



GLEN LENNOX

Incentive Ask

DWIGHT BASSETT, ECONOMIC DEVELOPMENT OFFICER

GOALS FOR INCENTIVES:

Goal-

Help move our markets, office and retail, forward to see regular development occurring in these market categories.

For bringing good jobs to Chapel Hill that support our interest to grow jobs and retain talent.

Term-

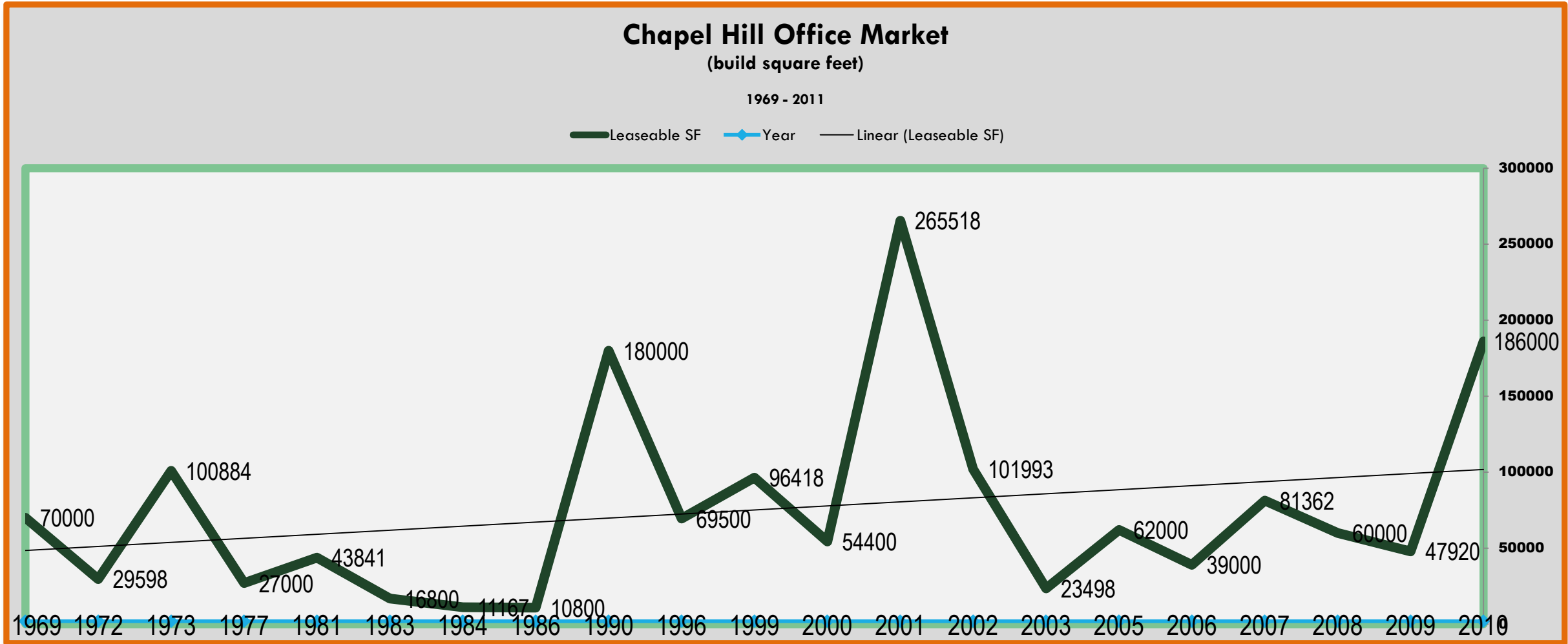
Short-term

> To make sure our market is growing and moving forward to meet needs

Longer-term

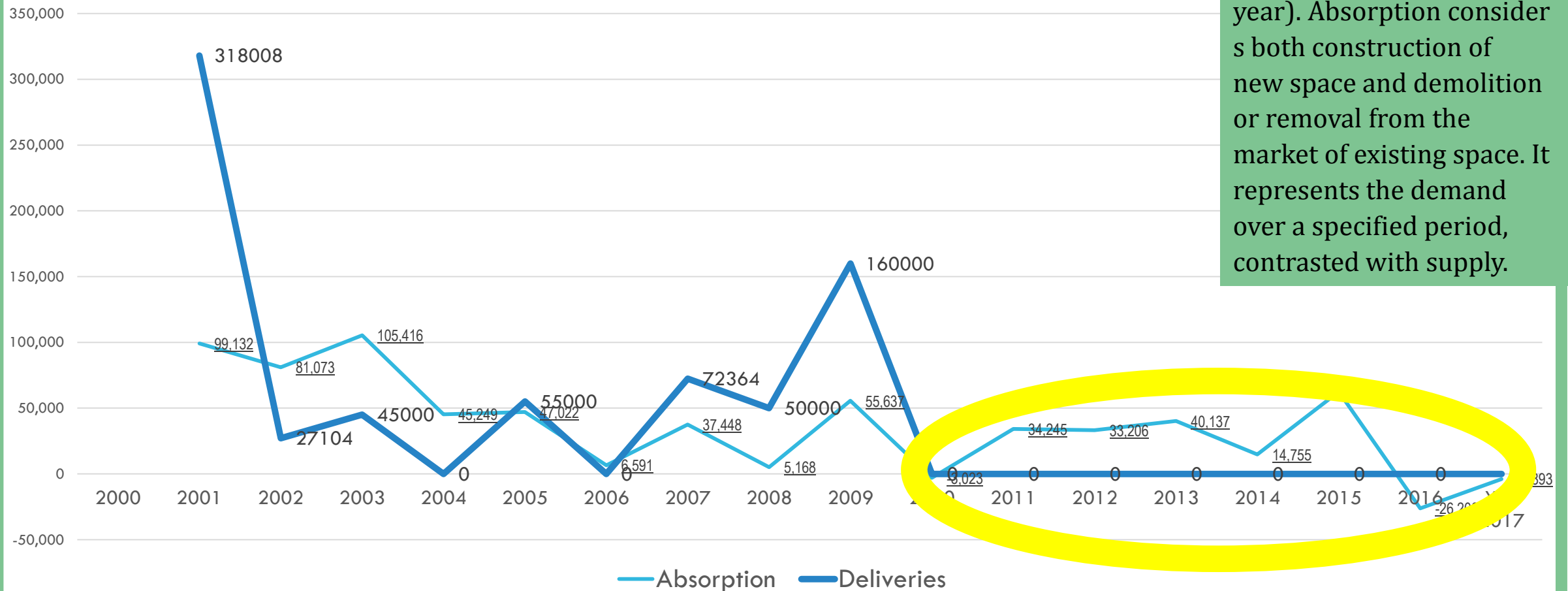
> To make sure we are providing jobs to meet the needs of a growing community

OFFICE MARKET



OFFICE MARKET

Chapel Hill/Carrboro Absorption vs. Deliveries



Absorption is the amount of space or units leased within a market or submarket over a given period of time (usually one year). Absorption considers both construction of new space and demolition or removal from the market of existing space. It represents the demand over a specified period, contrasted with supply.

GLEN LENNOX - ASK

- > \$3.5 million ask – Consider \$2.5 from Town**
- > Take to full Council for consideration**
- > Annual meeting with Grubb Properties to evaluate how we are meeting goals with option for refinement**
- > Benchmarked to performance of building space**

GLEN LENNOX - BUILDOUT

**Development
benchmark
goals**

Glen Lennox Projected 10-yr Buildout Schedule: Scenario A

	<u>New Residential Units</u>	<u>Office SF</u>	<u>Retail SF</u>	<u>Hotel (rooms)</u>
2017				
2018				
2019	177			
2020	44	103,000		
2021	133	135,000		
2022	176	135,000		
2023	188	115,000	53,000	50
2024	337		47,000	50
2025	87			50
2026				
Total	1,142	488,000	100,000	150

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Orange County Tax Assessor's Office values:

- **\$100.51 to \$258.70**
- **\$200.63 average value per square foot (conservative)**
- **Consider granting full projected value in a Economic Development grant**

Property Type	Total Square Feet	Average tax base for Class A Office	Projected Value	Projected Tax Revenue	5 yr Projected Tax Revenue
Office	488,000	200.63	97,907,440	516,951	2,584,756
Total	488,000	N/A	\$97,907,440	\$516,951	2,584,756



NEXT STEPS

Does the Council desire to forward this consideration to a full Council meeting?