



# GREENHEART VILLAGE

growing an adaptive community

Greenheart Village establishes a new model of urban living, initiating the rebranding of Nashville as an active, healthy, and engaged community. The 2010 Nashville flood, increasing population growth, and the growth of Nashville highlight the need for a more sustainable and intimate mode of responsible urban living. Greenheart Village utilizes adaptive infrastructure to respond to environmental, social, and economic changes, fostering an environment that encourages adaptation as people engage their local surroundings and a changing world.

## HEART OF TRANSFORMATION

Sulfur Springs Bottom, the first permanent settlement in the state of Tennessee, is located at the core of the district. Building on this trailblazing heritage, Greenheart Village leads by example to transform city life and Nashville as a whole. Here, people are introduced to adaptive ways of life and infrastructure. New buildings provide flexible spaces, freely changing to suit market demands, while landscapes change to meet environmental factors.

## ECONOMIC ADAPTATION

Open plan building typologies accommodate several programmatic conditions. During phase one of development, adaptable parking towers are constructed to offset surface parking. As the district matures over time, the garages are in-filled with residential and retail units. This enables an adaptive response to district demands and ensures a profitable investment. Greenheart Village is prepared for both current economic conditions and those of an unpredictable future.

Further, focus on the Cumberland Riverfront is crucial to maximizing the market value of the district, and enhancing quality of life. This is achieved through stepped roof-lines, preserving views, and park-space at ground level, encouraging community interaction.

## GROWING AN ADAPTIVE COMMUNITY

Adaptation of buildings, streets, and landscapes, together transform the perception of a place. Greenheart Village's dynamism is an example of healthy living in a downtown district that can act as a catalyst for future growth along the Cumberland River. This waterfront artery ties the city of Nashville together, centered on the Greenheart, the place where it all began.

## SOCIAL ADAPTATION

Greenheart Village encourages community engagement by phasing out automobile-centric streets, cultivating a more pedestrian centric community. The revitalization of the Music City Greenway to include bicyclist and pedestrians, enables Nashvillians to move throughout the district freely and sustainably while enjoying an active, social, and healthy lifestyle. As light industry recedes from downtown, the railroad line wrapping the district will be transformed into a local trolley system, connecting to metropolitan Nashville.

Greenheart Village activates the waterfront floating through a farmer's market, adapted from redundant river barges, with easy unloading of goods by boat, further enriching community engagement with the Cumberland River, one of Nashville's greatest assets.

## ENVIRONMENTAL ADAPTATION

Greenheart Park addresses stormwater runoff and flooding. Water is collected, filtered, and retained locally through buildings and hardscapes. Adaptive infrastructure creates public space, providing pleasant open space for community while addressing the dangers of flooding. On the river's edge, detention basins are constructed to act as recreational sports fields and dog parks while dry. However, when there is a heavy rain that cannot solely be supported by the off street bioswale system, these spaces fill to act as temporary detention.

## FINANCIAL PLAN

The greater Nashville region is poised to grow by leaps and bounds over the next couple of decades. Across the 10-county Cumberland Region around Nashville, the MPO forecasts close to another million people by the year 2035. In 2035, the job market for the Davidson County is expected to increase 11% from 2015.

Since the 2010 adopted form-based code for its downtown area, the City of Nashville, commonly branded "Music City," is experiencing a reinvigorating, transformative period. This code helped promote a healthy community-based approach. This code helps to integrate our Greenheart Village development with the Sulphur Dell minor league stadium as well as the revitalization of the Cumberland riverfront.

## FINANCING STRATEGY

- "Owner 1" form LLC holding company to develop parcel F,H, I1, I2, J, L K1, and K2—all these lands owned by "Owner 1"
- Subsidiary LLCs (Wholly owned by the LLC holding company) will be formed to limit risk of vicarious and contributory liability and enhance the ease of obtaining subsidies
- Market driven proposal; development will occur in 3 phases over 6 years
- Pre-approval for construction financing beating requirements of debt service coverage
- Office building on K1 purchased and operated by LLC. Building goes through retrofit to increase. Building Demolished in 2022 to accommodate for new mixed use apartment complex.
- In 2022 "Flex Space" increases office space by 130,000SF, hence garage areas will be reduced.
- In 2020, the LLC will exercise the rolling option to purchase lot M and demolish the existing condo and move the farmers market at the West side of the site to locate them on floating barges.
- High scalability in the design of our project skyline maintained an average cash flow with over 22% IRR on all our rental properties.

## SUBSIDY NARRATIVE

- City of Nashville agreed on \$5 million in partnership funding to construct the community college and culinary school
- Parcels K2, I1, I2, and F meets the renewal and renovation requirement for TIF District requirement under TCA §§ 13-20-201 – 13-20-217
- Blight and Geographic qualifications satisfied - (1) 70% of the district contains site improvement, (2) 25% of this considered floodplain zones.
- "But For" requirement is satisfied, the zone condition and limited areas due to flood plane would be mitigated with new landscape improvements. Additionally there would be net increase in market value for this site as compared to the likely development occurred otherwise.

## SOURCES OF INFORMATION:

- Development costs were obtained from 2014 RS Means Building Construction data for the City of Nashville
- Market data such as rents, cap rates, vacancy and occupancy factors for each asset type, were obtained from 2013 reports from the following sources: CBRE, CoStar, Colliers, Real Capital Analytics, City of Nashville

Financial Summary (In \$Millions)	
Total Project Cost	\$ 631,631,227
Current Site Value	\$ 53,719,310
Projected Site Value (2024)	\$ 812,889,092
Project NPV	\$ 152,018,804
Unlevered IRR	16.25%
Levered IRR	22.25%

General Assumptions	
Project Discount rate	9%
Average Exit Cap rate	8.10%
Construction loan interest rate	4.50%
Origination fee	1%
Inflation:	3%
Rentable area:	80%
Parking area:	75%

Equity and Financing Sources

