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**GREENVILLE STRATEGIC DOWNTOWN
MASTER PLAN 2019**

Greenville, South Carolina

GREENVILLE STRATEGIC DOWNTOWN MASTER PLAN 2019

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EXECUTIVE SUMMARY



THE NEXT GENERATION OF DOWNTOWN

Robust growth, thoughtful public investments, complementary public and private initiatives; these set the table for the next version of Greenville

THE 2030 PLAN

The downtown planning effort is focused on key initiatives that can advance the economic and physical success of downtown Greenville in the next 5 to 10 years. The past decade of growth and investment has created a new paradigm for the city. The challenge becomes how best to grow denser, become more diverse, and yet maintain a sense of place that draws people to the region.

Greenville's legacy of investing in great public spaces and infrastructure that connects people to one another and to a sense of place has driven a decade of increased investment, national recognition, and new economic drivers.

As we examine the current context for indications about future opportunities, it is clear that Greenville excels in delivering a spectacular downtown setting animated by unique shops, entertainment, and recreation amenities and a unique mix of local and national businesses in a time-honored Main Street environment.

We ask how we can leverage this character into a continuously evolving and attractive urban center that generates greater opportunity for residents and businesses.

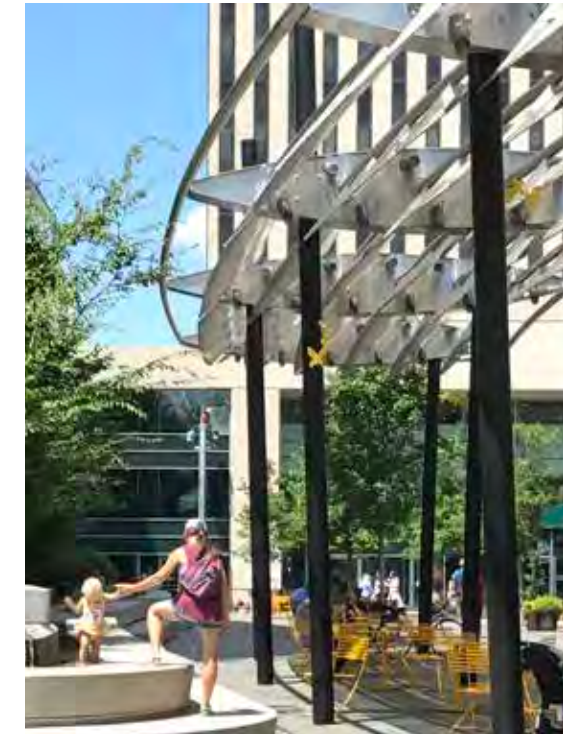
Our team has approached this plan update as a two-prong strategy. First, how best to focus on public and private investment over the next five-plus years. It is clear Greenville needs to compete effectively for the next generation of creative businesses that will attract a talented workforce into this beautiful, energetic setting. The downtown has clearly been the attraction that draws visitors and prospective businesses into an opportunistic setting with potential for success in a new high-performing economy and a complimentary-quality of life.

Second, the economic challenge is to grow the employment base and create attractive opportunities for young businesses in the context of high-performing regional urban centers within a 2-hour travel time. This is in order to support and sustain a growing jobs sector with competitive wage and salary benefits.

Related to jobs growth and prosperity, this study highlights the need to creatively address the economic gentrification and dislocation of long-time residents and families forced to move out of downtown as taxes and redevelopment pressures grow. Affordable housing, transportation, and workforce training become important components to a holistic approach to retention and improvement.

The physical plan components focus on developing a clearer vision for how the city should evolve as a place of character including the refinement of tools and development policies that ensure Greenville continues to evolve in a way that reinforces the legacy of great city building in the Upstate of South Carolina.

The specific steps to manage the next wave of growth and investment strategies are summarized in this section, and further explained in the body of the report. These observations and suggestions come out of an intensive process of engaging corporate leaders, local institutions, citizen focus groups, and public meetings designed to explore opportunities and options that address issues and lead to fulfilling common aspirations.



DOWNTOWN BUSINESS ATTRACTION INITIATIVE

Creating a robust business environment to attract workers and visitors throughout the day

BUSINESS ANCHOR STRATEGY

In recent years an oversupply of new Class A office space relative to demand from new and existing office tenants constrained the downtown office market. Many tenants occupying the newest, highest quality spaces have moved from older spaces in the downtown market. As a result, while the new product is succeeding, downtown lacks a long-term driver of new office employment. While the city and the Greenville region require robust business attraction strategies, downtown has explicitly been and will remain the center for office employment in the Upstate. As downtown looks to the future, bold investments to sustain job growth should be at the forefront of public decision making.

Success at the same scale of regional peers and national competitors requires downtown Greenville to invest in an anchor that drives employment growth and business relocation. Anchors for downtown employment should be:

- Sufficiently large (in either capital investment or employees) to indicate a long-term commitment to downtown and build business confidence to relocate;
- Valuable to “spin-off” firms that will benefit from being nearby; and
- A destination for residents, tourists, and business travelers.

Three such anchor strategies are available to Greenville. The first is a major investment in a small number of firms to relocate to Greenville. This “headquarters” strategy has been the center of economic development efforts for the Greenville region for decades. Second, an academic institution can locate a major investment in downtown, and third, downtown can develop a strong entrepreneurial culture to grow from within. Greenville should take the time, energy, and resources that have been devoted to headquarters attraction in the past and use them to pursue a strategy that ties together the strengths of educational and entrepreneurial employment. Benefits of this strategy over traditional headquarters investments include:

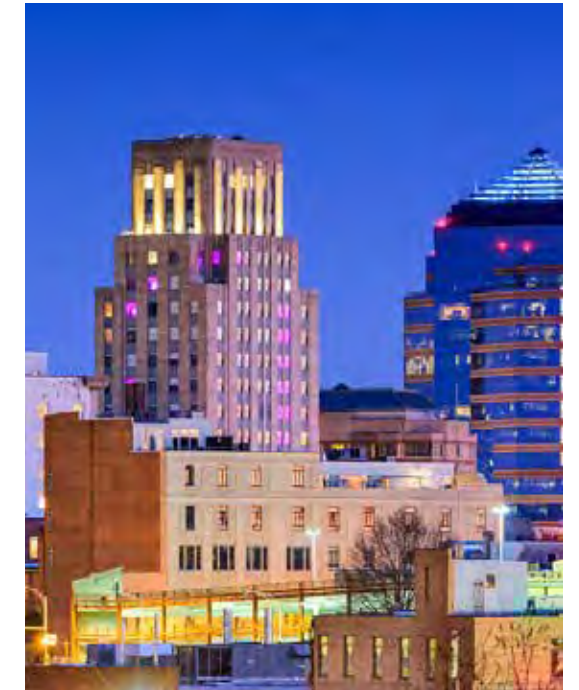
- **Greater long-term stability:** Educational institutions and small businesses often have deep local roots in the community and are less likely to leave in changing economic or business conditions.
- **Better access to a talented workforce:** Colleges and universities bring highly educated young people seeking employment that help attract businesses looking to access talent in an increasingly tight labor market.
- **Interconnected entrepreneurialism:** A young, agile, and educated workforce downtown is more likely to start new businesses that will grow and invest in Greenville.

In the short-term, the city of Greenville should pursue a targeted strategy that leverages the city’s existing higher educational institutions, including Clemson University, University of South Carolina Upstate, Furman University, Greenville Technical College, and Bob Jones University.

To support this strategy, the city should be willing to make the same scale of investment as attracting a regional or national headquarters office. The city should work with anchor institutions to provide key infrastructure or services. These may include parking, transportation connections to other campuses, access to low-cost land, or the creation of physical space.



Clemson’s academic presence on Main Street is a valuable addition to Main Street, but lacks the catalytic size or round-the-clock activity provided by a larger programmatic investment.



Downtown Durham has been supported for more than a decade by Duke administrative and medical offices. The presence of a major anchor institution helped to support downtown’s revitalization and make Durham a more attractive place to live for highly sought after students, faculty, and families.

ANCHOR FACILITY

Central to this initiative is the creation of a physical space in East Downtown that embodies the entrepreneurial and innovative spirit of downtown Greenville. Building off the successful collaboration at University Center, this facility would be home to a convergence of the region’s colleges and universities. At its core, the space would be an opportunity to create joint programs that are built around entrepreneurialism and innovation. The space would showcase new and applied research, support the instruction of interdisciplinary courses, and nurture new business that complement the programmatic elements of higher education investments.

RETAIL PRESERVATION AND ENHANCEMENT STRATEGY

Maintaining the variety and quality of local shops downtown as retail shifts towards unique experiences

Downtown Greenville has built a strong reputation as a vibrant retail destination on Main Street. Rising rents, however, now endanger the long-term viability of retail businesses there. Meanwhile, other retail destinations have started to take shape and create their own unique retail identities. To enhance the emblematic retail scene in downtown Greenville, the city should develop an approach that preserves the aspects that supported its success while also encouraging strategic and broad-based retail growth. The city should focus on the issues of affordability and the diversity of commercial mix to ensure a long-term vision for retail in downtown.

PRESERVATION AND EXPANSION OF LOCAL RETAILERS

Goal 1: Support existing local businesses to remain in downtown despite rising rents

Goal 2: Allow local entrepreneurs to be a part of the new retail and commercial opportunities planned for downtown

To realize these goals, the city should implement strategies that lower capital costs to retailers and ensure new spaces remain accessible, including:

- Create a fund for small and/or historic businesses to access capital improvement

(upfit and tenant improvement) subsidies through competitive grants or an incentive fund available only to locally owned or long time Main Street retailers. These funds can help reduce high up-front costs for new retailers and allow long time tenants to stay competitive despite higher rents.

- Restrict certain types of formula retail businesses (such as bank branches) on Main Street. These retailers often result in high rents and deaden street-level activity for other retailers.
- Designate clusters of types of goods to encourage a greater array of businesses and merchandise available in downtown and create more certainty about the success of certain types of businesses.
- Encourage a greater diversity of local entertainment options in downtown that appeal to a younger demographic by ensuring there are no ordinance restrictions (noise restrictions, for example) on music venues or bars & lounges and by reorienting existing public events to highlight downtown as an after-hours destination.

CREATE A DIVERSE COMMERCIAL MIX

Goal 3: Ensure a well-balanced mix between independent retailers and regional and national chains

Goal 4: Enhance retail corridors outside of the downtown core that present potential to create synergies with Main Street, while also creating unique nodes with their own character and strength

Goal 5: Encourage more diverse entertainment options to downtown, while not altering Main Street's family-friendly reputation

Strategies to create a diverse commercial mix throughout downtown should rely on both infrastructure investment and operational policies to attract and retain engaging retailers. Strategies include:

- Create retail nodes off of Main Street, including Pendleton Street and Stone Avenue, through branding initiatives. Market directly around this branding to attract both new retail shoppers and innovative retail businesses.
- Strengthen secondary retail corridors by continuing to invest in public realm improvements at these target nodes. Public improvements should be used to differentiate these nodes from Main Street and reinforce unique identities.
- Strategically recruit non-local retailers that complement and deepen Main Street's product mix, such as high-end cosmetics or a small specialty foods store.



Main Street continues to be a major draw for residents and visitors alike.

AFFORDABLE HOUSING STRATEGIES

Ensuring downtown is a place for young families and seniors to live as the city evolves

Downtown Greenville's tremendous success in creating a livable downtown has resulted in increasingly high housing costs, particularly for longtime residents. In order for downtown Greenville to build on its success and become a more inclusive downtown, ensuring downtown is a place for families to stay and grow should be the priority.

Today, 43% of renters – who make up 65% of the downtown population – are cost-burdened, meaning they spend more than 30% of their income on housing. Renters with the lowest incomes (below 30% of Area Median Income (AMI) – the equivalent of up to \$16,000 a year for a family of four—are the most cost-burdened, with many spending more than 50% of their income on housing. To continue to strengthen downtown's long-term sustainability and retain its local character, the city should focus on creating and preserving housing for these residents.

Looking forward, downtown's strengths will continue to facilitate the construction of luxury market-rate housing. The city should look to leverage anticipated demand for up to 2,400 to 3,000 additional new housing units in the next ten years to support mixed-income housing that is accessible to downtown's amenities, jobs, and high quality of life.

In order to create new affordable housing, the city should:

- Require an affordable component in all residential development when disposing of public land. As the development pressures expand outside of the downtown core, city officials should think strategically about acquiring land for later disposition for all-affordable or mixed-income housing.
- Consider investments in transportation that make it easier for low- and moderate-income workers to commute into downtown, including expanded availability of parking and high-quality frequent public transportation.
- Where available, especially in new districts that will require significant public investment, the city should tie an affordable housing requirement to projects that receive public support as a condition of receiving that support. Mixed-use projects that receive below-market access to city parking garages or revenue from synthetic tax increment financing, for example, could be required to supply affordable housing on-site.
 - As part of this strategy, the city could provide the option of a one-time fee-in-lieu-of payment into a fund for affordable housing development or site acquisition within downtown.



More than 2,000 market-rate housing units, like Main & Stone pictured above, were delivered in the last four years. In the future, downtown Greenville should use its continued demand for multifamily housing to address challenges to affordable housing.



The Scott Towers before demolition in 2014. New mixed-income housing is planned for the site. Covenants requiring affordable housing on public land should be a key part of the city's strategy to address housing affordability in the downtown core.

PUBLIC FINANCING STRATEGIES

Leveraging new funding mechanisms to catalyze investments downtown

PUBLIC-PRIVATE FINANCING TOOLKIT

To support the future investments envisioned by this strategic plan, public-private partnerships should continue to be an integral part of the development environment in downtown Greenville. The Greenville market is still maturing and as downtown becomes a place of higher density development, public support will be crucial in guiding investments that meet public goals, are financially viable, and make downtown a more vibrant and attractive place.

Recommended Public Financing Tools for Catalytic Downtown Public-Private Partnerships

The city's extensive use of traditional tax increment financing (TIF) has been successful in facilitating private development in the downtown core and resulted in a positive return on city funds. For the next phase of downtown's growth, traditional TIF financing will likely not be deployed. While the suite of financing tools is limited by both the availability of public funds and legal restrictions, the city can continue to support public investments through the targeted use of synthetic tax increment financing (STIF).

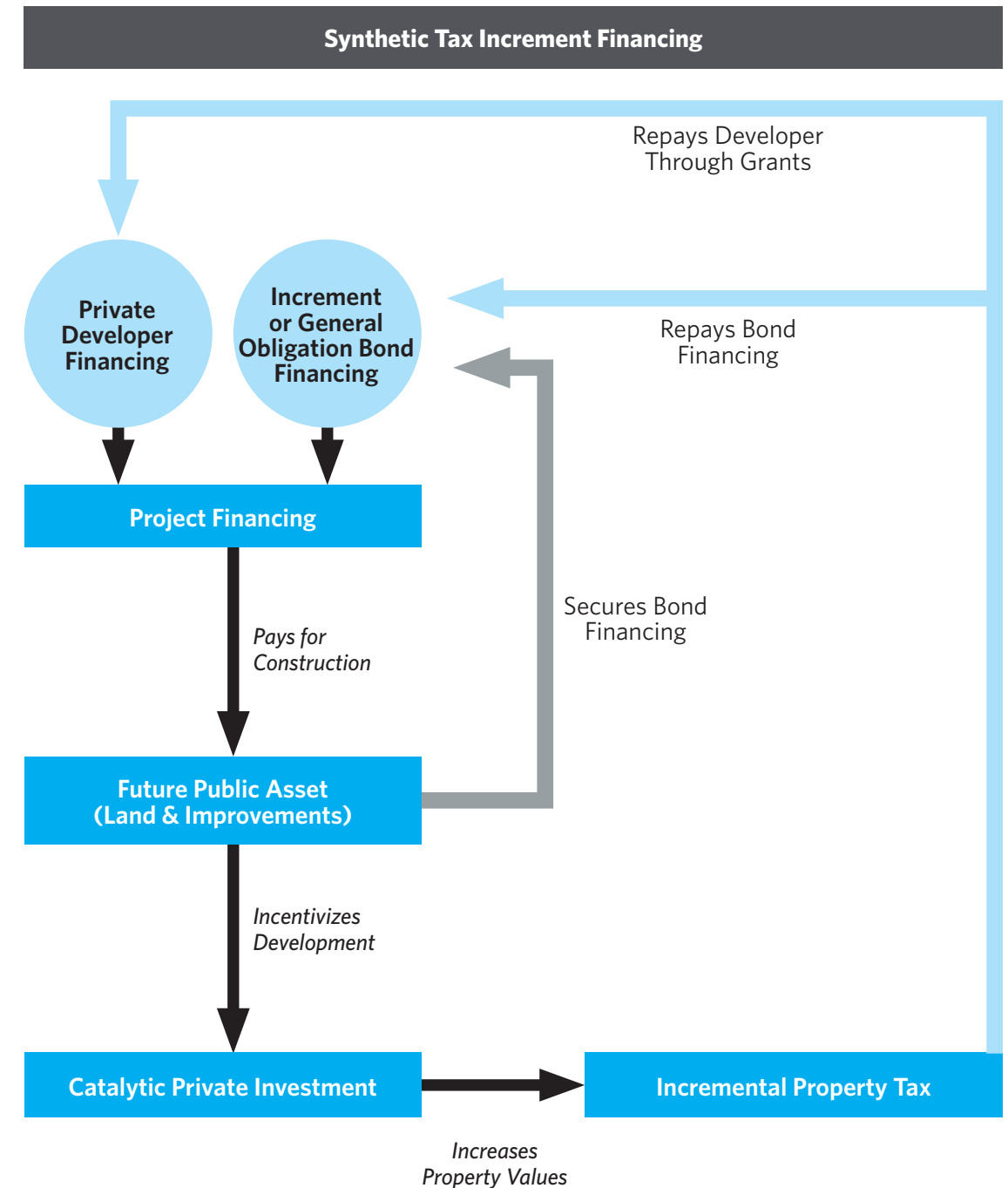
STIF can be deployed downtown in several ways. Most commonly, the cities secure financing with a lien on either the improve-

ments to be financed (installment financing) or a general obligation bond. This financing can either come from commercial banks, or (less often) from private developers. The repayment of these funds reflects a public policy decision to commit to using the incremental property tax revenue resulting from these improvements.

While the lack of a strict regulatory process makes STIFs a more agile and flexible tool for economic development than traditional TIFs, it should be implemented in a targeted way that limits public commitments and risk. Specific controls include:

- A formal application process for developers that is easy to use, but rigorously evaluates the need for city support;
- A cap to the individual STIF funds committed to a single project; and
- A fixed maximum STIF liability as a percent of annual property tax levies in the city or in a specific STIF zone.

Following the repayment of bonds used to finance parking decks downtown, parking revenues can also be used either directly or bonded against to further incentivize catalytic projects or infrastructure when needed.



MOBILITY ENHANCEMENT STRATEGY

Creating great downtown streets is key to creating a great city

Downtown Greenville can best guide its development future by taking the lead to create safe, urban streets throughout the downtown. Downtown has reached a tipping point where development capacity and mobility within the downtown are compromised by high-speed, high-capacity streets originally designed to move traffic through the downtown quickly. Now that more and more people are living downtown and businesses need on-street parking and more mobility options, the city is at a point that requires recalibrating the way traffic and streets support the downtown core uses.

One of the key recommendations in the Plan is for the city to advocate and take greater control over city streets where possible. Moving from State ownership and management to city ownership and management will have a positive impact on the long-term development trajectory of downtown Greenville.

Nowhere is this best exemplified than on the Buncombe Street Corridor. City ownership and subsequent traffic calming, streetscape, and other infrastructure improvements can increase the total development value of the area through both higher density and greater market value. By better integrating into downtown's urban fabric, development can support rents approximately 20% higher than the traditional suburban building typology.

Together, streetscape improvements can support an estimated additional 25% and 45% of development value. The fiscal impact of this additional development value to the city through real property, personal property (furniture and equipment), and vehicle taxes at the completion of a 20-year build-out of the entire corridor is between \$300,000 to \$550,000 a year in 2019 dollars.

Income Source	FISCAL IMPACT OF STREET REDESIGN		TOTAL ANNUAL TAXES AT BUILD-OUT
	Moderate Impact (25% Additional Development Value)	High Impact (45% Additional Development Value)	
City Real Property Tax Revenue	\$285,000	\$514,000	\$1,142,000
City Personal Property Tax Revenue	\$5,000	\$9,000	\$20,000
City Motor Vehicle Tax Revenue	\$12,000	\$22,000	\$50,000
Annual City Tax Revenue (\$2019)	\$303,000	\$545,000	\$1,211,000
<i>Annual City Tax Revenue (\$2040)</i>	<i>\$563,000</i>	<i>\$1,014,000</i>	<i>\$2,253,000</i>



Street improvements and mobility policy focused on pedestrian and bike infrastructure as well as convenience for local businesses and residents create highly desirable neighborhoods and addresses.

PHASING OF KEY INITIATIVES

Downtown Greenville is changing scale and character as more and more people want to live, work, and play in the heart of the city

Four key initiative areas will shape downtown Greenville's future in the coming years. These include:

- Buncombe + Stone District
- East Downtown
- South Downtown
- Unity Park

Full build-out of these districts will require the concerted and coordinated efforts of city staff in conjunction with the neighborhoods, the existing businesses, and institutions as well as the local development community. Based on a 10-year demand projection, the build-out of these districts will take between 16 and 24 years.

The creation of a distinct district character is dependent on a clear vision for how these areas should evolve through more focused district planning needed to guide the implementation of major initiatives detailed in the downtown plan.

The city can condense the development timeline of one or more of these districts by prioritizing implementation of key initiatives. For example, securing an anchor tenant in East Downtown before the re-orientation of Buncombe Street will accelerate the creation of multi-family housing in East Downtown.



South Downtown will be a major mixed-use expansion of downtown.



East Downtown is identified as an important asset to attract new businesses and employment uses.



Buncombe + Stone has the potential to grow into a new urban node that can anchor surrounding historic neighborhoods and institutions now fragmented by suburban patterns and streets designed for commuters.



Unity Park will continue to grow the connected network of parks along the Swamp Rabbit Trail downtown linking Falls Park and Main Street with the West End.

Use	10-Year Projected Demand	% Anticipated in Key Districts	10-Year Demand in Key Districts	Total Build-Out	Length of Development
Housing Units	3,000 units	70%-80%	2,100 units	3,930 units	16-19 years
Office Space	1,200,000 SF	90%-100%	1,080,000 SF	2,135,000 SF	18-20 years
Retail Space	330,000 SF	60%-70%	198,000 SF	542,000 SF	23-27 years



**MARKET INFLUENCES &
ECONOMIC DEVELOPMENT STRATEGIES**

MARKET INFLUENCES

Understanding the forces behind the next phase in Greenville's evolution

DOWNTOWN GREENVILLE MARKET CONTEXT

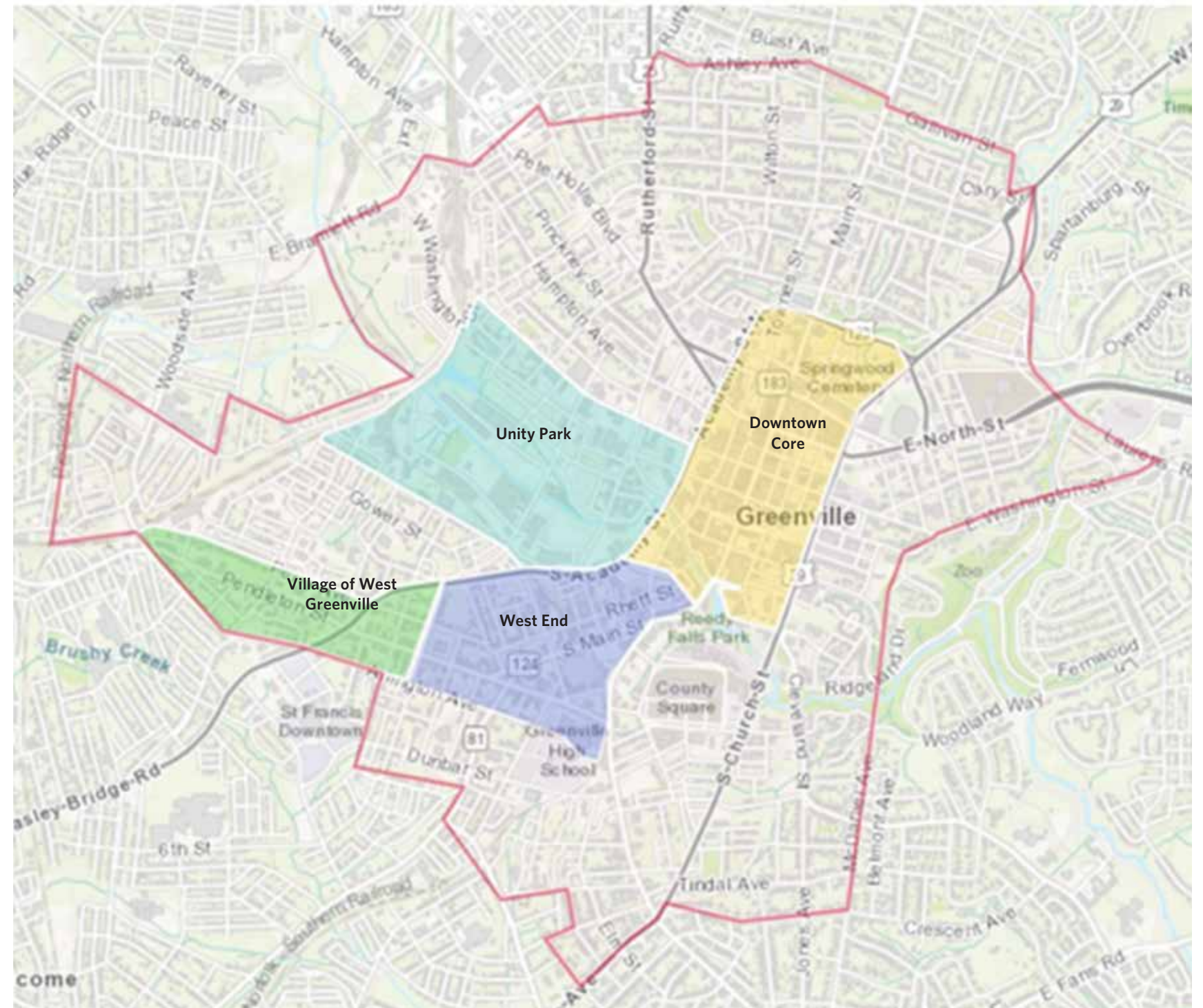
Downtown Greenville's ongoing transformation into both an excellent place to live and a growing destination for weekend travel has precipitated market changes that shape downtown's current built environment and the potential for future growth. The greater downtown Greenville market area includes the downtown core around Main Street, the West End, the Unity Park area, and Pendleton Street in the Village of West Greenville. As Greenville grows, each of these areas will change in response to demand and city policies.

Market forces were assessed at each sector individually to identify significant changes in recent trends, economic drivers, and forecasted demand to anticipate the pace of future development pressures on downtown in each of six sectors:

- Socioeconomic: Population growth trends and projections
- Residential: Number of housing units demanded in the next 10 years
- Office & the Innovation Economy: Square footage of office demanded in the next 10 years and the potential for growth in the innovation and knowledge sectors.

- Retail: Amount and type of retail potential for the future of Greenville.
- Hotel: Number of hotels demanded in downtown in the next 10 years.

The following pages summarize market findings. For additional market context and data, refer to the complete Market Analysis included in the Plan Appendix. These market analysis findings form the basis of downtown's strengths, weaknesses, opportunities, and threats (SWOT). They help inform the Downtown Strategic Plan's objectives and strategies that build on and expand downtown's strengths, realize the potential for market opportunities, correct weaknesses in the market, and limit the impact of potential threats.



The greater downtown market area encompasses several submarkets each with their own unique market drivers. As downtown evolves, these submarkets will expand and change in response to both planning initiatives and market forces.

MARKET ANALYSIS FINDINGS

Demands for residential and hospitality expand, while retail growth and office remain stable

SOCIOECONOMIC CONDITIONS

Recent Population Growth: The Greater Downtown Area has grown by 3.4% annually since 2010. Much of this growth has been people between the ages of 4–34 and 55–74, indicating that downtown is attracting millennials with school-aged children and empty nesters looking for an urban lifestyle.

Continued Inequality: Significant economic disparities exist downtown between white residents and minority residents. Median incomes for white residents are 116% higher than those for black residents in the greater downtown area, a significantly greater difference than in the city or the MSA.

Comparative Density: Compared with more mature downtowns in the southeast like Charleston and Durham, downtown Greenville is less dense and less populous. To approach the type and scale of these downtowns, greater development intensity and a continued focus on creating a high quality of life are paramount.

Anticipated Growth: Downtown’s population is anticipated to grow by 4,600 to 6,000 new residents by 2028, with an annual growth rate of 2.4 to 3%, benchmarking to downtowns at a more mature phase of development such as Charleston and Durham. Downtown Greenville’s recent growth rate of 3.7% is unlikely to continue as downtown matures. Without policy interventions that foster greater diver-

sity, new residents will likely continue to be higher income and made up of young professionals and empty nesters.

RESIDENTIAL MARKET

Population Growth: HR&A projects that downtown Greenville will grow by 4,600–6,000 residents by 2028 and that this growth will be primarily driven by young professionals and empty nesters, seeking walkable amenities. This growth will increase demand for residential units downtown that cater to this population.

Rental Market: The rental market has seen considerable growth in the last year, with rents averaging \$1.60 psf. The bulk of existing inventory varies per neighborhood, with the downtown core and West End neighborhood seeing mainly mid-rise, wood-frame buildings with high-end finishes and community amenities. High-rise residential is still not likely to become the norm in Greenville in the near future, yet the Camperdown project will deliver the first wave of this type of construction.

For-Sale Market: The condo market has also expanded recently, with at least six projects, a combination of multifamily units and townhouses, being delivered through 2020.

Housing Affordability: High costs of housing in downtown is a point of concern for residents in the historic western neighborhoods, as new luxury development spreads out of

the core. Low-wage employees are another concern, as they are unable to afford the rents downtown and locate near their jobs.

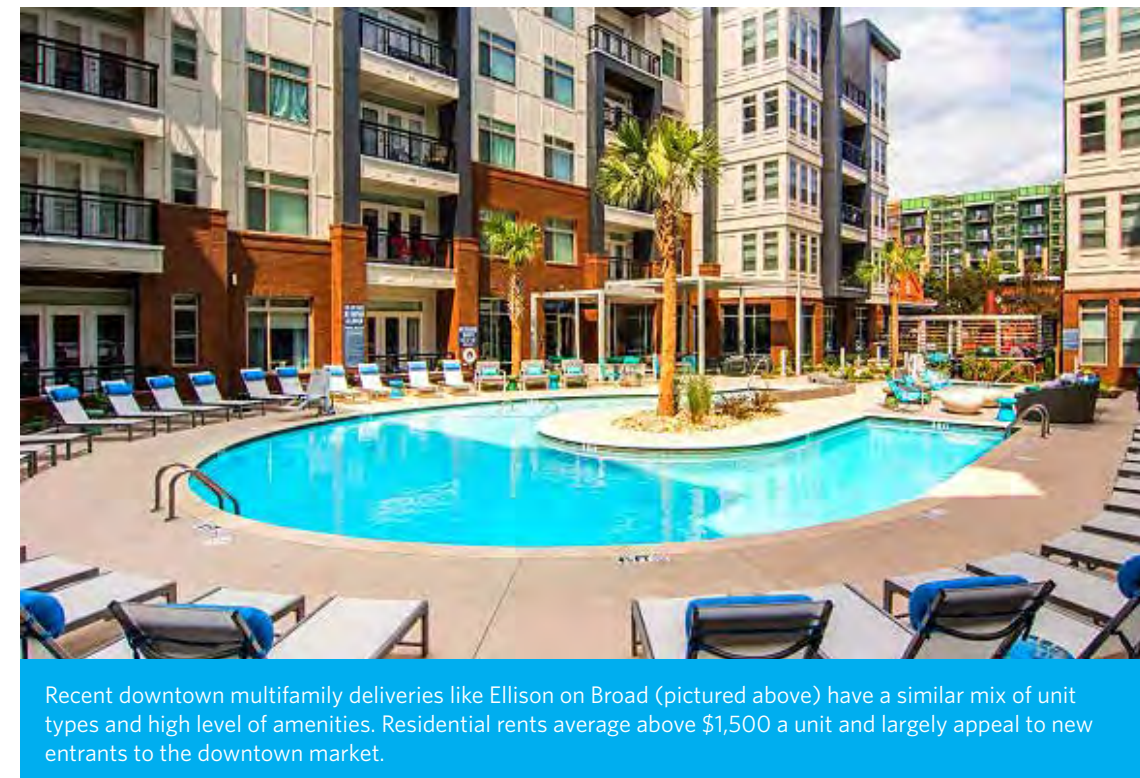
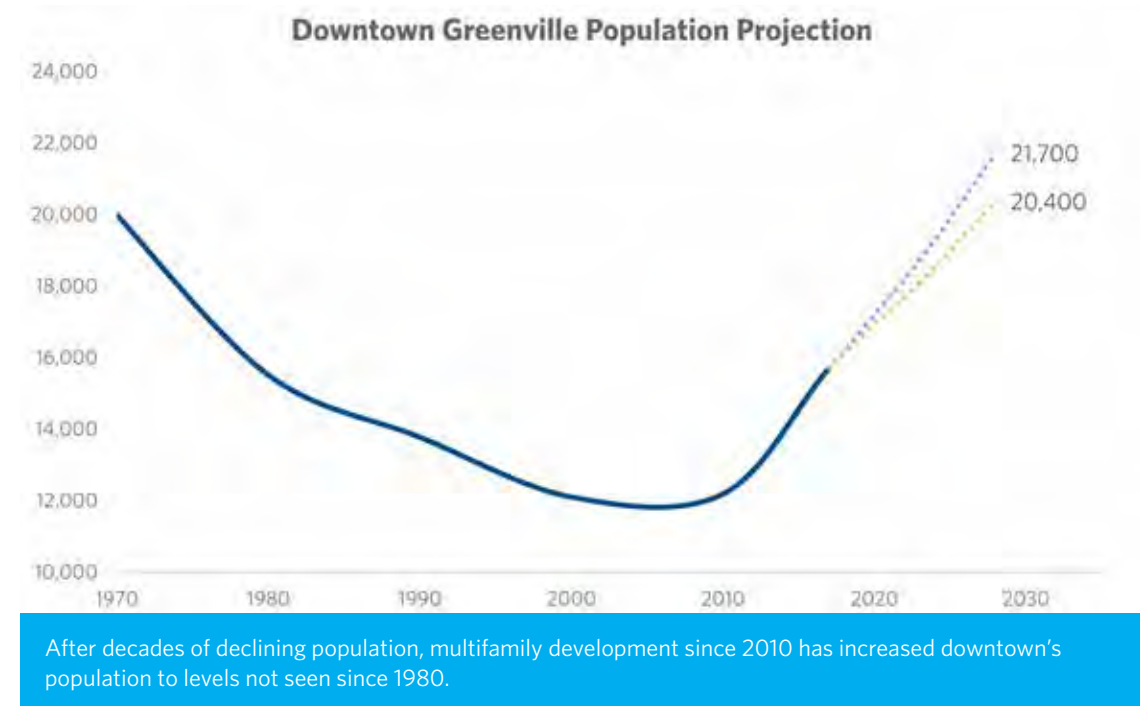
OFFICE MARKET

Market Strength: The downtown office market is soft, with a weak tenant pipeline to take existing and new spaces. Downtown Greenville is in direct competition with more suburban or edge downtown offerings, which can offer a lower rent without the accessibility challenges that an office located on Main Street brings.

Innovation Economy: While downtown Greenville has the existing affordable or easily renovated spaces that innovators demand, there is a lack of coordinated drivers of innovation downtown. Major employers that produce innovative products and could be engines of spin-offs are not located downtown.

Employment Growth: The Greenville MSA is projected to grow by more than 13,000 office occupying jobs by 2028. This growth is anticipated to be highest in professional and technical services and administrative and support jobs, following on the current prevalence of lawyers and call centers downtown.

Demand: The amount of additional new office space demanded downtown after pipeline and vacancy are accounted for is projected to be 350,000 SF under current market conditions. If the city can capture 45% of the regional



growth in downtown, that figure can rise to approximately 700,000 SF by 2028. In the current capital and cost environment, however, major new office development will require up-front commitments from at least one anchor tenant to move forward.

RETAIL MARKET

Market Positioning: Downtown Greenville is a regional and emerging national destination that attracts visitors for its interesting and unique retail, premier dining options, and charming Main Street.

Chain Retailers: While independent retailers are the lifeblood of downtown’s retail scene, there has been increased interest from chains in recent years as incomes and population have risen. A well-curated balance of retail can be achieved by expanding opportunities downtown for new chains and limiting costs for local stores citywide.

Submarkets: The downtown retail landscape is taking on unique characteristics depending on its location, with more chains and home-oriented services locating in the West End and funky retail outposts desired by a younger crowd found in the Village of West Greenville. Cultivating these retail identities will add additional value to other uses that seek to find differentiation with their projects in an increasingly crowded market.

Demand: With downtown as an existing destination, the current pipeline is well placed to meet the demands of a growing population. However, downtown retail can capture more retail if it continues to become a destination

with the same relative intensity as Charleston or Durham.

HOTEL MARKET

Dramatic Increase in Supply: In 2018, four new hotels added over 550 rooms, which accounted for 31 percent of the total room supply in downtown Greenville. Hoteliers are being attracted to Greenville by a combination of factors, including downtown’s ongoing revitalization and increasing national reputation.

Healthy and Diversified Market: Since 2010, Greenville has seen positive Average Daily Rate (ADR) growth, as well as increased occupancy despite additional supply. Occupancy and ADR trends for days of the week reveal that the market is well distributed between leisure and business visitors, with neither dominating.

Large Hotel Pipeline: By 2020, Greenville will see an additional 362 rooms being delivered by three different hotel projects. Taking into account deliveries in 2018, over 800 rooms will have delivered in downtown Greenville in around two years, an increase that will likely cause a lull in the market as those rooms take time to be absorbed by new demand from incoming visitors and business travelers.

Supply Gaps: Considering hotels in the pipeline, downtown Greenville has a well-diversified landscape of hotel types catering to different audiences. Currently, there are no boutique hotels downtown. The delivery of the Grand Bohemian and the smaller proposed boutique hotel will potentially begin to address this gap, and downtown can likely

support two to three additional opportunistic deliveries beyond the current pipeline.

Use	Projected Demand Through 2028	Pipeline as of December 2018
Residential	2,400-3,000 Units	2,300 Units
Office	860,000-1,200,000 SF	508,000 SF
Retail	357,000 SF	244,000 SF
<i>Convenience Retail</i>	<i>99,000 SF</i>	
<i>Comparison Retail</i>	<i>135,000 SF</i>	
<i>Food & Beverage</i>	<i>96,000 SF</i>	
<i>Grocery Stores</i>	<i>27,000 SF</i>	
Hotel	4-5 hotels (-700 rooms)	3 Hotels (362 rooms)

Strengths & Weaknesses

STRENGTHS

Downtown Greenville features an excellent quality of life and a strong tradition of public and private collaboration. It is a success story of committed leadership and public-private coordination. The result is a thriving downtown at the precipice of a new phase of growth. The strengths of the downtown and its market position should be reinforced in the next evolution of downtown Greenville.

Quality of Life: Valued by residents and businesses of all types in the downtown and the region, downtown's quality of life is its most important strength. Cultivated over 40 years of public and private investment, the safety, premier dining options, and family-friendly nature of downtown has yielded results including retail confidence and greatly expanded living options. This quality of life could help support an additional 3,000 new residential units by 2028.

Committed Stakeholders: Downtown's stability is owed in-part to close partnership between the city, its leaders, and a group of downtown developers and property owners. These partners have developed downtown in a way that has ensured its quality of life by working to strategically make investments and tenancing decisions that are for the collective benefit of downtown. From the Peace Center to a commitment to local retailers, these decisions continue to benefit downtown.

Strong Residential and Hotel Market:

Downtown's residential and hotel market have had banner years recently. That expansion points to the desirability of downtown as a place to live and a destination, but also to the confidence regional and national investors have in downtown Greenville's future. A competitive price environment, access to the outdoors, and the city's growing reputation as a weekend destination have paved the way for success in these products.

WEAKNESSES

Downtown's success as a vibrant and inclusive destination is held back by a few key issues. This plan seeks to address or minimize the impact of these challenges, so they do not threaten downtown's future as the inclusive center of a vibrant city.

Housing Affordability: Downtown's current pace of residential development puts housing affordability pressure on lower and middle-income residents—often minority residents. Rising land costs limit the city's existing affordable housing tools and resources' effectiveness in downtown. Without action, downtown will not be able to adequately house the service workforce its retail establishments and restaurants rely on.

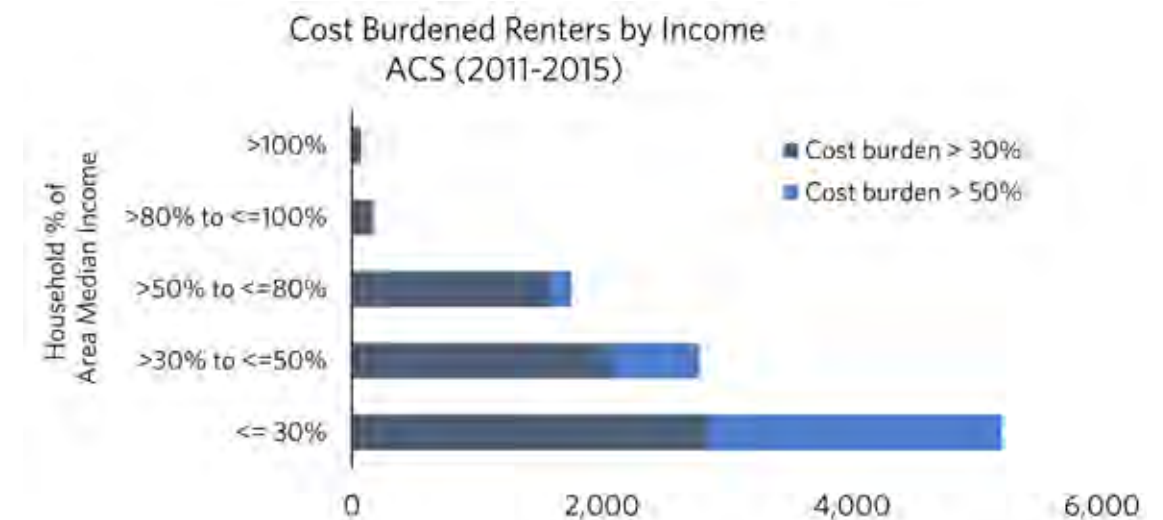
Few Anchor Institutions: The Upstate has many anchors that have driven employment growth and economic development, including University and major multinational companies, but few have had a significant impact

downtown or contribute to an innovation economy. Without the addition of another major employer downtown, there are few entities willing to take large enough risks that will usher in the next echelon of office development.

Diversity of Entertainment: While home to several high-quality entertainment and cultural institutions, most notably the Peace Center, downtown's success is limited by a lack of diversity in its entertainment options that could complement the investments in public space and dining options. More diverse options for residents across the cultural spectrum — from gritty to family-friendly, to live music — will add the additional vibrancy of an 18-hour city to downtown.



Downtown appeal is closely tied to the quality of life offered by public amenities. The city can continue to build off of this strengths to promote business and affordable housing growth.



Affordable housing is a growing challenge in successful communities across the country. Greenville has the opportunity now to create an inclusive and welcoming downtown for the future.

Opportunities & Threats

OPPORTUNITIES

The city can better align expectations with market positioning, create linkages, and invest in what makes downtown great. Strategies can bolster the strengths of downtown in ways that can support market growth across product types and uses, address weaknesses inherent in downtown, and minimize the negative impact of threats.

