

Downtown South Raleigh, North Carolina

A ULI Advisory Services Panel Report

August 18–23, 2019



ULI Urban Land
Institute
Advisory Services

Downtown South Raleigh, North Carolina

A Revitalization and Investment Strategy
for Raleigh's Southern Gateway

A ULI Advisory Services Panel Report

August 18–23, 2019



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About the Urban Land Institute

THE URBAN LAND INSTITUTE is a global, member-driven organization comprising more than 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries.

ULI's extraordinary impact on land use decision-making is based on its members' sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2018 alone, more than 2,200 events were held in about 330 cities around the world. Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

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About ULI Advisory Services

THE GOAL OF THE ULI ADVISORY SERVICES program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies.

Since 1947, this program has assembled well over 700 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and are screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives, a day of hour-long interviews of typically 50 to 100 key community representatives, and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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In addition, thanks go to the many other organizations and individuals, including the elected officials of Raleigh and Wake County, city and county staff, and regional entities focused on urban planning, economic development, and neighborhood engagement.

Finally, the panel thanks the more than 80 residents, real estate industry members, business and community leaders, and representatives from Raleigh and Wake County who shared their perspectives, experiences, and insights with the panel throughout the week.

Contents

2

**ULI Panel and
Project Staff**

3

**Background and the
Panel's Assignment**

7

Market Context

12

Refining the Vision

14

Development Program

16

**Community Investment
Structure**

19

**Planning, Placemaking,
and Urban Design**

27

Ownership and Operations

30

Financial Strategies

36

Implementation

38

Conclusion

39

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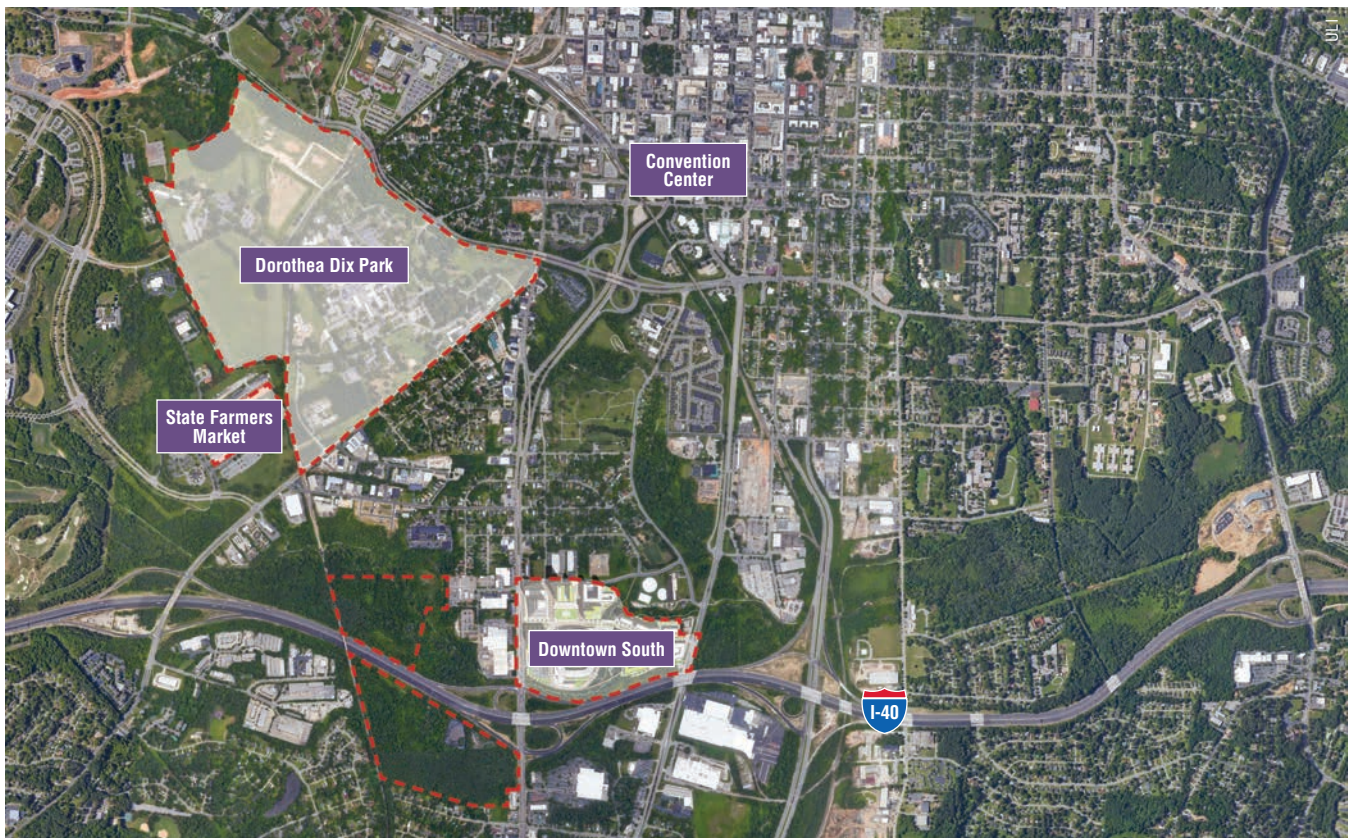
Background and the Panel's Assignment

ULI'S ADVISORY SERVICES PROGRAM was asked to assemble a team of experts to provide strategic advice on the proposed Downtown South development, located south of Raleigh's central business district (CBD). The sponsors of the panel, the North Carolina Football Club and Kane Realty Corporation, were interested in strategic advice associated with issues of planning, urban design, neighborhood impact, ownership, and finance.

