

DOWNTOWN GREENSBORO - THE SOUTH END

MIXED-USE DEVELOPMENT OPPORTUNITY



Nine contiguous parcels at the Southwest corner of S. Elm Street and W. Gate City Boulevard totaling +/- 2.98 acres.
See the final two pages of this flyer for a detail of the subject parcels.

OFFERING MEMORANDUM



CALL FOR PRICING

CONTENTS

Site Aerial	Page 3
Property Description	Page 4
Downtown Highlights	Page 6
Triad Metropolitan Area	Page 7
Downtown	Page 8
Downtown Housing	Page 10
Site Renderings	Page 11
The "Core" and "The South End"	Page 12
Location Map	Page 14
Parcel Specs	Page 15

Mixed-Use Development Opportunity

3

DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

PROPERTY DESCRIPTION

The subject property includes nine parcels that total +/- 2.98 acres. The parcel to be transferred will also include a small right-of-way to be abandoned to increase the total to +/- 3.12 acres. The site economics are advantaged by a number of factors including:

- Minimal requirements for additional stormwater management because the site was historically 94% impervious
- The City of Greensboro is funding and managing streetscape improvements around the site
- A Brownfields agreement with the North Carolina Department of Environmental Quality is in place
- The Downtown Greenway, a four mile loop around downtown, is contiguous to the site
- The City has the financial resources to engage in public-private partnership funding

In addition, there is an opportunity for two additional phases on the expansion parcel on the east side of Union Square and adjacent to the Phase I building (Collaborative Nursing Education). The owners/developers of the Phase I training center for nurses and healthcare professionals have the Phase II parcel option, which would provide for a second downtown building of up to 120,000 SF on the corner of South Elm Street and East Gate City Boulevard ... the current location of the surface parking lot. Construction of the second phase would likely trigger a new parking deck on the east side and in the Phase III lot. The parcels that form Phase II and Phase III total 2.47 acres.

The property shall be guided by a number of agreements, which are available upon request and include:

- Brownfields Agreement
- Design guidelines for Union Square
- Green standards for Union Square
- CC&R's of the Union Square Assembly
- A community outreach guide agreed upon by the seller and the City
- An economic impact statement
- Goals for involvement of Minority and Women-Owned Business Enterprises in the construction phase



DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

UNION SQUARE CAMPUS - PHASE I

This first building is called Union Square Campus and is a remarkable partnership between Cone Health, Guilford Technical Community College, North Carolina A&T State University, and the University of North Carolina at Greensboro. Leases from these institutions, combined with significant public and private investment, supported the construction, equipment, and operating costs of this \$34 million project, which was completed on schedule last August and within budget. This project can be found at: <http://www.unionsquarecampus.org/>.

The collaborators worked closely together to create a state-of-the art setting to educate nurses from the associate (2 year), bachelor (4 year) and through the doctoral degree level. Shared common areas, a 340 seat auditorium (leasable by the public), classrooms, labs, and study areas are designed for a maximized and efficient schedule, day and night, six days a week.

Practicing nurses as well as local students can enhance their skills in Union Square's state-of the art simulation center, ultimately filling much-needed jobs and improving the overall delivery of health care in clinical settings.

The state-of-the-art simulation center will bring an unprecedented degree of realism to nursing education. Students practice essential skills on computer-operated yet life-like mannequins that simulate everything from mild symptoms to complex health problems to specialized scenarios that occur in real-life patients. The center will feature a "mini-hospital" setting including mock operating, ICU and labor/delivery rooms in addition to home health care simulation. This type of training provides a risk-free learning environment for students to demonstrate critical thinking and judgment skills without compromising the health and safety of human patients.

The tenant entity and developer of Union Square Campus Phase I have an option that expires in January 2020 to take down a Phase II site. The second building would be required to have a minimum of 75,000 SF and the City would provide 250 parking spaces, either in a surface or deck format.



Anatomage Table



Hospital Ward Simulation



Operating Room Simulation



340 seat auditorium leaseable
by the public

DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

DOWNTOWN HIGHLIGHTS

Downtown Greensboro is on the cusp of entering the steepest portion of its growth and revitalization curve. There has been significant public investment and the downtown will soon experience about \$300 million in funded future construction, including the Steven Tanger Center for the Performing Arts. The street scene is in "full tilt," the downtown is rich in parks and cultural attractions such as the Children's Museum and the International Civil Rights Museum--plus, LeBauer Park and the immensely popular Greensboro Grasshoppers baseball stadium.