Improve Inclusivity: Downtown's strong residential market provides an opportunity to leverage market dynamics to produce desired public outcomes, including to produce mixed-income housing, neighborhood amenities that benefit a variety of residents, and maintain the diverse communities in downtown today. Greater interest from regional and national developers in the downtown market improves the negotiating position of the city in using limited development sites and city-owned land in a targeted way to pursue public objectives.

Strengthen Tech Network: To overcome the absence of a research university in downtown, Greenville's tech ecosystem can learn from Durham and Boulder by continuing to build its entrepreneurial assets while intentionally building links with other centers of innovation around the country. Building off the success of University Center, downtown could develop a multi-university center of convergence for business, tech, innovation, and training. Greenville's quality of life, cost of living, and outdoor recreation opportunities could all be better leveraged to put Greenville on a national circuit of informal entrepreneurial centers, with additional benefits of additional visitor and tourism exposure.

THREATS

Downtown Greenville is in a new echelon of peer cities, and it faces increasing growing pains typically associated with larger places. Downtown's challenges are not all endemic. Downtown's positioning in the Upstate and the Southeast, as well as its place in the investment markets, can present challenges to future growth or threaten the strengths that made downtown a success.

Strong Regional Competitors: Downtown's competitive position between the booming large cities of Charlotte and Atlanta leaves little room for Greenville to compete at the scale of these cities in offering the infrastructure needed for global business. South Carolina offers few tools to better compete with these larger options for relocating businesses. This has led to a soft office market over-reliant on tepid internal job growth and existing businesses to fill existing space.

Accessibility Challenges: As housing costs and commute times rise as low-wage workers find alternative housing farther out, the stresses of adequate parking and limited public transportation options will limit downtown investment. Downtown's reliance on public parking for private business constrains the city's flexibility to react to changes in market conditions and effectively manage parking.

Retail Affordability: With downtown's success has come investors looking to actualize the value in downtown's successful retail. As such, downtown's unique retail environment is threatened by sharply rising rents. Without support or changing the value proposition of retail to these investors, downtown's retail landscape risks becoming more homogenized.



Building tighter connections between downtown's start up resources and expanding the availability of high-quality affordable space will help keep downtown a competitive home to new tech workers.



Uptown Charlotte



Downtown Atlanta

INNOVATION DISTRICT CREATION

Creating an innovation cluster to drive the attraction and retention of talented workers and businesses

INITIATIVE: CREATE AN INNOVATION DISTRICT IN DOWNTOWN BUILT ON INVESTMENTS IN HIGHER EDUCATION AND SMALL BUSINESS GROWTH

Problem & Opportunity

Downtown Greenville's limited office market is the result of a lack of long-term drivers of office employment in the city. Initiatives such as NEXT have gone a long way in fostering new business activity and growing Greenville's entrepreneurial culture, but the absence of major employment drivers will continue to curtail downtown's office market. A healthy and growing office market is an essential element to a fully functioning downtown. In the past, city investments in parks and public spaces revitalized Main Street and made Greenville a great place to visit for the weekend and call home. Now, downtown Greenville has the opportunity to become a great place to find a job or start a business.

Strategy

Downtown Greenville should reorient its office economic development strategy for downtown away from attracting large corporate headquarters and instead focus these resources on creating a Downtown Innovation District. Innovation districts are emerging economic development strategies that focus on the changing nature of work to grow local

businesses and maximize the spillover potential of office employment in retail, housing, and entertainment. Greenville's Innovation District should combine a highly collaborative environment, authentic, inspiring spaces, and low-cost options for new and growing businesses. The goal of the Innovation District is to create a convergence of people, place, and programs to nurture a culture of work and entrepreneurship that makes downtown Greenville a destination for business.

Partnerships

To achieve this vision, the city of Greenville must partner with institutions and organizations that will act as the programmatic anchors of the Innovation District.

The Upstate's educational institutions, including Clemson University, University of South Carolina Upstate, Furman University, Greenville Technical College, and Bob Jones University should be key anchors to the Innovation District. Educational spaces downtown should build off the collaborative culture displayed at University Center and be a showcase of applied research and interdisciplinary programming.

Greenville's startup-supporting organizations should also be a close partner in developing the programmatic direction of the Innovation District. Relationships with organizations that are already active in downtown's small

business market, such as NEXT, should be expanded. These organizations know the needs and unique challenges facing growing businesses in Greenville and will be essential in shaping the Innovation District as a welcoming and affordable place for startups to locate.

Finally, Greenville's development community will be instrumental in building the Innovation District. The city's productive working relationship with developers should be used to market the idea of the Innovation District and plan for key sites to be developed with educational or collaborative components.

Public Leadership

The city should lead the creation of the Innovation District by:

- Dedicating resources for public space and industry attraction to the innovation spaces, coworking, and/or technology showcase space;
- Facilitating assemblage of key land parcels in downtown;
- Creating infrastructure improvements such as public parking, streetscape improvements, and public transportation; and
- Working with potential educational anchors to identify needed support to locate significant programmatic elements downtown.



Public leadership and investments in catalytic public spaces like Falls Park helped propel the last phase of downtown Greenville's growth. In the future, the city should leverage that same public leadership to grow and expand the businesses that will be the engines of downtown's long-term growth trajectory.



Greenville should build on the precedent for interdisciplinary and interinstitutional higher education established at University Center. Bringing together researchers, students, and faculty downtown to focus on applied research will connect entrepreneurs with cutting edge ideas and reinforce downtown as the center of Upstate's culture of business and innovation.

RETAIL ENHANCEMENT & PRESERVATION

Maintain Greenville's competitive advantage built from a quality retail experience

INITIATIVE: IMPLEMENT A RETAIL STRATEGY THAT STRENGTHENS LOCAL BUSINESSES AND DIVERSIFIES DOWNTOWN'S MERCHANDISE MIX

As Greenville has become a visitor destination, retail rents along Main Street have soared. As a result, local retailers that are essential to downtown's image and reputation will struggle to remain viable. To keep downtown home to existing and new local retail businesses, downtown should offer ways to reduce the cost burden on local Main Street retailers and provide viable alternative retail destinations. Moreover, downtown's retail identity should expand beyond the limited diversity of retail offerings on Main Street to better meet the needs of downtown's new, young residents.

Strategies to support local retailers **Create a fund for small and/or historic businesses to access subsidies through competitive grants or an incentive fund.**

As downtown rents rise, small retailers face the biggest risk of relocation. It is essential for the city to create opportunities for retailers to remain competitive and be able to locate in key corridors where they can contribute to a diverse retail fabric.

Create sub-retail nodes off of Main Street through branding and marketing efforts.

The Greenville retail scene is expanding outside of Main Street, particularly on Stone Avenue and the Village of West Greenville. This organic growth should be complemented by initiatives from the city to help advance the identities of retail nodes outside of Main Street through branding that is unique from Main Street's identity. Creating viable alternatives to Main Street will allow local businesses that do have to relocate off of Main Street to remain part of downtown.

Designate zones for local entrepreneurs to encourage clustering. Facilitating access to commercial space in core corridors and creating agglomeration for entrepreneurs will allow them to thrive and help to encourage innovation within downtown.

Create restrictions of retailers without active storefronts (i.e. banks) on Main Street to prevent rising rents. In order to ensure a healthy mix between local and national chains, the city should place restrictions on retailers that often drive up prices and add little to the retail environment. Retail bank branches in particular often lead to rising rents on retail corridors and should be limited on Main Street.

Strategies to diversify merchandise mix
Encourage a greater diversity of entertainment options in downtown that appeal to

younger residents and visitors. The city should continue to focus on diversifying its retail mix, and should particularly focus on attracting evening entertainment and/or active food and beverage options that will add to the vibrancy of downtown and appeal to the growing population of younger residents. In addition to direct marketing efforts to attract successful live music, bar, and lounge concepts that exist elsewhere in the Upstate and Charleston, the city should ensure that there are no ordinance restrictions in place that would prevent full operation of these businesses in key areas.

Strengthen retail corridors by continuing to invest in public realm improvements at target nodes. Much of Main Street's success can be attributable to its walkability and public realm improvements. The city should continue to be intentional about these types of improvements, and maintenance of existing improvements to knit other retail corridors and create a different pedestrian experience through placemaking strategies, which will draw visitors and customers.

Recruit businesses that diversify the merchandise mix offered on Main Street. The city should monitor the type of merchandise sold on Main Street and seek to recruit national retailers that strategically fill gaps. Key merchandise groups include cosmetics, shoes, and other speciality stores outside of clothing.



Main Street has established itself as a destination for apparel and full-service restaurants, but other merchandisers including hard goods (such as sporting goods, electronics, furniture, toys, and pet products) are rare. Diversifying beyond the limited range of clothing offerings downtown in a targeted way will help solidify Main Street's long-term relevancy and keep repeat visitors interested in what new shops are downtown.

AFFORDABLE HOUSING STRATEGY

Ensure downtown housing is attainable by all to avoid an imbalance of affordability

INITIATIVE: USE PUBLIC ASSETS TO CREATE NEW AFFORDABLE HOUSING

As downtown Greenville grows, it should strive for its housing market to be accessible to families and individuals with a wide variety of incomes. The recent creation of multifamily housing has not been paired with expanded options affordable to low- and middle-income residents. With limited tools available to indirectly require the creation of affordable housing, Greenville should leverage public assets to create opportunities for affordable housing development.

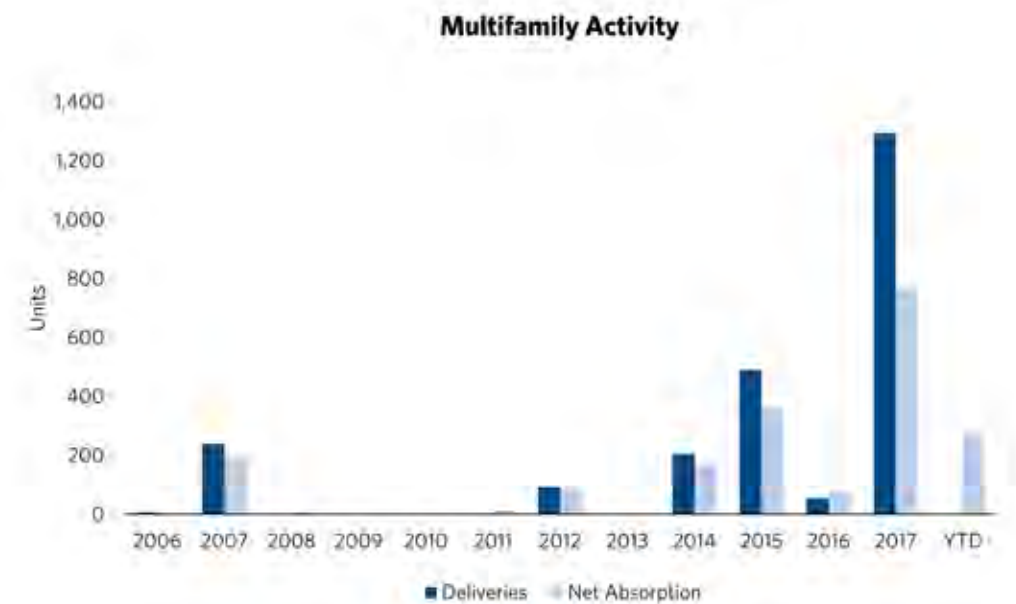
Strategies to create and preserve affordable housing include:

- **Require an affordable component in all residential development when disposing of public land.** Public land is one of the most valuable assets at the city's disposal. Development of multifamily housing is expected to continue to expand outside the downtown core and the strategic disposition of public land to accomplish multiple objectives including affordable housing should be considered. Requirements for either direct construction of affordable or mixed-income housing should be considered for sites that have high multifamily potential, while sites better suited to other uses could be required to pay into the

Greenville Housing Fund. Given the multiple needs of downtown, this should be a negotiation rather than set requirement, such as a linkage fee.

- **Institute an affordable housing requirement as a condition of receiving public support.** Mixed-use projects that include multifamily housing can be required to provide a modest amount of affordable units if they seek below-market access to city parking garages or receive revenue from synthetic tax increment financing. As part of this strategy, affordable housing project applications for synthetic tax increment finance funding (see Financing Tools) should be awarded additional points under the city's scoring criteria.
- **Consider investments in transportation that make it easier for low- and moderate-income workers to commute into downtown.** Downtown's retail, food and beverage, and hospitality economy largely depends on workers who cannot afford to live downtown, but increasingly face challenges finding affordable transportation to work. To address this issue, the city should explore expanded availability of low-cost parking and high-quality, frequent public transportation to downtown that aligns with hours generally worked in these industries.

To maximize the impact of these strategies, Greenville should work with its affordable housing partners. Coordination with partners including the Greenville Housing Authority, the Greenville Housing Fund, affordable housing developers, and neighborhood groups can help monitor housing costs, align strategic initiatives, and ensure that all affordable housing actors remain active and invested in downtown.



With rents strong enough to support the construction of structured parking and the city's renewed emphasis on downtown's core strengths, the success of downtown's multifamily housing boom since 2012 is likely to continue. The city can use this strong demand and an increasingly tight land market to create diverse mixed-income communities with existing assets.



URBAN DESIGN FOCUS AREAS

OVERVIEW

Downtown should evolve into a series of distinct precincts, each with its own personality and sense of place

SUMMARY & RECOMMENDATIONS

The public policy initiatives related to urban form outlined in this strategic master plan are focused on creating the next generation of compelling places in the areas adjacent to Main Street. The expansion of Main Street over the past decade south of Falls Park and into West End, highlights the impact of creating a great public realm that is beautiful, walkable, and linked to adjacent neighborhoods.

The rapid development of new multi-family housing and hospitality uses in and around the historic core have significantly changed the urban landscape and urban character of downtown. This pattern has also urbanized corridors leading into downtown into higher density addresses, often with mixed-use components that add vitality and services to surrounding neighborhoods.

The redevelopment of County Square south of Falls Park will create a new paradigm for downtown. Careful integration into the surrounding neighborhoods and corridors will be important to downtown's continuing story.

The initiatives outlined in this section are in response to development patterns that are creating a more expanded and diverse sense of the downtown area. Primary elements include:

1. Integrate various development initiatives with improved vehicular, bicycle, and pedestrian circulation
2. Expand the network of open space, trails, and recreation areas to serve a growing residential population
3. Strengthen and protect the character of existing historic neighborhoods as building types and density change
4. Develop district-specific plans and zoning tools to better define the intended character and urban design criteria
5. Focus on improving pedestrian safety and livability of downtown streets
6. Add a new north-south public space spine east of Main Street to link redevelopment sites to the river
7. Focus on active frontages for downtown streets to expand the sense of a complete fabric within the area
8. Expand the development of public art and music programming within the area



Planning Process

A TEAM APPROACH

The planning team, which consisted of economic development strategists, urban designers, civil engineers, parking specialists, and public space designers, conducted a three-phase process including data collection and analysis, alternative strategies, and development of the preferred plan. The process included focus group meetings with residents and civic leaders, institutions such as area churches and social service providers, county and city representatives, area businesses, institutions, arts groups, and civic organizations as well as other key stakeholders.

The process was led by a steering committee and an internal advisory committee within

the city staff. The steering committee was composed of community and city representatives who guided the team through all phases of the plan development.

The planning team conducted public meetings and key stakeholder meetings at each phase of the process to help guide the emerging strategies and shape the important focus areas uses within downtown for growth and investment.

The process created many points of consensus among community stakeholders about priorities for managing and improving the quality of life and character that makes downtown Greenville a special place.



SUMMARY: STAKEHOLDER FEEDBACK

STRENGTHS/GOOD THINGS

- Livability
- Walkable
- Safe
- Trails and parks
- Arts and culture
- Neighborhood character
- Local shops in downtown

STAKEHOLDER CONCERNS

- Shift in scale and character of buildings
- Displacement of residents
- Uncertainty about development policy outside of the Central Business District (CBD)
- Lack of definition how the city should grow
- Increasing traffic congestion
- Lack of music and art venues for younger population
- Affordability
- Density and diversity
- Visitor and employee parking
- Bike mobility
- Lack of public transportation
- Supporting local retail tenants

PRIORITIES

- Affordable housing
- More transportation options
- Attract employment and entrepreneurs
- Employee parking
- Keep healthy mix of local retail in downtown
- Keep retail rents affordable
- Connect the river to neighborhoods with parks and additional trail connections

URBAN DESIGN FOCUS

The consultant team working with the advisory and steering committees developed Urban Design Principles for future development

EMERGENT FINDINGS

Clearly define the vision for district character going forward

The rapid development over the past six years has transformed many of the historic neighborhoods and corridors serving downtown. The economic forecast indicates this transformation will continue. At question is the resulting character of new development and the resulting qualities of downtown streets and neighborhoods. Stakeholders voiced concerns over how the change in scale and increased density will affect walkability and sense of place within the downtown.

It is clear that the inherited notion of downtown as the central business district is inadequate as a reference for how patterns are expanding and uses are distributed. The development of South Downtown, the West End, and the Stone Avenue Corridor create a more expansive notion of downtown.

Current land development policy has to be updated to reflect these new patterns and the zoning and planning tools refined to better guide how new investments and developments support the vision of a place.

We developed a series of design principles to provide a structure for developing refined tools and policies.



PRINCIPLE 1

Increase mobility options and pedestrian safety within the downtown

The conflicts between residents, downtown businesses, event venues, and through-traffic create increased friction and perception of congestion. For success to continue, downtown policies must prioritize the walkable and bike-friendly character throughout so that streets become the shared public space that supports those uses and creates a truly livable downtown beyond Main Street.

PRINCIPLE 2

Build great street frontage throughout the downtown and close-knit neighborhoods

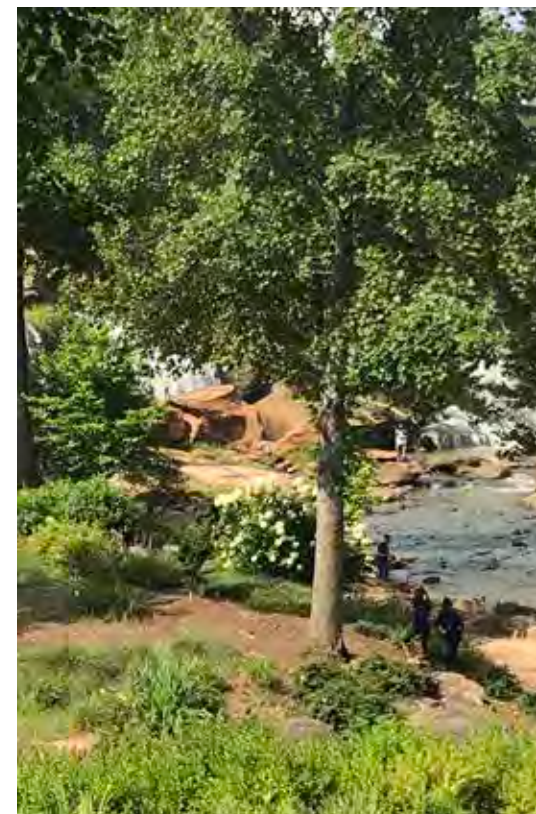
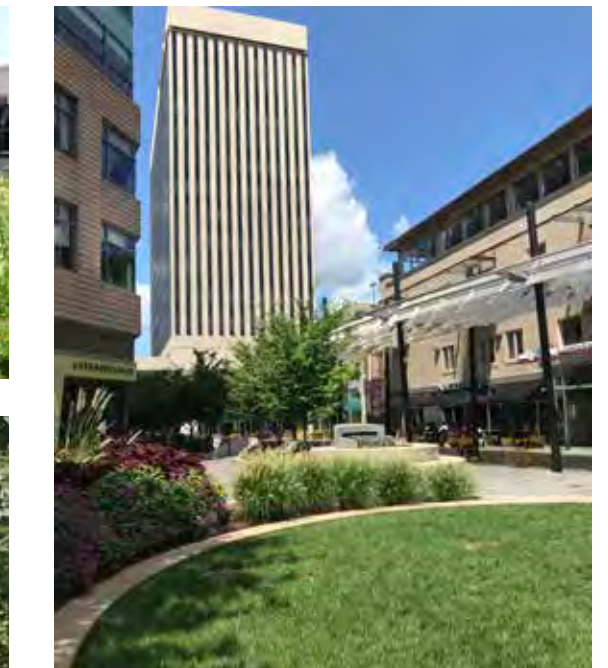
Main Street has become the hallmark of downtown and exhibits the great qualities that can be applied throughout the downtown. Most of the urban blocks in downtown Greenville are small and highly walkable. It is essential to prioritize active street frontages with office, residential, retail, and civic uses having entrances and a visible presence on the street to create great pedestrian spaces.

Many new buildings often have embedded parking with no active uses on the ground floor along the street. Alternatives to blank street walls will be key to creating desirable addresses throughout the downtown area.

PRINCIPLE 3

Look to inherited patterns to build new

Many people commented on the perceived conflict between large format, new development such as apartment buildings and mixed-use buildings, and the adjacent scale of the historic fabric. Creating diversity in the skyline and along streets and public spaces is key to growth that is harmonious to the urban context. These design parameters and approaches need to be clearly articulated by the district in revised zoning and development tools inside and outside the current Central Business District (CBD).



District Recommendations

THE EXPANDING FRAMEWORK FOR DOWNTOWN

Four significant growth areas are changing the way downtown is functioning. In the last decade, “downtown” expanded. For example, South Main became a destination for mixed-use development with significant new residential and hospitality uses such as Fluor Field acting as a destination anchor in the West End. The development of Stone Avenue, north of the Academy loop, has created an in-town, mixed-use address with large multi-family and mixed-use building infill.

Large single-use developments such as the Kroc Center and new multi-family apartments on the west side of Academy will continue to expand as Unity Park is developed. The east side of downtown grew largely as a mixed-use and multi-family district early in the cycle with the Church Street Viaduct as a defining edge.

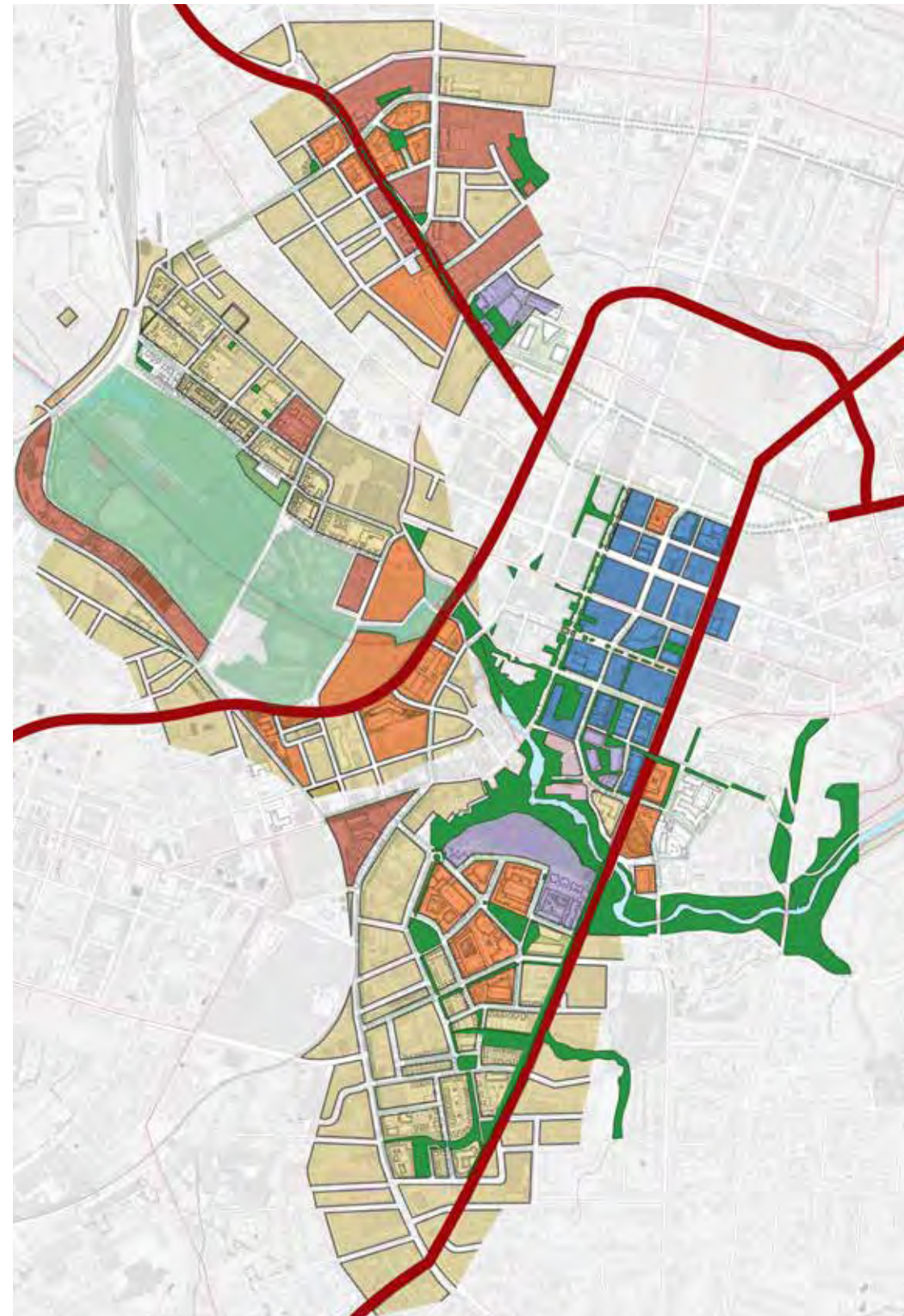
Downtown is now projected to grow significantly south of the river with the redevelopment of County Square property and the ongoing redevelopment of the Haynie-Sirrine neighborhood and West End. This will more than double the urbanized land area. We have identified these Districts as the framework to guide development character and form for the next five to ten years.

UNITY PARK

- Residential address: knit neighborhoods to the park
- Improve access and connectivity
- Washington and Academy frontages: larger scale

SOUTH DOWNTOWN

- Mixed scale: single-family detached and attached
- Retail frontage on Augusta
- Green connections to the river
- Street connectivity



BUNCOMBE + STONE DISTRICT

- Mix of industrial work places, residential and commercial development
- Buncombe and Stone to become city-owned streets
- Improve walkability

EAST DOWNTOWN/ INNOVATION DISTRICT

- Tech, university catalyst
- “Untie the knot”
- Third Place extends into downtown from river

Buncombe + Stone District

THE EXPANDING FRAMEWORK FOR DOWNTOWN

Buncombe Street is a major traffic corridor that splits into College Street and North Street as it enters the historic CBD from the west and converges back to North Street through the Pettigru Historic District on the east side of downtown transitioning to I-385 going east.

As Stone Avenue develops with projects like NorthPointe, a mixed-use project on the east side, the corridor between Buncombe and N. Church Street will continue to develop as a larger scale mixed-use address. The emerging development patterns around the Buncombe/Stone intersection reflect the same urbanization tendencies.

Both Stone Avenue and Buncombe Street should now be treated as high-volume, urban streets with on-street parking, active frontages, broad sidewalks with adequate landscaping, and safe pedestrian zones.

Currently, both of these streets behave like highways without adequate accommodation for pedestrian safety, urban uses, and high-quality place-making to create a successful environment for an expanding downtown mixed-use district.



Portrait of existing conditions

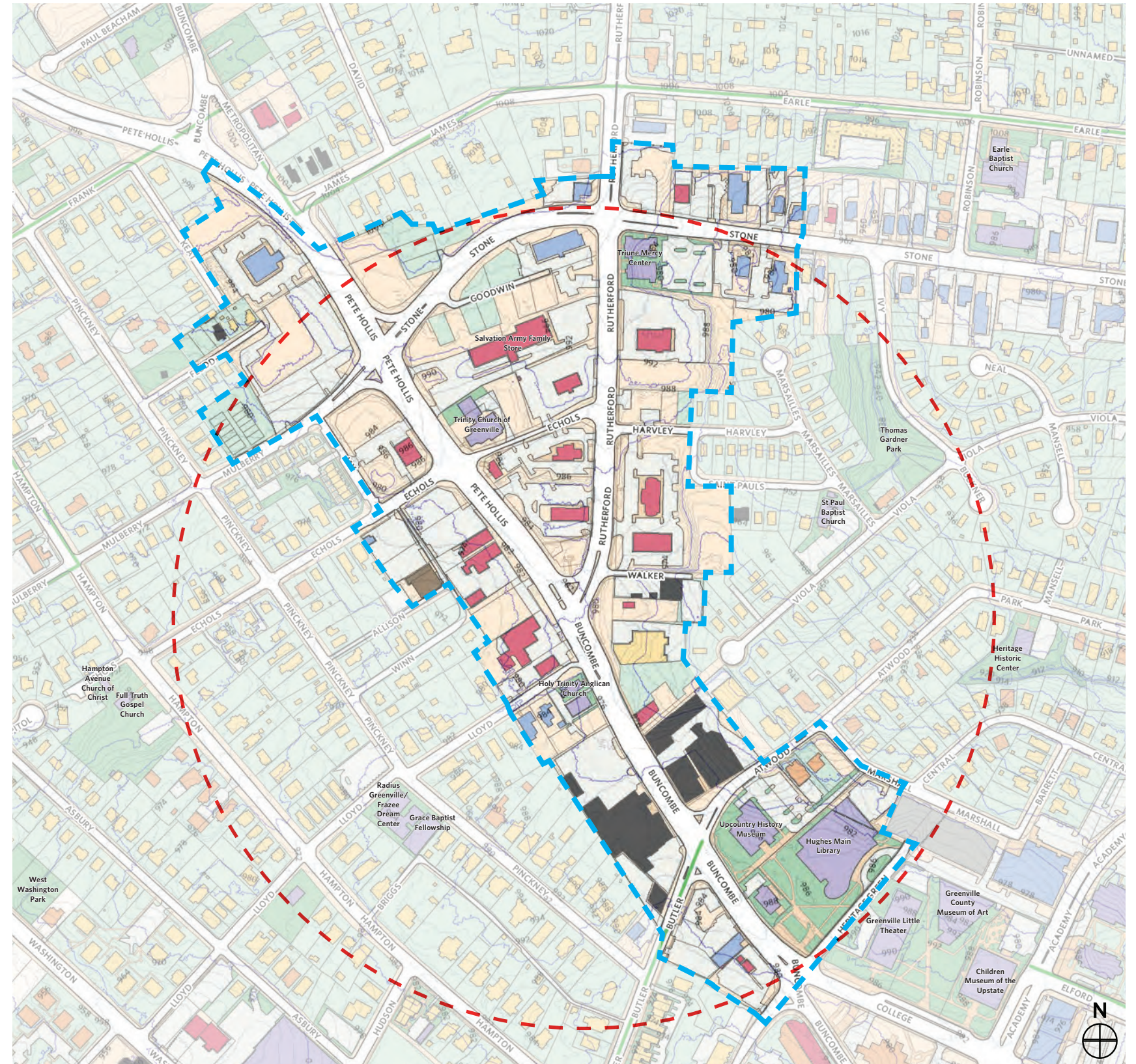


Existing conditions

Buncombe + Stone District

DEVELOPMENT RECOMMENDATIONS

- New building patterns should provide a transition in scale from large scale urban boulevards to the adjacent neighborhood scale
- Development policy should include transforming Buncombe Street into an urban boulevard
- Reinforce walkability from all directions to the Heritage Green Museums and Theater
- Create a more detailed area plan to transform the Stone Avenue/Pete Hollis Boulevard intersection into a coherent downtown district with specific zoning criteria
- Consider making Heritage Green a city park with active programming



Portrait of existing conditions

Buncombe + Stone District

CREATING A NEW GATEWAY

As development occurs around the Stone Avenue and Pete Hollis Boulevard intersection, it is important to direct development policy towards connecting local streets in ways that allow for more circulation off of the major roadways where possible. This will require a specific public frameworks plan to guide private redevelopment.

Slowing traffic down and changing the lane composition of Buncombe will reduce pedestrian conflicts while responding to the need for increased access to businesses as this area redevelops.



Existing street network

EXISTING STREETS



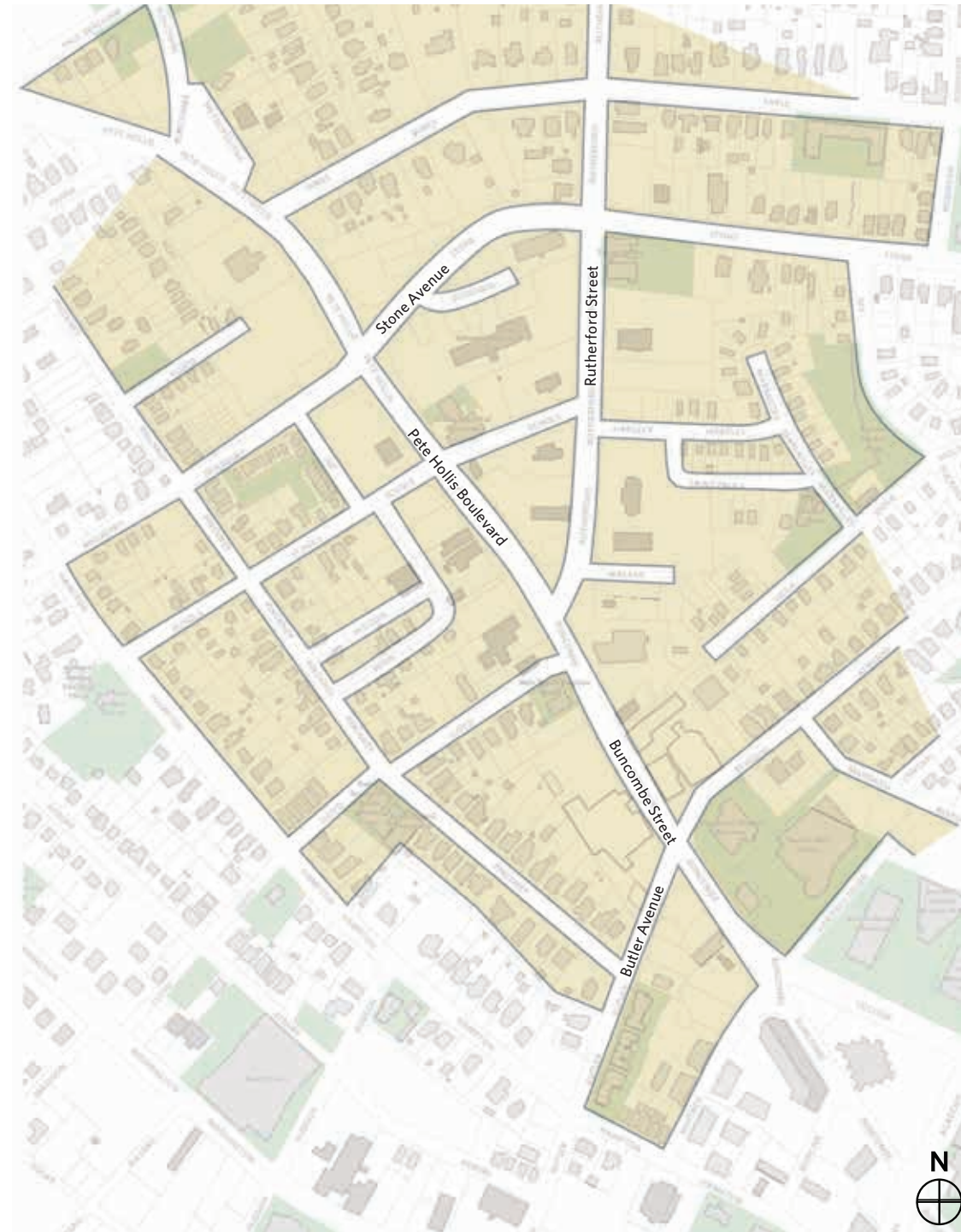
Proposed street network enhancements

PROPOSED STREETS

Buncombe + Stone District

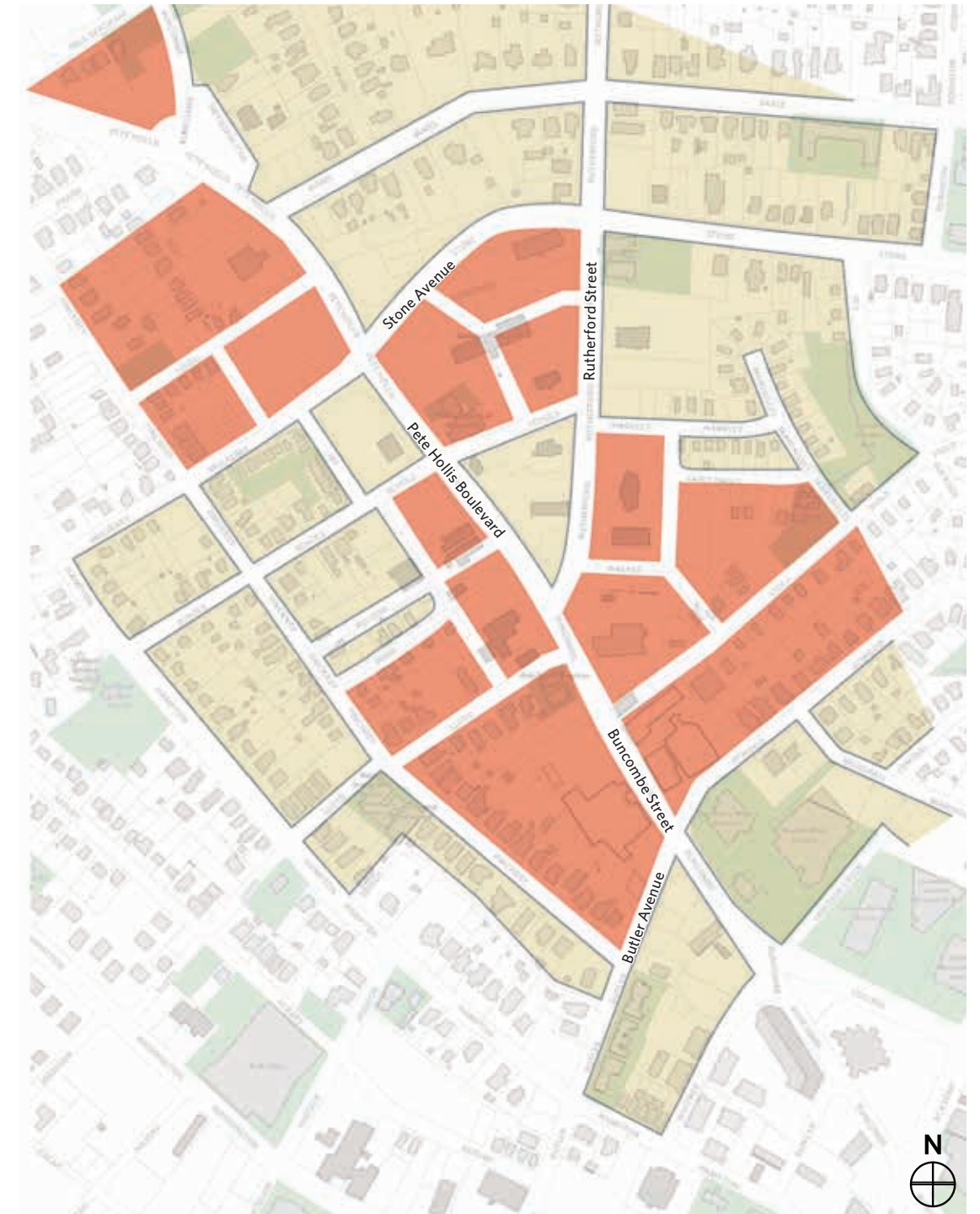
A DEFINED DISTRICT

Adjacent neighborhoods will benefit from creating a coherent district that can serve surrounding residential uses while responding to the larger scale addresses along Buncombe Street. Improved vehicular circulation patterns and pedestrian connectivity will benefit businesses and support an enhanced quality of the environment as a new urban center.



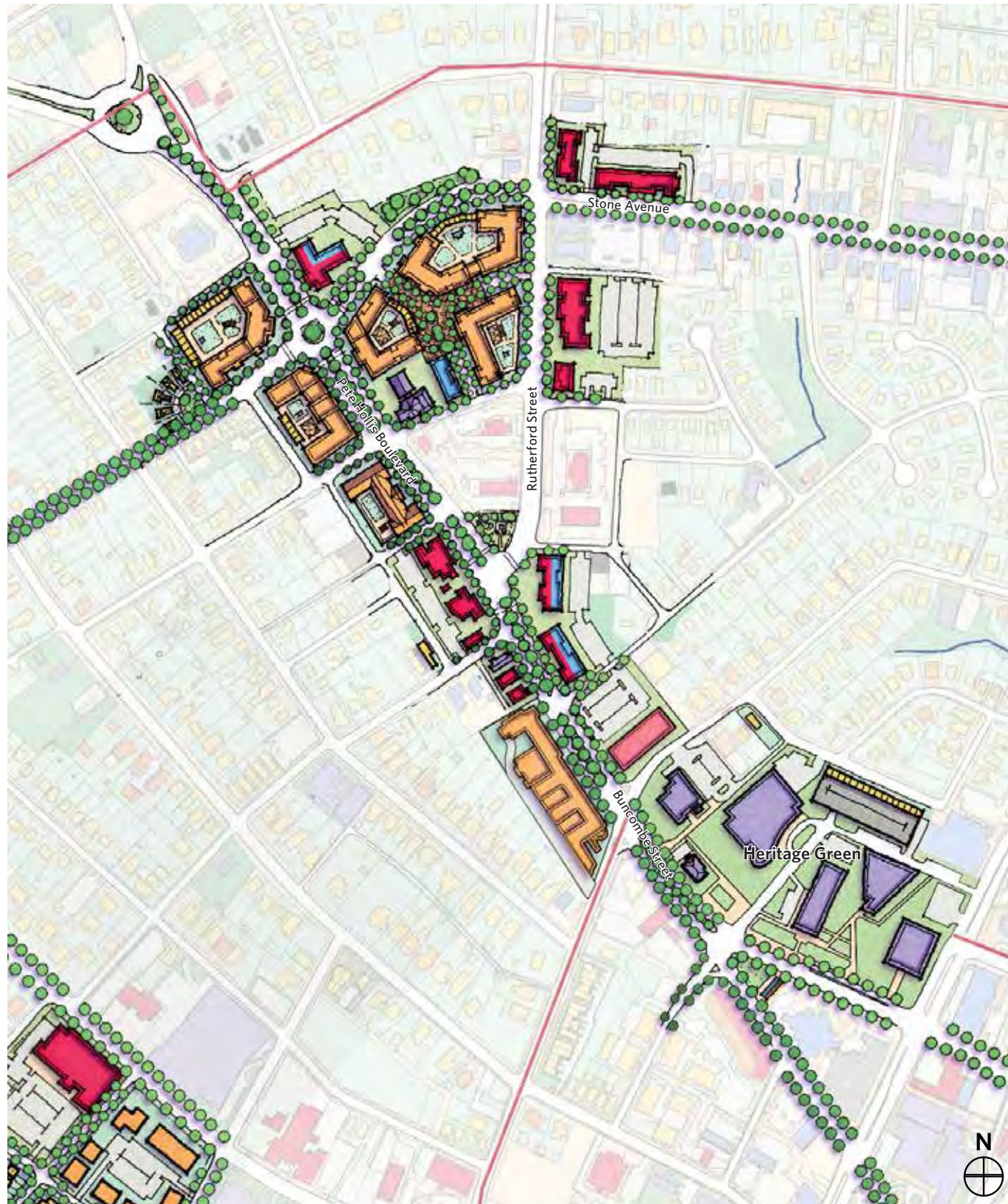
Existing local street patterns

EXISTING BLOCKS



Proposed local street patterns designed to enhance mobility and cohesiveness

MODIFIED BLOCKS



Potential redevelopment patterns



Aerial view of existing and potential redevelopment patterns over time

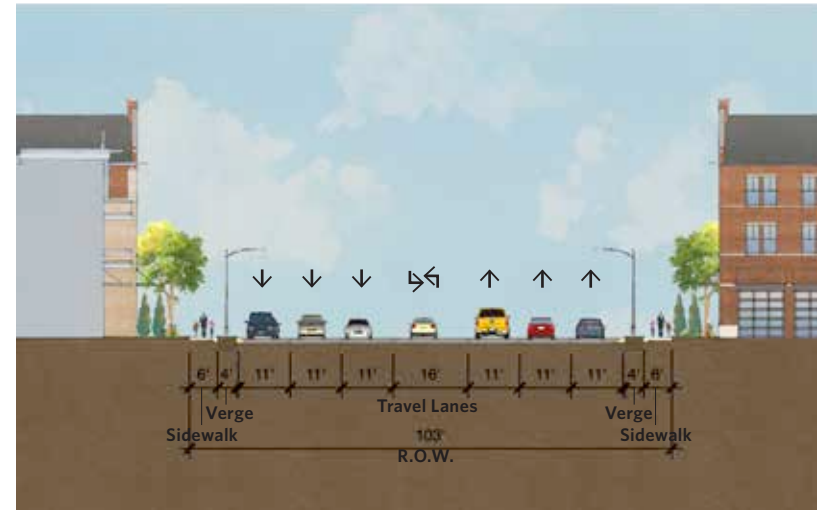
Buncombe + Stone District

TRANSFORMING HIGHWAY DESIGN TO URBAN BOULEVARD

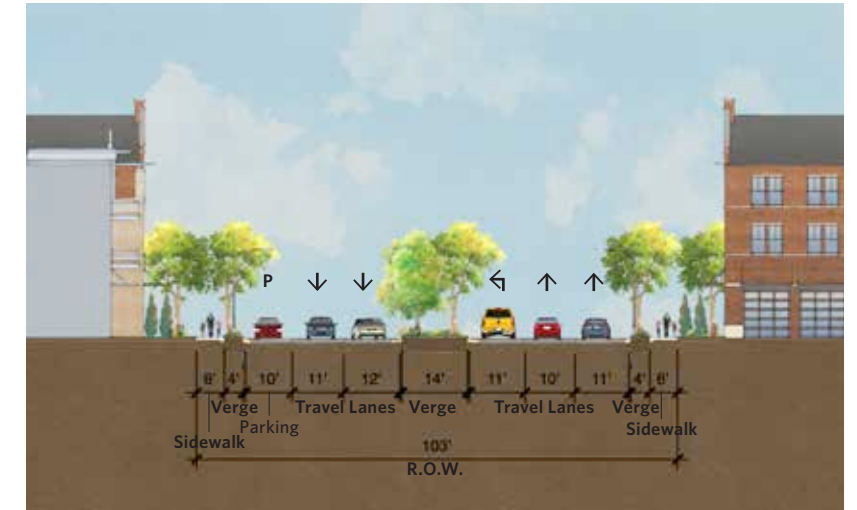
Buncombe Street and Stone Avenue have evolved into addresses with new uses and densities that call for the reconsideration of the function and safety of the streets within the downtown context. The hallmark of Greenville's downtown is the walkability and character of downtown streets. The rapid development of mixed-use and residential buildings throughout the downtown and close-in neighborhoods has created a stronger need for adapting out-of-date through-street

designs into urban street types that can accommodate through movements, as well as improving local mobility, pedestrian connectivity, safety, and access.

