



Expanded reach, enhanced capabilities

BUSINESS RECRUITMENT PRODUCT

BUSINESS PARKS AND SHELL BUILDINGS

GETTING THE JOB DONE

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BUSINESS PARKS LAND CONTROL/ACQUISITION

- Why public sector control versus private sector control.
 - Better ability to design to facilitate business recruitment
 - Better control over pricing
 - Better ability to deal with prospects
 - Better incentive capabilities
- Which public sector entity ?
 - Local government
 - Non-profit economic development corporation
 - For profit economic development corporation

BUSINESS PARKS LAND CONTROL/ACQUISITION

- Ways to acquire/control property
 - Cash purchase
 - Option
 - Installment sales
 - Equity participation

BUSINESS PARKS LAND CONTROL/ACQUISITION

- Sources of funding for acquisition
 - Cash balances
 - Installment financing G.S. - §160A-20
 - General obligation bonds – G.S. §159-48
 - Public private partnership/equity participation
 - Grant sources
 - Multi-jurisdictional industrial parks

BUSINESS PARKS LAND CONTROL/ACQUISITION

- Shovel ready (not necessarily certified) site is critical
- Limit internal development of business park
 - Saves money
 - Not advisable – footprints of projects is unknown
- Grant funds are proliferating
- Direct legislative appropriations
- Put first project(s) in back of site to leverage job driven grants
- Private investors
- Retain any profits from sales to roll into future product development

SHELL BUILDINGS

DEVELOPMENT/OWNERSHIP OF BUILDINGS

- Public sector entity – same as business park control/acquisition
- But even more important for shell buildings
 - Sell below fair market values
 - Lease below fair market value
 - Maintain equity interest/ownership and realize gain from rental income

SHELL BUILDINGS FUNDING SOURCES

- Same as for business parks, in general
- USDA REDLG (“Red Leg”) loans and cooperative revolving loans
 - Great source of funding (0% interest, defer payment for up to 2 years)
 - Under-utilized
 - Electric co-ops are conduit and they serve almost all counties in the state
- Strongly consider maintaining ownership, if possible, and use rental revenues to build a war chest for future projects

SHELL BUILDINGS

PUBLIC-PRIVATE PARTNERSHIP WITH PRIVATE DEVELOPER

- Number of private developers interested in this
- Typical structure
 - Land into deal from local government or EDO at no cost up front
 - Developer builds building
 - Local government or EDO covers debt service and all costs for an initial period of years (negotiable)
 - Then developer takes over debt service and costs
 - Negotiate better deals than you may be offered.

SHELL BUILDINGS GET HELP

- Wide variety of ways to structure these projects
- Get assistance from someone with experience

Thank You

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