Over the past 10 years, the residential market within the Business Improvement District (BID) has been established with new condo communities, urban townhomes, various loft units above retail and multifamily rental projects that are either over 90% leased or sold out. Countless restaurants, bars and soft goods retailers have opened and experienced success. The entrepreneurial spirit has taken hold with the recent opening of HQ Greensboro for co-working, Forge for maker space and other facilities for young companies. Even with the early success, the downtown's real estate values are still at the point where there are substantial value-add profits to be harvested.

Downtown can basically be divided into two areas: the traditional Core (north end) and The South End. Both are explained individually on pages 12 and 13. The Core is the primary and traditional employment and cultural area. The South End is "where the action is" in terms of night life and attractions for the millennials. The South End was frankly somewhat blighted in recent history, but had an extensive array of charming historic buildings.



Grasshoppers Stadium



Deep Roots Grocery Store



Future Performing Arts Center

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PIEDMONT TRIAD METROPOLITAN AREA



The Triad is the 33rd largest CSA Metropolitan region in the U.S. and has a population of about 1.6 million. It is dominated by three cities including Winston-Salem (230,000 population), High Point (104,000) and Greensboro (270,000). The Triad's office market size is 26 million SF and essentially has two urban markets: Downtown Winston-Salem at 4.6 million SF and Downtown Greensboro at 1.4 million SF. The retail market is 38.1 million SF with 406,000 SF in Downtown Greensboro and 574,000 SF in Downtown Winston-Salem. The industrial market is 51.5 million SF. Long known as one of the primary manufacturing and transportation hubs of the southeastern United States, the Triad is also an important educational and cultural region. It is home to several major universities including Wake Forest, Elon, North Carolina A&T State University, High Point University and the University of North Carolina at Greensboro. The Triad is fortunate that it possesses the world headquarters for four Fortune 500 companies (LabCorp, VF, BB&T and Hanes Brands), while the Triangle only has one and Charlotte has six.

High Point

High Point is known for its global presence in furniture, textiles and bus manufacturing. In fact, it is often called the "Furniture Capital of the World", largely because it hosts the largest furniture and furnishings show in the world. The High Point Market takes place twice a year and is held within 12 million SF of showroom space centered in and around Downtown High Point.

Winston-Salem

This city is called by many the "City of the Arts and Innovation" for its dedication to fine arts and theater and technological research. In addition to R.J. Reynolds, it is also the location of the corporate headquarters for BB&T, Hanes Brands, Krispy Kreme Doughnuts, Lowes Foods Stores and TW Garner Food Company (makers of Texas Pete). Medical research is a fast-growing local industry, and Wake Forest Baptist Medical Center is the largest employer in Winston-Salem. Like Downtown Greensboro, this downtown is vibrant and does benefit from a heavy presence of the Wake Forest Innovation Quarter for biomedical and information technology research and development.

Greensboro

Known originally as Greensborough, Greensboro is a key distribution and transportation hub within the eastern US, due to Piedmont Triad International Airport, with its regional hub for Federal Express, and the confluence of three major interstate highways, I-40, I-85, and I-73, along with I-785 under construction to Danville, VA and the 60 % complete I-840 urban loop, a 39 mile highway that carries I-73, I-85, I-785, I-840, and US 421 and facilitates traffic flow around the city. Cone Health is the largest non-government sector employer with 7,200 employees. Notable companies headquartered in Greensboro include the Honda Aircraft Company, Lorillard Tobacco Company, Kayser-Roth, VF (ranked 231 by Fortune 500), Mack Trucks, Volvo Trucks of North America, the International Textile Group, The Fresh Market and Columbia Forest Products. Greensboro is a "center of operations" for the insurance company Lincoln Financial Group. Greensboro is also headquarters to the Atlantic Coast Conference.

DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

DOWNTOWN GREENSBORO: IN GREATER DEPTH...THE VIBE, THE ECONOMY, THE MOMENTUM

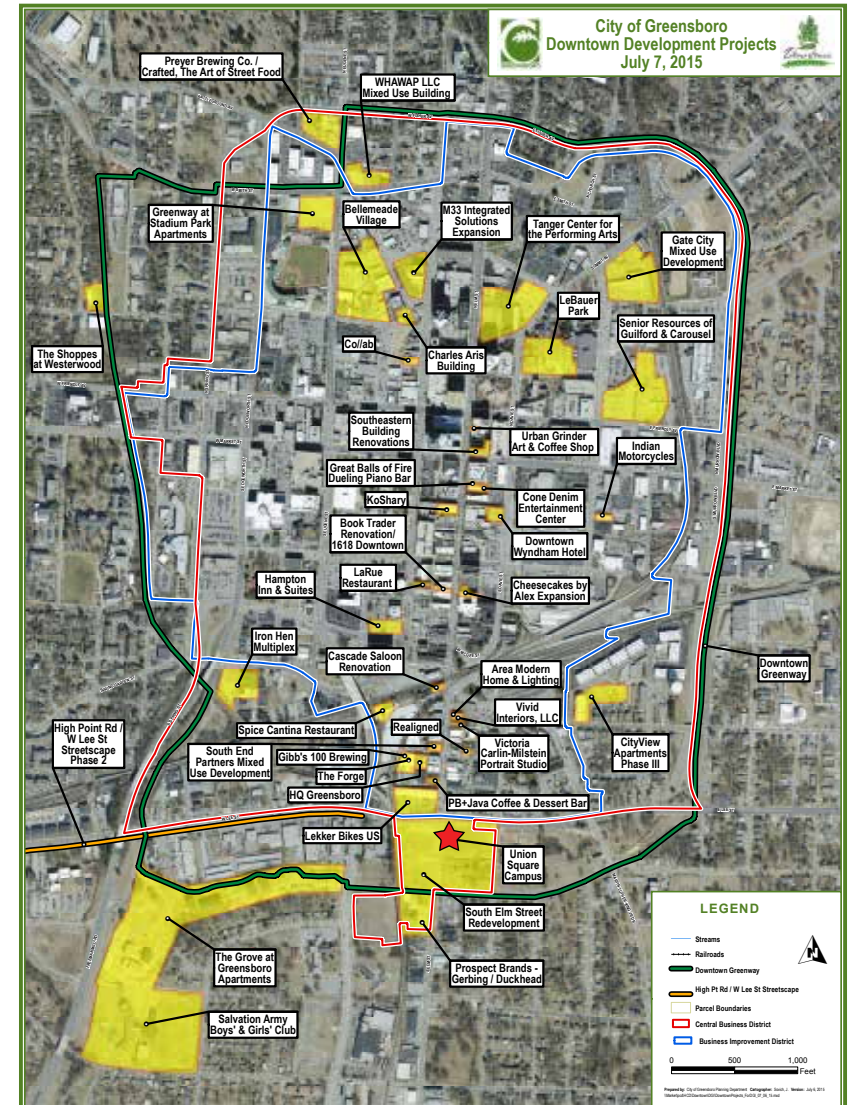
By 2010, the City had committed to revitalizing the downtown with the completion of the Greensboro Grasshoppers Minor League baseball stadium, now called Yadkin Bank Stadium. It since has become an iconic symbol of downtown and has created a domino effect on economic development. The stadium seats 7,500 and serves as the home for the Class A team of the Miami Marlins.

In 2010, Downtown Greensboro Inc. with Action Greensboro Inc., the City and Guilford County developed an extensive strategic plan. There are six major components:

- Design and complete a greenway to ring the downtown
- Promote and incentivize quality mixed-use development
- Enhance and preserve historic buildings and districts
- Design and execute on streetscape improvements
- Develop and complete a major performing arts center
- Aggressively promote and increase employment within a wide array of knowledge sectors, to include education and high technology, health care and pharma

Unlike so many strategic plans that may “gather dust,” the City carried out each component. A four mile Downtown Greenway loop, highlighted by civic and interactive public art, is under construction (more information can be found at <http://www.downtowngreenway.org>). The aerials in this Offering Memorandum illustrate its path to completion, projected to be 2019. While it is fully funded, as of January 2017, it is about twenty percent complete.

Numerous mixed-use projects have already been successful—see the following illustration produced by Downtown Greensboro, Inc. One mixed-use project is under way called Bellemeade, which will include 291 apartment units, and a Hyatt Place Hotel. When it comes to historic preservation, the South End, where Union Square is located, contains numerous historic structures that have been recently restored and redeveloped.



DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

DOWNTOWN GREENSBORO: IN GREATER DEPTH...THE VIBE, THE ECONOMY, THE MOMENTUM



In short, historic rehabilitation in downtown is “hot.” Streetscape improvements have begun, including along Gate City Blvd. next to Union Square Campus. This past fall, Greensboro voters approved a bond issue that includes \$25 million to fund downtown connectivity and streetscape improvements.