This plan recommends a series of refinements to Buncombe, North, and College Streets to support the ongoing expansion of the downtown.



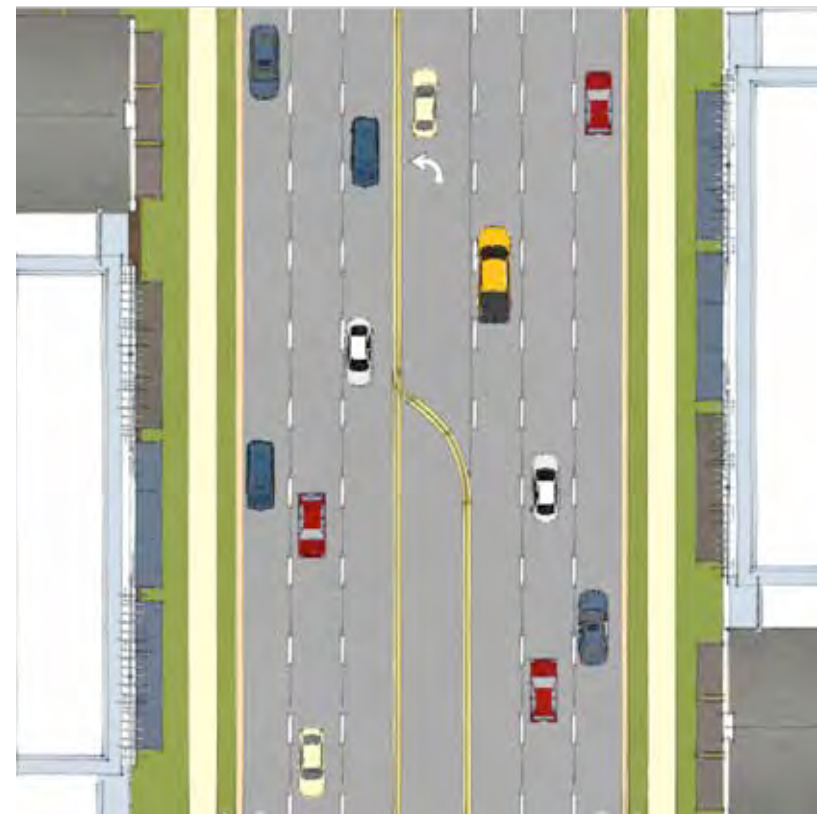
Existing section



Proposed section



View of existing Pete Hollis Boulevard, Buncombe Street, and Rutherford Street intersection



Existing plan



Proposed plan

Buncombe + Stone District

CREATING AN URBAN BOULEVARD

It is important to create a vibrant and active urban street frontage at this gateway into downtown. Encouraging local businesses to locate on this highly visible corridor will be enhanced by on-street parking, expanded pedestrian zones, and slower, more supportive vehicular speeds.



Precedent boulevard images for Buncombe Street transformation

Buncombe + Stone District

A strategy for organizing infrastructure to create an urban gateway district



Aerial photograph of existing Pete Hollis and Stone intersection



3d model of existing Pete Hollis and Stone intersection



Implementation of Pete Hollis improvements, local street connections



Creating a district-specific form-based code and plan



Aerial rendering of proposed Gateway District redevelopment

Buncombe + Stone District

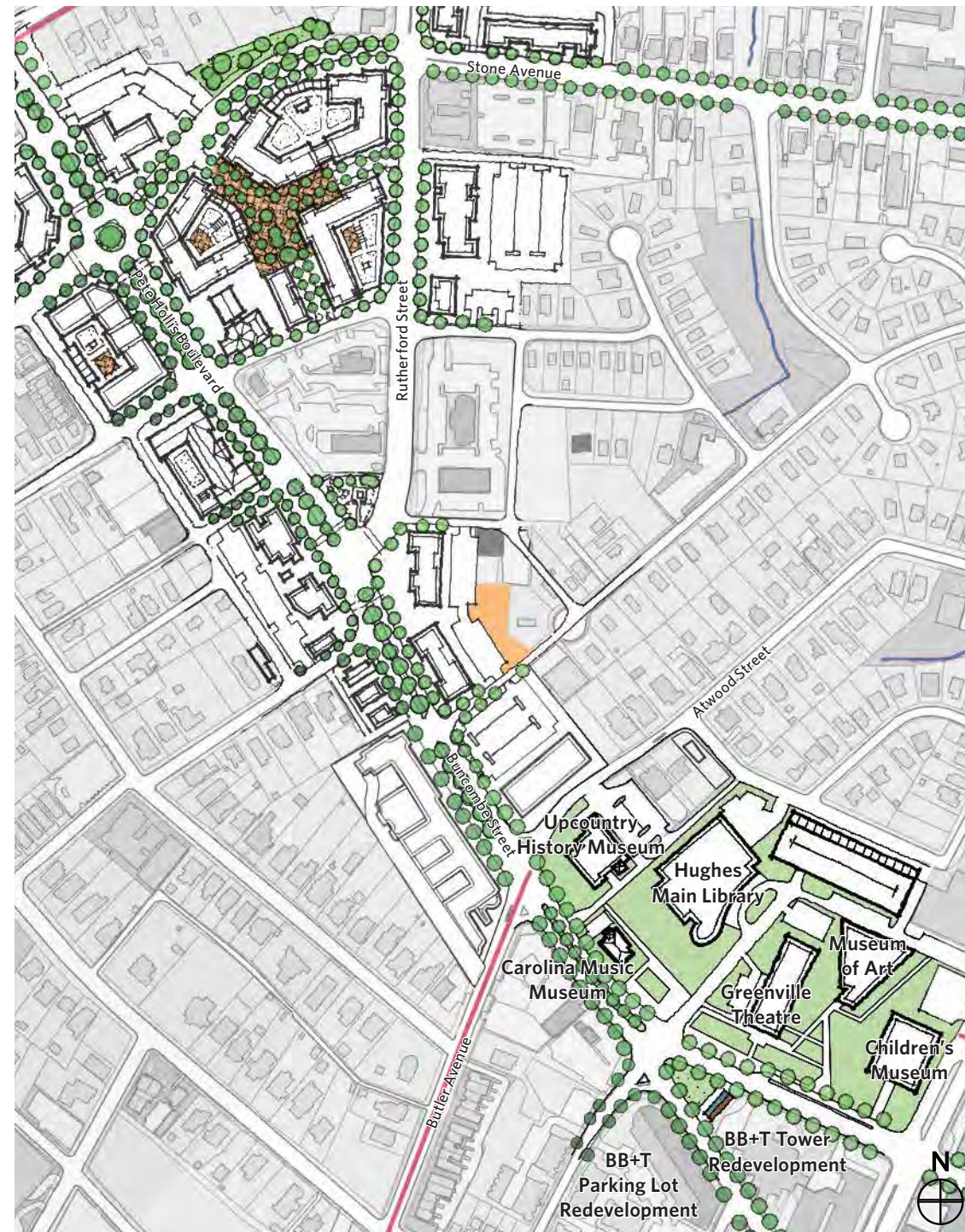
RECONNECTING HERITAGE GREEN

The collection of museums, galleries, the library, and theater along Buncombe creates an institutional campus adjacent to the CBD. While the concentration of these facilities creates a unique destination, the campus is somewhat separate from the downtown. It is difficult to access by car and by walking or biking.

The campus does not benefit from visitors to the downtown area because walking along Main Street or through the parks along the river provide a strong attraction. Many of the entertainment uses are clustered along the Main Street spine.

It is important to increase both visibility and visitation so that the institutions remain healthy and vibrant. Improving pedestrian access and connectivity to the downtown core could be achieved through the series of proposed improvements to streets and traffic movements.

The institutions would benefit from treating the shared campus as an active public park with programming, activities, and additional facilities, so this becomes an everyday destination as well as a special attraction.



Precedent images of creating a distinct experience in Heritage Green as a public park

East Downtown

COMPLETING THE FABRIC OF THE DOWNTOWN

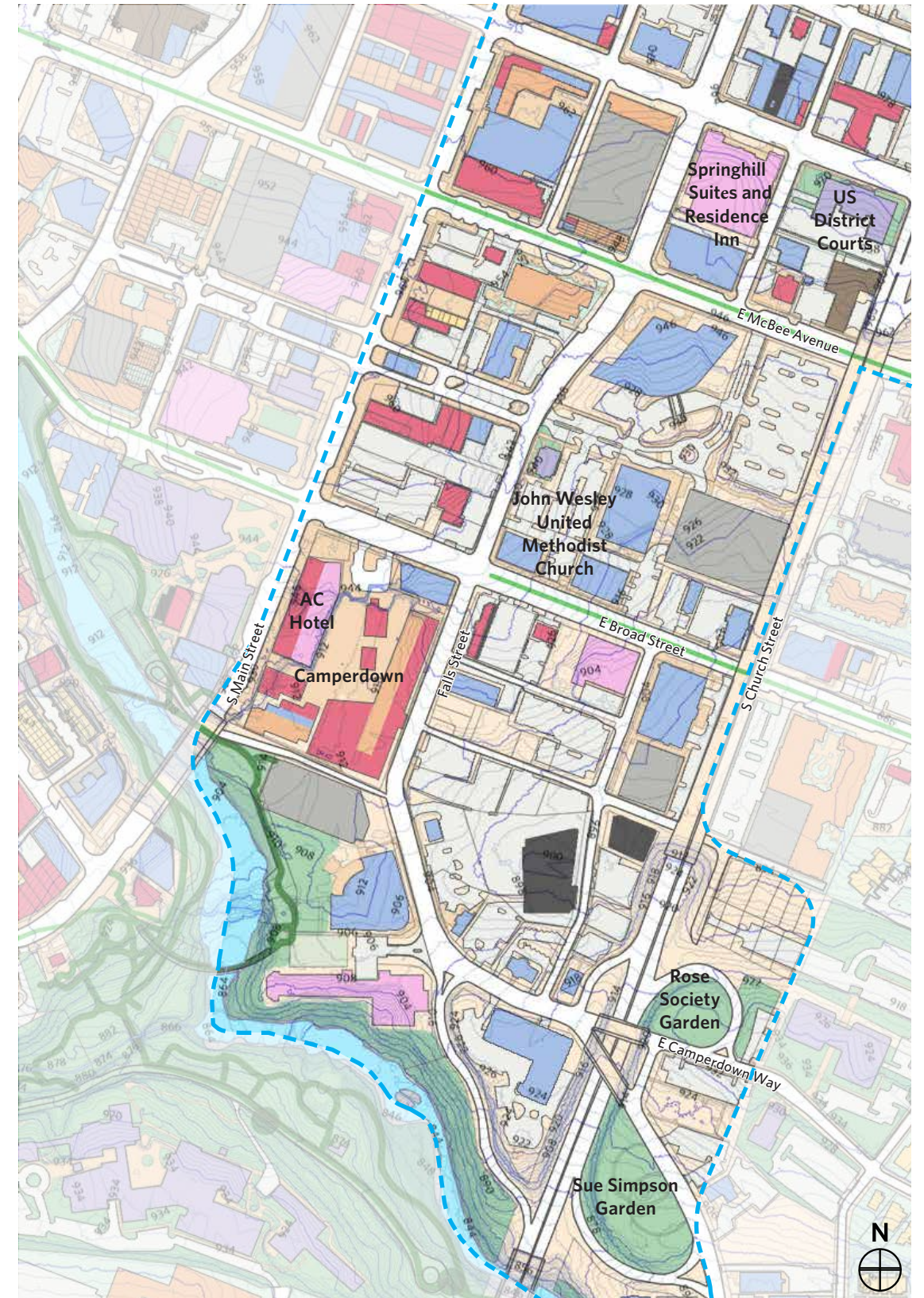
The downtown area is now beginning to build out to the east of Main Street. The changing scale of building types and uses creates an opportunity to fill out the downtown core. Relatively small block sizes and fragmented parcels present a challenge to building in a way that emphasizes street animation and active uses along most street frontages.

While the east-west streets like Broad, Washington, and McBee see new investments and buildings, it is important that the ground floors have active frontages on streets. For example, a pattern is emerging where Spring Street/Falls Street that extends from College Street in the north to Falls Park has virtually no active frontages. Regardless of use, buildings in the downtown must minimize service and parking uses on the ground floor that sterilizes street frontages.

The opportunity to build a higher density downtown core in a way that provides complementary economic development to the hospitality and entertainment spine along Main Street will be key to maintaining the health of existing businesses. The planning for this area needs to focus on both the physical form and the attraction strategy for new employment uses into downtown.



Aerial photograph and existing conditions of East Downtown



Portrait of existing conditions

East Downtown

EAST MEETS WEST

Over time, downtown has expanded east of Church Street, a major north-south commuter route. The elevated roadway through downtown creates a separation between new development to the east of Church and the downtown neighborhoods to the west. McBee, Broad, and Washington Streets are the connecting streets.

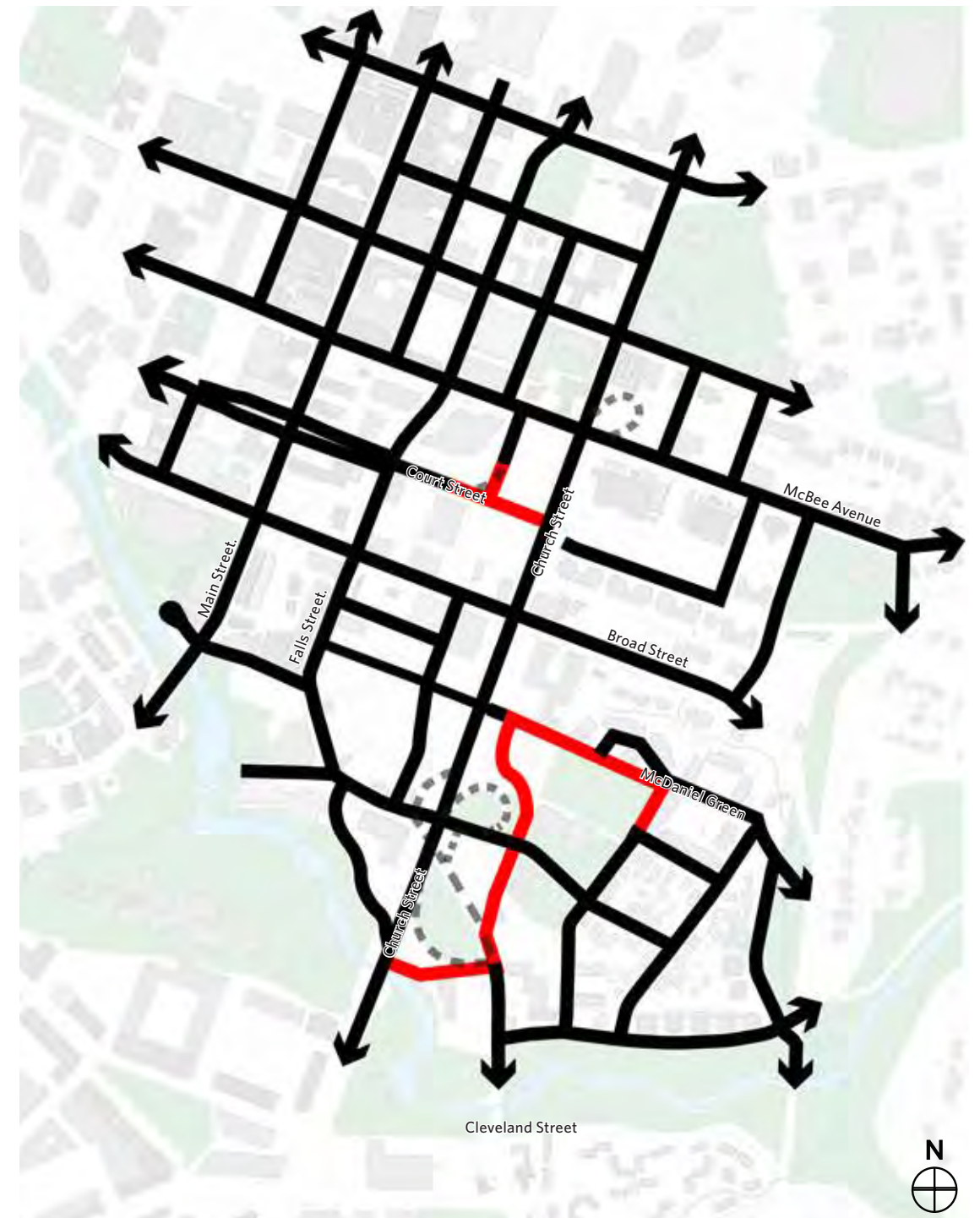
The treatment of Church Street with grade-separated ramp access reinforced this separation while development patterns continued to require more access and better connectivity within the downtown. Very little of the original downtown grid between College and Washington was carried through the city to the south or east where rail service once dictated the development patterns.

After analysis of the Church Street ramps, their daily use and benefit, the planning team recommends the removal of the ramps and extension of local street connections and access. This creates significant downtown redevelopment opportunities and allows for much better connectivity to the southeast quadrant.



Diagrams showing existing street network

EXISTING STREETS



Diagrams showing proposed street improvements

PROPOSED STREETS

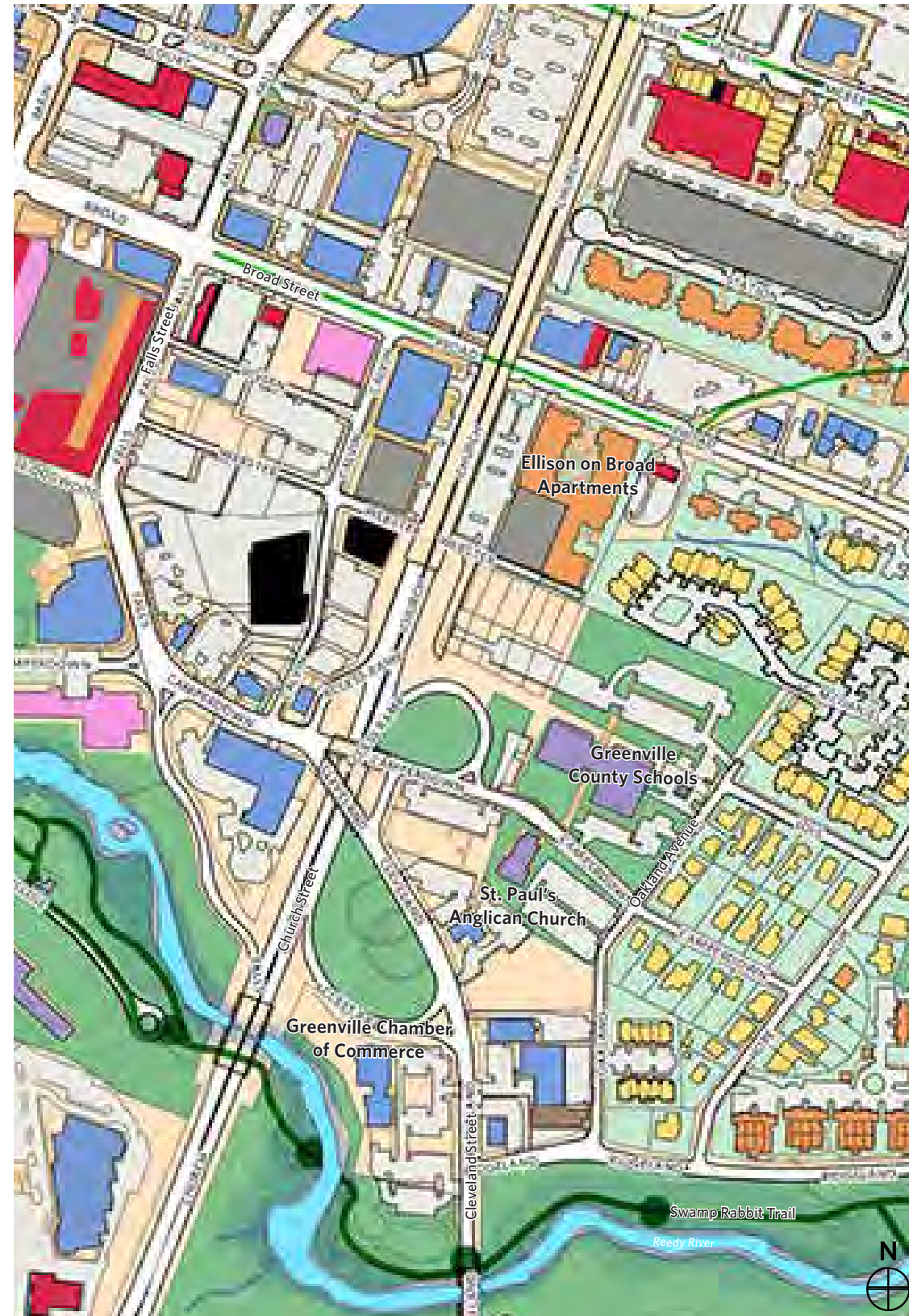
East Downtown

A NEW ADDRESS DOWNTOWN

The proposed improvements to Church Street ramps and the Cleveland/Camperdown intersection as well as the Webster Street extension, help to fuse the downtown district with the east side neighborhoods. New redevelopment opportunities are created on both sides of Church Street, especially around Greenville County School District-owned facilities and properties.

This new district would be organized around a sequence of public spaces connecting the northernmost development parcels to the Reedy River and the Swamp Rabbit Trail. These improvements would include a major new public plaza with programming to complement the existing programming on Main Street and in Falls Park.

This plan also proposes to better utilize the elevated section of Church Street by creating a dynamic new park space that can become a downtown venue for events as well as everyday use.



Existing Conditions East Downtown



Potential New Development Patterns East Downtown

East Downtown

THE INNOVATION ETHIC

This district would lead with art & public space programming to create a second north-south spine east of Main Street. Blocks in this district could incorporate pedestrian and public space as a primary address throughout the district.

Precedent images of new innovation districts that use public art and public space design to create a unique sense of place



East Downtown

FOUND PARK SPACE

The land under the Church Street viaduct is now a passive lawn area with some overflow parking. The opportunity to create a dynamic urban park with an outdoor venue on Broad Street is key to creating a new destination within the downtown, and a unique amenity for East Downtown.



Existing viaduct

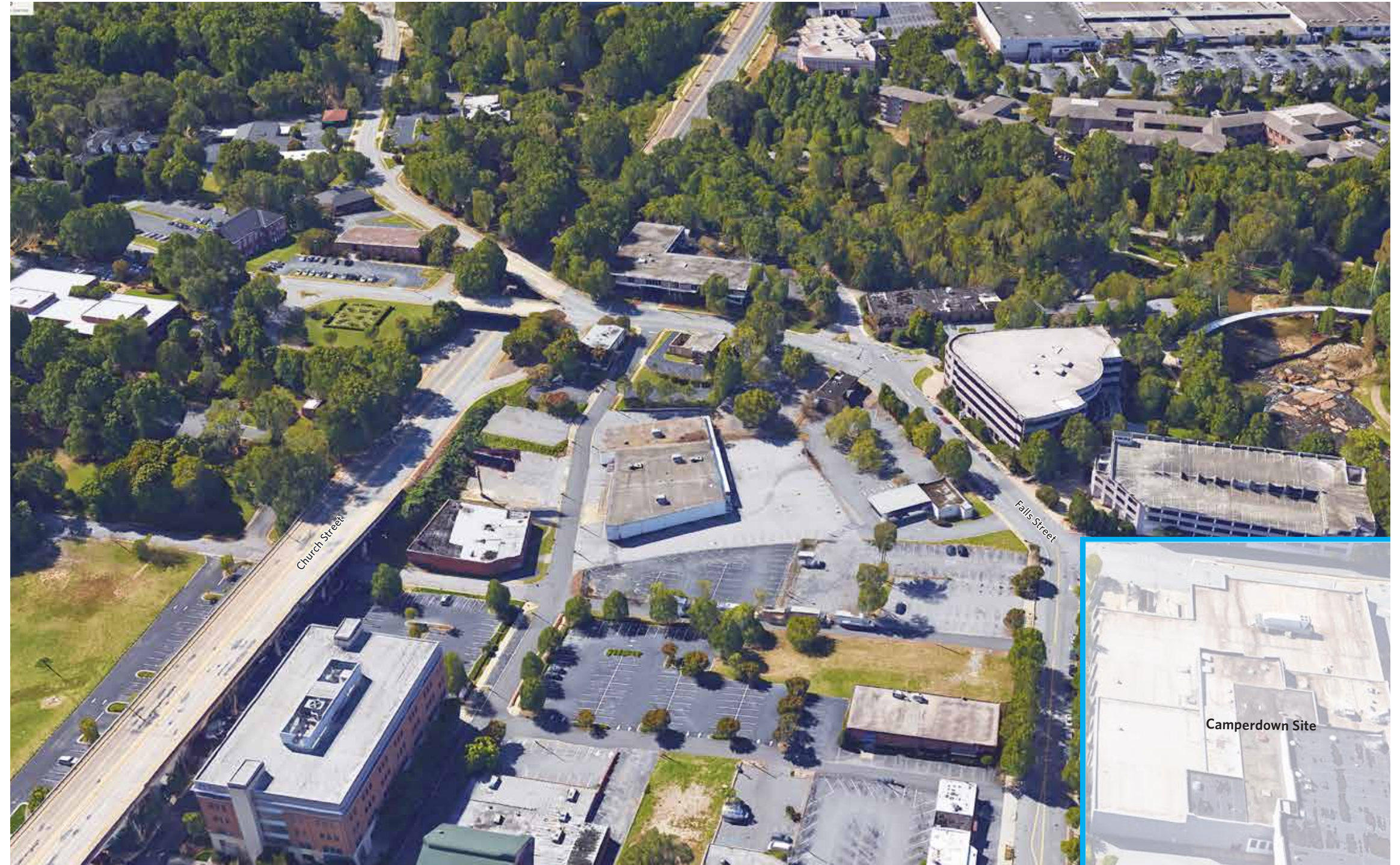
Proposed Church Street Viaduct Park

Precedent images

East Downtown

BUILDING A NEW DOWNTOWN ADDRESS

The East Downtown area represents an opportunity to build out the core as a cohesive district from Falls Park north to Beattie Place. This underutilized land can serve to create a more diverse market and as a complement to both the hospitality and residential development surrounding the area.



Aerial view of existing East Downtown at the Church Street and Falls Street interchange just north of the river.

East Downtown

LEADING WITH PUBLIC SPACE

Downtown Greenville and the private sector have invested in creating great public spaces in concert with new initiatives such as Project ONE, the Peace Center, the Hyatt, and Camperdown. This legacy has created a strong sense of place and identity. Thousands of visitors a year are attracted to these settings.

East Downtown could benefit from the creation of a new public space spine connecting this side of downtown to Falls Park and Swamp Rabbit Trail. The plan proposes a public/private effort to build a series of north-south public plazas and passages that create a unique setting for new development.



Aerial view of existing building patterns showing the new hotel and the Camperdown mixed-use block



Development Strategy Create a public space spine that serves as a common address for development

East Downtown

CONSIDER THE FORM

It is important to carefully consider the height and massing criteria that will guide individual building designs in the new district. A range of options is possible, but coordination to produce the desired result is essential at this scale. A specific area plan with companion zoning fashioned for this area will help ensure the public realm is vibrant and reflective of the character envisioned.



Building massing study for East Downtown



Aerial rendering illustrating potential character and scale for a mixed-use district



Aerial rendering showing alternative development scale as a district oriented to creative technology uses

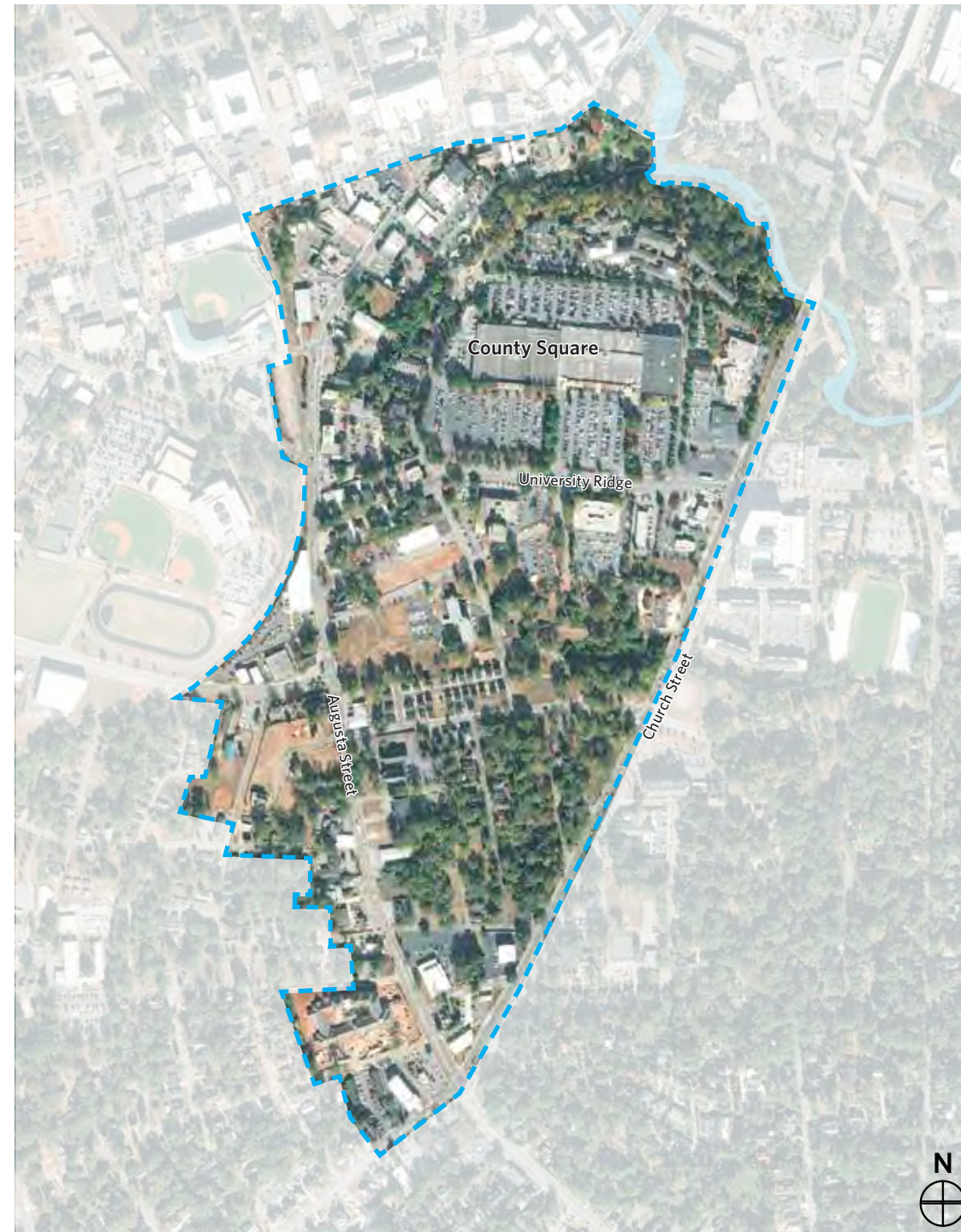
South Downtown

DOWNTOWN ON THE MOVE

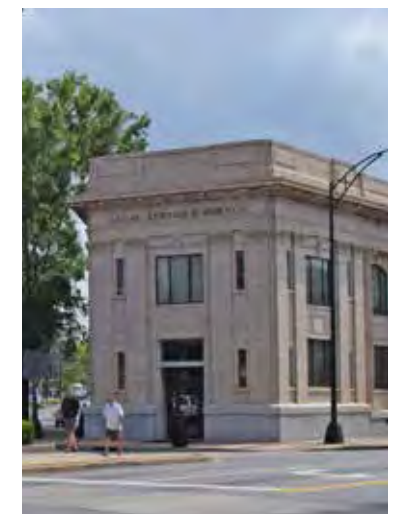
This area of downtown, just south of the CBD, is the focus of major redevelopment over the next ten years as the county administrative office complex is replaced by an urban, mixed-use precinct. As downtown expands south and west into historic neighborhoods and commercial corridors, the dynamics of the city will change significantly.

The County Square redevelopment must be linked with ongoing redevelopment south of University Ridge in the Haynie-Sirrine neighborhood between Church and Augusta Streets. The neighborhood has substantial vacant land as well as new single-family neighborhoods that have been developed in the last several years.

The adjacency to the ballpark, West End and South Main Street on the west and the evolving Church Street corridor combine to more than double the extent of what residents think of as downtown. It is imperative to see this area holistically so that both historic character and new development are complementary and consistent with the surrounding neighborhoods. This is an extraordinary opportunity to significantly extend the trail and parks network as a fundamental framework for redevelopment.



Aerial photograph of South Downtown



Images from Augusta Street in the West End and South Downtown

South Downtown

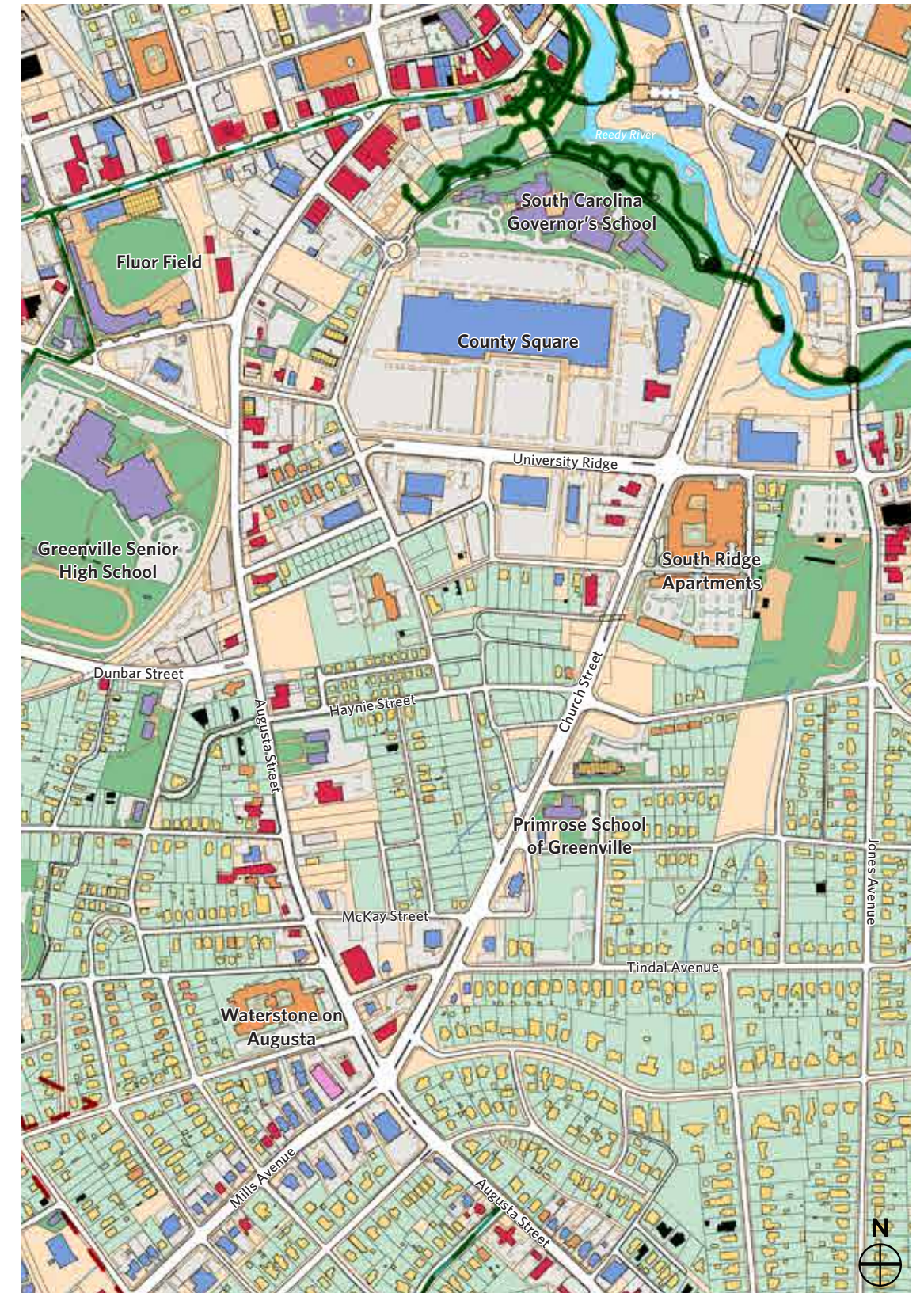
- Integrate new development sites into a physical vision for South Downtown
- Create walkable and bikeable connections to parks and adjacent districts
- New building patterns should respond to scale and character in Haynie-Sirrine neighborhood
- Building patterns should reinforce the scale along Augusta Street



Redevelopment activities along Augusta Street



New development (top) and vacant property (bottom) in Haynie-Sirrine neighborhood

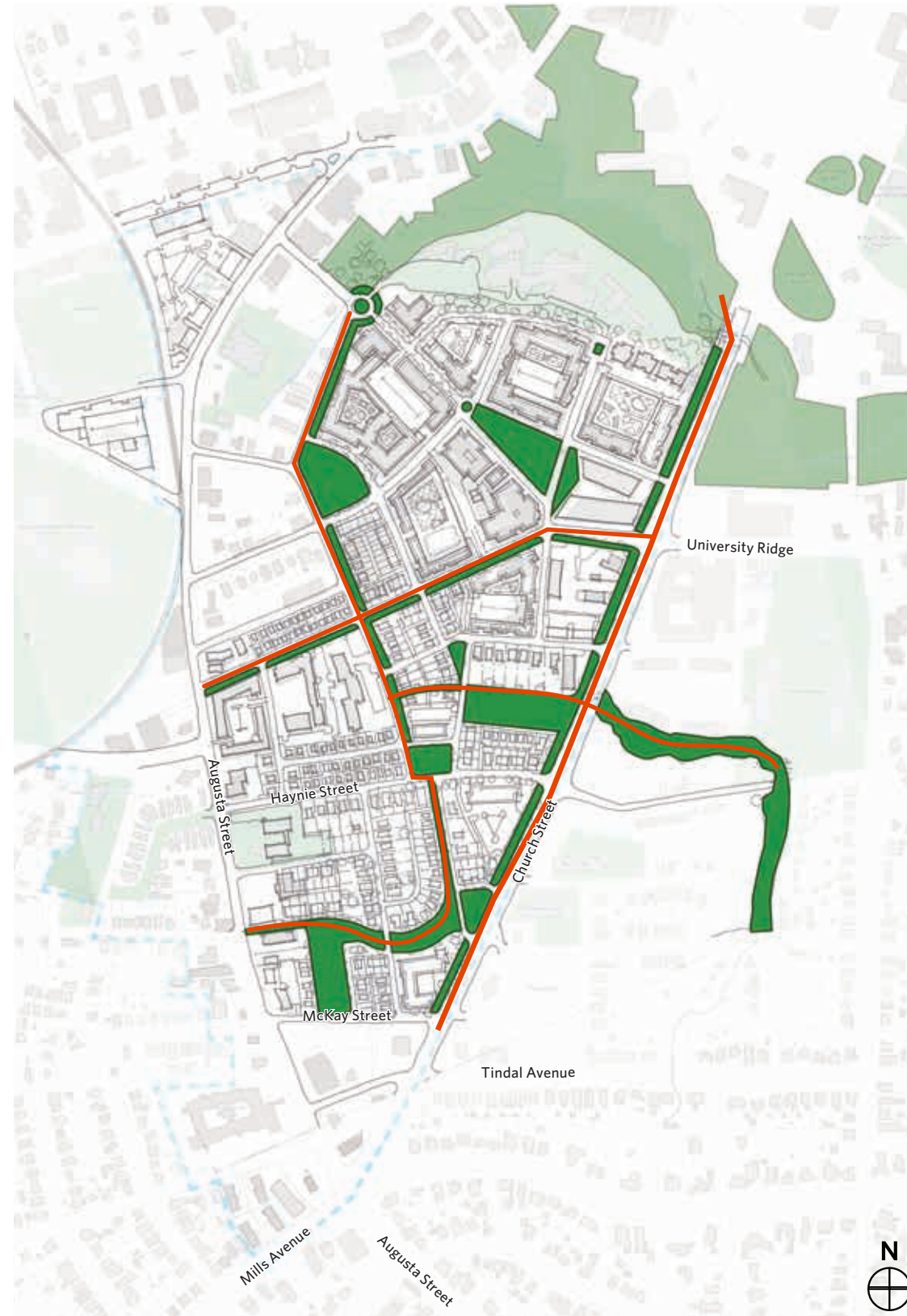


Existing building patterns

South Downtown

CREATE A FRAMEWORK OF MULTI-USE PATHS AND NEIGHBORHOOD PARKS

The redevelopment of South Downtown can adopt innovative street standards with protected bike and pedestrian paths linking neighborhoods to Falls Park trails. The concept plan identifies a continuous multi-use path along Church Street that links to the park.



