



March 28, 2024, City Council Regular Meeting

Title

16. Development Agreement with Forsyth Commons, LLC for an Underground Public Parking Structure.

Strategic Priority

Good Government

Description

Forsyth Commons, LLC is planning to build an office building on parcels to the southwest of Forsyth Park fronting Whitaker Street. The developer would build Class A offices with a number of local firms looking to stay or relocate to the downtown area. The City would issue bonds through the Savannah Economic Development Authority (SEDA) to fund a two level underground ground garage with 450 spaces. Three hundred fifty of those spaces would be allocated to the office building during business daytime hours and 100 would be allocated for public use. All of the spaces would be publicly available after business hours and on the weekend.

To assist with the expected debt service of the project, SEDA would assume ownership of the properties and use their statutory powers to collect a payment in lieu of taxes (PILOT) from the project developers. The PILOT would be used to partially fund the debt service on the garage. Initial projections show that the PILOT can be expected to cover half of the debt service on the construction bonds while parking fees received from tenants of the building and daily users would cover the remainder of the debt service expenditures. The PILOT payment would run concurrent with the term of the bonds, unless after 20 years the garage revenues are able to cover all operational and debt costs. Approval would give the City Manager authority to sign and execute the development agreement along with a letter requesting that SEDA use it's statutory powers to establish a tax increment toward the project.

Recommendation

Approval

Contact

Sean Brandon, Senior Director, Parking Services Department

Financial Impact

N/A

Review Comments

Attachments

[Exhibit 1: Request for PILOT Arrangement for the Development of a New City Parking Garage at Forsyth Park.pdf](#)

[Exhibit 2: Development Agreement - Forsyth Park Parking Garage.pdf](#)