Construction of the \$70 million 3,000 seat Steven Tanger Center for the Performing Arts in the North End will start this year. Higher education in downtown has serious momentum with the recent establishment of a new law school for Elon University and the build out at Union Square of a new 83,000 SF healthcare educational facility, plus downtown has a new co-working operation called HQ Greensboro and a maker space called Forge, both located on the South End.

There are six institutions of higher education in the downtown area including The University of North Carolina at Greensboro, Elon University School of Law, Greensboro College, North Carolina A&T State University, Greensboro Technical Community College and Bennett College. Combined, they have a local student population exceeding 40,000. It is noteworthy that UNCG, with an enrollment of 19,393, was named by *The Princeton Review* as being

the #2 Best Value in the nation for public universities. The Elon School of Law was established in 2006 and has been named by *The National Jurist* magazine as one of America’s Twenty Most Innovative Law Schools. The strong presence of the educational institutions and knowledge workers is evident with the large volume of “20 something” pedestrian traffic and the large number of student housing communities nearby. Several hundred yards from Union Square is The Reserve, a 548 bed, and 216 unit facility delivered in 2014 primarily housing UNCG students.

Total employees downtown number 28,000 with the largest employers, other than government, being Lincoln Financial (1,900), AIG United Guaranty (800) and VF Corporation (600). Lincoln Financial recently affirmed its long term commitment with a \$40 million under construction renovation of its iconic high-rise, plus other buildings it occupies in downtown. The bottom line is that the economy in downtown is “on a roll”. And couple the aforementioned factors with the fact that \$168 million has been invested just in the last 18 months and \$225 million is committed for additional investments to be made in the next 18 months.

DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

DOWNTOWN HOUSING

There are about 2,000 housing units in the Downtown Business Improvement District. In addition, there are some high end neighborhoods surrounding downtown, especially Historic Fisher Park, on the north side of downtown, where current listings peak at \$499,000 or about \$142/SF. On the south side, surrounding neighborhoods include a range of middle and working class houses, as well as the Southside neighborhood designed by Duany Plater-Zyberk and Co. and winner of numerous national awards.

Recently, there has been significant development of townhouses and condos. The largest condo is Centerpoint with 100 units and the largest townhouse project is 80 units at CityView, nearly adjacent to Union Square.

There are three Class A apartment communities in downtown totaling 709 units (includes only those communities with at least 50 units). All communities are marked on the cover page aerial and all are surface parked. Greenway at Stadium Park is a 67 unit community that is 94% leased at an average effective of \$1.21/RSF and average unit size of 989/SF. Greenway at Fisher Park is a 196 unit community that is 96% leased at an average effective rate of \$1.33/SF on an average unit size of 815 SF. CityView is 446 unit mixed use community within a quarter mile of Union Square. The entire community also included the 80 townhomes referenced above and 60 single family homes. It is 90% leased with an average unit size of 785 SF and all but 26 "elite" units achieve a rent of about \$1.32/SF. The "elite" units average 665 SF and achieve an effective rent of about \$1.80/SF....only one unit is vacant. In the downtown area, only one community is under construction and that is Bellemeade, which will include "under building" parking, near the Grasshoppers' stadium...291 units plus a Hyatt Place Hotel which will deliver in 2018.



GREENSBORO ACCOLADES

WalletHub

Greensboro is ranked #9 on Best Cities to Start a Business List by WalletHub in 2015



Greensboro Wins National 2016 Digital Cities Survey Award



The Greensboro Historical Museum has received a national award from the American Association for State and Local History (AASLH) for the exhibition Warnersville: Our Home, Our Neighborhood, Our Stories.