Proposed open space and trail system in County Square and Haynie-Sirrine areas



New streets should connect redevelopment areas with existing streets to form coherent blocks

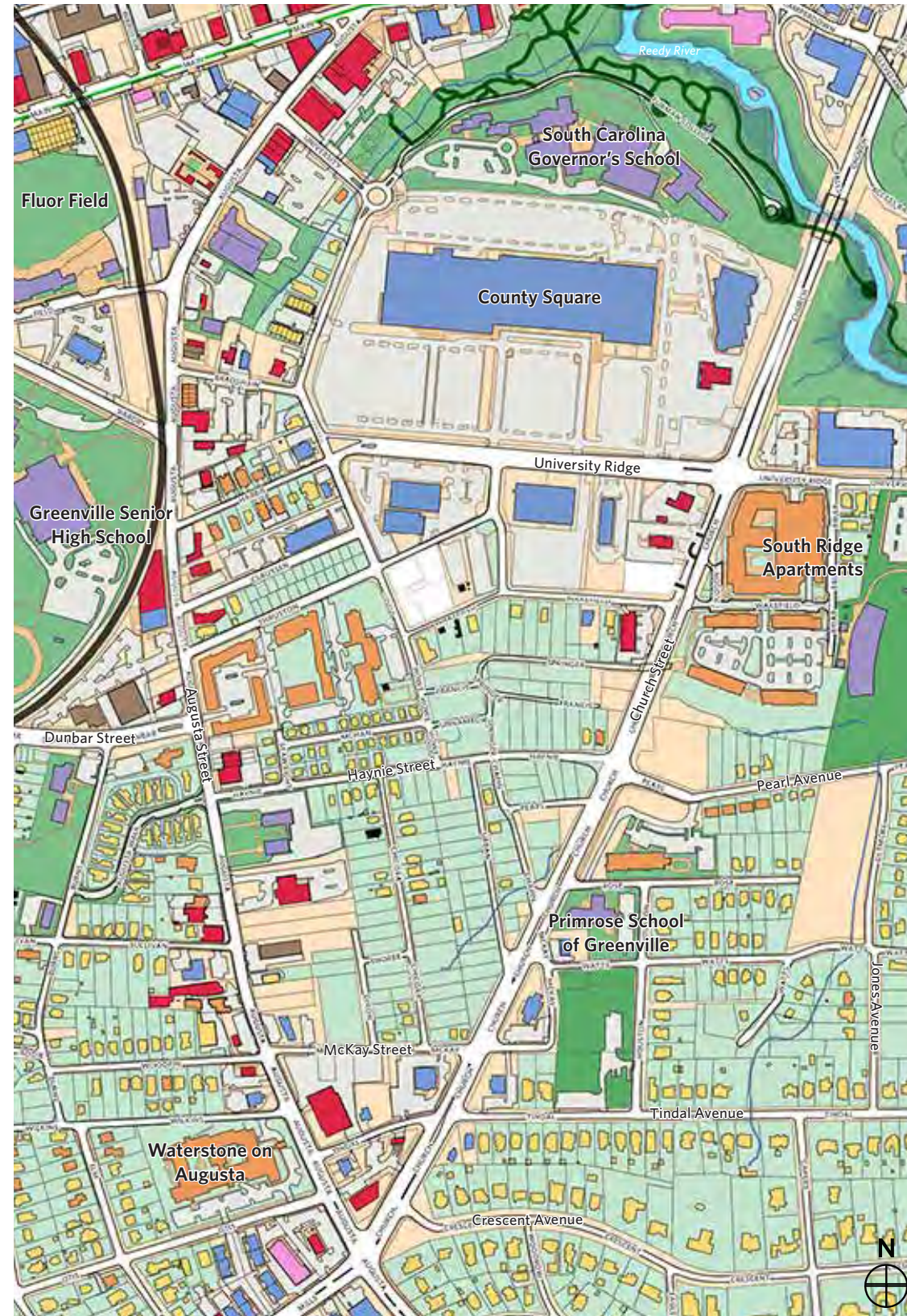
South Downtown

COORDINATE DISTRICT-WIDE DEVELOPMENT PATTERNS

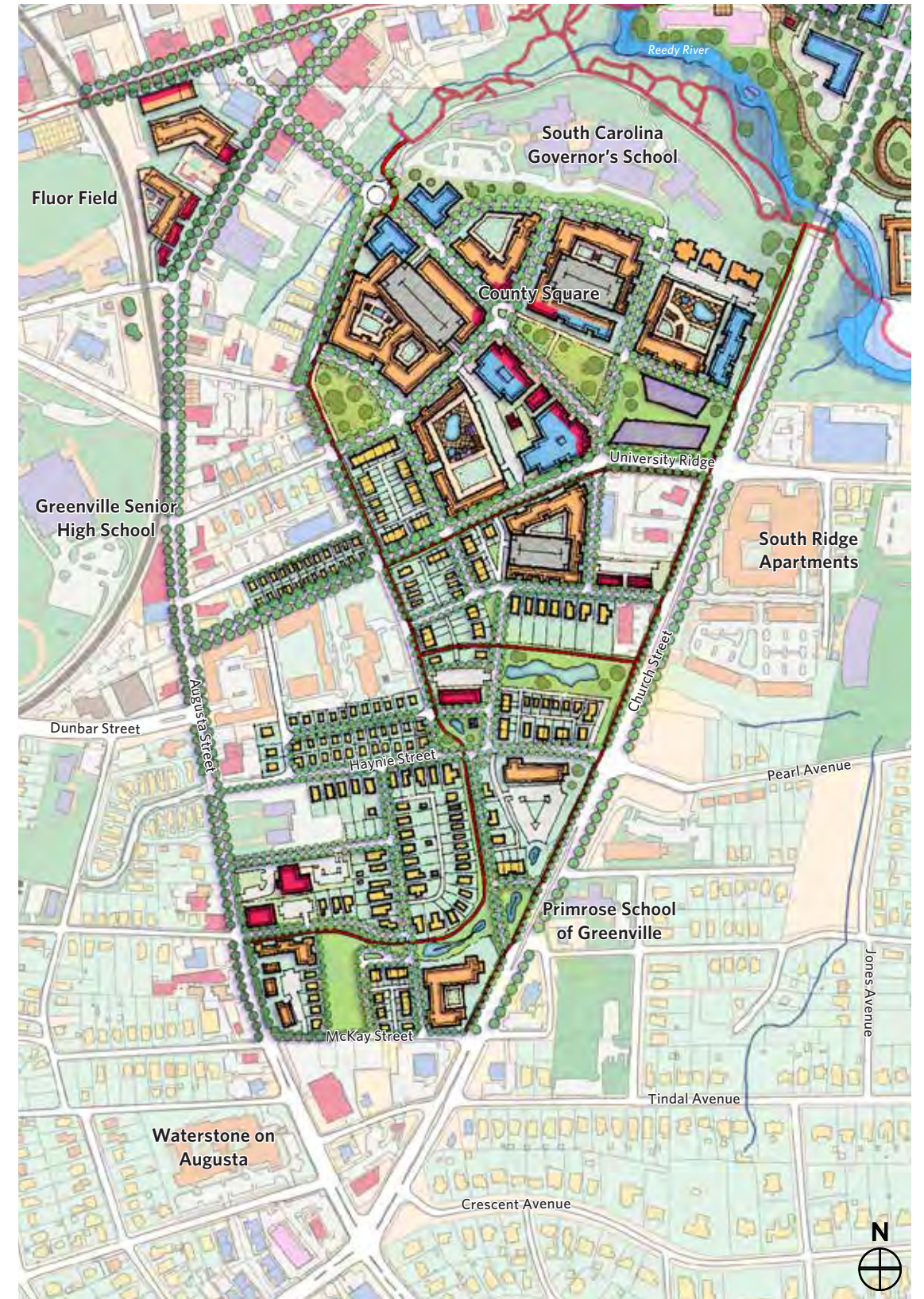
The concept plan calls for an integrated approach to redevelopment guided by a specific plan and customized zoning for the district. A new, high-density mixed-use center in the north will anchor continued neighborhood development to the south.



Examples of dedicated trail infrastructure for neighborhoods



Existing conditions



Proposed redevelopment strategy built around trail linkages and neighborhood parks

South Downtown

INFRASTRUCTURE AND DEVELOPMENT SEQUENCE



1. Aerial view showing existing conditions



2. Proposed street and trail network



3. Proposed infill development pattern



Aerial rendering of South Downtown build out looking north from Church and Augusta Street intersection

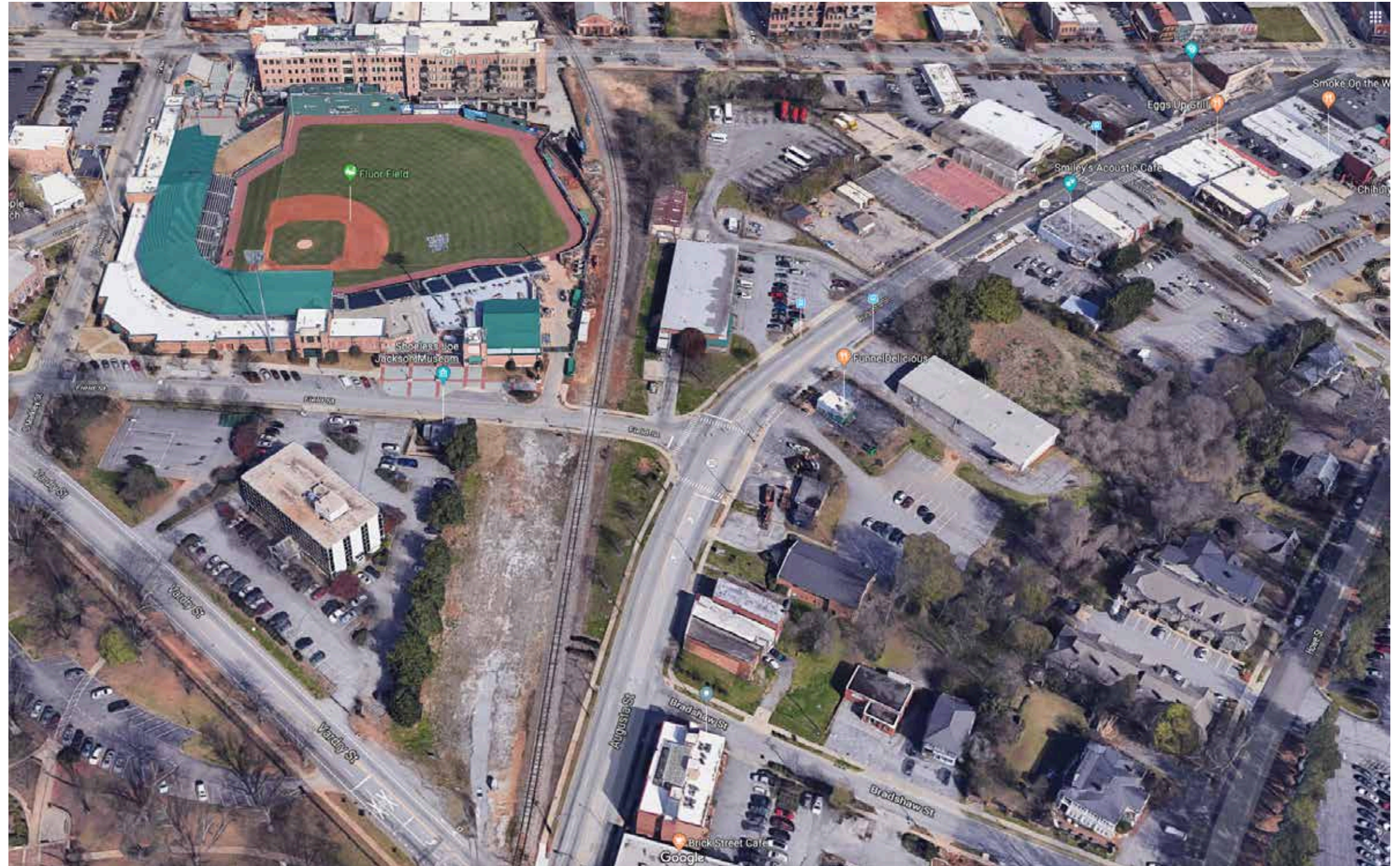
South Downtown

AUGUSTA STREET STRATEGY

Augusta Street is developing with a mix of commercial, residential, and entertainment-oriented uses. The traditional character of this approach into downtown historically featured a collection of smaller road-side commercial buildings. As the city grows, this character is disappearing, and the nature of the road is becoming more of an urban street with supportive uses rather than a suburban/rural roadway.

Development policy should consider the new urban function and begin to change the nature of how the road serves commercial development within the downtown and its neighborhoods. On-street parking, slower posted vehicular speeds, expanded pedestrian zones, and multi-modal opportunities will be important considerations going forward.

The development of the Children's Theatre near the baseball stadium further emphasizes the urbanizing nature of South Downtown. These drawings demonstrate an approach designed to retain the historic one- and two-story scale where possible and build new frontage that echoes the patterns of the past while creating a new destination for Greenville residents.

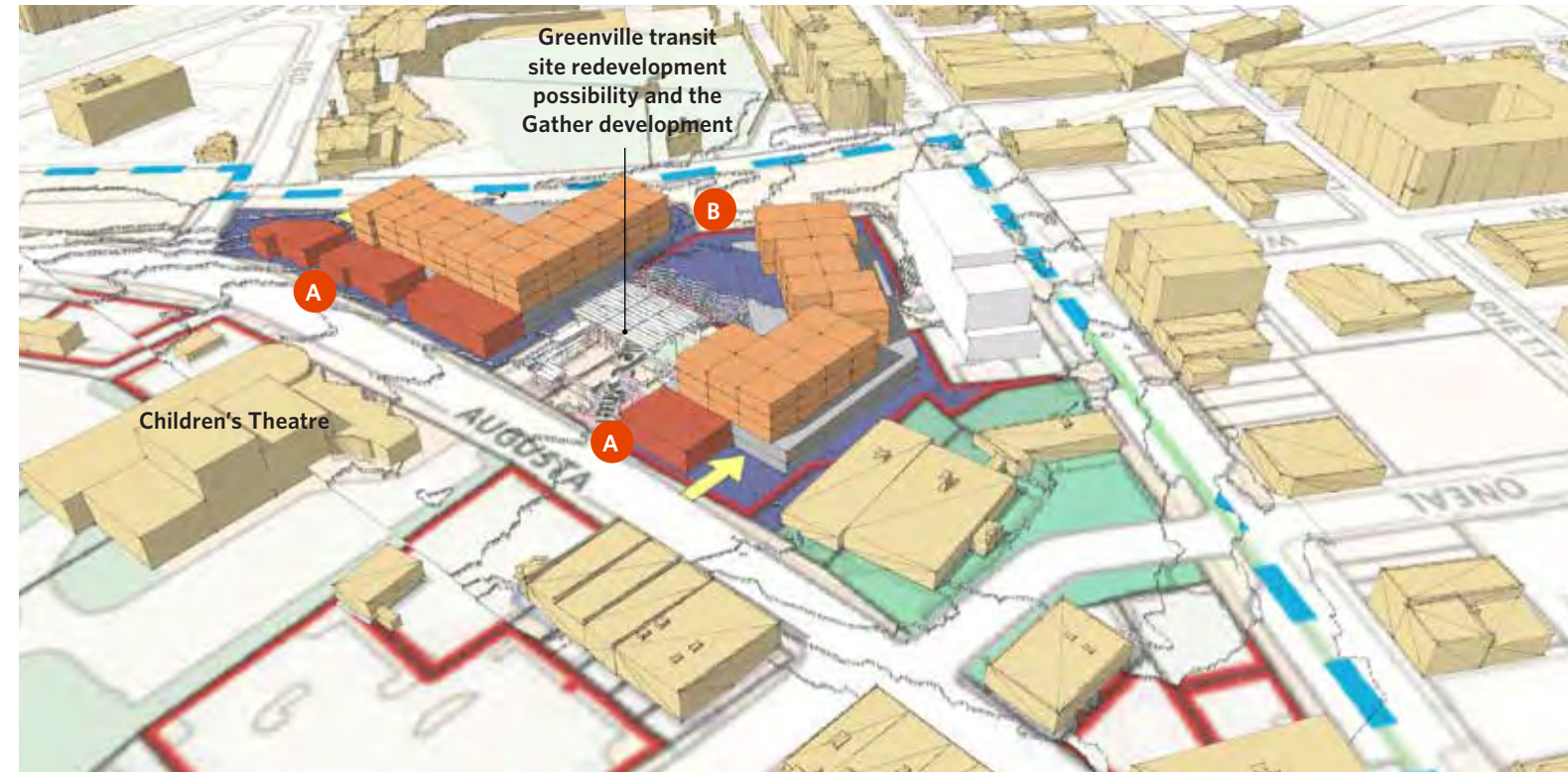


Aerial view of Augusta Street near Fluor Field and the intersection with South Main Street

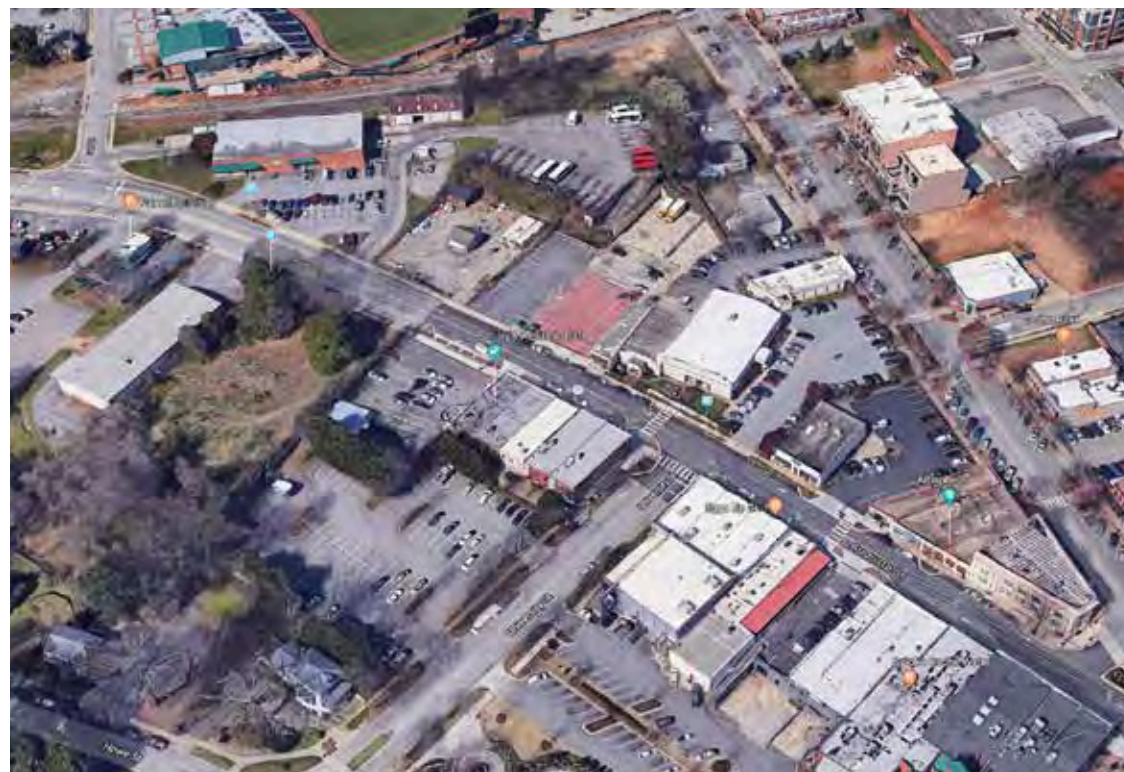
South Downtown

AUGUSTA STREET STRATEGY

The redevelopment strategy can target techniques to preserve the small scale frontage character by incorporating a form-based zoning requirement to maintain the one- and two-story scale elements along the street edge while allowing for higher density and taller buildings that are the background to the street-facing uses. This creates an effective layering that adds richness and diversity to this rapidly changing commercial corridor.



- A A frontage redeveloped at 1- to 2-story scale
- B Larger building mass set back from frontage



Aerial view of Augusta Street redevelopment sites and South Main Street



View of Augusta Street redevelopment sites near Children's Theatre

South Downtown

AUGUSTA STREET STRATEGY

These renderings illustrate the opportunities along Augusta to build a unique sense of address based on inherited character and neighborhood scale.



Aerial view of Augusta Street proposed development frontage



View of Augusta Street redevelopment strategy preserving human-scale character along frontage

Unity Park

ADDING A NEW DESTINATION TO THE DOWNTOWN

Unity Park will become an iconic civic space in the heart of Greenville. This transformation will change the way visitors and residents use the city and its park spaces linked by the Swamp Rabbit Trail and the Reedy River.

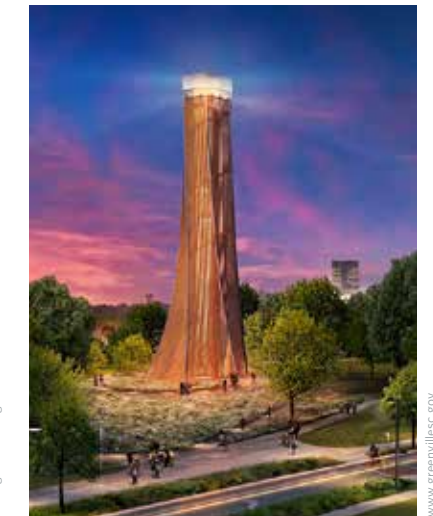
The park creates a new context for development and neighborhood character. What is now a disconnected area of the city with left-over warehousing and degraded environmental conditions will become one of the city's most visited public spaces.

This investment continues the expansion of downtown living and offers an opportunity to grow new neighborhood-based businesses and housing to offset losses in affordable housing stock in the past decade.

Academy Street and Washington Street become important access routes and must evolve to connect rather than separate neighborhoods.



Aerial view of Unity Park and surrounding neighborhoods



Above Proposed park elements (MKSK images) **Below** Existing trail and small businesses

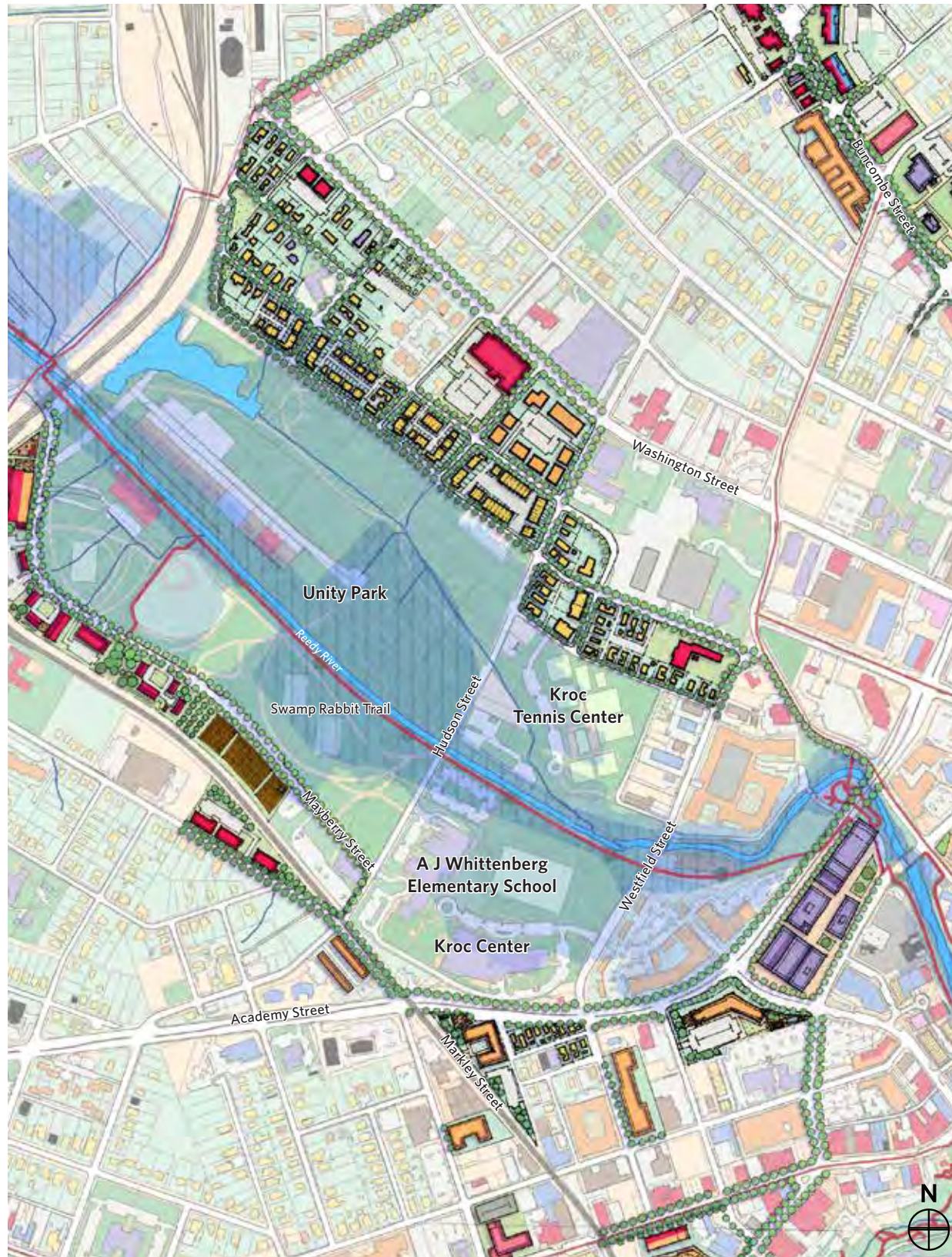


Diagram of proposed park and surrounding neighborhood development



Proposed open space



Proposed block structure



Proposed street network



Opportunity to develop unique local businesses and new, affordable housing



Enhancing Mobility & Connectivity

INCREMENTALLY IMPROVING THE DOWNTOWN STREET NETWORK

Greenville has made continuous improvements in expanding the pedestrian and bike network within the downtown area. The Swamp Rabbit Trail that runs east-west through downtown along the Reedy River continues to be improved and expanded. Designated bike lanes on many downtown streets have been established.

The evolving network of multi-modal transportation components in downtowns is evolving to create safer and more usable streets through dedicated bike and pedestrian infrastructure. Recognition that these dedicated and protected systems greatly enhance use and safety is paramount.

The plan update calls for a more aggressive effort to plan and implement protected bike-ways and expanded pedestrian realms within the downtown. High-speed, high-volume streets such as Church, Academy, Buncombe, and Richardson are all important downtown streets that can be significantly improved with enhanced mobility renovation. College and North Streets, which now create a barrier splitting the downtown into two distinct areas defined by through-traffic, can also be transformed by becoming two-way streets with broader sidewalks and better crosswalks.

This section recommends improvements to key streets within the downtown to improve development opportunities, enhance safety and connectivity, and reinforce the urban quality of life. Priorities for the next five years include:

- Renovation of Buncombe Street
- Two-way conversion of College and North Street corridors
- Removal of Church Street ramps at Camperdown, and McBee Avenue ramp
- Adoption of a multi-use path system in the redevelopment of County Square and South Downtown



MOBILITY DESIGN PRINCIPLES

- Improve safety for pedestrians and bicyclists as density increases
- Transform highways into urban streets with slower speeds and the addition of on-street parking where possible
- Prioritize economic value of streets to downtown development
- Expand the dedicated bike and pedestrian trail network throughout downtown



Armando L. Sanchez/Chicago Tribune



www.bellline.org

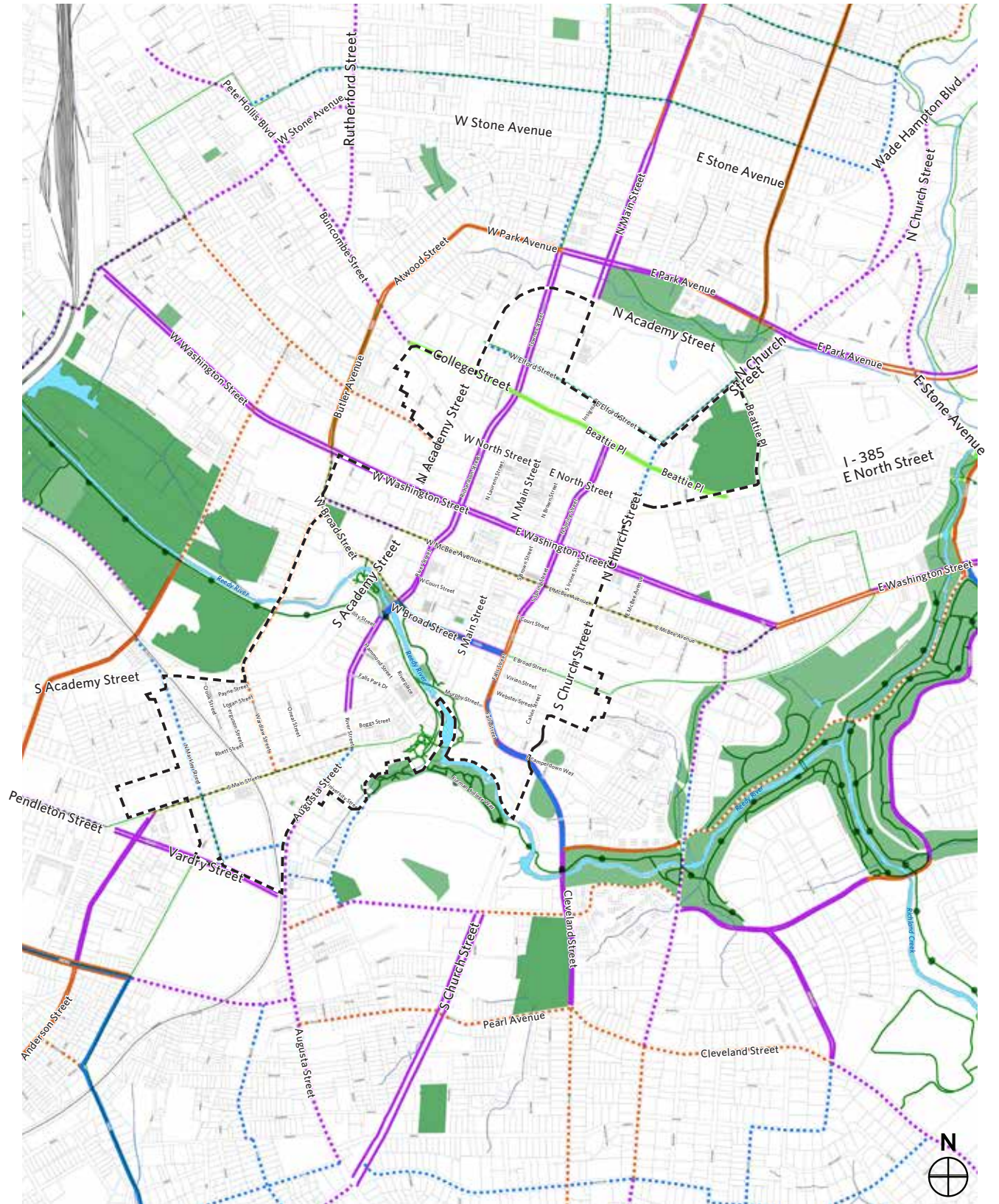
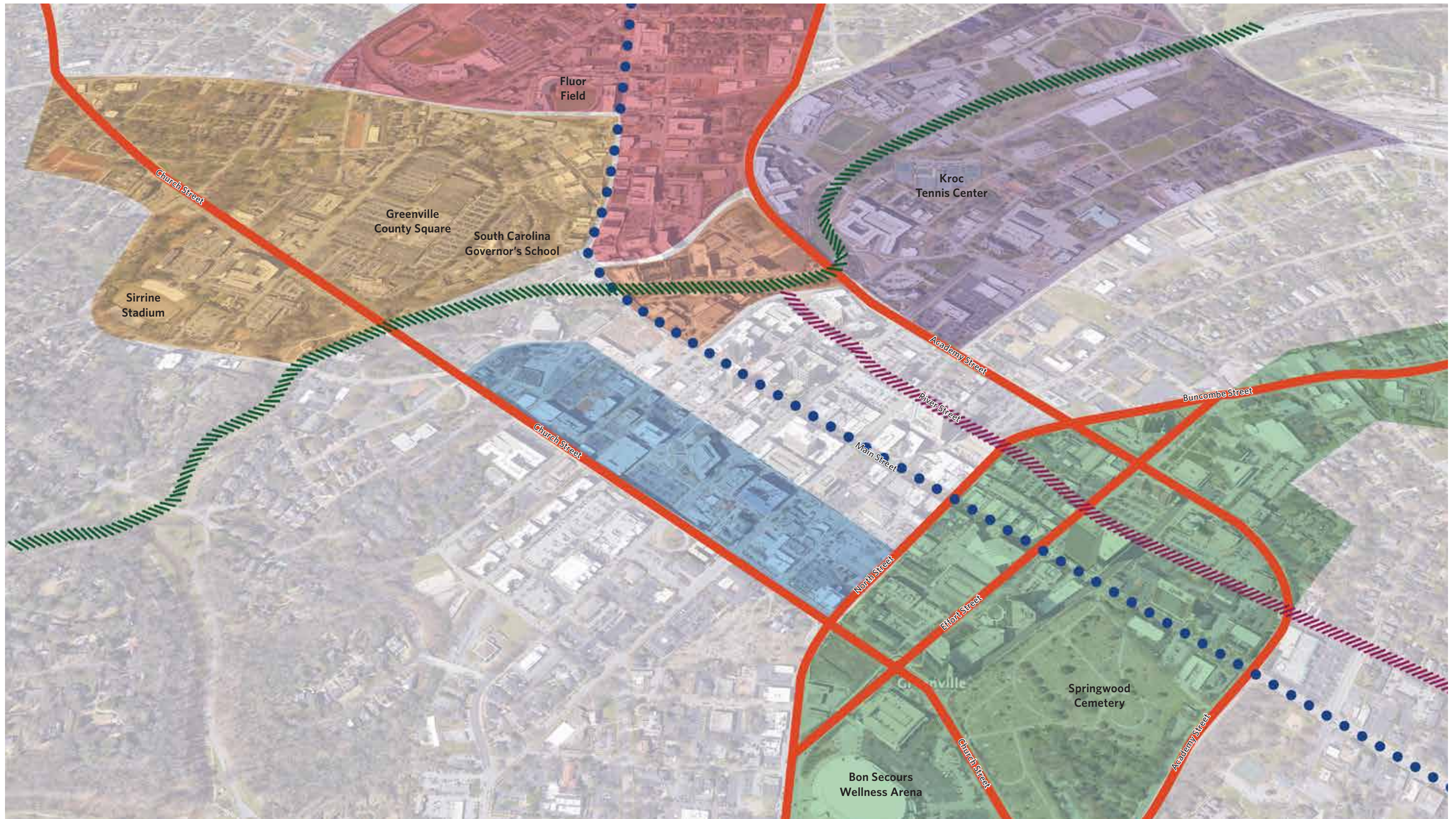


Diagram of current bike lanes and trails in downtown



High-volume/high-speed streets like Church, Academy, North, and College create barriers to mobility



Enhancing Mobility & Connectivity

URBANIZING THROUGH STREETS

The current Pete Hollis/Buncombe corridor from the west splits into a one-way pair at College and North before reconnecting as North Street to become I-385 on the east side of downtown. This corridor still behaves as a predominant through-traffic corridor without a significant change to the character of the street within the downtown.

The system cuts off the northern neighborhoods and businesses from those in the heart of downtown and significantly deters pedestrian crossing and movement in any direction. The planning team worked with the city's transportation consultants to understand what improvements could be incorporated in the traffic management plan to reduce the conflicts and barriers for businesses, visitors, and residents.

This plan recommends modifying the College and North pair to allow for the same lane capacity in both directions, but create a pair of two-way streets with on-street parking much like North Street has today on its western leg. This will slow traffic and create an environment that is safer for pedestrians and more supportive of downtown businesses.



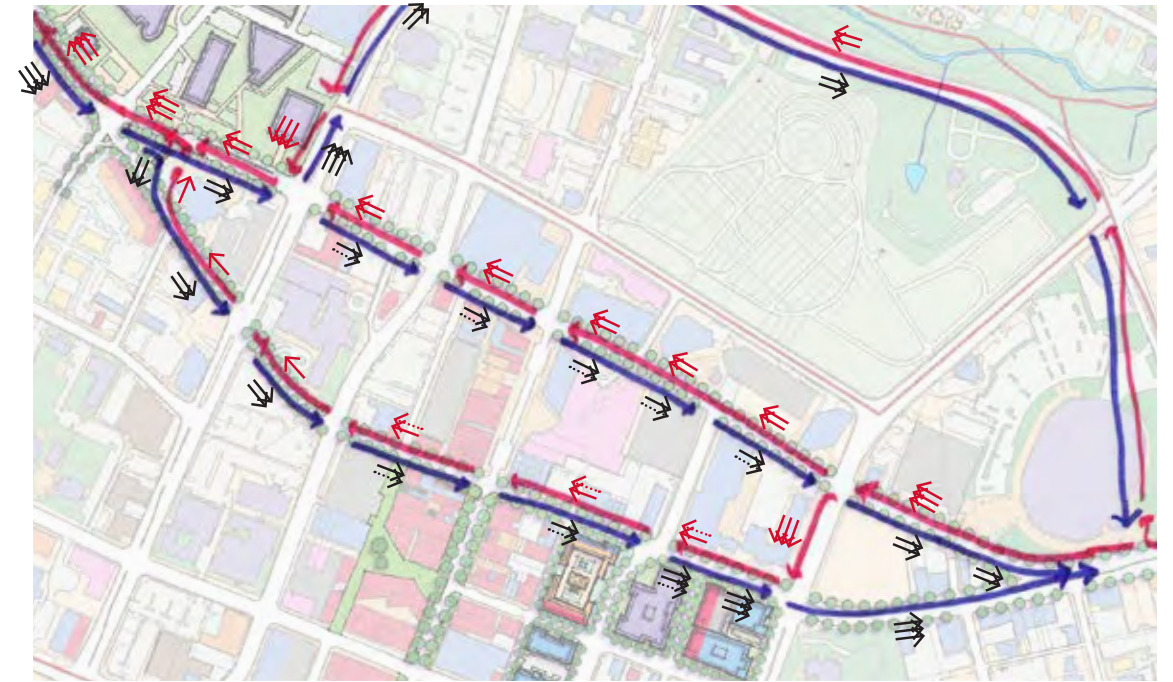
Enhancing Mobility & Connectivity

COLLEGE AND NORTH IMPROVEMENTS

These diagrams illustrate the proposed two-way street conversions to help mitigate the impact of these corridors within downtown. By allowing more flexibility in circulation, pedestrians will have a much easier time crossing streets and accessing businesses and attractions north of the College/North pair. The intent is to maintain the number of lanes traveling in either direction, through the combination of Academy Street, College Street, and North Street. In some locations new on-street parking can be introduced during off-peak hours while becoming a travel lane during peak hours. This ensures the capacity of the area roadways is not reduced, while slowing traffic speeds, introducing off-peak parking, and making the streets easier and safer to cross by pedestrians.

