -	\$ 585,000	\$ -	\$ -	\$ -
Add Traffic Signals	\$ 380,000	\$ -	\$ -	\$ 380,000	\$ -	\$ -	\$ -
Decel/Accel Lane	\$ 84,000	\$ 56,000	\$ -	\$ 28,000	\$ -	\$ -	\$ -
Gallery Green Construction	\$ 2,178,000	\$ -	\$ -	\$ -	\$ 2,178,000	\$ -	\$ -
Land Purchased for Gallery Green	\$ 2,125,000	\$ -	\$ -	\$ 2,125,000	\$ -	\$ -	\$ -
Land Purchased for Road Network	\$ 2,125,000	\$ -	\$ -	\$ 2,125,000	\$ -	\$ -	\$ -
Land Purchased for East End Garage	\$ 850,000	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ -
East End Public Parking Garage	\$ 3,750,000	\$ -	\$ -	\$ -	\$ 3,750,000	\$ -	\$ -
<b>Total TIF Funding</b>	<b>\$ 16,596,750</b>	<b>\$ 2,050,100</b>	<b>\$ 2,050,100</b>	<b>\$ 9,818,750</b>	<b>\$ 16,596,750</b>	<b>\$ 16,596,750</b>	<b>\$ 16,596,750</b>
Interest		3%	3%	3%	3%	3%	3%
Payments		\$ 61,503	\$ 61,503	\$ 294,563	\$ 497,903	\$ 497,903	\$ 497,903
<b>Total Interest Payments</b>		<b>\$ 1,911,276</b>					

Based on certain financial assumptions, millage rates, and the total construction costs for The Gallery at Falls Park by full build-out, the bond potential for the site is over \$18,000,000, well above the \$16,600,000 in the TIF purchase model. This calculation is demonstrated below.

Bond Potential at Full Buildout, 2018					
Residential		Retail & Office		Hospitality	
Multifamily For-Rent	\$ 26,775,000	Total Cost for Office	\$ 25,150,000	Total Cost for Commercial	\$ 13,750,000
Assessed at 6%	\$ 1,606,500	Assessed at 6%	\$ 1,509,000	Assessed at 6%	\$ 825,000
Multifamily For-Sale	\$ 27,675,000	Total Cost for Retail	\$ 35,125,000		
Assessed at 4%	\$ 1,107,000	Assessed at 6%	\$ 2,107,500		
<b>Total Tax Potential</b>	<b>\$ 2,713,500</b>	<b>Total Potential</b>	<b>\$ 3,616,500</b>	<b>Total Tax Potential</b>	<b>\$ 825,000</b>
Incremental Tax	\$ 2,713,500	Incremental Tax	\$ 3,616,500	Incremental Tax	\$ 825,000
Mills Tax Rate	\$ 838,743	Mills Tax Rate	\$ 1,117,860	Mills Tax Rate	\$ 255,008
DSC Requirement	\$ 645,187	DSC Requirement	\$ 859,892	DSC Requirement	\$ 196,160
Debt Service Available	\$ 516,149	Debt Service Available	\$ 687,914	Debt Service Available	\$ 156,928
<b>Bond Potential, Residential</b>	<b>\$ 7,014,639</b>	<b>Bond Potential, Retail &amp; Office</b>	<b>\$ 9,035,020</b>	<b>Bond Potential, Hospitality</b>	<b>\$ 1,986,594</b>

**Total Project Bond Potential \$ 18,036,254**

# Revenue Summary

Greenville County will realize total project returns just over \$31,000,000 for the municipality's contribution of land as equity in the project and as a debt source for infrastructure financing. This sum is demonstrated below.

<b>Total County Revenue</b>	
Land Revenue \$	29,142,258
Interest Income \$	1,915,079
<b>Total Income \$</b>	<b>31,057,336</b>

<sup>1</sup> Paid in full by Aug 2022

<sup>2</sup> Realized in 2018

For their overall role in the project, after paying interest obligations, Palmetto Property Partners will collect approximately \$14,000,000 in total revenues, as seen below.

<b>Total Project Revenue - PPP</b>	
<b>Development Fees</b>	
County Square	\$ 1,740,843
Promenade	\$ 663,750
Boulevard	\$ 368,750
Multifamily	\$ 796,875
<b>Total Development Fees</b>	<b>\$ 3,570,218</b>
<b>Gross Cash Flow Over Holding Period</b>	
Multifamily	\$ 3,518,715
Promenade	\$ 9,886,223
Boulevard	\$ 3,029,050
<b>Total Cash Flow</b>	<b>\$ 16,433,988</b>
<b>Land Sales</b>	
Pad 1	\$ 321,406
Pad 2	\$ 1,392,424
Pad 3	\$ 1,887,138
Pad 4	\$ 1,200,285
Pad 5	\$ 1,045,569
Pad 6	\$ 218,556
<b>Total Land Sales</b>	<b>\$ 6,065,379</b>
<b>Total Cash Flow</b>	<b>\$ 26,069,585</b>
<b>Interest Payments</b>	
Multifamily Land Note	\$ (5,185,000)
Boulevard Land Note	\$ (977,500)
Promenade Land Note	\$ (3,961,000)
Total TIF Interest	\$ (1,915,079)
<b>Total Interest Payments</b>	<b>\$ (12,038,579)</b>
<b>Total Revenue to PPP</b>	<b>\$ 14,031,006</b>