Greensboro's Cone Health

- Ranked top 2% of U.S. News & World Report Common Care
- Ranked top 3% in the Nation for Quality
- Ranked top 1% Nationally for Overall Hospital Care
- Ranked top 1% for Quality and Outcome in Cardiovascular Surgery



Early College Guilford

- Ranked #1 public high school with North Carolina
- Ranked #23 in Nation in 2016

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SITE RENDERINGS



UNION SQUARE BUILT OUT



SITE PLAN



SOUTH ELM UNION SQUARE APARTMENTS (SURFACE PARKED OPTION)



SOUTH ELM UNION SQUARE APARTMENTS (PARKING DECK OPTION)

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Mixed-Use Development Opportunity

PROMINENT DOWNTOWN LOCATIONS - THE TRADITIONAL "CORE"

The Core in downtown is the traditional employment and cultural district. Virtually all the high-rise buildings are located here. The Steven Tanger Center for the Performing Arts will locate here and expects to emulate the success of the Durham Performing Arts Center, which is the 4th ranked performing arts center in the country. The Core includes the minor-league baseball stadium for the Greensboro Grasshoppers, a Class A team of the Miami Marlins. Yadkin Bank Park was completed in 2005 and includes 5,300 chair-back seats, but has a capacity of 7,500. Three of the four Class A apartment communities in downtown are near the stadium (the fourth is CityView in the South End). Downtown Greensboro is almost unique among Southern downtowns, as it was one of a few (prior to 2015) that had a full-service grocery store. Deep Roots Market was established in 1976, but moved downtown in 2013 to a 10,400 SF newly built space. The store is 1.1 miles from Union Square.



1. PROJECT LIMELIGHT
2. LEBAUER PARK
3. ELM STREET AT NIGHT
4. BILTMORE HOTEL



1. UNDERCURRENT
2. NATTY GREENE'S
3. LIBERTY OAK RESTAURANT
4. FOLK FESTIVAL



1. GRASSHOPPERS STADIUM
2. LINCOLN FINANCIAL
3. WRANGLER BUILDING
4. BUILT OUT PORTION OF GREENWAY

DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

PROMINENT DOWNTOWN LOCATIONS - THE SOUTH END

The South End is rising quickly as the most dynamic frontier in Downtown Greensboro. Its where retro and quirky will blend with contemporary; historical will complement trendy; and where art will intersect with commerce. In fact, it is the "millennial hotbed" for Downtown Greensboro and where millennials go, empty nesters will follow.

Bob Isner, a partner in the selling entity for Union Square, and Andy Zimmerman, a local entrepreneur along with other innovators have brought The South End alive. Mr. Isner was a developing partner for the large scale CityView apartment and retail community delivered in 2008. Mr. Zimmerman has built his reputation by buying dilapidated and/or underutilized structures and turning them into thriving businesses with a historic backdrop and plenty of charm and character. With early revitalization, many from outside the area are taking notice. Mellow Mushroom now has a top restaurant in the South End, which is an easy walk to Union Square along Elm Street.

HQ Greensboro located here just a year ago, founded by Mr. Zimmerman and Christopher Gergen, now has 50 companies that are either members or tenants. Forge, a maker operation founded also by Mr. Zimmerman, was started two years ago and now has 180 members, including Honda Jet. And there have already been other successes in The South End. 18 year old Jack Hoskins of JK2 Designs started his company efforts at age 13 and now the largest publisher of game apps...while he only has grown to 12 employees, he has built a global scale collaboration with others to deliver his product. Fusion3 Design started at The Forge and now produces two lines of proprietary linear motion 3D printers.

In addition to all the above, the 120 year old Cascade Saloon is being restored and will soon be the future headquarters of Rentenbach Construction, where they will bring 28 employees from its current suburban location. The Cascade Saloon, at the turn of the century, was a grocery store and saloon and next it became an African American café during the Jim Crow era. And Mr. Zimmerman has started renovation of the 100 year old Blue Bell facility, across from Union Square. This 106,000 SF former factory will be called the Gateway and will include about 20,000 SF of iconic retail with the remainder being office and some flex space.