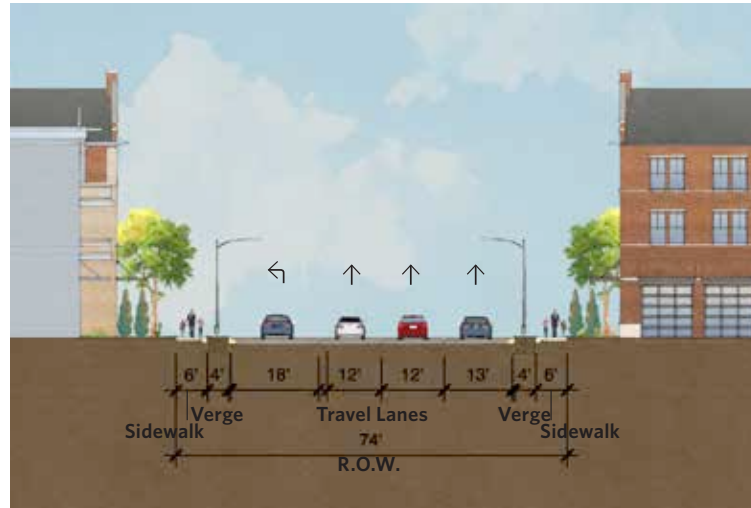


Street sections

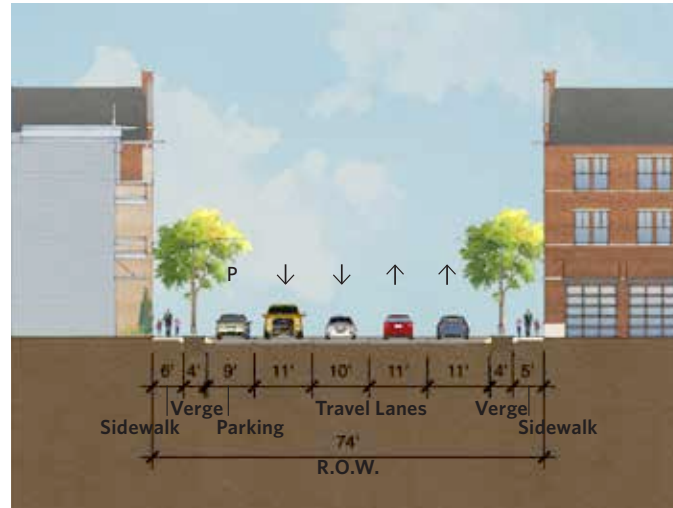


Creating two-way streets

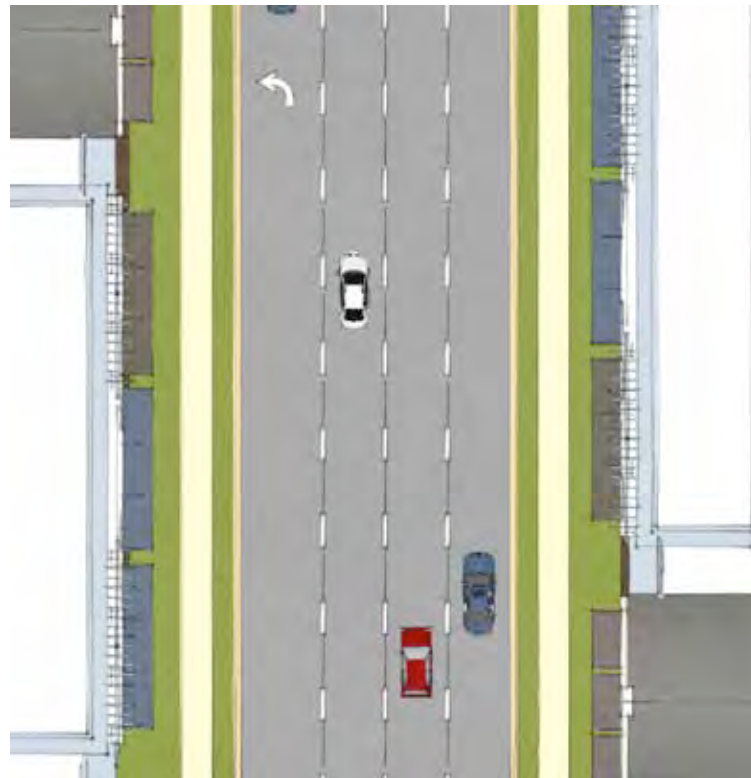
Section F: North Street



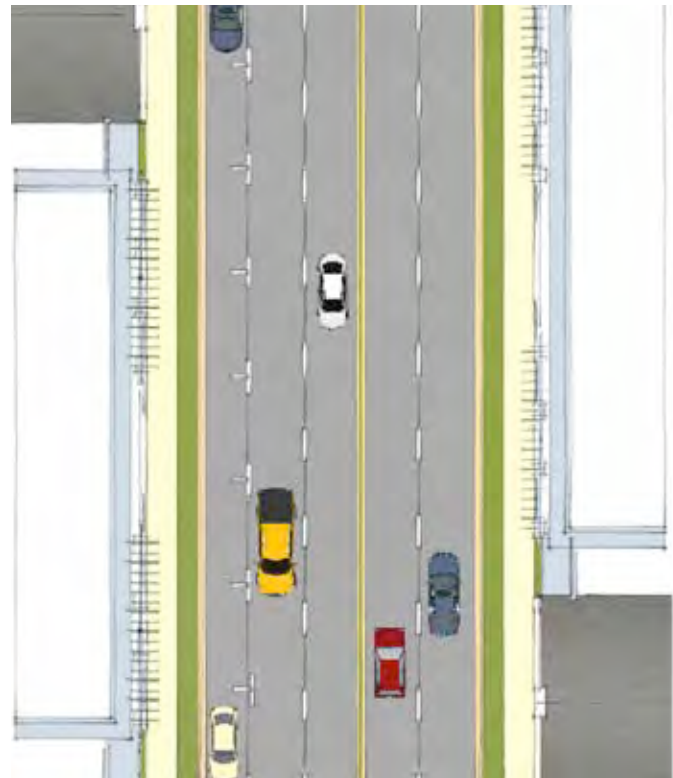
Existing section



Proposed section



Existing plan

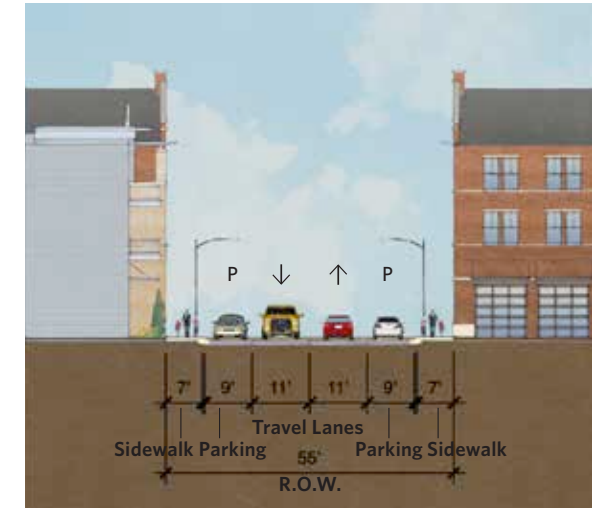


Proposed plan

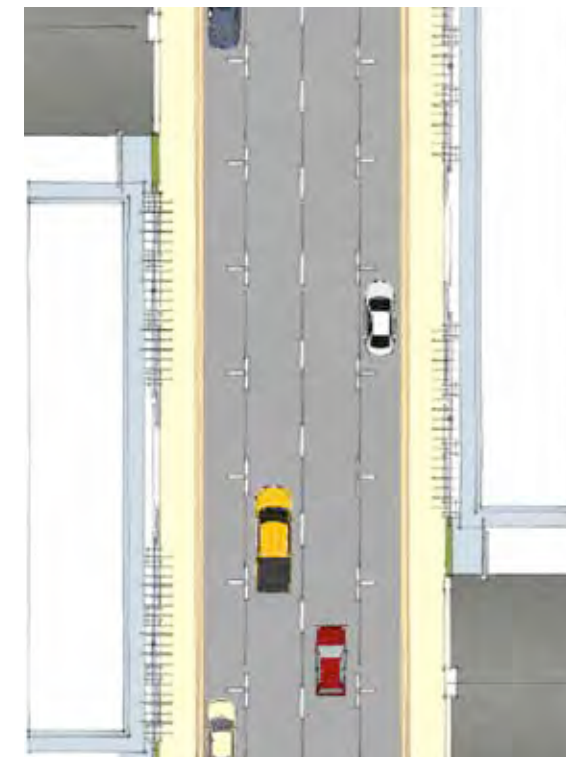
Section G: College Street



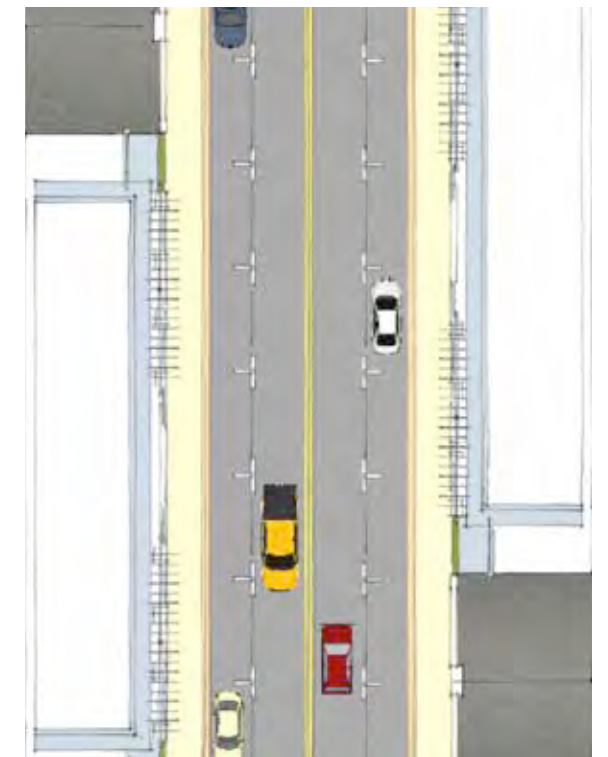
Existing section



Proposed section



Existing plan



Proposed plan

ART AND URBAN SPACES

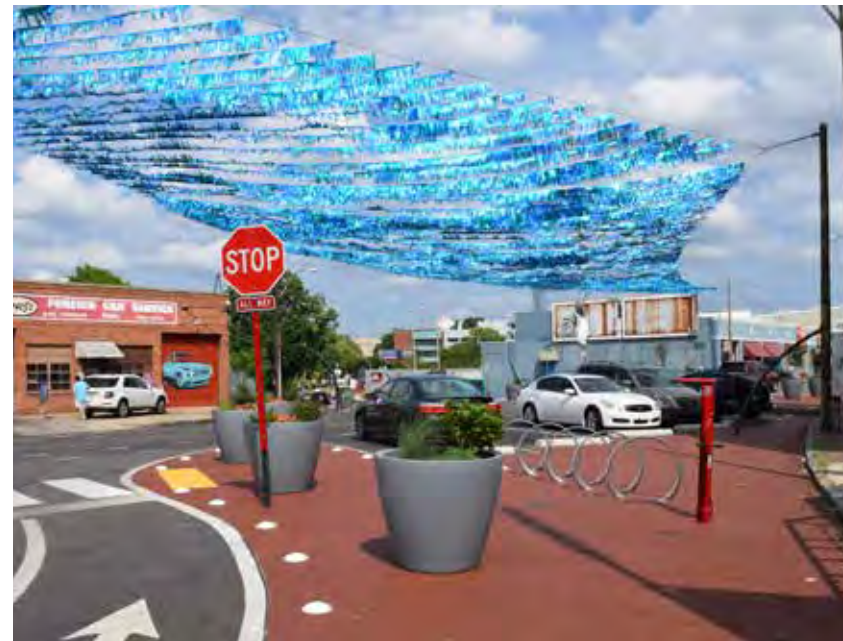
Cities can be artful places, infused with fun, beautiful, and unexpected experiences

KEEP IT FRESH

Greenville has an amazing arts community. As the city continues to grow and attract a creative community, it is important to target local art opportunities and integrate grass-roots efforts and resources into the daily life of the city.

Integrating a robust urban program of events and productions as well as exhibits and performances in a wide variety of innovative venues will begin to enhance downtown living in exciting and attractive ways. There are ongoing efforts that could significantly influence the impact of art on the image of the city:

- Develop an expanded urban art program with local artists, invited competitions and exchanges
- Continue to develop pop-up exhibitions, seasonal art events and cultural programming throughout the downtown
- Integrate artists into infrastructure design efforts as part of a cohesive approach to public space design
- Develop more diverse music programming and venue strategies within downtown
- Pursue collaborations and associations with international institutions and programs
- Develop innovative programs with the Governor's School to feature student performances throughout the year



Precedents for public art in downtown spaces



Precedents for public art, events, and music in downtown spaces

URBAN DESIGN TOOLKIT

Keep pace with changing development patterns with tools to guide urban design and placemaking

THE NEXT GENERATION

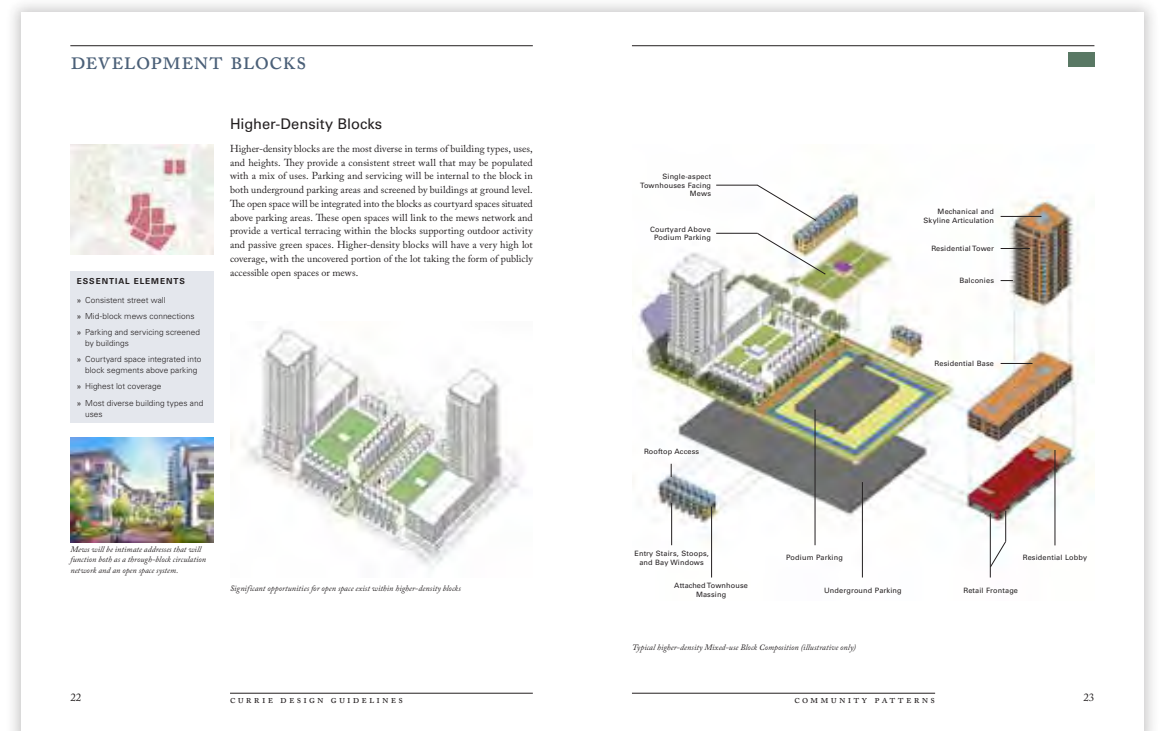
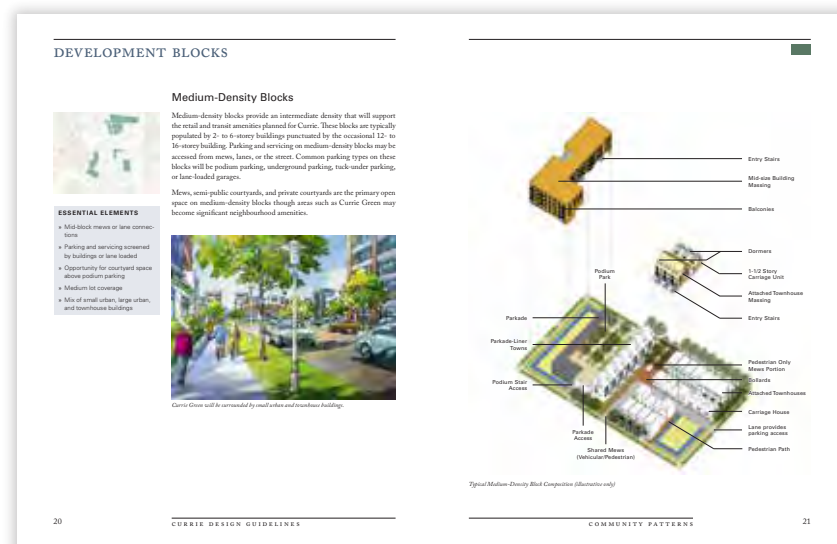
Greenville has developed a distinctive brand and sense of place, unlike any other downtown. Maintaining this character and quality of the downtown experience requires constant adaptation of tools and methods to manage the course of change over time. The city has adopted well-crafted design guidelines and utilizes design review boards to help steer development and design.

As the scale of development has evolved into larger buildings and parking structures, and a broader range of commercial uses have migrated into residential neighborhoods, this changing context has challenged traditional zoning regulations and administration. This plan recommends the city take the lead on setting

character by district, developing small area plans and associated form-based zoning codes that are specific about building-to-building and building-to-street relationships.

Criteria and principles of urban design should be essential parts of these administrative tools, helping to ensure that new projects seeking approval by right will meet the desired goals. Follow-up action items include:

- Develop small area plans that set the intended character and building-to-street relationships, including appropriate height
- Develop district-specific, form-based zoning for each area
- Add urban design skill sets to city planning and development staff



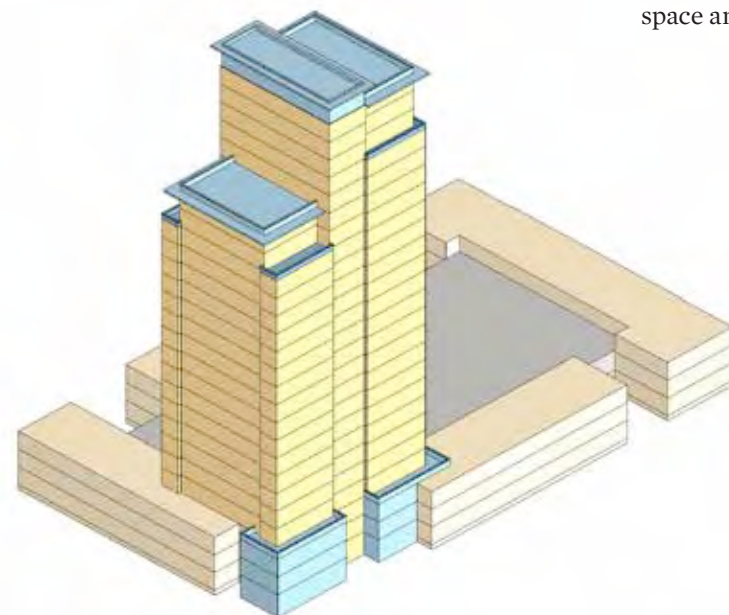
Examples of form-based zoning and development toolkits for districts

BUILDING HEIGHTS AND MASSING

Giving shape to the city's streets and public spaces

Building heights are unrestricted in the C-4 zone downtown; however, the massing, articulation, and relationship of buildings to the streets and public spaces should be considered. As small area plans are prepared, they should show where height is needed or restricted. Two principles will help shape downtown include:

1. Towers on a Plinth: Tall, slender towers of up to 13 to 30 stories should be set back from a 3- to 5-story podium or plinth should be required along key pedestrian streets to help shape the public street environment. Maximum tower width should not exceed 300 feet overall or 230 feet along public streets. Maximum floor plate area at the tower should not exceed 10,000 square feet.
2. Setbacks from Public Open Spaces: Adjacent and near public open spaces (Reedy River, Unity Park, etc.), maximum building heights should be restricted to prevent overshadowing and allow buildings further away to see into the public space. This can be accomplished by controlling height with an inclined plane that is lower adjacent to the space and higher further away.



Tower massing above a podium base



Buildings along streets and public open spaces are candidates for height restrictions

- KEY PEDESTRIAN STREETS
- PUBLIC OPEN SPACE



An inclined plane restricting height preserves views of public spaces and prevents overshadowing

IMPLEMENTATION ACTION ITEMS

Moving forward with the plan

As a guide to the city for implementing the recommendations of the plan, the following is a list of policy initiatives that can be conducted in the short-term, and the infrastructure investments and project support that take longer to come to fruition.

BUNCOMBE & STONE

Short-Term

- Set development policy for transitioning from large scale urban boulevards to adjacent neighborhood scale
- Conduct small-area planning to better define appropriate land uses, building heights, new street connections, and building relationships to the public realm
- Make Heritage Green a city park with active programming

Long-Term

- Transform Buncombe Street into an urban boulevard, tied to a two-way College Street and North Street
- Improve walkability from all directions to Heritage Green; expanded sidewalks, two-way traffic, crosswalks
- Revise the Pete Hollis Boulevard and Stone Avenue intersection as a gateway into downtown

EAST DOWNTOWN

Short-Term

- Ensure development orients activity and connections towards the public realm
- Utilize the land under the Church Street Viaduct for a public space amenity
- Set massing and height criteria to address street-level proportions and experiences, skyline views, and relationship to public spaces and the river

Long-Term

- Eliminate Church Street ramps where possible (McBee Avenue, Camperdown Way, Cleveland Street)
- Consolidate and develop parcels around a sequence of public spaces connecting to the Reedy River and Swamp Rabbit Trail

SOUTH DOWNTOWN

Short-Term

- Define the physical relationship of County Square buildings with the smaller-scale neighborhood to the south, and the relationship to Augusta Street
- Create localized zoning to guide development for the entire district
- Preserve the character of Augusta Street businesses and smaller commercial buildings, paired with a pedestrian friendly street

Long-Term

- Create an interconnected network of multi-use paths and neighborhood parks among residential, County Square, and Falls Park

UNITY PARK

Short-Term

- Utilize investments in Unity Park to leverage opportunities for new neighborhood-based businesses and affordable housing

Long-Term

- Improve access to the park along Academy Street and Washington Street

MOBILITY

Short-Term

- Improve pedestrian crossings and sidewalks along major streets, and create better connections to Heritage Green
- Incorporate a multi-use path system in South Downtown and County Square to tie into the broader framework
- Expand the dedicated bike and pedestrian trail network throughout Downtown

Long-Term

- Renovate Buncombe Street into an urban boulevard
- Convert College Street and North Street to two-way traffic, with off-peak parking
- Remove ramps along Church Street

ART AND URBAN SPACES

Short-Term

- Expand the urban art program with local and invited artists
- Promote more seasonal and temporary events and cultural programs
- Feature Governor's School student performances throughout the year

Long-Term

- Integrate art into infrastructure projects as part of public space design
- Expand music programming and venues in downtown

URBAN DESIGN TOOLKIT

Short-Term

- Develop small area plans and regulations that define the intended character, and building-to-building and building-to-street relationships
- Institute district-specific, form-based zoning for each area

Long-Term

- Enhance the capacity and expertise of City Planning and Development staff to administer the regulations



APPENDIX



MARKET ANALYSIS

by HR&A



GREENVILLE DOWNTOWN PLAN



MARKET ANALYSIS
NOVEMBER 2018

MARKET ANALYSIS

Executive Summary

URBAN DESIGN ASSOCIATES

Executive Summary | Socioeconomic Analysis

Recent Population Growth: The Greater Downtown Area has grown by 3.4% annually since 2010. Much of this growth has been people between 4-34 and 55-74, indicating that Downtown is attracting millennials with school aged children and empty nesters looking for an urban lifestyle.

Continued Inequality: Significant economic disparities exist Downtown between white residents and residents of color. Median incomes for white residents are 116% higher than those for black residents in the Greater Downtown Area, a significantly greater difference than in the City or the MSA.

Comparative Density: Compared with more mature downtowns in the southeast like Charleston and Durham, Downtown Greenville is less dense and less populous. To approach the type and scale of these downtowns, greater development intensity and a continued focus on creating a high quality of life is paramount.

Anticipated Growth: Downtown's population is anticipated to grow by 4,600 to 6,000 new residents by 2028, with an annual growth rate of 2.4 to 3%, benchmarking to downtowns at a more mature phase of development such as Charleston and Durham. Downtown Greenville's recent growth rate of 3.7% is unlikely to continue as Downtown matures. Without policy interventions that foster greater diversity, new residents will likely continue to be higher income, and made up of young professionals and empty nesters.



Executive Summary | Residential Analysis

Population Growth: HR&A projects that Downtown Greenville will grow by 4,600-6,000 residents by 2028 and that this growth will be primarily driven by young professionals and empty nesters, seeking walkable amenities. This growth will increase demand for residential units Downtown that cater to this population.

Rental Market: The rental market has seen considerable growth in the last year, with rents averaging \$1.60 psf. The bulk of existing inventory varies per neighborhood, with the Downtown Core and West End neighborhood seeing mainly mid-rise, wood-frame buildings with high-end finishes and community amenities. High-rise residential is still not likely to become the norm in Greenville in the near future, yet the Camperdown project will deliver the first wave of this type of construction.

For-Sale Market: The condo market has also expanded recently, with at least six projects, a combination of multifamily units and townhomes, being delivered through 2020.

Housing Affordability: High costs of housing in Downtown is a point of concern for residents in the historical western neighborhoods, as new luxury development spreads out of the core. Low-wage employees are another concern, as they are unable to afford the rents Downtown and locate near their jobs.



Executive Summary | Office & Innovation Economy Analysis

Market Strength: The Downtown office market is soft, with a weak tenant pipeline to take existing and new spaces. Downtown Greenville is in direct competition with more suburban or edge Downtown offerings, which can offer a lower rent without the accessibility challenges that an office location on Main Street brings.

Innovation Economy: While Downtown Greenville has the existing affordable or easily renovated spaces that innovators demand, there is a lack of coordinated drivers of innovation Downtown. Major employers that produce innovative products and could be engines of spin offs are not located Downtown.

Employment Growth: The Greenville MSA is projected to grow by more than 13,000 office occupying jobs by 2028. This growth is anticipated to be highest in professional and technical services and administrative and support jobs, following on the current prevalence of lawyers and call centers Downtown.

Demand: The amount of additional new office space demanded Downtown after pipeline and vacancy are accounted for is projected to be 350,000 SF under current market conditions. If the City can capture 45% of the regional growth in Downtown that figure can rise to approximately 700,000 SF by 2028. In the current capital and cost environment, however, major new office development will require upfront commitments from at least one anchor tenant to move forward.

Projected Future Demand	860K to 1.2M SF by 2028 (requires anchor tenant)	Current Project Pipeline	508K SF
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Executive Summary | Retail Analysis

Market Positioning: Downtown Greenville is a regional and emerging national destination that attracts visitors for its interesting and unique retail, premier dining options, and charming Main Street.

Chain Retailers: While independent retailers are the lifeblood of Downtown's retail scene, there has been increased interest from chains in recent years as incomes and population have risen. While there may be a danger in diluting the quality and character of Greenville's food and beverage options with chain offerings, the hard and soft goods landscape in Downtown would be greatly benefited by additional chain stores that can bring with them other retailers and bring confidence to the market. A well-curated balance of retail can be achieved by expanding opportunities Downtown for new chains and limiting costs for local stores citywide.

Submarkets: The Downtown retail landscape is taking on unique characteristics depending on its location, with more chains and home-oriented services locating in the West End and funky retail outposts desired by a younger crowd found in the Village of West Greenville. Cultivating these retail identities will add additional value to other uses that seek to find differentiation with their projects in an increasingly crowded market.

Demand: With Downtown as an existing destination, the current pipeline is well placed to meet the demands of a growing population. However, Downtown retail can capture more retail if it continues to become a destination with the same relative intensity as Charleston or Durham.

Projected Future Demand	99K SF Comparison Retail, 135K SF Comparison Retail, & 96K SF F&B by 2028.	Current Project Pipeline	244K SF
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Executive Summary | Hotel Analysis

Dramatic Increase in Supply: In 2018, four new hotels added over 550 rooms, which accounted for 31 percent of the total room supply in Downtown Greenville. Hoteliers are being attracted to Greenville by a combination of factors, including Downtown’s ongoing revitalization and increasing national reputation.

Healthy and Diversified Market: Since 2010, Greenville has seen positive ADR growth, as well as increased occupancy despite additional supply. Occupancy and ADR trends for days of the week reveal that the market is well distributed between leisure and business visitors, with neither dominating.

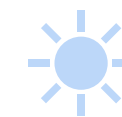
Large Hotel Pipeline: By 2020, Greenville will see an additional 362 rooms being delivered by three different hotel projects. Taking into account deliveries in 2018, over 800 rooms will have delivered in Downtown Greenville in around two years, an increase that will likely cause a lull in the market as those rooms take time to be absorbed by new demand from incoming visitors and business travelers.

Supply Gaps: Considering hotels in the pipeline, Downtown Greenville has a well-diversified landscape of hotel types catering to different audiences. Currently, there are no boutique hotels Downtown. The delivery of the Grand Bohemian and the smaller proposed boutique hotel will potentially begin to address this gap, and Downtown can likely support two to three additional opportunistic deliveries beyond the current pipeline.

Projected Future Demand	Four to five hotels, totaling approximately 700 rooms	Current Project Pipeline	Three hotels, 362 rooms
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Strengths | Downtown Greenville features an excellent quality of life and a strong tradition of public and private collaboration.

Downtown Greenville is a success story of committed leadership and public-private coordination. The result is a thriving Downtown at the precipice of a new phase of growth. The strengths of the Downtown and its market position should be reinforced in the next evolution of Downtown Greenville.



Quality of Life

Valued by residents and businesses of all types in the Downtown and the region, Downtown’s quality of life is its most important strength. Cultivated over 40 years of public and private investment, the safety, premier dining options, and family-friendly nature of Downtown has yielded results including retail confidence and greatly expanded living options. This quality of life could help support an additional 3,000 new residential units by 2028.



Committed Stakeholders

Downtown’s stability is owed in part to close partnership between the City, its leaders, and a group of Downtown developers and property-owners. These partners have developed Downtown in a way that has ensured its quality of life by working to strategically make investments and tenancing decisions that are for the collective benefit of Downtown. From the Peace Center to a commitment to local retailers, these decisions continue to benefit Downtown.



Residential & Hotel Market

Downtown’s residential and hotel market have had banner years recently. That expansion points to the desirability of Downtown as a place to live and a destination, but also to the confidence regional and national investors have in Downtown Greenville’s future. A competitive price environment, access to the outdoors, and the city’s growing reputation as a weekend destination have paved the way for success in these products.

Weaknesses | Downtown’s success as a vibrant and inclusive destination is held back by a few key issues.

Challenges remain in Downtown Greenville. The Downtown Plan should seek to address or minimize the impact of these challenges so they do not threaten Downtown’s future as the inclusive center of a vibrant city.



Housing Affordability

Downtown’s current pace of residential development puts housing affordability pressure on lower and middle income residents—often minority residents. Rising land costs limit the City’s existing affordable housing tools and resources effectiveness in Downtown. Without action, Downtown will not be able to adequately house the service workforce its retail establishments and restaurants rely on.



Few Anchor Institutions

The Upstate has many anchors that have driven employment growth and economic development, including University and major multinational companies, but few have had a significant impact Downtown or contribute to an innovation economy. Without the addition of another major employer Downtown, there are few entities willing to take large enough risks that will usher in the next echelon of office development.



Diversity of Entertainment

While home to several high-quality entertainment and cultural institutions, most notably the Peace Center, Downtown’s success is limited by a lack of diversity in its entertainment options that could compliment the investments in public space and dining options. More diverse options for residents across the cultural spectrum—from gritty, to family friendly, to live music—will add the additional vibrancy of an 18 hour city to Downtown.

Threats | Downtown Greenville is in a new echelon of peer cities, and it faces increasing growing pains typically associated with larger places.

Downtown’s challenges are not all endemic. Downtown’s positioning in the Upstate and the Southeast, as well as its place in the investment markets, can present challenges to future growth or threaten the strengths that made Downtown a success.



Strong Regional Competitors

Downtown’s competitive position between the booming large cities of Charlotte and Atlanta leaves little room for Greenville to compete at the scale of these cities in offering the infrastructure needed for global business. South Carolina offers few tools to better compete with these larger options for relocating businesses. This has led to a soft office market over-reliant on tepid internal job growth and existing businesses to fill existing space.



Accessibility

As housing costs and commute times rise as low-wage workers find alternative housing farther out, the stresses of adequate parking and circulation will limit Downtown investment. Downtown’s reliance on public parking for private business constrains the city’s flexibility to react to changes in market conditions and effectively manage parking.



Retail Affordability

With Downtown’s success has come investors looking to actualize the value in Downtown’s successful retail. As such, Downtown’s unique retail environment is threatened by sharply rising rents. Without support or changing the value proposition of retail to these investors, Downtown’s retail landscape risks becoming more homogenized.

Opportunities | The City can better align expectations with market positioning, create linkages, and invest in what makes Downtown great.

Strategies can bolster the strengths of Downtown in ways that can support market growth across product types and uses, address weaknesses inherent in Downtown, and minimize the negative impact of threats.

Improve Inclusivity

Downtown's strong residential market provides an opportunity to leverage market dynamics to produce desired public outcomes, including to produce mixed-income housing, neighborhood amenities that benefit a variety of residents, and maintain the diverse communities in Downtown today. Greater interest from regional and national developers in the Downtown market improves the negotiating position of the City in using limited development sites and City-owned land in a targeted way to pursue public objectives.

Strengthen Tech Network

To overcome the absence of a research University in Downtown, Greenville's tech ecosystem can learn from Durham and Boulder by continuing to build its entrepreneurial assets while intentionally building links with other centers of innovation around the country. Greenville's quality of life, cost of living, and outdoor recreation opportunities could all be better leveraged to put Greenville on a national circuit of informal entrepreneurial centers, with additional benefits of additional visitor and tourism exposure.

Empower Downtown Owners

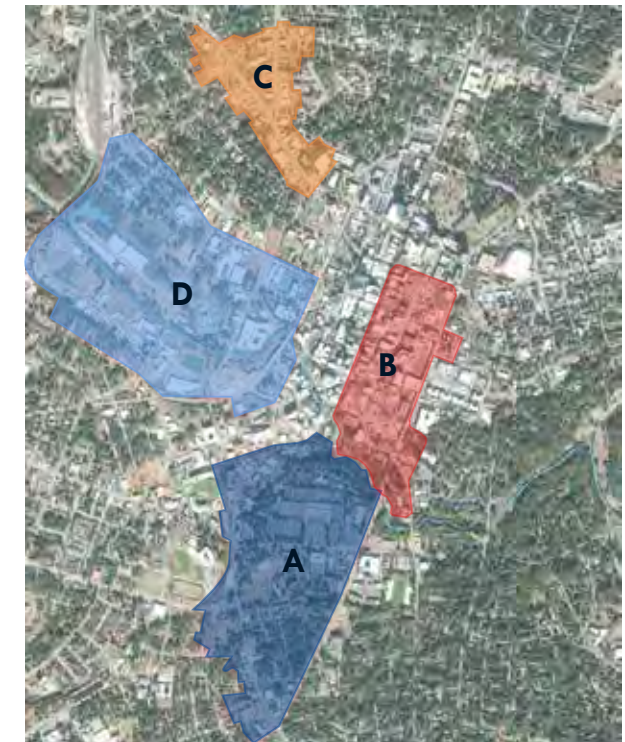
The City is looking to disengage from the vehicles like tax increment financing that have supported Downtown growth. Meanwhile market challenges of retail affordability and a shallow office tenant pool remain. To address both issues, establishing a Downtown owners group or Business Improvement District can allow owners to advocate for change and investment, align mutual interests, and provide key services that continue to make Downtown strong.

Downtown Plan Focus Areas

Urban Design Associates developed focus areas that may be targets for specific initiatives through the Downtown Plan. These areas include:

- A. South Downtown
- B. East Downtown
- C. Buncombe Street
- D. Unity Park

Development in these areas is integral to the future physical makeup of Downtown. Understanding the likely development patterns and the market opportunities afforded in each location can help guide the Plan's trajectory and the overall character of Downtown Greenville. Based on the market conditions in each neighborhood and its surroundings, HR&A summarized the major potential private and public investments that are anticipated in the near future or would significantly guide the next phase of development, respectively.



Focus Area Development Opportunity Impressions

South Downtown: This area will be the center of the continued development of midrise apartment construction branching off from Main Street in the West End. County Square's development will be a defining facet of this area as it experiences additional development pressures. Publicly-owned land along Augusta Street near Fluor Field and at the former Scott Towers site should be leveraged to achieve public objectives in Downtown. Continuing the pedestrian experience from the West End and ensuring access as development continues should be essential areas of focus for City efforts.

East Downtown: East Downtown is not experiencing the same development pressures as other areas on the fringe of the Downtown Core. With the prime sites already developed, it may take additional time before these sites attract significant development, particularly if Downtown employment continues to stagnate and additional office users are not brought into the Downtown market. City investment in a major business anchor, such as a university or entrepreneurial center, could help catalyze investment earlier than anticipated in this area.

Buncombe: With East Stone Avenue being defined through the Northpointe development in coming years, the Buncombe Street corridor is without clear direction, though it is in the path of long-term investment north of Downtown. This corridor should focus on enhancing the residential experience by ensuring a mix of services are available and accessible.

Unity Park: The park and its surrounding neighborhoods will be defined by public investments. Unity Park can become a community with a range of incomes while continuing to cultivate the area as a hub for affordable creative industry space, catalyzed by a central creative gathering space for entrepreneurs and start ups.

MARKET ANALYSIS

Socioeconomic

Downtown Greenville is growing at a much faster rate than both the City and surrounding region.

HR&A's analysis focused on the Greater Downtown Area, defined by eight census tracts that make up the urban fabric of Downtown Greenville. This area is considered in the context of both the city and the MSA. Source: ESRI



Primary Study Area
Greater Downtown

Population **15,700**
Compound Annual
Growth Rate '10-'17 **3.69%**
Density Per Square Mile **3,738**



Secondary Study Area
City of Greenville

Population **70,521**
Compound Annual
Growth Rate '10-'17 **2.51%**
Density Per Square Mile **2,189**



Tertiary Study Area
**Greenville-Anderson-
Mauldin MSA**

Population **910,412**
Compound Annual
Growth Rate '10-'17 **1.43%**
Density Per Square Mile **318**

Downtown districts bring rich variety of market contexts, recent history, and future trajectories.



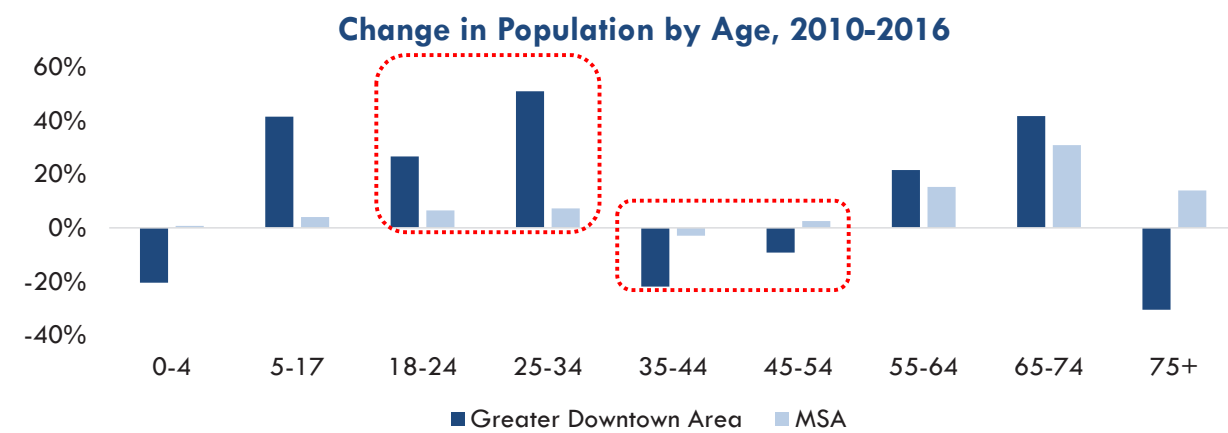
DT Core West End Unity Park Village of West Greenville

Source: ESRI

To better understand the future of Downtown Greenville and its market opportunities, each focus area or submarket is studied in the context of market uses to understand its unique development dynamics and how it will contribute to the shape and nature of Downtown Greenville. The Downtown Core and West End have grown substantially in recent years with new residential development and reinvestment in close-in single family neighborhoods, while other areas have grown more slowly.

	2017 Pop.	2010-2017 Compound Annual Growth Rate
Downtown Core	1,235	6.1%
West End	1,985	14%
Unity Park	618	4.2%
Village of West Greenville	631	0%

Young adults now account for 29% of the population in Downtown, due in part to the decline in the middle-aged population living Downtown.



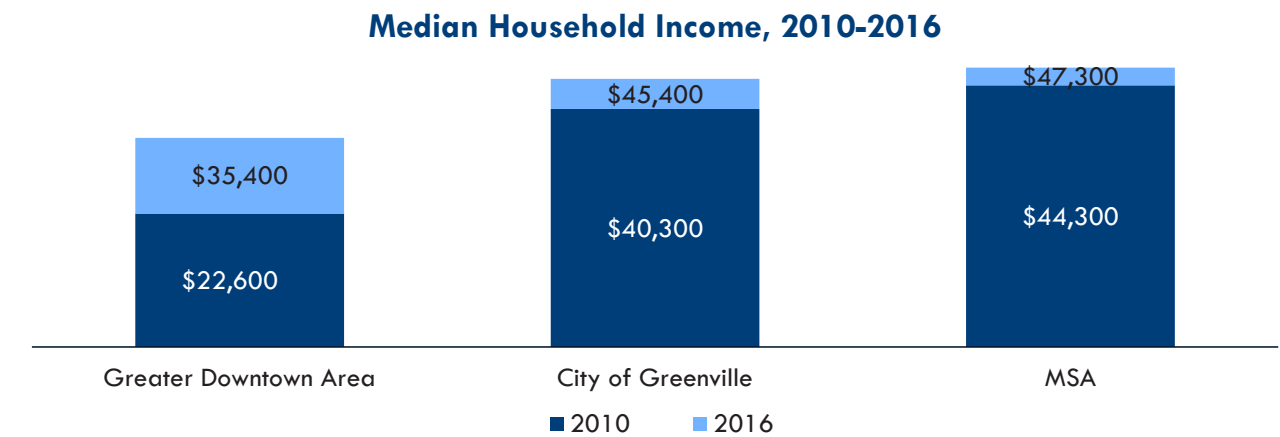
In recent years the number of young professionals in Downtown Greenville has soared, with nearly 1,500 additional residents between the ages of 18 and 34. The empty nester populations of 55-64 have also grown. In contrast, people between 35 and 54 and the older population of 75+ have left Downtown. A variety of factors, including cost of living, lack of homes for young families, and increasing housing opportunities and amenities in the suburbs may all be playing a role in these trends. These trends point to substantial opportunities in improving access to starter homes for families with young children and continued investment in education to retain young families.

Source: ACS

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Greenville Downtown Market Analysis | 17

Greater residential diversity since 2010 resulted in a jump in household incomes, but Downtown continues to lag behind the City and MSA.



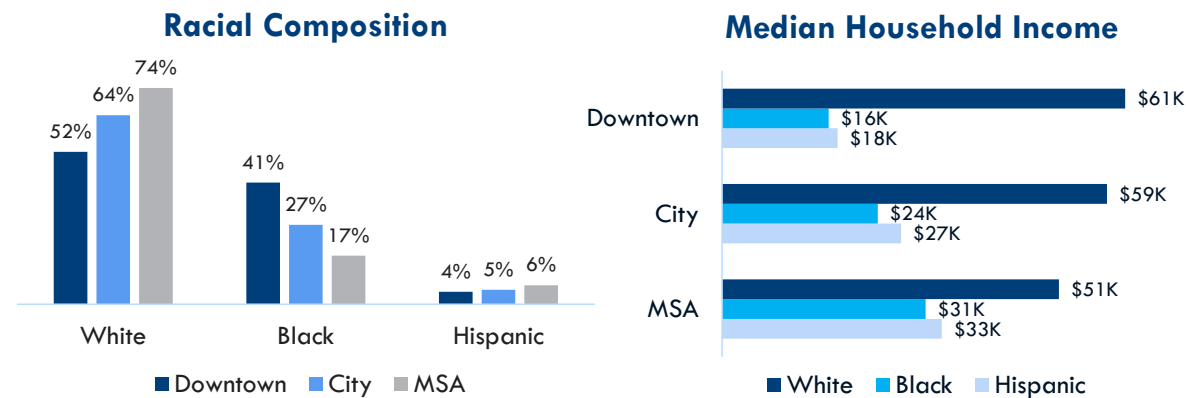
Historically, Downtown Greenville has not been where residents with high incomes have chosen to live. Citywide, median incomes are more than \$45,000, \$10,000 more than the Downtown area. Income growth in Downtown points to changing dynamics, however. Since 2010, incomes Downtown have increased by nearly \$13,000, while incomes regionally have grown just \$3,000. Higher incomes bring the potential for greater investment, support for high quality retail, and interest by potential employers. Substantial luxury residential development starting in 2012 and increased home prices in the single family neighborhoods are related to this rapid rise in median incomes.

Source: ACS

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Greenville Downtown Market Analysis | 18

Downtown is racially diverse, but disparities between white residents and black and Hispanic residents are significant.



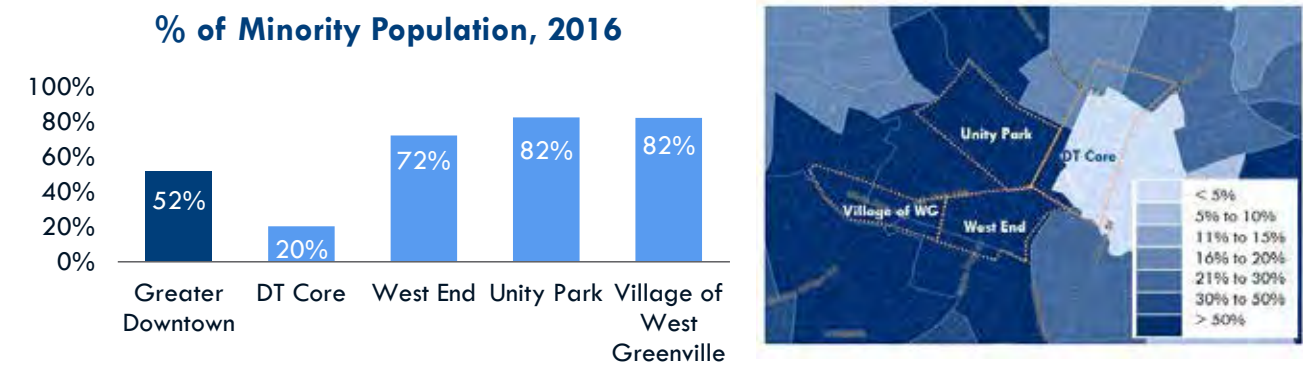
Since 2010, Downtown has shifted from a majority black population to a majority white population. As of 2018, 52% of Downtown residents are white, with a median household income of \$61,000, up from just \$31,000 in 2010. Meanwhile, the black population fell by 600 residents, and black residents now comprise only 41% of the total Downtown population. The black population in Downtown Greenville has a median household income of only half of the median household income within the MSA, and 33% less than the city as a whole. Higher income black households are concentrated in the southern half the MSA.

Source: ACS

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Greenville Downtown Market Analysis | 19

The Core has the smallest concentration of minority residents within Downtown, and has become less diverse over time.



Comparing the racial composition of the four core neighborhoods within the Downtown to the Greater Downtown Area, all neighborhoods except for the Downtown Core have a higher-than-average concentration of minority, predominately black, population. **Unity Park and the Village of West Greenville have at least four times the amount of minority population than the Downtown Core, with 82% of residents identifying as minorities.** Since 2010, the number of white residents in the Downtown Core has grown by over 400, while the number of non-white residents has increased by only 60.

Source: ESRI

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Greenville Downtown Market Analysis | 20

Downtown Greenville remains less dense than other comparable cities, despite rapid recent population growth.



Downtown Greenville
 Area **4.2 miles**
 Population **15,700**
 Density Per Square Mile **3,700**
 Compound Annual Growth Rate '10-'17 **3.69%**



Downtown Charleston
 Area **5.3 miles**
 Population **36,000**
 Density Per Square Mile **6,800**
 Compound Annual Growth Rate '10-'17 **2.51%**



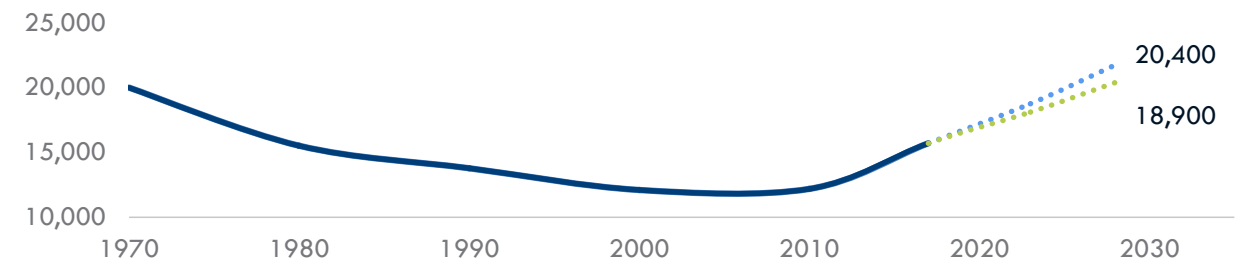
Downtown Durham
 Area **3.2 miles**
 Population **17,700**
 Density Per Square Mile **5,700**
 Compound Annual Growth Rate '10-'17 **2.72%**

The most recent State population projections anticipate Greenville County to grow by 1.6% annually for the next 10 years. Downtown has significantly exceeded this growth rate in recent years, and is likely to continue to grow faster than the County going forward. Looking to peers, Greenville's Greater Downtown Area is average size geographically, but is less dense than Charleston or Durham, NC. With initial expansion of downtown living options already well-underway in Greenville, these more mature downtown markets offer insights into the growth potential of Downtown Greenville.

Source: ESRI, SC Dept. of Revenue and Fiscal Affairs

With continued investment, the Greater Downtown Area can expect to add 4,600 to 6,000 new residents over the next ten years.

Downtown Greenville Population Projection



With continued pro-growth policies in place, Downtown Greenville could grow near or above the same pace as Downtown Charleston and Durham's historic trajectory. As Downtown matures into the growth trajectories recently seen in Charleston and Durham, a more conservative growth pattern is likely. A growth estimate based on historical data and the trend of these downtowns of 2.4% and a more aggressive growth rate of 3.0% provides a benchmark for the future population of Downtown Greenville. **Under these conditions, Downtown Greenville's population is expected to be between 18,900 and 20,400 by 2028, welcoming 4,600-6,000 new residents, or approximately 2,300-3,000 households over 10 years.** This scale of growth will return Downtown to its 1970 population following a long decline of deindustrialization, but leaves Downtown below its 1960 high of 27,500 residents. These new residents will be absorbed throughout the Downtown area in new single family homes, townhomes, and multifamily buildings.

Source: ESRI, U.S. Census

Key Findings | Socioeconomic

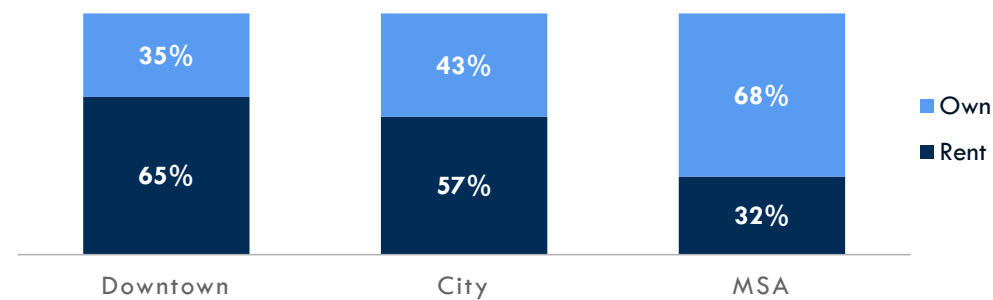
Key Finding	Implication
Downtown's population is anticipated to grow by 4,600 to 6,000 residents by 2028. These residents will likely continue to be higher income and made up of young professionals and empty nesters.	Increased population will increase the vibrancy of Downtown, but the City must be intentional about the type and location of where this growth is preferred.
Downtown's significant minority population has been largely left out of Downtown's revitalization and success. Disparities in median income between white and black residents remain stark.	Downtown's development trajectory is not anticipated to amend these disparities on its own. Concerted and intentional strategies must be put in place to make Downtown a more equitable and inclusive place for all residents.
Downtown can continue to become more dense and more populous as it approaches the level of urbanization of peers like Charleston or Durham, NC.	Downtown has not yet reached the level of urban development of more mature downtowns, despite substantial recent growth. Strategies to leverage past success can help shape the market to a desired level of density.

MARKET ANALYSIS

Residential

Household tenure in Greenville has changed significantly in recent years, and the future evolution of these trends will shape Downtown.

Household tenure of occupied units, 2017



Over two-thirds of the occupied housing in Downtown Greenville has rental tenants, which is significantly higher than the ratio in the MSA and only slightly higher compared to the city. Due to recent investments in multifamily development, a trend seen in Greenville as well as nationwide, the proportion of renter-occupied housing has grown in the recent years and is likely to continue growing in Downtown. The shift into a renter-dominated market has implications for the future Downtown, especially as residential market dynamics continue to respond to these preferences. Although condo development has been weaker than rental in this market cycle, this trend may be starting to change due to the growth in young professionals and empty nesters looking to locate Downtown who typically value a walkable lifestyle in an urban neighborhood.

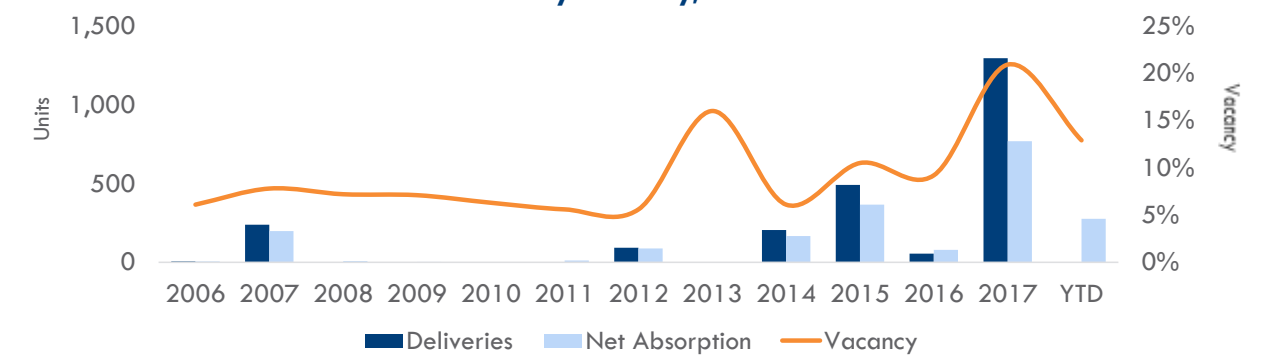
Source: Social Explorer

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Greenville Downtown Market Analysis | 25

Downtown Greenville has seen a major increase in residential deliveries and absorption in the past four years.

Multifamily Activity, All Classes



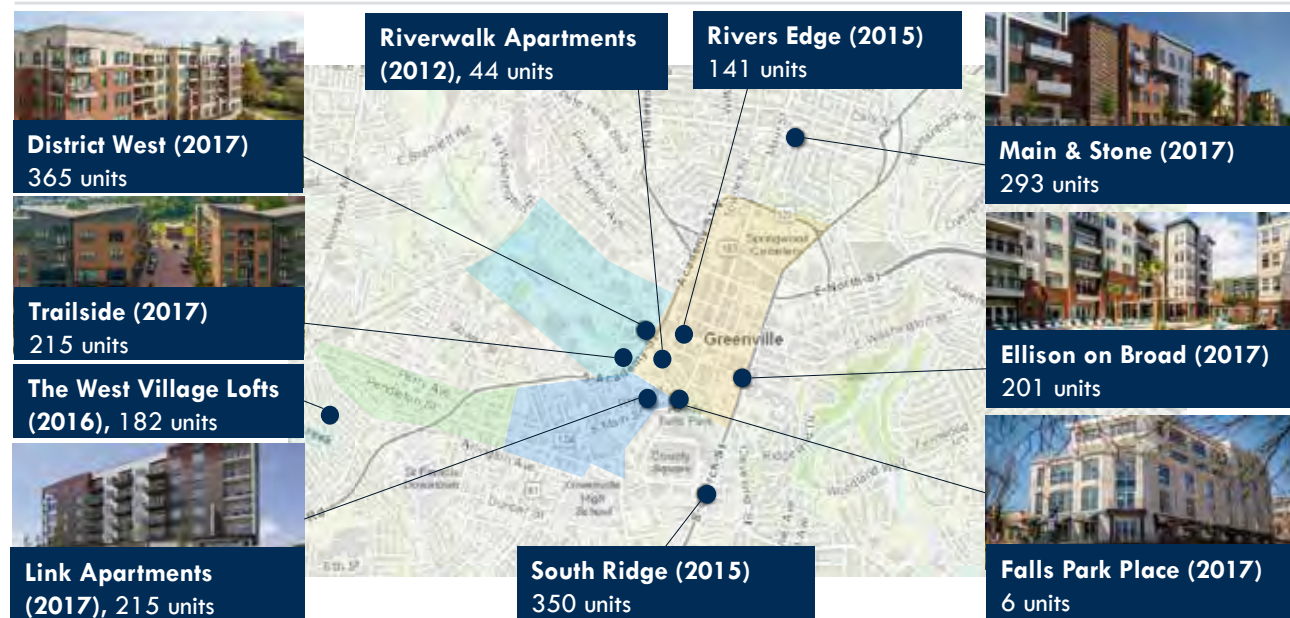
Starting in 2014, multifamily development began to pick up in Downtown, adding around 2,060 units to the market in 4 years. Half of those units were added in 2017 alone. The vacancy spike in 2013 is a result of the demolition of the Scott Towers, a 14-story public housing building. To date in 2018, Downtown Greenville is experiencing positive absorption trends, with net absorption of about 275 units so far. This positive net absorption is driving down the vacancy rate in the area, currently at 13%, towards a reasonable level of stabilization. Developers do not believe the level of recent deliveries is overwhelming the market. One developer indicated this boom is the Greenville market's way of "catching up" to trends in urban multifamily development that have already been seen in markets like Charleston and Nashville.

Source: CoStar

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Greenville Downtown Market Analysis | 26

Downtown Greenville's multifamily boom has been concentrated on the southern end of the Downtown Core and in the West End.






Most residential growth is seen around the Reedy River and in the West End, but Stone Avenue and south Church St. are also seeing some new development. Several of these new projects market the authenticity, walkability and historic nature of Downtown Greenville as key attributes.

Source: CoStar

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Greenville Downtown Market Analysis | 27

Recent Downtown multifamily deliveries have a similar mix of unit types and amenities, and healthy absorption rates.

 <p>District West (2017) 365 units</p> <p>Located in Unity Park bordering the core, this project markets its prime location 'in the heart of Downtown Greenville'. It features 5 floors of 365 luxury units with a parking deck. Offering 2-month rent concessions. Amenities: Private balconies, a game room, fitness center, and pool. Vacancy: 14% Rent PSF: \$1.74 Rent per Unit: \$1,514</p>	 <p>Ellison on Broad (2017) 201 units</p> <p>Located in the Downtown Core, it markets its neighborhood's walkability and charm. This rental has 5 floors with 201 units and garage parking. Amenities: Rooftop lounge, saltwater pool, club house, Spa treatment and fitness rooms. Vacancy: 5% Rent PSF: \$1.90 Rent per Unit: \$1,525</p>	 <p>Main & Stone (2017) 293 units</p> <p>Located in the North side of Downtown, this project has 293 units and markets its location between historic districts and Downtown and proximity to the Trolley/Bus stations. It has a parking garage and is offering 2-month rent concessions. Amenities: Gym, pool, clubroom, on-site restaurants and shopping. Vacancy: 13% Rent PSF: \$1.60 Rent per Unit: \$1,317</p>
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Source: CoStar, Residences websites

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Greenville Downtown Market Analysis | 28

Durham and Charleston provide an aspirational precedent for high-rise residential development in Greenville.

Downtown Charleston		Downtown Durham	
			
The Guild (2018) 226 units, 8 stories Rent psf: \$3.08 Rent per unit: \$2,700	10 West Edge (2018) 336 units, 10 stories Rent psf: TBD Rent per unit: TBD	One City Center (2018) 140 units, 27 stories Rent psf: \$2.85 Rent per unit: \$2,000	Van Alen (2018) 418 Units, 12 stories Rent psf: TBD Rent per unit: TBD

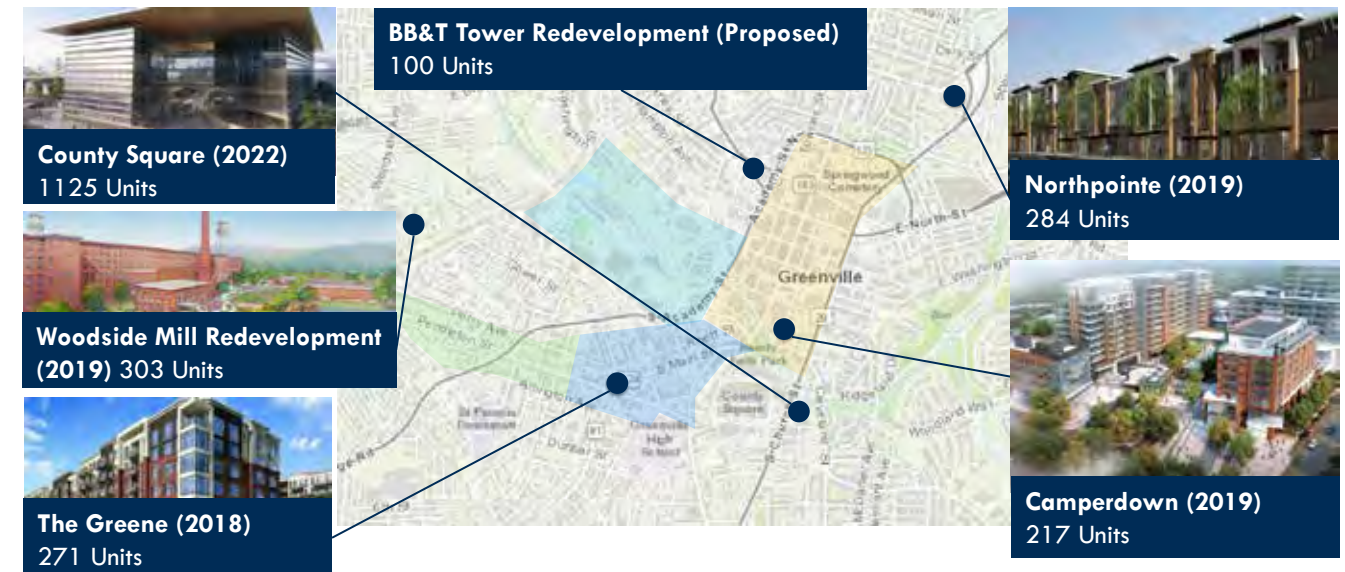
Durham and Charleston contain aspirational precedents of high-rise residential apartment buildings that represent the next evolution of Greenville's residential market. Both in Charleston and Durham, projects are achieving rents up to 50% higher than in Greenville. **As rents continue to expand and density to increase in Downtown, building typology is likely to evolve, and Camperdown is the first that is leading this wave in Greenville. However, developers have expressed that Downtown still has a long way to go until it will begin to see a true transformation where more costly high-rise residential is consistently viable,** which in the near future, would only be possible through subsidies. Increasing construction prices are a further constraint on achieving this level of density.

Source: CoStar

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Greenville Downtown Market Analysis | 29

The Downtown Market will see more Class A multifamily rental residential deliveries especially as part of two large mixed-used mega-centers.



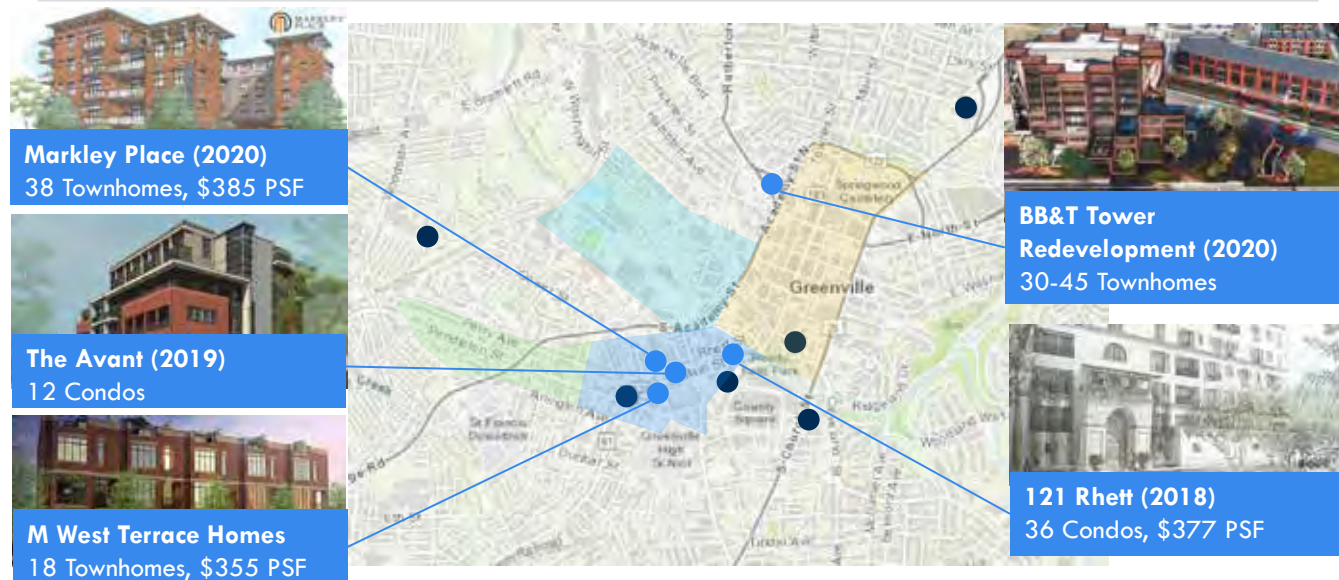
The rental market is spreading from the Downtown Core, as developers search for available land. Projects are mainly being delivered to the south of Downtown in the West End neighborhood where most of the recent development momentum has occurred; as well as to the north and west of Downtown, to some extent. Camperdown and County Square are both larger high-density projects likely to have a transformative effect in the Downtown.

Source: CoStar

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Greenville Downtown Market Analysis | 30

The Downtown Market will see more luxury for-sale deliveries, mostly concentrated in the West End of Downtown.



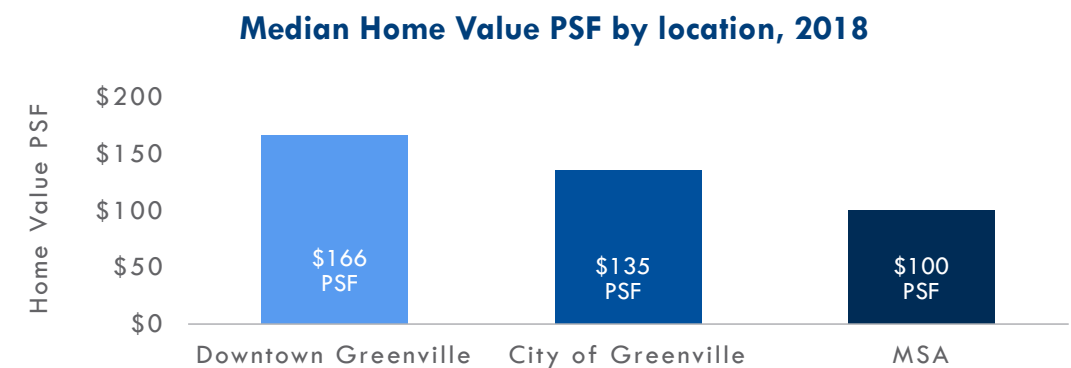
The condo market is expected to come online quickly in the coming years. The West End, with its attractive mix of historic neighborhoods and residential amenities, is the center of the condo market today. Townhomes are also being constructed Downtown, although there are fewer of these projects, particularly being delivered in the southern part of Downtown and on the northern border of the core.

Source: CoStar

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Greenville Downtown Market Analysis | 31

Downtown homes sell at a sizeable premium, when compared to the City and MSA values.



Downtown is home to 20% of the housing in the City of Greenville. **Both the City and Downtown have almost identical median home values per unit totaling around \$220,000 per house, yet significantly different sizes of units, making the Downtown more expensive per square foot by \$30.** Top-of-market asking prices in 2018 are listed at \$167 per square foot citywide and \$250 per square foot in Downtown, indicating a premium for Downtown living across product classes. The Greenville-Anderson-Mauldin MSA's median home value per square foot is about 40% lower than Downtown, again reflecting a sizeable locational premium for Downtown residences. With the condo market expanding and an increasing density, home values per square foot are likely to continue to increase Downtown, with even greater rent premiums when compared to the City and MSA.

Source: Social Explorer, HUD, Zillow

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Greenville Downtown Market Analysis | 32

With 3,500 total renter-occupied units in Downtown, most units are concentrated in the Downtown Core and Unity Park neighborhoods.



Study Area	Number of Units
Downtown Core	658
West End	395
Village of West Greenville	202
Unity Park	655
All other areas	935

Source: Social Explorer

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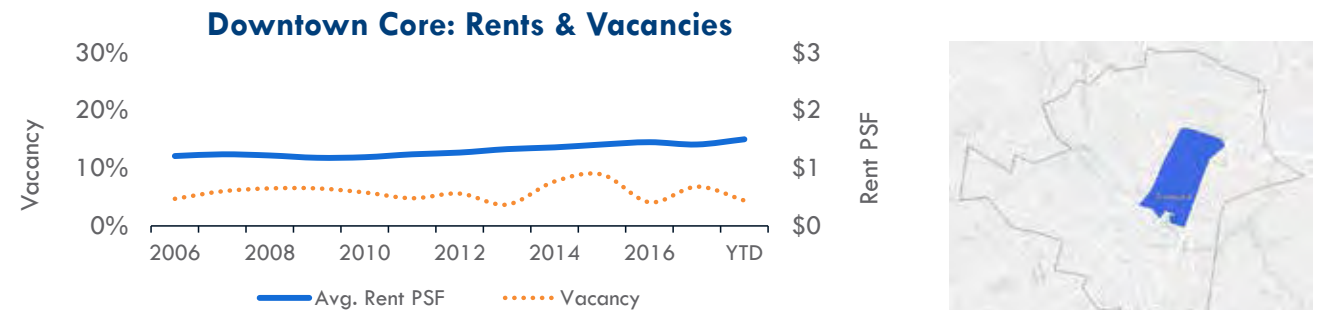
The Downtown Core has historically been at the center of development and investment in Greenville, yet the neighboring districts are projected to accommodate significant residential growth in the near future, as developers seek more land and affordability.

Greenville is a diverse city and each district presents unique challenges and opportunities. Thus, it is crucial to consider these neighborhoods separately, in order to understand their particular role and implications for each as Downtown keeps growing.

Apart from the Core, the West End and Unity Park neighborhoods have seen the greatest investments in recent years, mostly dominated by residential multifamily and some townhomes. The Village of West Greenville has seen fewer multifamily projects delivered recently; The West Village Lofts, redeveloped in 2016, was the first luxury product delivered near the study area.

Greenville Downtown Market Analysis | 33

The Downtown Core has seen steady rent increase despite vacancy spikes.



The Residential market in the Downtown Core has seen a steady growth in rents despite vacancy spikes in 2014. Vacancies will likely reach stability this year, as new product is absorbed. **Rents in the Core, at \$1.50 PSF in 2018, are in line with Downtown averages.** Housing stock is mostly multifamily, with some townhomes. Recent growth is dominated by luxury multifamily development. At least 30 percent of the residential units in the neighborhood were built after 2000, mainly multi-family developments along and around Main Street. Single-family construction encompasses another 30 percent of the stock, primarily built before the 1950s. The core is likely to continue to see new product, especially on the eastern side where further redevelopment is likely to arise as part of a larger mixed-use transformation. This eastern area has not been a focus of activity in the current cycle, however.

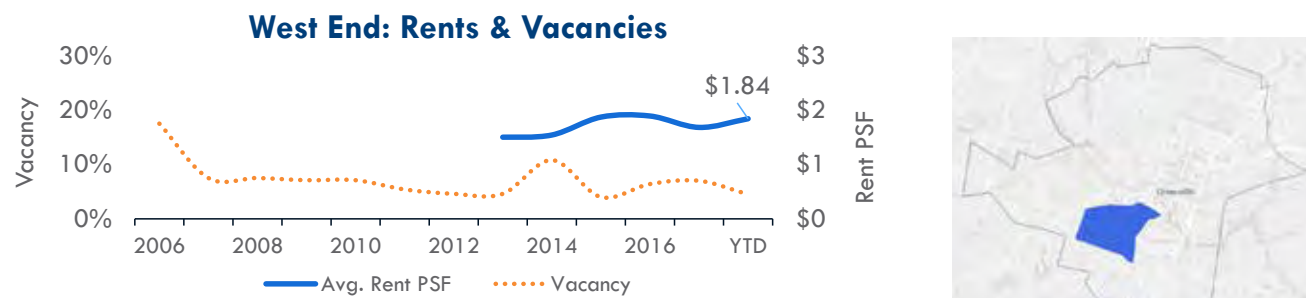


Source: CoStar, Zillow, ESRI

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Greenville Downtown Market Analysis | 34

This year, the West End neighborhood has the highest rents and lowest vacancies in the Downtown.



The West End neighborhood has seen the most growth in residential development in recent years, with deliveries concentrated in its north side and pipeline projects expanding south. **At \$1.84 PSF, rents are higher than Downtown overall and the Downtown Core, with a historically low vacancy rate of 4.50%.** The West End housing stock is made up of mainly mid-rise multifamily residential, with a mix of single-family homes and townhomes. More than half of the units in the West End were delivered after 2000. Single-family construction is mainly from the 1970's and earlier and has seen increasing investment from new residents looking for convenient access to Downtown amenities but opportunities for more affordable home ownership. Multifamily residential development in the West End is likely to continue expanding as developable sites remain, with the County Square development driving attention to the eastern edge of the neighborhood.

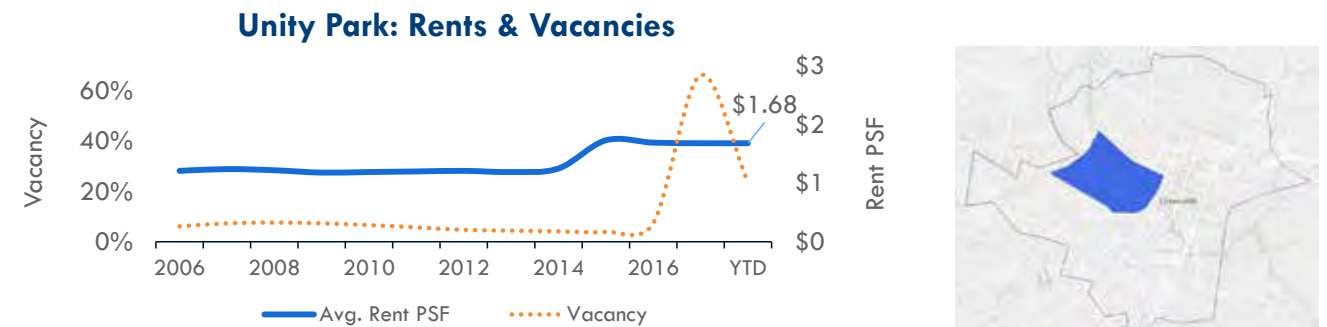


Source: CoStar, Zillow, ESRI

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Greenville Downtown Market Analysis | 35

The Unity Park residential market has only begun to see change in the last year, likely due to development pressure radiating out from the core.



Unity Park saw a dramatic increase in vacancies, reaching up to 60% for 2017 due to the 550+ additional residential units delivered that year, entering lease-up period. **Rents remained stable and higher than average at \$1.68 PSF with vacancy likely to recover with lease-up in 2018.** Recent multifamily development is dominated by mid-rise luxury projects and some townhomes. This development is concentrated along and near South Academy Street. Single-family housing construction is mostly from the 1990s and earlier. The presence of large opportunity sites in this neighborhood presents additional opportunities for affordable housing development to house residents working in lower wage jobs Downtown and for greater strategic investments to build open parks and a space to advance Greenville's creative economy.



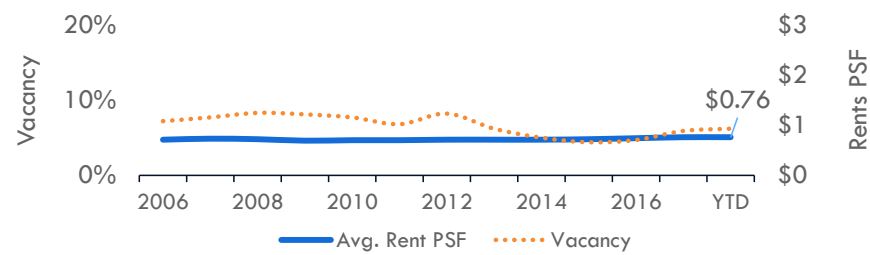
Source: CoStar, Zillow, ESRI

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Greenville Downtown Market Analysis | 36

The market in the Village of West Greenville has the lowest rents and highest vacancies in the area.

Village of West Greenville: Rents & Vacancies



Source: CoStar, Zillow, ESRI

The Village of West Greenville has the highest average vacancy rate historically, yet it is seeing a dramatic reduction in vacancy and slight increase in rents since 2012. However, rents in the neighborhood remain below average at \$0.76 PSF. The rent average is obtained from the only three multifamily projects in the neighborhood, namely West End Commons and Westview Homes. The West Village Lofts, a luxury project located near the study area, charges up to \$1.3 PSF in rent. The housing stock in the Village of West Greenville is mostly single-family homes, with some garden-style apartments. This neighborhood is especially vulnerable to Downtown market pressures and has begun to see some multifamily product development, including a 300-unit project in the pipeline. Local organizations have concentrated much of the affordable housing investment here as a result. These organizations have expressed concerns about poor transportation and accessibility to opportunities in the Downtown Core.

Net Absorption Test | HR&A also developed a residential demand model to determine the anticipated residential growth in Downtown.

1

Catchment Area

HR&A defined the residential catchment area as the **Downtown Greenville Submarket**. This catchment area is the geography of the Primary Study Area of the greater Greenville Downtown Market.

2

Anticipated Household Growth

HR&A used the **population projections** developed as part of the socioeconomic analysis.

- As a conservative growth scenario, HR&A assumed 2.4% annual growth to 2028.
- As an aggressive growth scenario, HR&A assumed 3.0% annual growth to 2028.

3

Pipeline Absorption

Finally, HR&A compared the anticipated annual household growth to the multifamily residential pipeline to determine the likely absorption rate for the market.

Households that are not cumulatively absorbed by the pipeline represent **net new demand** for additional housing product, including multifamily (both rental and condo), townhomes, and single family homes.

Net Absorption Test | Downtown will be able to absorb the current 2,300 units served by the pipeline, plus 45 to 720 additional units.

With 2.4% Population Growth												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	All Years
Market Demand	188	193	198	202	207	212	217	222	228	233	239	2,340
Pipeline Deliveries	591	541	90	0	358	358	358	0	0	0	0	2,297
Demand Surplus, Gap	(403)	(348)	108	202	(151)	(146)	(141)	222	228	233	239	43
Cumulative Market Potential	(403)	(751)	(643)	(441)	(592)	(738)	(879)	(657)	(429)	(196)	43	43

With 3% Population Growth												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	All Years
Market Demand	236	243	250	257	265	273	281	290	298	307	316	3,016
Pipeline Deliveries	591	541	90	0	358	358	358	0	0	0	0	2,297
Demand Surplus, Gap	(356)	(298)	160	257	(93)	(85)	(77)	290	298	307	316	719
Cumulative Market Potential	(356)	(654)	(494)	(237)	(330)	(415)	(492)	(203)	95	403	719	719

The total demand gap in the market up to 2028 ranges between 45 and 720 units, meaning the market can potentially absorb that additional amount in the 10-year pipeline assuming a population growth (CAGR) range between 2.4% and 3%. This potential accounts for all residential product and price points. Additional workforce housing beyond the current share delivered in Downtown would likely attract residents living in the wider area to move to the Downtown for the convenience and quality of life the area provides. The spike in deliveries in 2018 is the market's response to a rising demand for Class A housing downtown, yet will likely lead to a short-term lull in the market as those units are absorbed. Downtown will be able to absorb an additional 45 to 720 units in the next decade beyond the current pipeline.

Source: ACS Census; HR&A Advisors

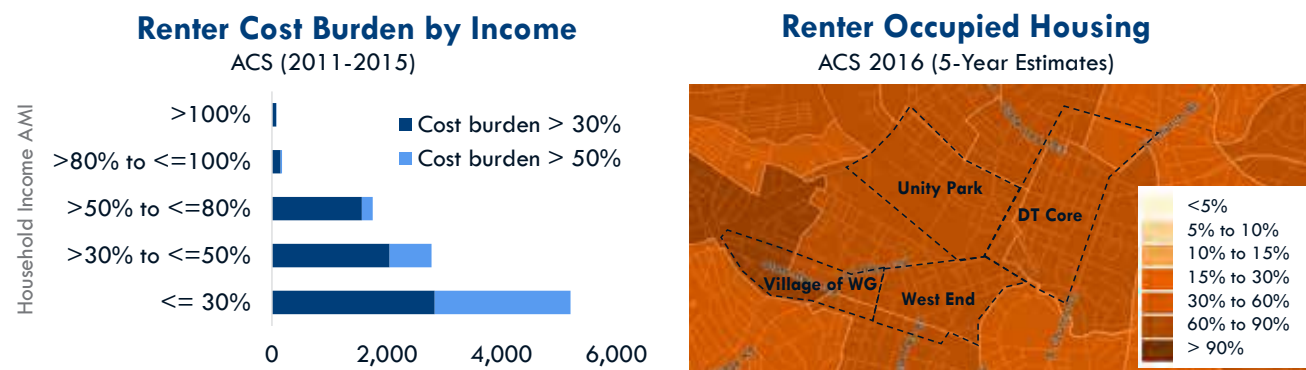
Community Perspectives on Downtown Affordability

Affordability is a concern in Downtown for different stakeholders. The sudden rise in rents and luxury deliveries has been met with different efforts from community groups, employers of low-wage workers and developers alike.

Community development groups have made affordable housing a priority	The community development department of the city, along with other organizations such as Community Works, have driven their affordability focus on specific neighborhoods, such as the Village of West Greenville, where the most vulnerable residents reside and where land costs make development feasible. Affordable housing is being built for residents at up to 120% AMI, likely a response to the recent high growth. Transportation options to the core from these outer neighborhoods is also a point of concern for these groups.
Hoteliers and Restaurateurs are concerned for their employees	Restaurant and Hotel employers, particularly, have shown concern about housing opportunities for their Downtown workers, most of them earning salaries below the affordability threshold for the current residential market rents Downtown. Some of these employers are looking to provide rental and similar subsidies to combat the issue.
Developers are cognizant of the affordability issue	Developers have expressed a need for more affordable units Downtown, with recent supply being focused around luxury units. Projects like the BB&T Tower redevelopment, close to Unity Park, are looking to provide units at a lower price to be able to fill this supply gap. Yet, with land costs increasing, developers are concerned that significant increments of affordable housing will not be feasible Downtown.

Source: HR&A Advisors Interviews

Renters, making up 65% of households in Downtown, are more likely to be heavily cost burdened than owners in the City of Greenville.



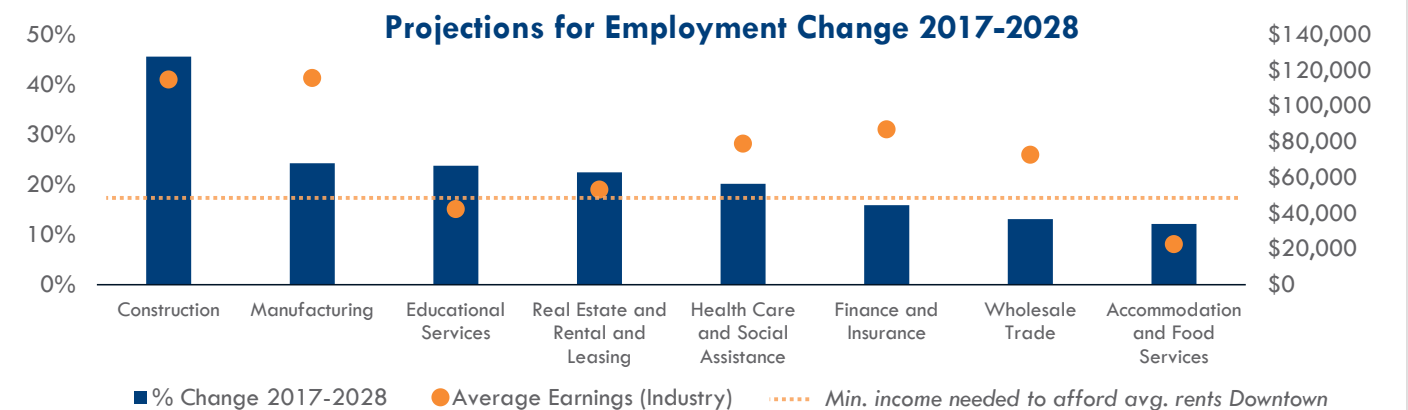
On average, city residents with greater cost burden tend to be renters, and renters make up 65% of households in the Downtown with 43% of total renters suffering a cost-burden. Overall, the average number of cost burdened residents does not change dramatically between Downtown, the city, and the MSA regions with only 3% less households suffering a cost burden in Downtown compared to the city and region; however these statistics do not differentiate between cost burden levels. In the Downtown, a large percentage of residents, exactly half of those below 30% Area Median Income (AMI), are heavily cost-burdened, paying over 50% of their income on housing. Within Downtown, the Village of West Greenville is the most vulnerable neighborhood due to its predominance of low-income renters and relatively higher rents in the western area tip.

Source: Social Explorer, CHAS

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Downtown is expected to see considerable job growth in high-paying industries, likely leading to more high-income residents in Downtown.



The two industries with highest expected employment growth, Construction at 45 percent and Manufacturing at 25 percent, also hire the highest earning professionals. Employment growth in other industries such as Real Estate, Health Care, Finance, Insurance, and Wholesale Trade hire relatively high-earning professionals who can easily afford Downtown housing costs and will prospectively locate there. However, with expanded opportunities in educational services and hospitality jobs, both of which pay below the rent affordability threshold, housing costs could pose a significant burden. Employers in the accommodation and food industries, as well as community development representatives, have all expressed concerns with the lack of housing availability for this population of employees in the current rental landscape of Downtown.

Source: EMSI

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Greenville Downtown Market Analysis | 42

Key Findings | Residential

Key Finding

Downtown Greenville is experiencing high growth in residential development and healthy absorption, mainly driven by Class A multi-family mid to high-rise projects with luxury amenities catering to the young. Development is expanding to neighborhoods outside the core due to greater and more affordable options for land. Residential demand will continue to expand Downtown and will be able to support an additional 2,400 to 3,000 units in the 10-year pipeline.



Implication

Continuing efforts to offer amenities in Downtown will support residential development and attract talent to the city. As residential projects expand geographically, investments in transportation and pedestrian infrastructure can help accommodate the growth and create opportunities for development near transportation hubs in neighboring districts. Development momentum from large deliveries in the pipeline are expected to be healthily absorbed, with space for one or two additional multifamily projects.

Affordability is a point of concern in Downtown Greenville. The western neighborhoods, particularly the Village of West Greenville, are more sensitive to rising rents and displacement. The other vulnerable groups are low-wage employees of the retail, hotel, and restaurant industries in Downtown, which currently cannot afford new residential units being delivered. These industries are also expected to grow and hire more employees.



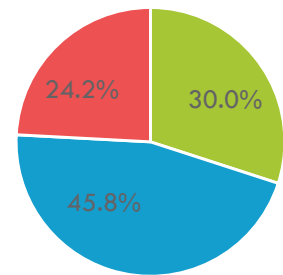
Addressing affordability through policies that incentivize development of affordable units is key to avoid further displacement and provide opportunities for lower-earning households to locate close to their jobs in Downtown. As growth continues, policies that leverage private investments can create opportunities for solutions to the issue of affordability. Mechanisms such as density bonuses could create new workforce and low-income housing.

MARKET ANALYSIS

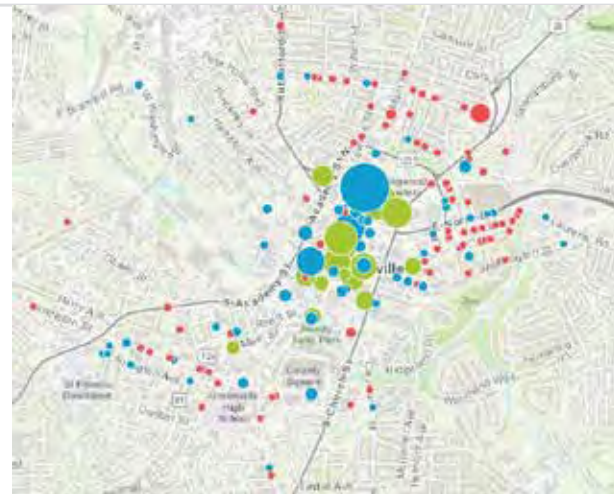
Office

The Downtown Core has historically been the center of office development in the Greater Downtown Area.

2017 Downtown Office Supply



■ Class A ■ Class B ■ Class C



Downtown Greenville's office supply is heavily concentrated. The Greater Downtown Area is diverse, with 30% of the total supply consisting of Class A space, 46% Class B space, and 24% Class C space. The Downtown Core, which holds nearly 56% of the entire Downtown Area's inventory and 18% of the MSA's total office supply (including 33% of its Class A supply), defines Greenville's office market. Outside of the Downtown Core, small Class B and C offices line the commercial corridors of Pettigru, Stone, and Pendleton.

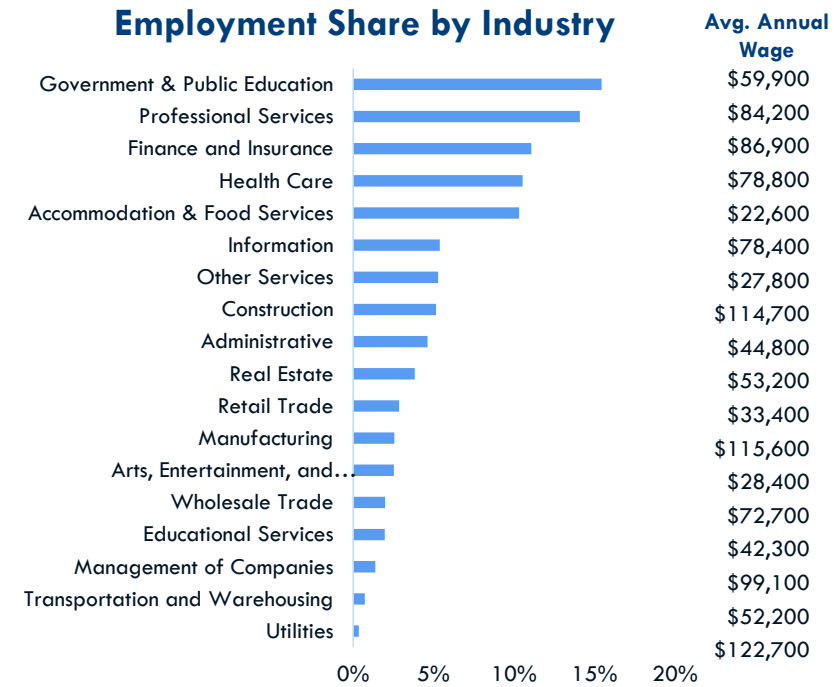
Source: CoStar

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Downtown's employment has an existing base of traditional office tenant from which to grow, but office employment is not the largest in the area.