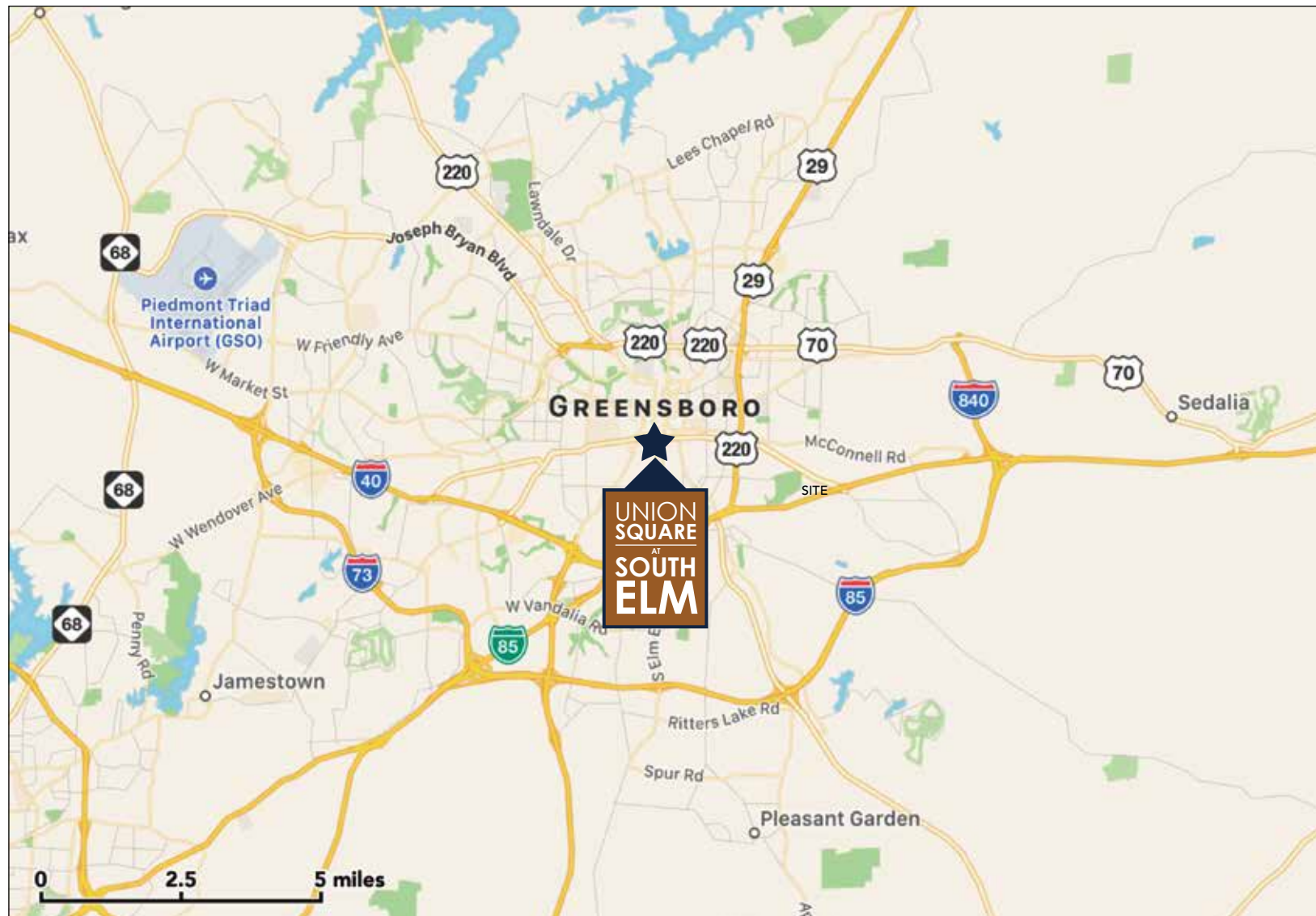


- ① Union Square Campus ② Daily Bread Flour Mill ③ Elsewhere ④ Gibbs Brewing ⑤ Fainting Goat Spirits with Founder ⑥ HQ Crowd - High Energy Co-Work Facility
⑦ HQ Logo ⑧ McCouls Public House ⑨ Natty Greens Brewery & Restaurant ⑩ CityView Location of Dames Chicken & Waffles ⑪ Theatre ⑫ Musikgarten