Employment Share by Industry



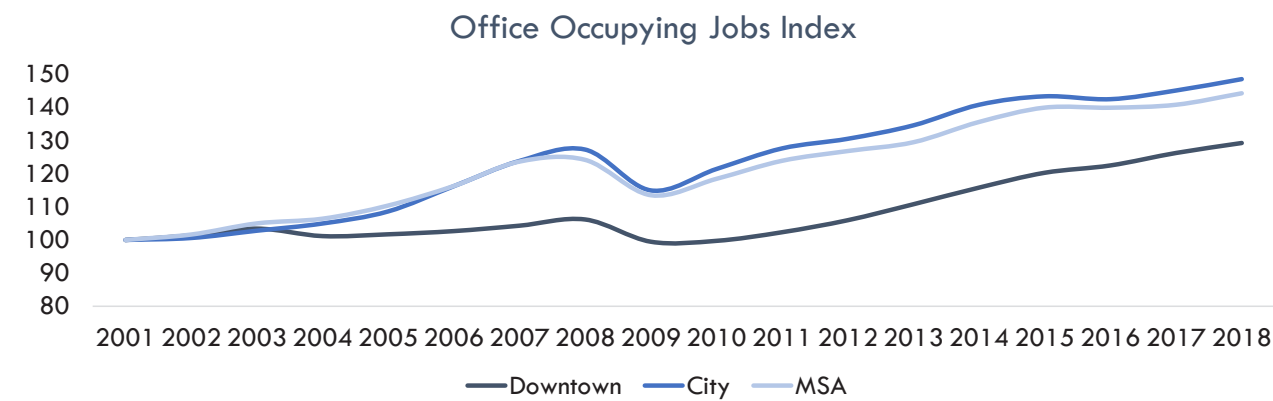
Source: EMSI

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Greenville Downtown Market Analysis | 46

Downtown Greenville's 28,000 workers are highly concentrated in government and professional services, particularly City and County employees and lawyers. Office-occupying jobs in professional and technical services, finance, and information are also concentrated and offer good wages for those working Downtown. The Greater Downtown Area has had difficulty attracting headquarters of companies, however.

Despite the office concentration Downtown, many office-occupying jobs went to suburban locations during the last economic expansion.



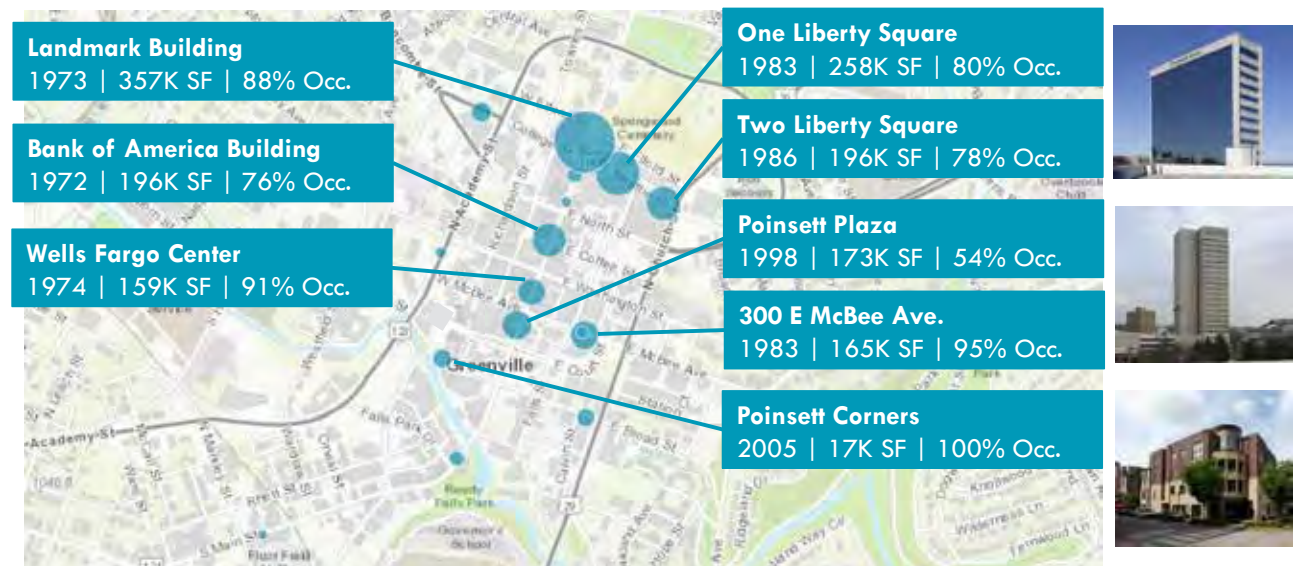
Downtown Greenville’s office job growth was stagnant at a critical moment in the Upstate’s history. As new investments came to the region in the early 2000s, office employment stagnated while jobs concentrated in the suburban areas of the region with regional growth being greater than 27% since 2000, compared to just 6% for Downtown. The 2008 Recession impacted Downtown less severely as a result. Since the end of the Recession, the rate of office-supporting job growth Downtown has been higher than the region. The cumulative impact of the early 2000s, however is still felt with total job growth remaining behind the region with growth since 2000 totaling 29% in Downtown versus 48% in the city as a whole, resulting in more office development pressures in the suburbs than Downtown.

Source: EMSI

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Greenville Downtown Market Analysis | 47

Greenville’s urban office fabric was largely constructed in the 1970s and 1980s, and these buildings have largely failed to stay fully leased.



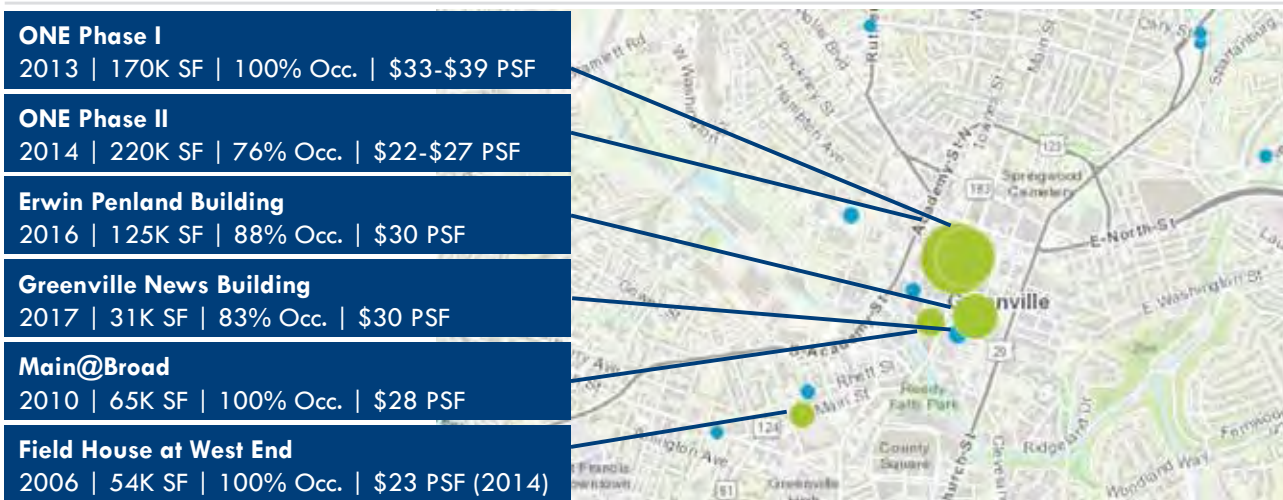
Before 2006, the office development landscape in Greenville was largely vertical towers built in the 1970s and 1980s, including the Landmark Building, The Bank of America building, One and Two Liberty Square and the Wells Fargo Center. Despite renovations within the last decade, many of these projects are above 10% vacant. Their tenant base is largely made up of local or regional banks, financial services, and attorneys.

Source: CoStar

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Greenville Downtown Market Analysis | 48

Deliveries since 2006 have been concentrated in the Downtown Core and the most recent products have struggled to fully lease.



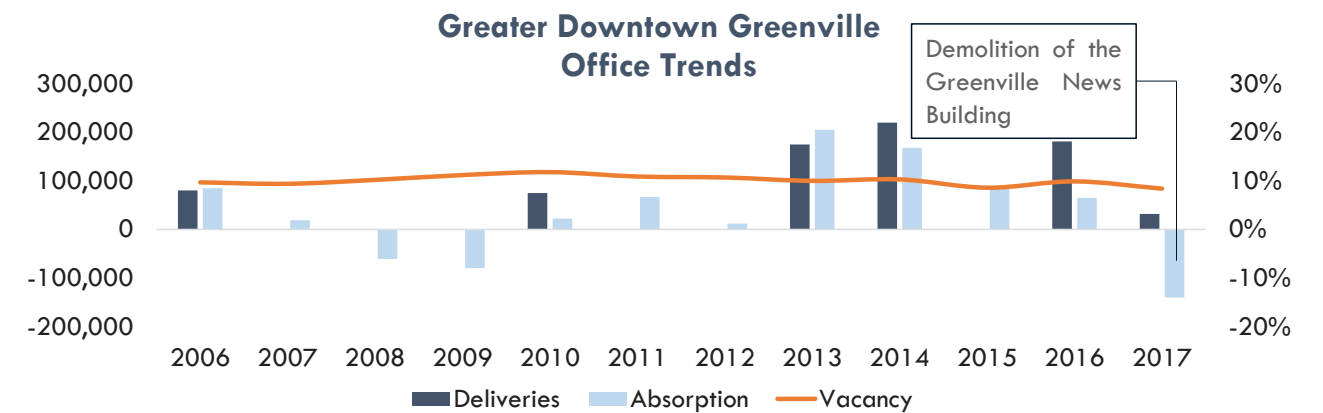
In recent years the Downtown Core has been the center of major new office deliveries. Since 2006 more than 600,000 square feet of new Class A development was delivered in the Downtown Core. New office space built since 2014, including One Phase II, the Erwin Penland Building, and the Greenville News Building, have not been fully leased. Many of the major tenants in these buildings are either institutional or existing tenants upgrading to new space. Examples include the Clemson MBA program in One Greenville, the Erwin Penland company and accounting firm Cherry Bekeart in the Erwin Penland Building, and the Greenville News in their new building.

Source: CoStar

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Greenville Downtown Market Analysis | 49

Downtown has persistent vacancy, with most leasing activity coinciding with the delivery of a few high-profile office buildings in recent years.



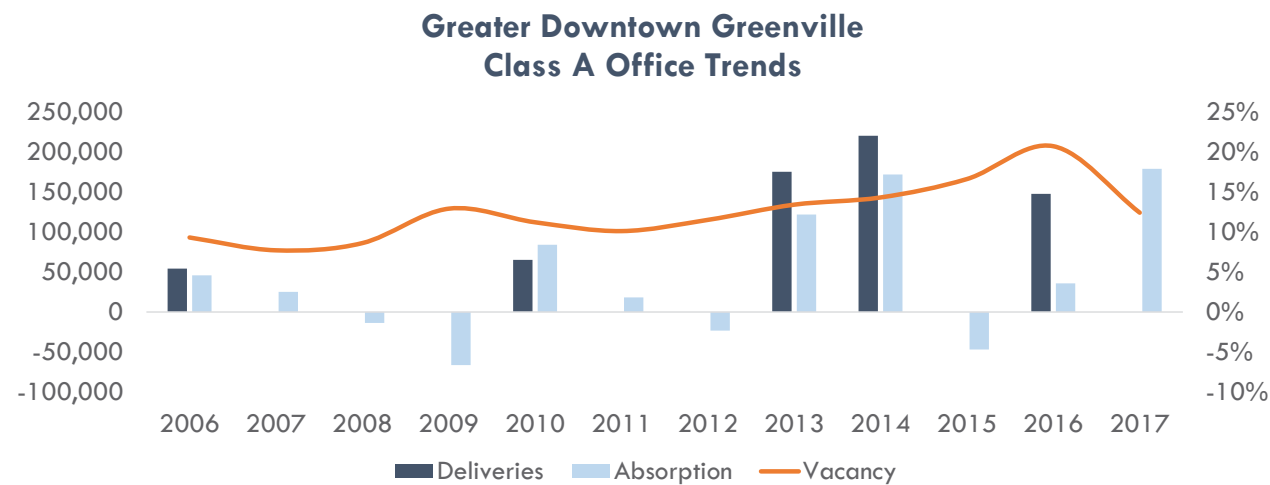
Across all product classes office trends have been relatively stagnant. Major deliveries in 2013, 2014, and 2015 have been increasingly difficult to fully lease; some of the positive net absorption on those years noted above was in other classes and buildings in the market, not the new deliveries. One of the largest disruptions to the market was the demolition of the 330,000 SF Greenville News building. The newspaper relocated to a new building, but significantly downsized, taking just 22,000 square feet of the 31,000 square foot Greenville News Building adjacent to their former building in the new Camperdown development. The development community has raised concerns about a shallow tenant pool, with existing tenants moving between aging Class B spaces into new construction, rather than expanding start ups or relocating companies from outside Downtown or the region.

Source: CoStar

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Greenville Downtown Market Analysis | 50

In the Greater Downtown Area Class A vacancies have climbed to a recent high of nearly 25% as absorption falls short of deliveries.



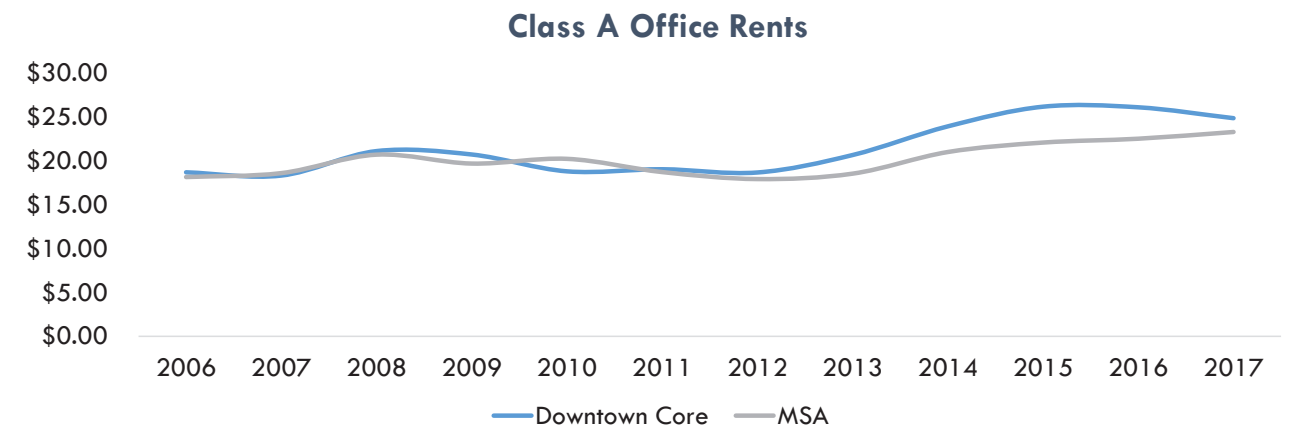
These Class A deliveries have brought on some absorption, but vacancy hit a 10-year high at 21% in 2016. Recent absorption in 2017—led by a 39,000 SF Erwin Penland lease and a 16,500 SF BB&T Scott & Stringfellow lease—has brought this down somewhat, but softness at the top of the market remains a major challenge for future office growth in Downtown Greenville. Developers familiar with the Downtown market point to the aforementioned lack of new tenants in the market and lack of easy accessibility for employees as the primary reasons for the less than stellar performance of top of market office space.

Source: CoStar

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Greenville Downtown Market Analysis | 51

The Downtown Core has not been able to distinguish itself and attract significantly higher rents than the rest of the region.



Class A office rents in the Downtown Core currently outpace Class A office rents in the MSA by less than \$1. Recently, however, Downtown rents have stagnated around \$25 PSF. The availability of cheaper Class B space within Downtown may be a major driver of these stagnant rents as many new Class A tenants were previously Class B tenants and are more price sensitive. More suburban locations across the MSA have performed well. The local development community has seen rent growth in the suburbs increasing to \$23.50 in top of market buildings as of August, 2018. This trend follows rent growth Downtown as new tenants enter the suburban office market.

Source: CoStar

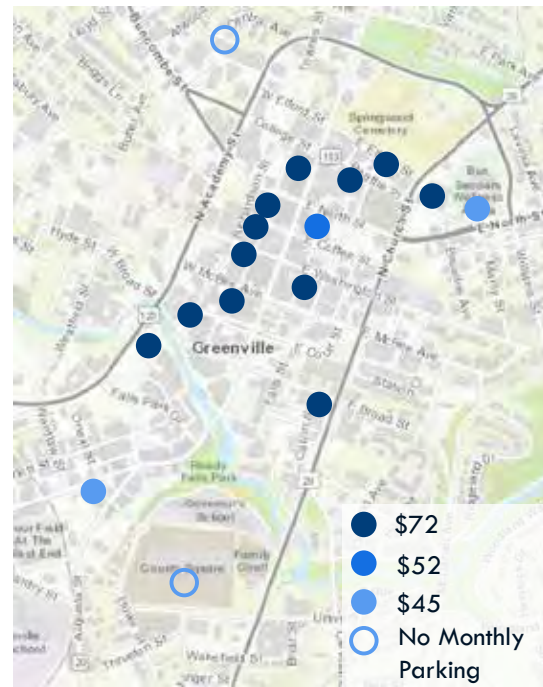
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Greenville Downtown Market Analysis | 52

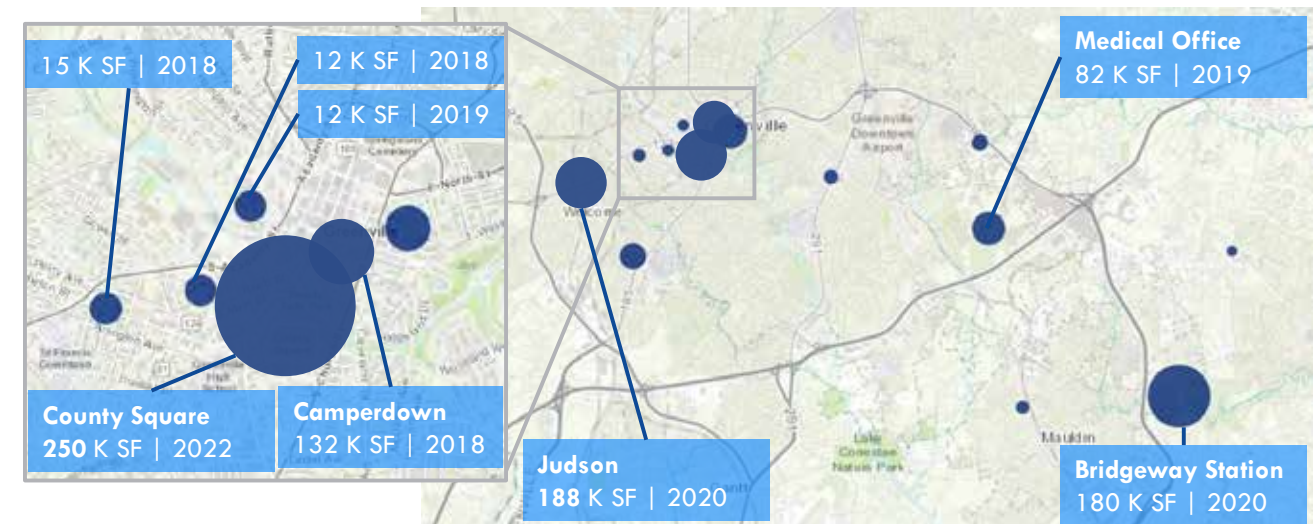
Public parking options have not met private office parking needs; as such, management can be improved to better match supply and demand.

Office product in Downtown Greenville generally provides between 3 and 4 parking spaces per thousand GSF. While market demand is as high as 6 spaces per thousand GSF, limited parking availability has effectively capped this number.

The office market today in Greenville is dependent on 7,750 City-owned parking spaces to provide parking for tenants on a monthly basis. New development being supported by a City-financed parking structure is the norm in Greenville. Monthly parking costs for corporate clients range from \$45 to \$72/space depending on their proximity to the Downtown Core. The development community has varied opinions on current parking regime's impact on office development and absorption. While some see parking as a major barrier to attracting additional clients, others do not agree it has such an adverse impact. The development community is in agreement, however, that public parking could be managed more effectively by better tying demand to price and giving more flexibility to sublease space for temporary use to take advantage of the current parking in place.



While major projects like County Square & Camperdown are coming to Downtown, significant new offerings elsewhere may pose competition.



A lack of development sites and a general transition away from energy in the Downtown Core results in a very limited pipeline in the Downtown Core. Camperdown development will have 132,000 additional square feet when completed, and County Square is slated to add an additional 250,000 SF of office. Regionally, the planned 180,000 SF Bridgeway Station and the 188,000 SF Judson both may capture regional demand for office space. These locations outside of Downtown Greenville are emblematic of the continued allure of lower-cost and highly accessible more suburban spaces as a viable alternative to Downtown.

Source: CoStar

Projections show office-supporting jobs are expected to growth at stable rates across industries, totaling 13,000 new employees by 2028.

Industry	2018 Employment	2028 Projected Employment	Net New Employees	Percent Change
Information	7,222	7,606	384	5%
Finance and Insurance	13,317	14,406	1,089	8%
Real Estate and Rental and Leasing	6,162	6,684	522	8%
Professional, Scientific, and Technical Services	21,129	23,706	2,577	12%
Management of Companies and Enterprises	5,242	5,371	129	2%
Administrative and Support	43,623	49,215	5,592	13%
Educational Services	11,558	12,453	895	8%
Government	64,502	66,501	1,999	3%
TOTAL	172,755	185,942	13,187	8%

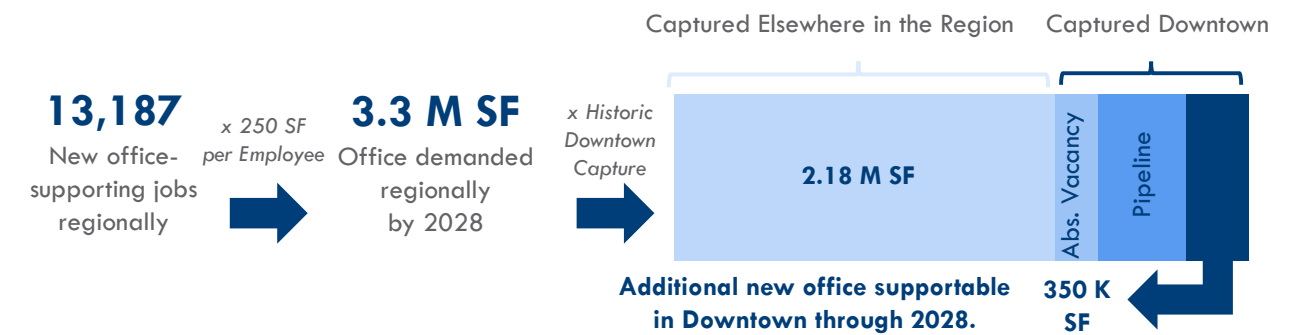
Office-occupying sectors in the region are projected to grow by 13,200 jobs by 2028. Employment projections for the Greenville MSA shows that the highest growth is expected in Professional, Scientific, and Technical Services and Administrative and Support. Other sectors are expected to grow between 5% and 8%, showing stable growth trends in information, finance, real estate, and educational services. Two office-occupying sectors not expected to have strong growth trends are Government and Management of Companies, aligning with Greenville's position as a non-headquarters position.

Source: EMSI

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Greenville Downtown Market Analysis | 55

Given a substantial pipeline and existing vacancy in place, there may be little additional demand for new office development.



Based on projected office-occupying job growth across the region, the Greater Greenville region will demand 3.3 million SF of office space. If Downtown maintains its position capturing 34% of total office space in the region, 1.1 million SF will be demanded in Downtown Greenville over the next 10 years. 56% of this demand will be absorbed by the anticipated pipeline (508,000 SF), and by vacant space in the market today (245,000 SF). This results in 359,000 SF of additional demand over 10 years, or approximately half of what was delivered in the last 10 years. This analysis shows that substantial new office product will not be viable unless pre-leasing commitments are secured, such as a regional hub for national companies. To align with current capital market conditions and an increasingly difficult cost environment, however, preleasing commitments are essential requirements for new office development. Incremental employment growth may be difficult to cobble together the tenants needed before development gets off the ground, and could potentially further dent the production of new office space. If Downtown can capture upwards of 45% of the new demand (the historic Class A Downtown capture rate), speculative office becomes more possible, with 732,000 SF demanded by 2028.

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Greenville Downtown Market Analysis | 56

East Downtown is a key piece of the office future of Downtown, but will require public vision to bring a needed business anchor to grow around.

Greenville would be better positioned to capture more of the regional demand if there were a major business anchor Downtown. This anchor would shape the office market and become an engine of job creation and office growth in the region. HR&A anticipates that East Downtown, between Church and Spring Street offers the best value-add opportunity for locating a new anchor. This anchor could be a headquarters, but could also be a significant university presence or a convergent center for entrepreneurs, for example. In its current market context between two large employment centers in Atlanta and Charlotte, bringing an anchor Downtown will require the same vision and public leadership that the City brought to other key Downtown investments like Falls Park and Fluor Field. Public investments in Greenville have helped support office development through the TIF tool in past years, but an investment in an employment generating anchor would be an investment in creating a richer office and job creation environment that will bring more and consistent office development to the area.



Key Findings | Office

Key Finding	Implication
Pipeline office deliveries in Downtown total 508,000 SF, with large multiphase projects like Camperdown and County Square leading that way, but they face competition for suburban alternatives that offer better accessibility.	It will be important to better address the accessibility needs of current tenants while exploring creative solutions to the parking and accessibility challenges that threaten the Downtown pipeline's viability.
The continued uncertainty surrounding new large employer investment in the region and the importance of pre-leasing, newly planned speculative office development on a large scale is unlikely in the near future.	After pipeline is built out and current vacancy is accounted for, incremental office growth is projected to be between 350,000 and 700,000 SF depending on how successful the City is in capturing regional growth.
Endemic employment growth is not anticipated to generate the jobs needed to support significant new office development once the current pipeline is fully absorbed by the market.	To grow the office market, an institutional anchor, a large new employer, or a coordinated investment in Greenville's start ups is required, buttressed by a citywide growth strategy.

MARKET ANALYSIS
Innovation Economy

The burgeoning innovation economy is at the forefront of many of today's most successful downtowns.




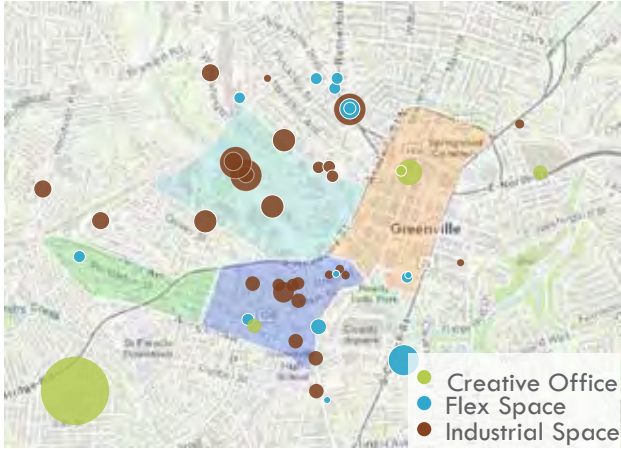


In reaction to the post-war American city of cloistered research and development facilities, innovation economies have sprung up across the country. These collaborative ecosystems connect, innovate, and create in dynamic urban environments. HR&A's analysis of Greenville's innovation economy focuses on:

- Physical space available for innovators and growing start ups;
- Engines of innovation and their anticipated trends locally and nationally;
- Support and growth resources and systems available to entrepreneurs in Greenville; and
- Applicable lessons from cities with robust innovation ecosystems that have succeeded in establishing an innovation pipeline that is driving the local office market.

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Greenville Downtown Market Analysis | 60

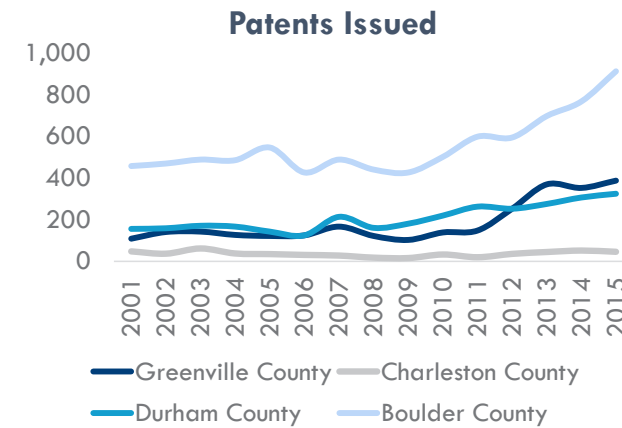
Creative space Downtown and around Unity Park offers opportunities for new companies to grow, but vacant renovate-ready space is rare.

 <p>Creative Office</p> <ul style="list-style-type: none"> • Open office, loft space • 300,000 SF • 13.5% vacant (2017) 	
 <p>Flex Space</p> <ul style="list-style-type: none"> • Industrial or office space • 368,000 SF • 5% vacant (2017) 	
 <p>Industrial Space</p> <ul style="list-style-type: none"> • Warehouse or manufacturing space • 800,000 SF • 6% vacant (2017) 	

Creative office space is more accessible to new business that require low costs, flexible spaces, and prefer to be in more dynamic and collaborative spaces. The current supply of creative office space in Greenville consists of 450,000 square feet of high-quality “creative office” as well as flex office/industrial space that can easily accommodate tenants with minimal upfit. Downtown has approximately 31,000 square feet of tenant-ready creative office space, with additional space currently being developed at Judson Mill just outside of Downtown. This space could expand with renovation of traditional industrial space, of which there are 800,000 square feet, concentrated in Unity Park and in the West End. This will require preserving existing space and successful conversion of industrial space that requires willing sellers, vacant space, and limited competition from other uses.

Source: CoStar

Innovation in Greenville has been generated by major industrial and automotive investments nearby, following the city’s manufacturing legacy.



Patent Assigned Firm	2006-2015 Total
General Electric Company	1,476
Individually Owned Patent	204
Michelin Recherche Et Technique S.A.	155
Kemet Electronics Corporation	87
Cryovac, Inc.	82
Milliken & Company	59
Clemson University	51
Clemson University Research Foundation	34
Afl Telecommunications Llc	28
Pacesetter, Inc.	22

In 2015 Greenville was the most patent-productive county in South Carolina with 388 patents, ranking 108th in the country. Led by General Electric’s \$172 million turbine testing facility in 2010 and the automotive industries’ investments in the region, Greenville overtook Durham County, NC in 2012 on an annual basis, while innovation hubs like Boulder that have leveraged research universities and industry investment remain ahead. Greenville’s near doubling of patent output from 2011 to 2013 appears to have stagnated, however. While more recent data is unavailable, GE’s struggling power business and layoffs in 2017 may portend a drop to near 2011 levels, which may already be underway.

Source: USPTO

An ecosystem of incubators supports the nascent entrepreneurial community in Greenville.



Downtown Greenville is home to several institutions that foster the start-up scene and the tech capabilities of local residents. Many of these ventures touch different aspects of the innovation economy, from technology and information to light manufacturing. Together, they provide Downtown Greenville with many of the basic ingredients of a dynamic and convergent innovation ecosystem. Still, some of these ingredients could be enhanced.

- **Affordable and Accessible:** Starting a business requires the flexibility to expand and contract with changing fortunes without hassle. Downtown has a surplus of affordable office space, but does have competition from the larger, more suburban locations that offer easier access to vehicle traffic.
- **Authentic:** Innovative businesses seek out locations that have local business and a unique sense of place. Downtown Greenville has made a name for itself as one of the best downtowns in America and can appeal to entrepreneurs looking for that identity.
- **Inspiring:** Downtown's incubators and accelerators, particularly NEXT on Main, help startups and entrepreneurs follow their inspiration in Downtown.
- **Highly Collaborative:** While a connected and convergent ecosystem of innovators and their supporters is the sum of its parts, Downtown Greenville's innovation leaders are often siloed to their own projects and do not work towards a single common vision of what innovation means for Downtown and the city.

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Greenville Downtown Market Analysis | 63

Durham, NC shows how Greenville can use expertise and resources from across its economy to pursue a common vision of innovation in Downtown.

Durham, North Carolina has developed an identity around being an upstart center of tech entrepreneurialism. Durham's development of a thriving innovation ecosystem was possible through active and coordinated investment by several institutions, including:

- **American Underground:** A community-focused startup accelerator owned by a diversified local media company, American Underground has grown to encompass four locations in and around Downtown.
- **Chamber of Commerce:** The Chamber spearheaded the creation of Startup Stampede, a two month mentoring program that provides free office space in Downtown, product development support, individual coaching, branding, and web development support.
- **Private Philanthropy:** The SMOOffice Program which provides 60 days in a highly visible office space, a downtown condo, and technical support for selected applicants was originally funded through donations from Durham's businesses and foundations.

Greenville's institutions, while all active in the tech space separately, are not pursuing a coordinated objective. Durham's success is rooted in the citywide focus on becoming a startup hub, bringing together the resources of disparate groups. Greenville must articulate a vision and align its public programs, non-governmental partners, and private business leaders to engage in creating that vision like Durham has successfully done with startups.

Source: Triangle Business Journal, American Underground, Innovate Durham

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Greenville Downtown Market Analysis | 64

As Boulder, CO has grown, it can offer lessons on how to reinforce the basic building blocks of an innovation ecosystem.

Boulder is one of the most dynamic innovation economies in the United States, ranking 3rd in High Tech GDP Concentration by the Milken Institute in 2017. Boulder's success is a product of consistent commercialization of UC Boulder's basic and applied research, a rich Downtown experience, and easy access to diverse outdoor experiences.

Despite Boulder's success at generating new businesses, it has struggled in retaining home-grown talent as they move to coastal locations where they have more access to venture capital needed in the growth stage of many tech companies. Similarly, Boulder's high real estate and labor costs have pushed out companies that don't have the large manufacturing spaces and low-wage workforce for those businesses that have smaller margins. To help sustain its success in the technology space, Boulder has adopted a coordinated innovation strategy that includes:

- **Process improvement and identifying new "big ideas"** to pursue at the civic level.
- **Supporting incubation** through development of a city as incubator with a start-up in residence program via a partnership with San Francisco, along with a Civic Hub incubator.
- **Amplifying the voice of successful startups** through challenge initiatives that support competition and collaboration, marketing the city as a platform to demonstrate innovation, and setting up a catalyst fund to make small dollar investments in strategic change makers in the city.

Source: City of Boulder, Atlantic Council, Denver Post

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Greenville Downtown Market Analysis | 65

Key Findings | Innovation Economy

Key Finding	Implication
Downtown has a mix of affordable office options and a supply of industrial space that could be renovated to affordable and creative office space if market conditions allow.	Providing funds that seek to preserve affordable space or upfit space could support the future of the innovation pipeline during changing market conditions.
Most of the high-value innovation coming out of the Upstate is centralized in large private companies and is vulnerable to changes in investment made by external actors.	The City should look to bring a large employer Downtown to drive innovation potential. Improved collaboration between large and small actors and a shared vision of entrepreneurship would benefit Downtown and its innovation leaders.
Mature innovation centers like Durham and Boulder have had success generating home-grown start ups by bringing together stakeholders and continue to try to keep their growing business by connecting local innovation with national capacities.	To fully establish an innovation economy as a growth driver for Downtown, Greenville will have to be coordinated and continually invest in the basics of fostering ideas, supporting new businesses, and giving them the tools to be confident in investing in Greenville.



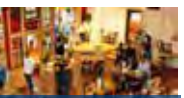
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Greenville Downtown Market Analysis | 66

MARKET ANALYSIS

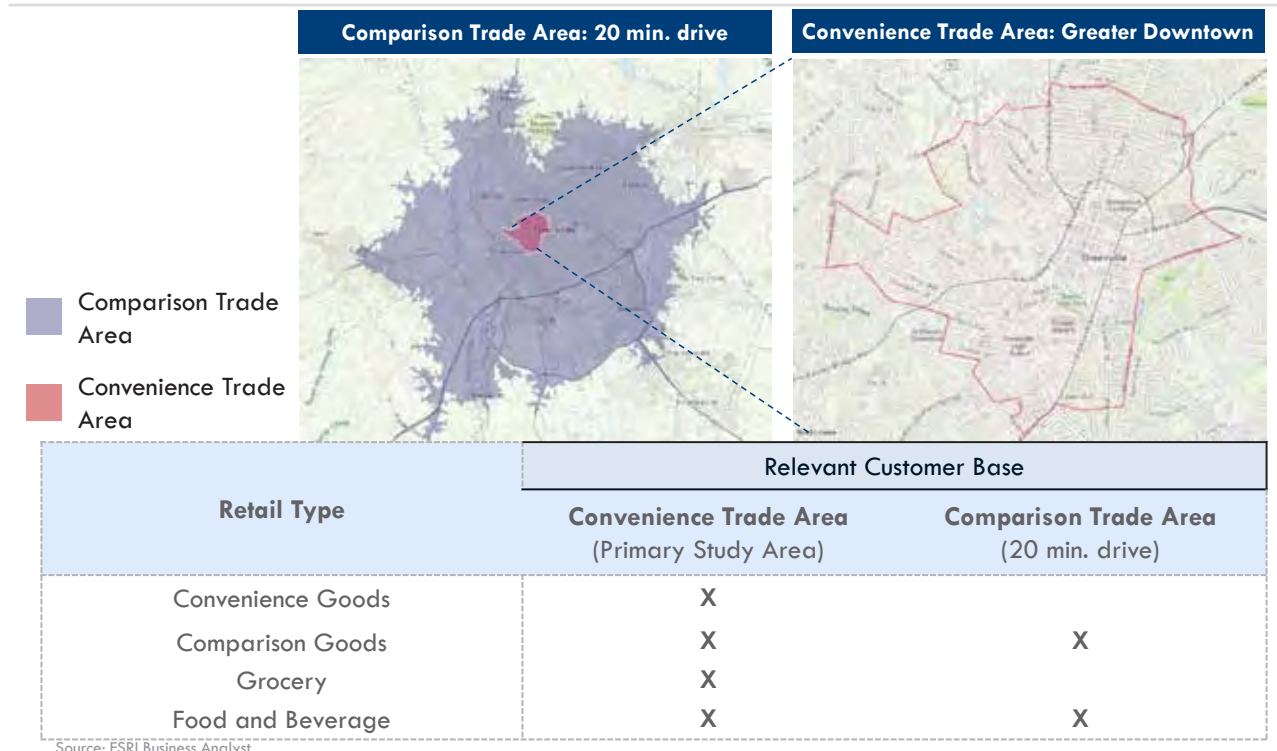
Retail

HR&A's retail analysis considers the Downtown retail status and future opportunity across several types of retail.

Convenience Retail		Comparison Retail	
			
Convenience Goods	Grocery	Comparison Goods	Food and Beverage
<ul style="list-style-type: none"> • Health and Personal Care Stores • Florists • Newspapers • Office Supplies • General Merchandise 	<ul style="list-style-type: none"> • Grocery Stores 	<ul style="list-style-type: none"> • Furniture and Appliance • Electronics • Clothing • Sporting and Hobby Goods • Books and Music 	<ul style="list-style-type: none"> • Drinking Places • Restaurants

Retail in and around Downtown Greenville can generally be divided into four broad categories, each falling into Convenience or Comparison retail. **Customers are likely to frequent Convenience retail – such as pharmacies, grocery stores, and dry cleaners – that are closest to their homes or work places.** In contrast, they are more likely to **travel further for Comparison goods**, such as destination restaurants, apparel, electronics, or furniture.

Downtown's Intermediate and Comparison Trade Areas were defined by their proximity to both pedestrians and commuters.



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Greenville Downtown Market Analysis | 69

Main Street Greenville is the signature retail destination of the City, led by eclectic shops that attract both visitors and residents.

The Downtown Core is the crown jewel of retail not only in Greenville, but also in the Upstate region. It ranks highly on some of America's best main streets lists. This success is driven by the charming urban fabric and the many local retailers and smaller retailers helped by anchor institutions like Mast General Store and more than 60 restaurants and cafés lining Main Street.

Main Street's success has been predicated on being the go-to location for both visitors and tourists, as well as the wider Greenville community. Visitors patronize the local business and come to Greenville particularly for the quality retail experience. While locals, more than 1,500 of whom live directly on Main Street, see value in being close to this valuable amenity.

The development community indicates that Main Street is bucking national trends with some of the best-performing locations of smaller regional brands. Main Street has recently also found limited success in attracting high-profile national retailers like Brooks Brothers and Anthropologie.



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Greenville Downtown Market Analysis | 70

The West End is currently both a service-oriented retail node and a specialty retail destination, anchored by Fluor Field.



As the transitional zone across the Reedy River, the West End currently lacks a retail identity like that on Main Street or the Village of West Greenville. Newer developments around Fluor Field do not have the same retail frontage and pedestrian traffic as those on Main Street as tourists have not followed Main Street past the Reedy River and so do not support West End retailers.

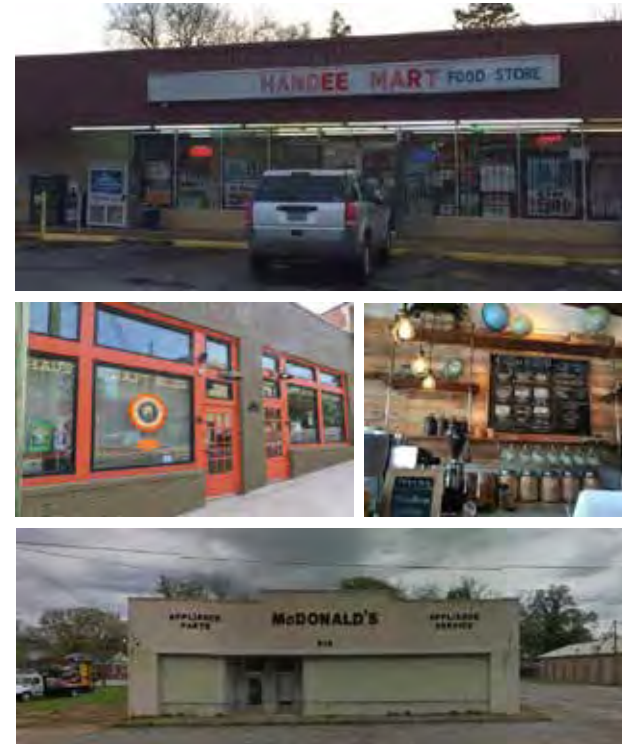
As such, most of the retail that is in the West End is services for an expanding residential community. This residential services retail is a valuable amenity to the community and continues to attract new residents in the area. The West End's close proximity to established single-family home neighborhoods generates value that brings more residents from across the Reedy and makes the West End an attractive place to call home.

Other retail in the West End is specialty, drawing on the excitement of Fluor Field. High-end event spaces like Zen and the Old Cigar Warehouse are some of the larger retail spaces in the West End, but offer little for residents to do in the immediate area.

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Greenville Downtown Market Analysis | 71

The Village of West Greenville and its historic mill town structures are becoming the City's locally-focused alternative to Main Street.



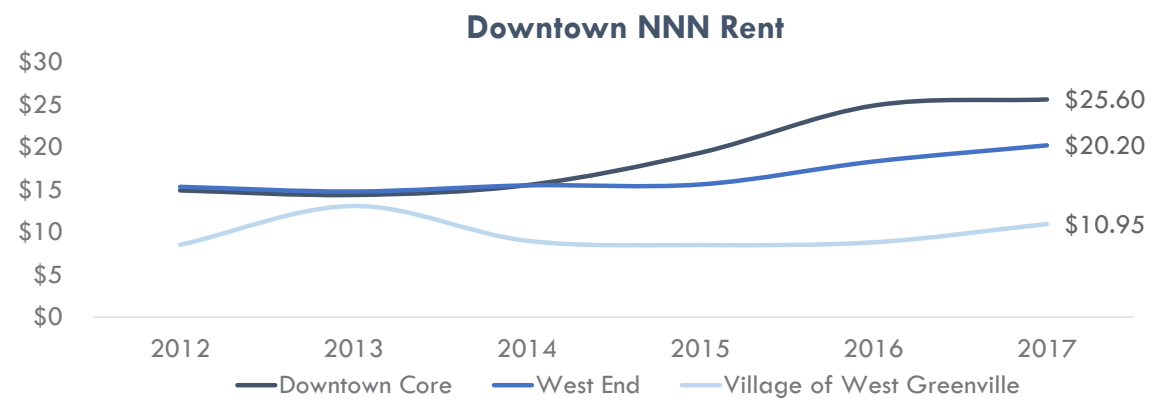
The Village of West Greenville's Pendleton Street is the newest retail destination in the city. With its focus on locally-owned and eclectic retailers, the street has become a destination for alternative owners and customers. New retailers are attracted to the historic and small-scale intimacy of the far west Pendleton Street in the traditional village core. These new coffee shops, breweries, and restaurants are layered on a retail fabric that has seen little investment in recent years. Automotive retailers and aging service-oriented retailers continue to make up the majority of the space.

Pendleton Street is already rapidly changing. Larger renovations, including the former McDonalds appliance site, will further move the focus of energy down Pendleton Street towards the West End. As the focus area of Downtown converges with new investment on the fringes, the character and nature of the retail components risk becoming homogenized. Keeping the unique character of the Village of West Greenville should be a key objective in retaining the vibrancy of this quickly evolving neighborhood.

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Greenville Downtown Market Analysis | 72

In the Downtown Core, average retail rents increased 65% from 2015 to 2017, putting additional burden on local retailers on Main Street.



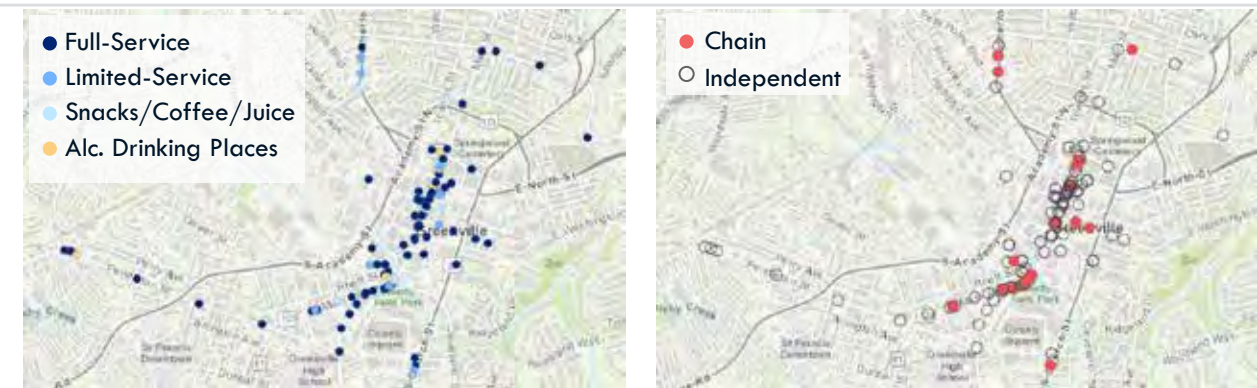
As recently as 2014 rents were stable throughout Greenville, but rents have risen quickly, particularly in the Downtown Core, where top of the market rents now reach \$32 per square foot NNN. Asking rents, however, have recently reached heights comparable or higher than Charlotte and Charleston. Asking rents for new construction are between \$35 and \$42 NNN. Rent burdens on independent and locally-owned businesses is endangering the unique blend of retail currently Downtown. While many current leases—reflected in the graph above—are locked in at lower rent rates, high asking rents may limit the type of new retail offered in the future. The West End may continue to support higher rents as residential population continues to boom, but the Village must continue to be a low-cost alternative for independent retailers as it continues to cultivate a unique retail identity.

Source: CoStar

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Greenville Downtown Market Analysis | 73

Full-service restaurants are a mainstay of Downtown’s retail scene, but new development may not be able to support independent concepts.



Downtown has more than 90 full-service restaurants largely concentrated on Main Street. There are less than 20 limited-service restaurants and a handful of bars. Downtown has successfully cultivated a unique and thriving independent food and beverage scene through repeated success of a few local chefs and attracting high profile chefs and restaurateurs from Charleston. New development has attracted more national or regional chains into Downtown. The largest concentration of chains Downtown is in the West End around the riverfront area. New developments may continue to attract chains that have higher credit-worthiness, can support higher rents, and longer lease-terms. Moreover, the labor-intensive food industry is struggling to find employees that have easy access to Downtown, with many restaurateurs expressing concern about parking. The recent rise in retail rents and higher costs of living near Downtown will continue to imperil the longevity of creative food and beverage concepts.

Source: ReferenceUSA

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Greenville Downtown Market Analysis | 74

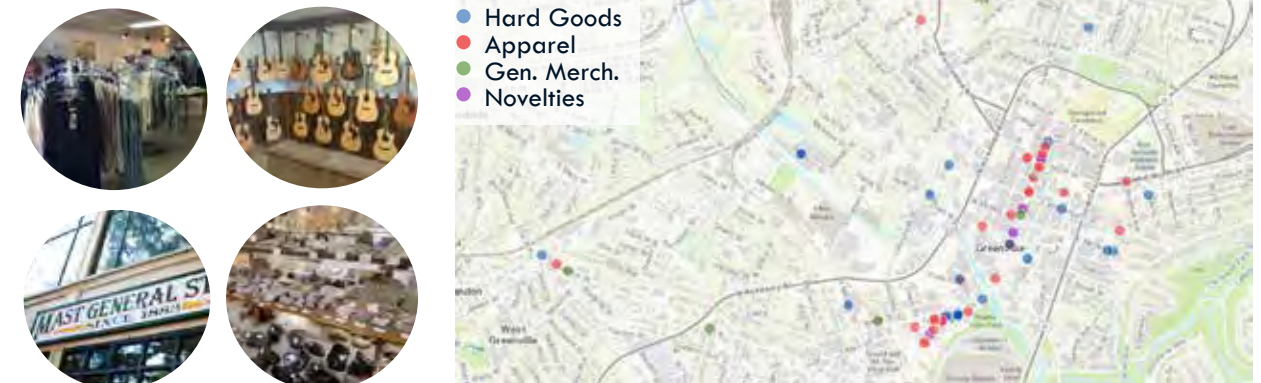
The Food and Beverage scene in Downtown is supported by two festivals, but lacks a network to produce a robust pipeline of culinary talent.



Downtown Greenville's foodie landscape gets a boost every year from two marquee events, Fall for Greenville every October and Euphoria in September. These food festivals attract tens of thousands of visitors annually and spotlight the successes of Greenville restaurants, breweries, and bars. These important and popular events could be the seeds of a fixed pipeline of talent that can generate buzz, excitement, and new innovative culinary ideas year-round.

A local food network could capitalize on built-in assets to establish a food system that takes advantage of the Upstate's agricultural resources. Durham's local food network of farmers association, food hubs, and local chefs offers one option, while Hyde Park's premier culinary institute that attracts wide ranging talent that have established a pipeline of fine-dining restaurants offers another model of this strategy. Downtown locations or test kitchens of Greenville's existing culinary education programs from Greenville Technical College and Bob Jones University may be paths to establishing a more direct pipeline and attracting top talent.

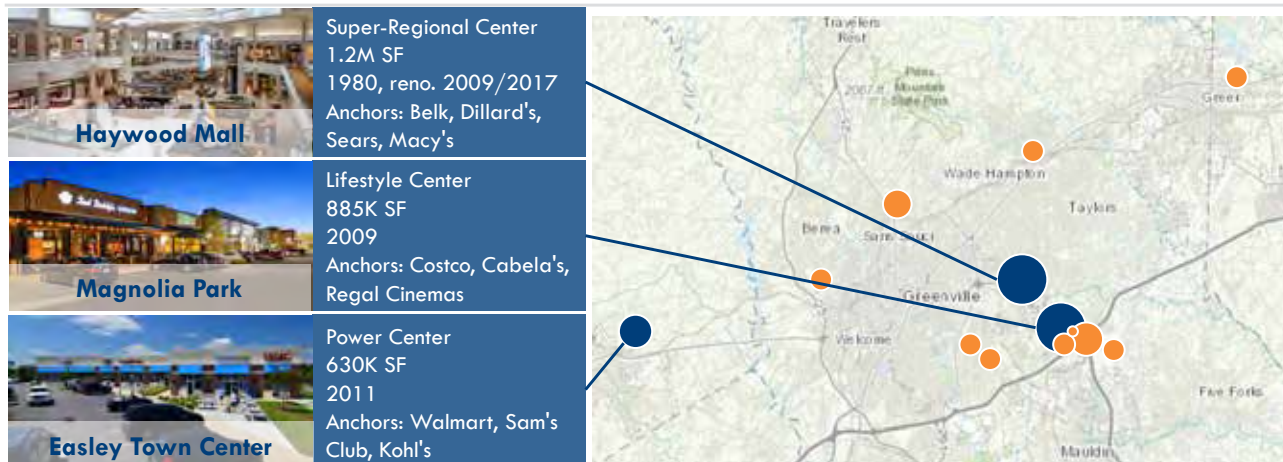
Clusters of hard and soft good retailers exist in both the Downtown Core and the West End, showing the value of retail nodes Downtown.



In addition to food and beverage, Downtown Greenville has made a name for itself with its unique and varied mix of hard and soft retailers. In the Downtown Core the area between Coffee Street and the Hyatt Regency Hotel has more than a dozen apparel retailers from boutique clothing shops and shoe stores to jewelers. The West End around the Main Street/Augusta Street intersection has developed a more diverse hard and soft goods cluster, including cookware, home goods, crafts, and menswear. National hard and soft good retailers would be a boon to Downtown; they send a message to other retailers about the health and stability of the market. Hard and soft retailers are under the same pressures as food and beverage retail throughout Downtown, including parking and access to workers. Downtown retailers have also expressed that Main Street is closed too often, inhibiting access to regular customers and driving energy toward the street and away from storefronts.

Source: ReferenceUSA

Recently developed regional shopping centers provide an alternative for Comparison shopping outside of Downtown.



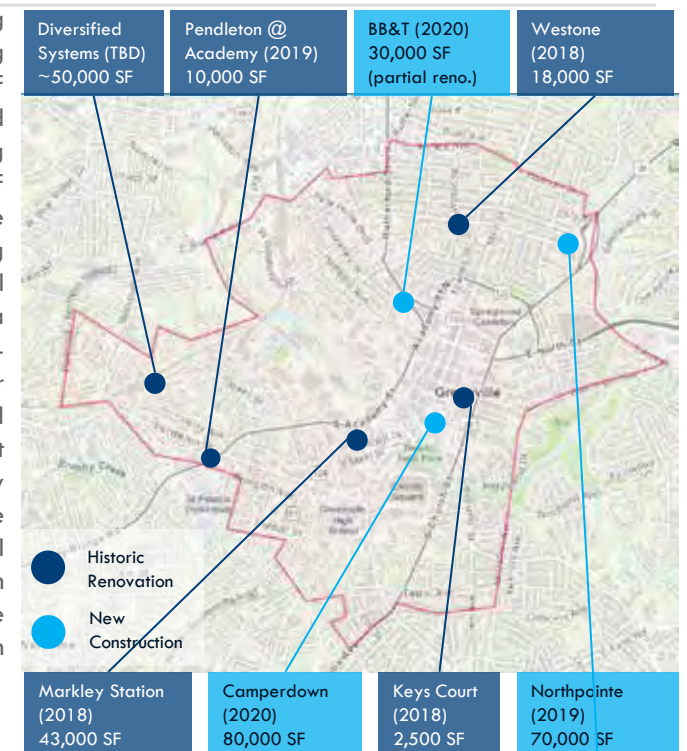
Within a 20 minute drive of Downtown there are three major commercial shopping clusters, each with a thriving comparison retail node. These include Haywood Road, Woodruff Road, and Calhoun Memorial Highway. After years of lackluster investment, Haywood Mall's renovation in 2009 and again in 2017 have helped attract more retail to the Haywood Road area. In contrast to national trends and closures of other malls in the region, the Haywood Mall has strong occupancy and remains the center for regional shopping. Newer centers, including Magnolia Park, a lifestyle center on Woodruff Road, are creating new retail opportunities near the 385/I-85 intersection. Downtown can remain and become an even more central shopping node, but suburban shopping centers will continue to play an important role in this highly car-dependent region.

Source: ESRI, Simon, Upstate Business Journal

While the majority of retail will continue to be delivered in mixed-use buildings, major dedicated retail is slated for Downtown in coming years.

Several of the new and pipeline retail projects coming online in Downtown are historic renovations, including Keys Court, the Westone, and Markley Station. Each of these developments has highly unique and curated tenant pools, including micro breweries, fine-dining options, barbers, and home goods. Greenville's pool of aging warehouse and industrial buildings could provide a cheaper alternative to Main Street while maintaining a unique aesthetic. Two of the new construction retail projects have secured or are actively pursuing a grocery tenant. The Northpoint project will bring a high-end Harris Teeter to the north end of Downtown, further extending the retail and residential energy northward from Main Street and to new development opportunities. Likewise, the BB&T redevelopment may include another grocery component, filling in the convenience retail landscape outside of the traditional Academy Street boundaries of the Downtown Core. On Main Street itself additional mixed use projects like Camperdown will likely continue the process of high rents and an increasingly chain-oriented retail field.

Source: CoStar, Upstate Business Journal, Loopnet



HR&A conducted a retail gap analysis to gauge the potential additional retail development in Downtown Greenville.

I. IDENTIFY CUSTOMER GROUPS HR&A identified the primary customer groups who will likely make up the base of retail spending in the area: Current Residents, Current Workers, Current Visitors, and nearby Future Residents, Workers, and Visitors.

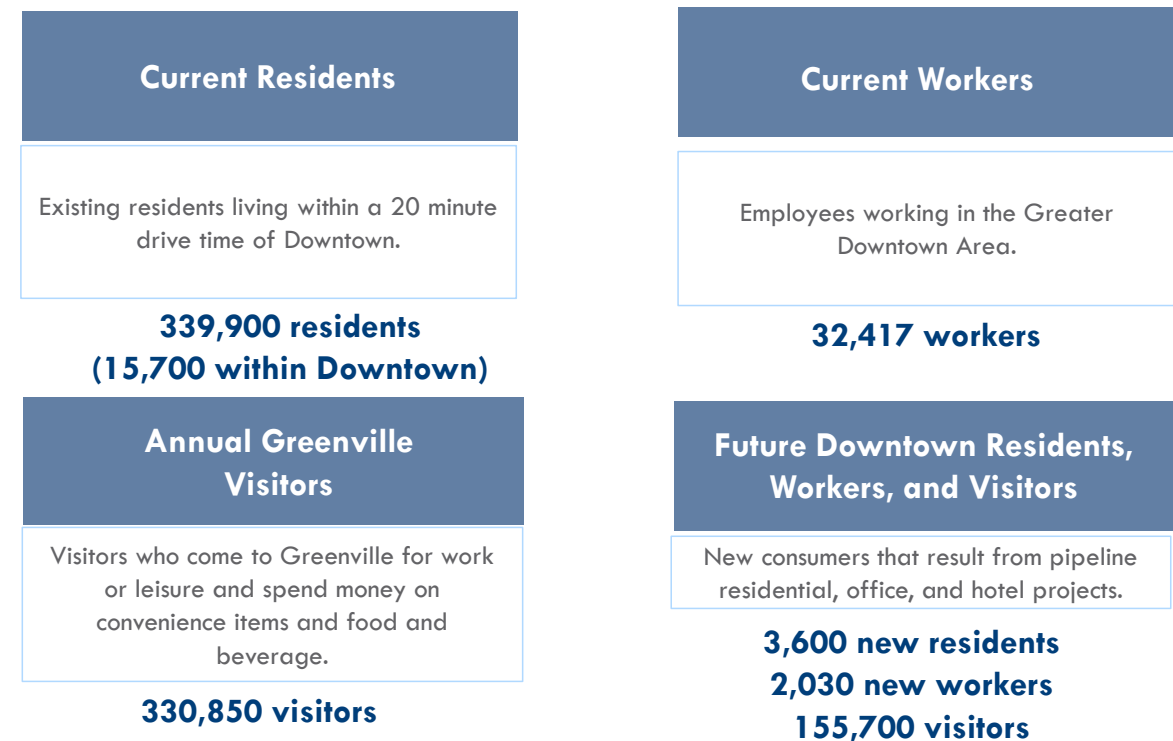
II. ESTIMATE SPENDING POTENTIAL Using multiple sources including the U.S. Census Bureau, ESRI Business Analyst, and International Council of Shopping Centers (ICSC), HR&A estimated the total spending potential of current residents, students, and employees within the Convenience Trade areas. HR&A then projected these spending patterns for new residents, employees, and visitors based on the development pipeline.

III. DETERMINE RETAIL SUPPLY HR&A determined current retail sales in the Convenience Trade Areas by retail segment, using data from ESRI Business Analyst.

IV. UNMET SPENDING POTENTIAL Based on the interplay between existing retail sales and estimated spending potential within each of the retail categories, HR&A estimated unmet spending potential for each retail category.

V. SUPPORTABLE RETAIL SQUARE FOOTAGE To estimate the amount of retail space that could feasibly be absorbed by development Downtown, HR&A leveraged metrics on retail sales per square foot to translate unmet retail spending potential into associated square footage. HR&A then applied realistic capture rates to these estimates in order to project the amount of square footage that could be supported Downtown.

Demand for potential retail Downtown will come from four primary consumer groups across the trade areas.



Despite being a center for retail, the Greater Downtown Area has \$105 million in unmet spending potential from residents, workers, and visitors.

Convenience Trade Area						
Retail Category	Current Residents Demand	Current Worker Demand	Current Visitor Demand	Future Resident, Worker, & Visitor Demand	Current Sales	Unmet Spending Potential
Convenience Retail	\$33,980,000	\$42,580,000	\$9,490,000	\$12,260,000	\$32,420,000	\$65,890,000
Comparison Retail	\$17,340,000	\$14,350,000	\$4,640,000	\$3,980,000	\$59,200,000	\$2,910,000
Grocery Stores	\$20,970,000	\$18,380,000	\$0	\$4,810,000	\$25,990,000	\$18,170,000
Food & Beverage	\$12,790,000	\$35,750,000	\$21,210,000	\$13,130,000	\$77,470,000	\$5,410,000
Total, All Retail	\$85,080,000	\$111,060,000	\$35,340,000	\$34,180,000	\$195,080,000	\$92,380,000

Comparison Trade Area			
Retail Category	Current Residents Demand	Current Sales	Unmet Spending Potential
Comparison Retail	\$526,060,000	\$1,225,820,000	\$0
Food & Beverage	\$380,450,000	\$698,280,000	\$13,810,000
Total, All Retail	\$906,510,000	\$1,924,100,000	\$13,810,000

Together, the Convenience and Comparison Trade Areas produce \$105 million in unmet retail demand, almost 62% of which is in Convenience retail categories, specifically general merchandise. When future growth is factored in there are additional opportunities for grocery and food and beverage. Regional residents in the Comparison Trade Area generate \$13.8 million in unmet Food and Beverage demand, entirely made up of alcoholic drinking places, indicating there is additional demand for Downtown to enhance and expand its nightlife options to be the designated destination for the Upstate's diverse residents.

Source: ESRI

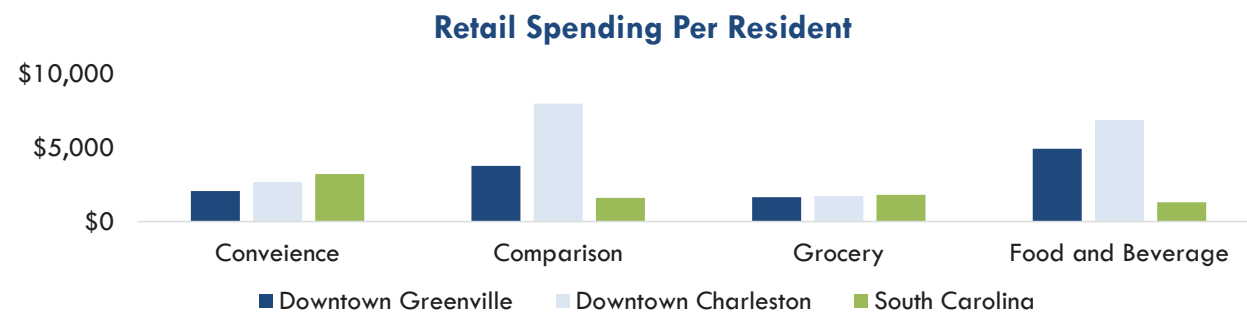
Using industry sales per square foot standards, the unmet spending demand will be entirely absorbed by pipeline retail development.

Retail Category	Supportable SF	Pipeline SF	Add'l Supportable Retail SF
Convenience Retail	99,000	33,000	66,000
Comparison Retail	3,500	33,000	0
Grocery Stores	27,000	80,000	0
Food & Beverage	36,000	98,000	0
Total, All Retail	165,500	244,000	66,000

Assuming a 50%-75% capture rate on retail demand and industry sales per square foot standards, HR&A estimated the supportable square feet of new retail development. Additionally, HR&A assumed that the 244,000 square feet of pipeline development, including the major multiphase mixed-use projects and smaller retail centers, will be developed with an emphasis on food and beverage following Downtown's historical growth pattern. HR&A estimated the additional opportunities for additional retail categories after the pipeline has been built out. With a growing residential population, convenience retail is the only category that could support additional development based on the current conditions of Downtown's growth. The pipeline delivered may require a few years to fully absorb, however, and this convenience retail could help fill-in vacant retail sites if these uses can support market rents. This analysis assumes that Downtown's status as a regional and national destination remains by and large the same, but additional retail can be supported if Downtown Greenville becomes a major draw for tourists to South Carolina and the Southeast more broadly.

Source: ESRI

If it can continue to cultivate itself as a regional or national destination, Greenville may accommodate greater retail intensity.



The current scale of market potential is not the only path forward for Greenville's retail market. Downtown Charleston provides an aspirational model of the retail landscape of Greenville. Pegging the retail sales in an area to its residential population, the intensity of the retail can be compared to other areas. The state provides the baseline of latent residential spending. Spending below that of the state (as is the case with Convenience retail), indicates that additional Convenience retail could be used by residents. However, Greenville's market has expanded beyond the bounds of additional demand and is heavily dependent on tourism and its regional and budding national reputation. Downtown Charleston, a more established national destination, is able to provide almost double the intensity of comparison retail as Downtown Greenville and shows that there is additional room to develop the intensity of Food and Beverage. If Greenville continues to become a destination for visitors on the same scale—adjusted for population—as Charleston, it can accommodate an additional 132,000 SF of high quality “window-shop” Comparison retail and 60,000 SF of Food and Beverage retail.

Source: ESRI

With strong future growth, Downtown is projected to be able to support approximately 115,000 SF of retail beyond the known pipeline.

Retail Category	Total Retail Demand				Anticipated Supportable Retail Deliveries Through 2028
	Baseline Supportable SF	Destination Supportable SF	Pipeline SF	Add'l Supportable Retail SF	
Convenience Retail	99,000	0	33,000	66,000	99,000 SF
Comparison Retail	3,500	132,000	33,000	102,000	135,000 SF
Grocery Stores	27,000	0	80,000	0	27,000 SF
Food & Beverage	36,000	60,000	98,000	0	96,000 SF
Total, All Retail	165,500	192,000	244,000	168,000	357,000 SF

- **Convenience Retail:** Convenience retail offers the most easily capturable retail in the Downtown Area, as this is traditionally underserved in many downtowns. Convenience goods and services would be welcome in the increasingly residential areas in the West End and around Stone Avenue.
- **Comparison Retail:** The possibility of becoming an enhanced destination for visitors could bring much more Comparison retail and would help balance Downtown's retail offerings across the market. Comparison retailers are still unsure of the Downtown market however, and may require a signature destination store like a department store or large outdoor retailer, around which high-quality retailers can cluster.
- **Grocery:** The one major grocery store announced at Northpoint is anticipated to absorb the latent and future demand in this category. Other retail pipeline projects considering grocery may have to be repositioned as either Convenience or Comparison retail—depending on the location—to succeed.
- **Food & Beverage:** Baseline growth will support only approximately 36,000 SF of new restaurants and bars. As a greater regional and national destination, however, the estimated 98,000 SF Food and Beverage pipeline will be roughly equal.

Key Findings | Retail

Key Finding	Implication
Recent rent spikes have come as a result of new owners looking for increased returns at the expense of the quality and uniqueness of tenants that Downtown has come to expect.	High rents pose a threat to the long-term viability of Greenville's unique retail landscape. Relieving pressure on local businesses and encouraging reinvestment to boost sales should be considered.
Downtown has a varied retail landscape, but higher costs and new, high-income residents and visitors are attracting more interest from regional and national chains looking for a premier main street location.	To accommodate a well-curated mix of local business and national chains, Greenville must insulate affordable options both on and off Main Street while ensuring the high quality spaces with premier locations are available for national chains.
Downtown has a strong emphasis on full-service restaurants, with a small hard and soft goods sector in the Downtown Core and few convenience retailers. Greenville also lags behind more mature destinations for high street retail and food and beverage options.	Including pipeline, Downtown can support 99,000 SF of Convenience retail, and if Downtown can become more of a destination it could support 135,000 SF of destination retail and 96,000 SF of Food and Beverage retail. Potential grocery locations without a confirmed tenant may be better repositioned as other retail categories.

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Greenville Downtown Market Analysis | 85

MARKET ANALYSIS

Hotel

Hotels play a central role in Downtown Greenville's rebirth story and will continue to form an important role in the future.



Hyatt Regency, NOMA Square



Westin Poinsett Hotel

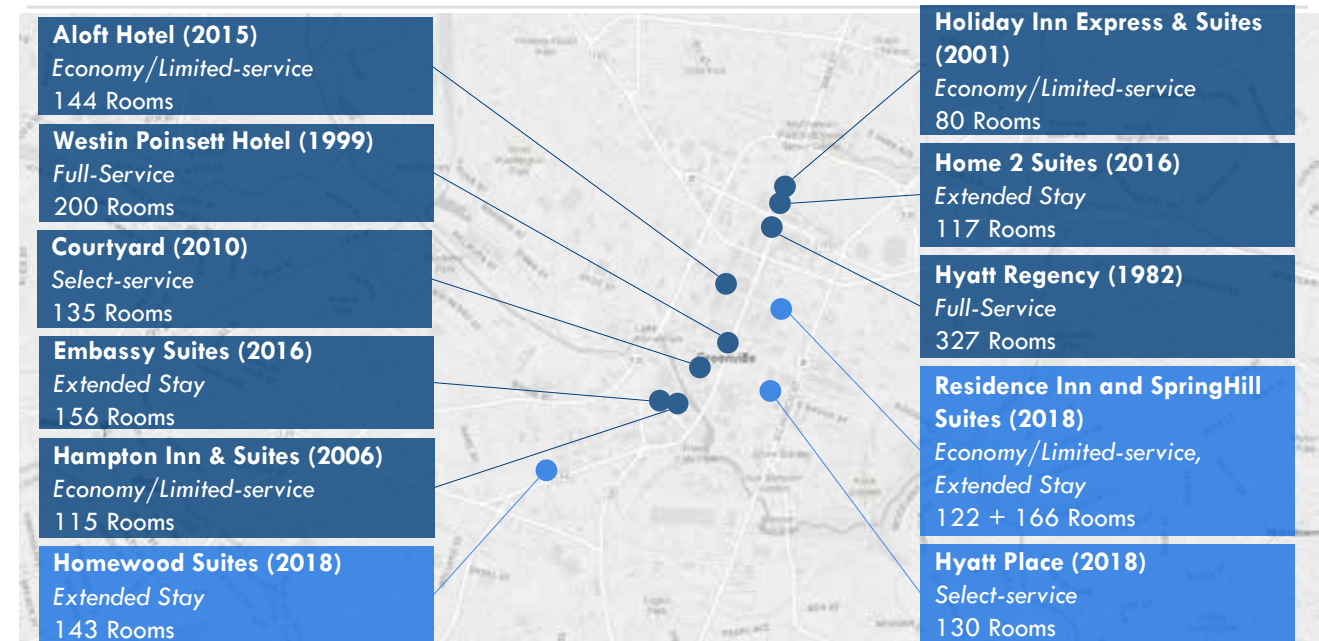
Since 1982, hotels have been at the center of development in Downtown Greenville, creating the vision for what Downtown has become today. The Hyatt Regency, built in 1982, and the Westin Poinsett Hotel, restored in 1999, were among the first reinvestments in Downtown and served as catalysts for private investment in the area. Greenville Commons, now NOMA Square, marked the first major investment along Main Street and almost forty years later it remains one of the most emblematic and most-visited public spaces in Downtown. Hotels will continue to form part of the expansion of Downtown in the future and shape its reputation as a destination for great food, shopping, art, entertainment and natural exploration.

Source: City of Greenville

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Greenville Downtown Market Analysis | 87

The Downtown Core is home to twelve hotels, most of them concentrated along Main Street.



31% of the total hotel room supply was delivered 2018; these projects are demonstrated in the lighter shade of blue and total 561 rooms, **bringing the total supply of rooms to 1,835 in 2018.**

Source: STR

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Greenville Downtown Market Analysis | 88

Economy and full-service hotels dominate the market in 2018, but pipeline projects are filling in the gaps.



Even though full-service hotels make up a large percentage of the hotel market, recent development has concentrated in hotels catering to business travelers or budget-minded visitors, as well as extended-stay patrons. Pipeline delivery will level-out the supply for the four dominating hotel types and add the first few boutique or lifestyle hotels in the Downtown, expected to offer a unique experience for visitors.

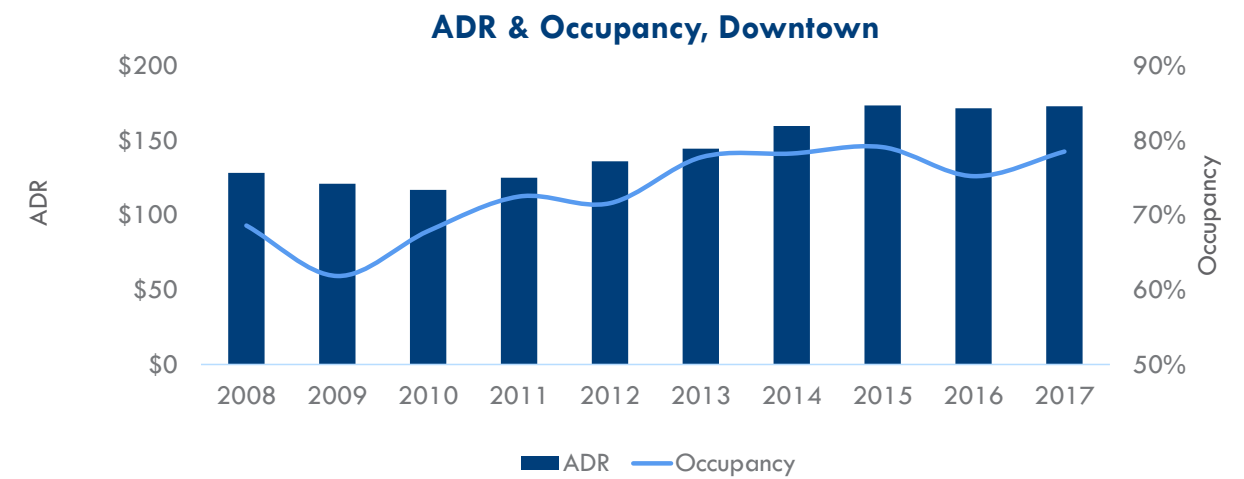
Source: STR

*Grand Bohemian in Charleston, SC pictured

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Greenville Downtown Market Analysis | 89

Average Daily Room Rates and Occupancy have been increasing steadily since 2010, despite supply growth.



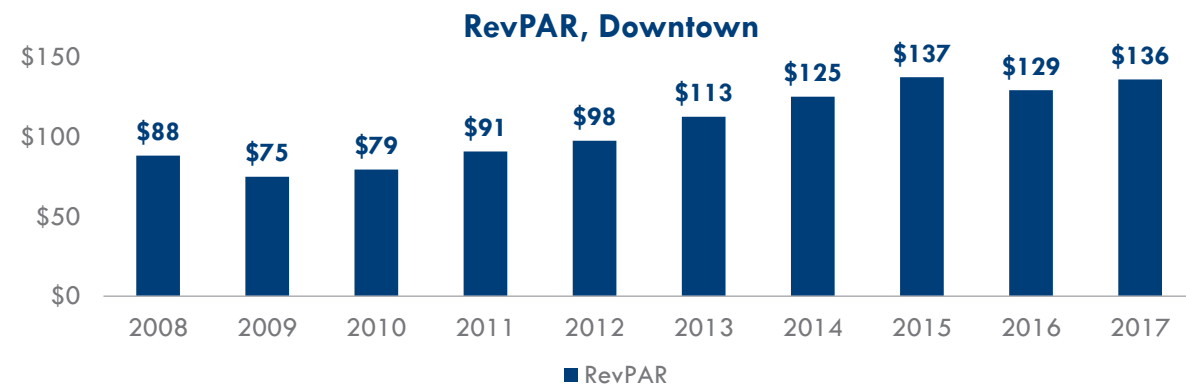
Average Daily Room Rates in Downtown have grown from \$117 in 2010 to \$173 in 2017, an increase of almost 50 percent. Occupancy rates, although less steadily, have also seen significant growth, reaching a stabilized 78 percent rate starting in 2013, with a dip in 2016 likely due to the three hotel deliveries that year. These metrics reveal a healthy hotel market in Downtown, that has managed to grow significantly due to an increasing visitor demand that has managed to match the hotel supply as it arrives.

Source: STR

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Greenville Downtown Market Analysis | 90

RevPAR has increased steadily as the hotel market has grown and healthily absorbed supply since 2009.



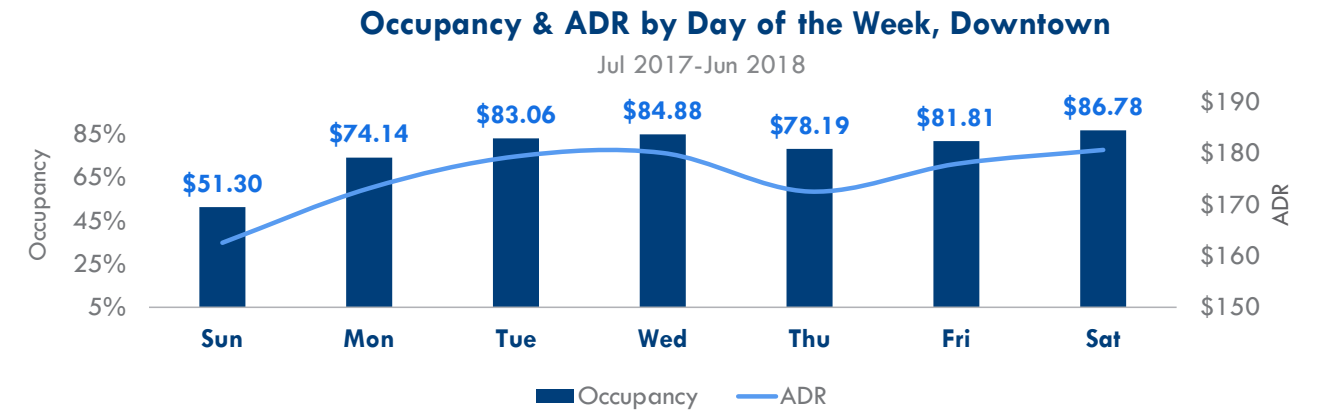
Starting in 2009, Revenue Per Available Room (RevPAR) has increased steadily, yet remaining stagnant from 2015 to 2017 at an average of \$135. The Downtown has healthily absorbed supply since 2010, even with four hotels delivered between 2010 and 2016. With three more hotels delivering almost 400 units in 2018, the market may experience lower or stagnant RevPAR. Increased competition from Airbnbs can affect hotel occupancy and RevPAR trends negatively, and hoteliers in Greenville are concerned about the possible effects. Currently, there are at least 25 Airbnb listings located in luxury residential buildings in Downtown that could present a threat to hotels. If this number continues to grow without regulations, the hotel market may experience a downturn from the competition.

Source: STR, Airbnb

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Greenville Downtown Market Analysis | 91

Weekly occupancy and ADR trends reveal that there is no dominant weekday or weekend market.



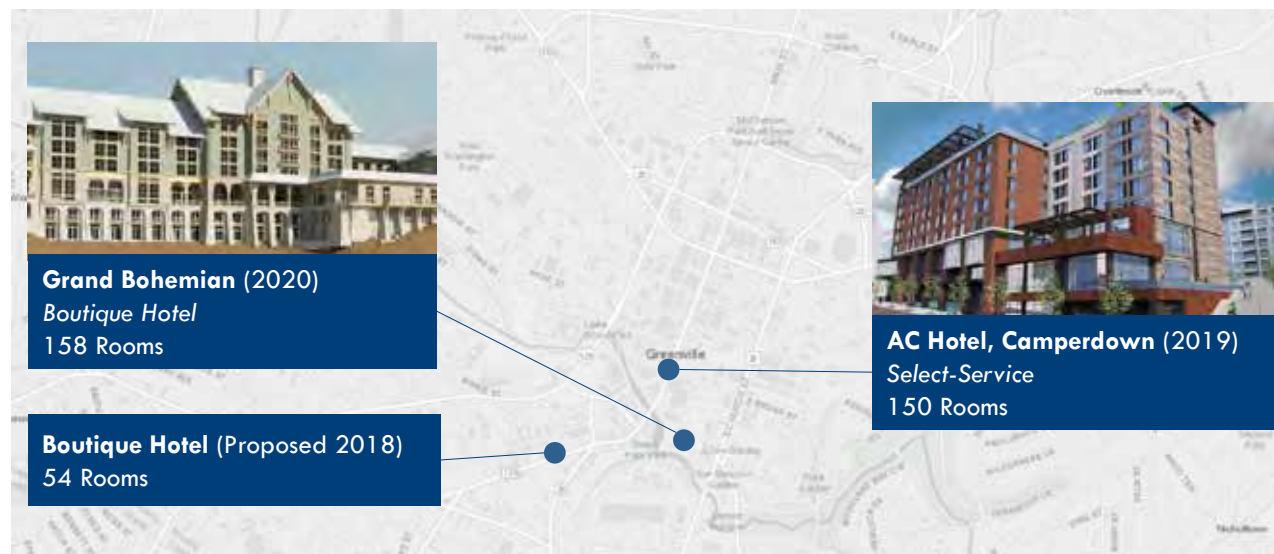
Occupancy rates in Downtown remain relatively stable throughout the week, except for dips on Sunday and Thursday, where Average Daily Rates also take a dip. Low occupancy on Thursdays may be due to business travelers returning, with occupancies picking up on Friday as visitors and tourists stay the weekend. This data reveals that neither business nor leisure travel dominates the market, as occupancy remains relatively equal for weekdays when compared to weekends. These are signs of a healthy and well-diversified hotel market with potential in growth for both weekend and weekday markets.

Source: STR, TD Convention Center

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Greenville Downtown Market Analysis | 92

Three new hotels are in the pipeline, increasing total room supply in Downtown to 2,197 rooms by 2020.



Grand Bohemian (2020)
Boutique Hotel
158 Rooms

AC Hotel, Camperdown (2019)
Select-Service
150 Rooms

Boutique Hotel (Proposed 2018)
54 Rooms

In the pipeline, hotel development continues to be concentrated in the Downtown Core and expanding to the West End, adding 362 hotel rooms by 2020. The Grand Bohemian will be situated at the border of the West End, overlooking the Reedy River, and is being achieved through a partnership with the City which is facilitating infrastructure improvements. The project will expand access to East Camperdown Way. In addition, a small boutique hotel is proposed in the West End.

Source: STR

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Greenville Downtown Market Analysis | 93

Based on historic accommodation tax revenue, almost 179,000 room-nights will be demanded in Downtown by 2028.

Total room-nights in Greater Downtown Area 2017	365,000
Total visitors in Greater Downtown Area 2017	1,100,000 visitors
Room-nights per visitor in Greater Downtown Area	1.3
Projected increase in visitors in Greater Downtown Area by 2028	137,500 visitors
Net new room-nights demanded in Greater Downtown Area by 2028	178,800

Using a 2017 baseline of 365,000 total room-nights for Downtown Greenville and assuming City visitors increase at the same pace as recent accommodation tax receipt growth, **total room-nights are expected to increase by 178,800 by 2028 in Downtown.** This is a conservative annual rate of growth of 4% compared to the growth experienced from 2008 to 2017, when hotel rooms sold increased by an annual rate of 8%, according to STR. Using this conservative growth figure helps account for changes in demand drivers from tourism outside of Greenville's control, including changes in macroeconomic conditions that may cause fluctuations in visitor growth.

Source: STR, Visit Greenville

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Greenville Downtown Market Analysis | 94

Projected room-night demand will require at least 700 hotel rooms that will be partially satisfied by the existing pipeline.

Net new room-nights in Greater Downtown Area by 2028	178,800
Room occupancy goal	70%
Net new hotel rooms needed in Greater Downtown Area by 2028	700
Pipeline comparison in Greater Downtown Area	362
Supply Gap for Hotel Rooms In Greater Downtown Area by 2028	338

The projected increase of 178,800 room-nights by 2028 will require a total increase of 700 hotel rooms to support a goal of 70% occupancy for all of these rooms each year. This is equal to roughly four to five additional hotels. However, Downtown Greenville currently has three hotels accounting for 362 rooms in its pipeline with the AC Hotel at Camperdown, Grand Bohemian, and another boutique hotel coming online in the next few years. Therefore, there may only be room for two or three opportunistic hotel developments in the later stages of the 10-year pipeline. Future deliveries should focus on filling-in supply gaps with lifestyle and boutique hotels since other hotel categories, such as extended-stay and limited-service, might be saturated.

Source: STR, Visit Greenville

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Greenville Downtown Market Analysis | 95

Key Findings | Hotel

Key Finding	Implication
Hotel development has been booming in Downtown recently with major growth in 2018, with deliveries scheduled up to 2020. The hotel market is well-balanced between weekend and weeknight occupancy and ADR.	City investments in downtown amenities and cultural offerings will continue to attract visitors to the city and support weekend occupation. Weekday visits will depend on the city's ability to attract new businesses to Downtown.
Supply for low to mid-tier hotels has increased dramatically recently, whereas investments in higher-tier hotels lull since 2000. Yet, Downtown will see its first luxury boutique hotel, planned for 2020 and catering to a younger and affluent crowd.	Recent increases in supply may lead to saturation of the market, especially for mid-tier type hotels. In the future, once the hotel market absorbs 2018-2020 deliveries, there may be an opportunity for two or three lifestyle hotels that cater to young adult and empty nester visitors.
Hotel development has been concentrated in the core for twenty years with no projects located in the western or southern neighborhoods, and a couple of projects located just at the border of the West End.	There are opportunities for future hotel development in neighborhoods outside the core, especially in the West End, as residential and office development drives growth in that neighborhood.

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