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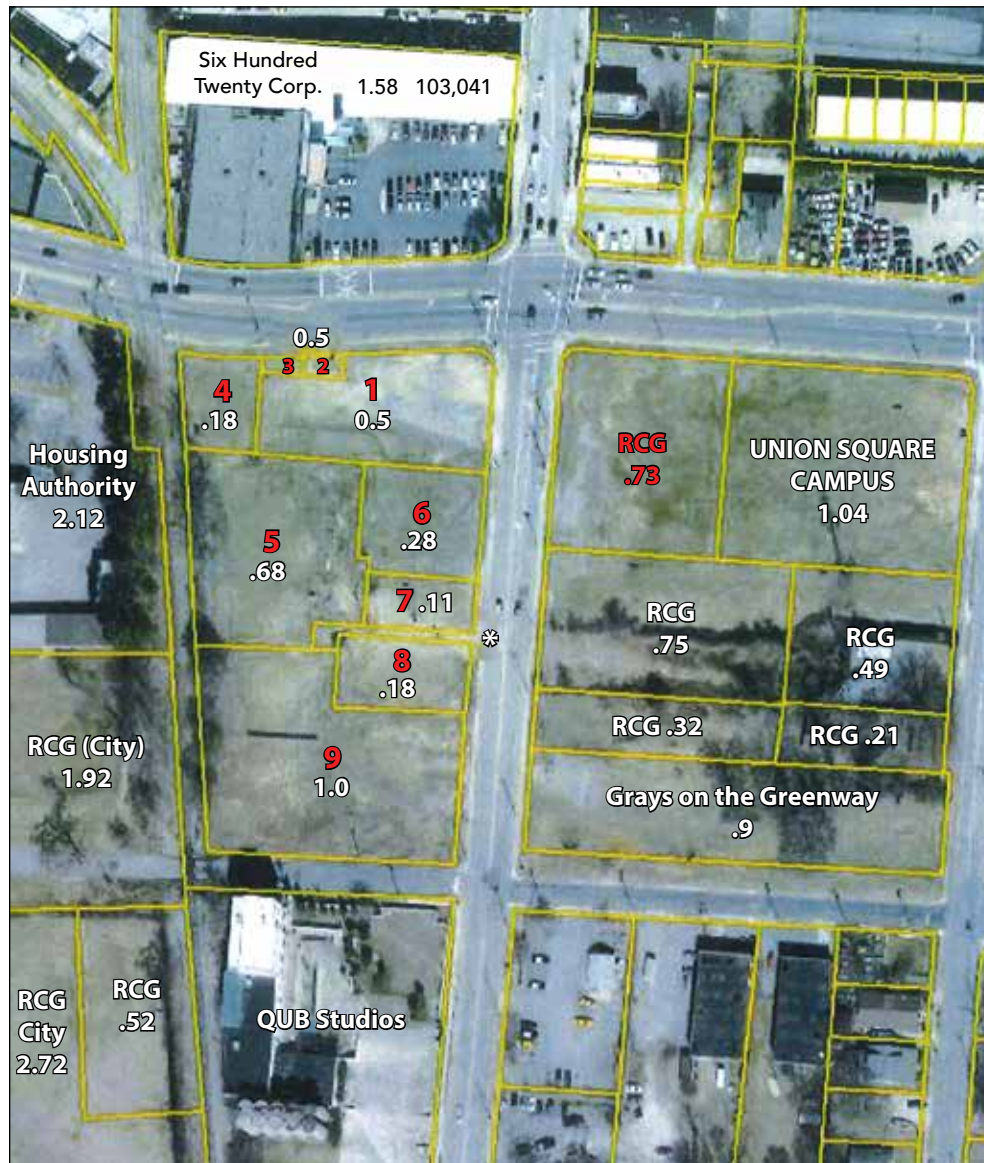
LOCATION MAP



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GUILFORD COUNTY GIS MAP



Available Site

1-9 Acreage - 2.98 Total

* Note alley ROW

East of South Elm

Existing Building - 1.04 Acres

Potential Additional Development - 2.5 Acres
(Excludes Grays on the Greenway)

DOWNTOWN GREENSBORO - THE SOUTH END

Mixed-Use Development Opportunity

GUILFORD COUNTY GIS MAP TABLE

No.	Parcel ID	Property Address	Legal Description	Owner Name	Mailing Address	City, State, Zip	PIN	Parcel Size
1	500	700 S. Elm St.	South Elm St. & West Lee	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864630295-000	0.50
2	509	121 W. Gate City Blvd.	1 Lot	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864630249-000	0.03
3	510	123 W. Gate City Blvd.	1 Lot	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864630209-000	0.02
4	499	125 W. Gate City Blvd.	.18 AC Old Greensborough	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864539246-000	0.18
5	501	728 S. Elm St.	Tract 2 716 S. Elm Street	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864630101-000	0.68
6	502	702 714 S. Elm St.	702-714 S. Elm Street	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864631143-000	0.28
7	503	724 S. Elm St.	724 S. Elm Street	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864631046-000	0.11
8	504	730 S. Elm St.	Tract 3 Bk2912-658 730 S. Elm St.	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864621929-000	0.18
9	505	734 S. Elm St.	734 S. Elm Street	Redevelopment Comm. of Greensboro	PO Box 3136	Greensboro, NC 27402	7864620951-000	1.00
								2.98