The City

Raleigh is a city of 470,000, with a surrounding urban area of over 1 million people. It is the state capital and an early example in the United States of a planned city. It was chosen as the site of the state capital in 1788 and incorporated in 1792. The city was originally laid out in a grid pattern with the state capitol in Union Square at the center.

While the metropolitan region, downtown Raleigh, and peripheral nodes such as North Hills and Crabtree Valley have undergone a renaissance in recent years, large swaths of property south of downtown have seen little or no investment for decades. The city has long envisioned the creation of a southern gateway into downtown.



This map shows the proximity of the Downtown South site with the Raleigh downtown, Dorothea Dix Park, the State Farmers Market, and I-40.

In 2017, after an intense, two-year public planning process, Raleigh’s City Council unanimously adopted an ambitious plan for South Saunders and South Wilmington streets, including “major infrastructure investments that could transform Raleigh’s Gateway Corridor into a vibrant, revitalized corridor of opportunities.” The report, titled *Southern Gateway Corridor Study*, emphasized that “The plan should focus energy and investment on catalytic projects that not only create amenity and value for that specific site, but also attract investors to develop other projects within the area. These projects either prove an untapped market or create a new market for the district.”

The Downtown South Proposal

The core Downtown South project would sit on 55 acres in the northeast quadrant of the Interstate 40/South Saunders Street interchange, while another 78 acres in the southwest

and northwest corners also could be developed as part of this project. With total private investment of almost \$2 billion, the district could include as much as 1.6 million square feet of office space, about 1,200 hotel rooms, 125,000 square feet of retail, and 1,750 residential units.

A prominent natural feature that bisects the property, Walnut Creek, would become a green-space amenity for the district’s consumers and other local citizens. This walkable corridor could be developed from Downtown South westward to the State Farmers Market and northwest to the city’s 308-acre Dorothea Dix Park, the largest new urban park under development in America.

Anchoring the district would be a 20,000-seat, open-air stadium for soccer and a wide array of other sports and entertainment, including concerts, collegiate championships, and festivals. With the stadium in place, North Carolina Football Club could pursue a Major League Soccer team—but that would not be



The Raleigh skyline from the south. The urban center of the booming Raleigh-Durham region, the city has a population of 470,000. The central business district hosts retail, entertainment, educational, institutional, and office uses, including most of the office space for the North Carolina state government.

necessary for the stadium or the larger project to work. However, the stadium is considered essential as the focal point and catalyst of Downtown South.

Financing and Ownership Request to Raleigh and Wake County

To finance the proposed stadium, North Carolina Football Club and Kane Realty Corporation are asking Raleigh and Wake County officials to approve annual distributions from their local “Interlocal Funds”—hotel room and restaurant meal taxes created to support investments in travel and tourism infrastructure that, in turn, attract more visitor dollars to the city and county. The request is about \$13 million a year over 30 years to finance the stadium’s construction, maintenance, and operation. Ownership of the stadium has not been determined, but one option is a public authority.

The Assignment

The sponsors asked ULI to help determine the answers to a variety of issues regarding the Downtown South development, including the following:

- How the stadium should be financed;
- Who should own the stadium;
- How the stadium compares with other community tourism venue priorities;
- How Raleigh’s leaders can encourage the growth and revitalization the city seeks while acknowledging some citizens’ resistance to change and concerns in some quarters about the effects of urban expansion and intensification; and
- How Downtown South can best enhance a community that has long been hungry for jobs and investment but naturally wants to retain its proud heritage, respect and protect current residents, and avoid the pitfalls of gentrification.

Summary of Recommendations

The panel recommended a series of organizational and physical elements that could address the impact of the new development and provide an outline for financing the stadium and the associated infrastructure for the new development, as follows:

- **Transformational development:** The proposed development and stadium offer the citizens of Raleigh a unique opportunity to transform South Raleigh. It can transform the area into a vibrant gateway to the city and an economic investment that can provide significant benefits beyond the project property.
- **Community investment structure and communication and engagement plan:** Recognizing the existing neighborhoods and culture in South Raleigh, the engagement plan focuses on existing neighborhood needs and transparency throughout the development process.
- **Planning and design:** These features include the following:
 - Placemaking opportunities;
 - Embracing on-site natural features, particularly the Greenway;
 - Taking advantage of interim uses that can act as catalysts;
 - Wayfinding and branding suggestions;
 - Encouraging mobility and connectivity; and
 - Implementing open-space ideas and a cultural/heritage trail suggestion that connects with the larger regional systems.
- **Ownership:** An ownership structure focuses on an authority for the stadium and supporting activities that consider other sports and activities that can maintain support for the facility.

- **Finance:** Recommended financing tools include the following:
 - A comprehensive financing program that maximizes public value, addresses neighborhood impacts, monetizes private investment and enhances a public/private partnership culture;
 - A development program that includes financing not only the Downtown South development and stadium, but also broad-based housing ownership, neighborhood revitalization, mobility, and transit and connectivity to the adjacent areas; and
 - A focus on using multiple sources of funding, including private debt, owner equity, local state and federal sources for infrastructure, interlocal funds, and most important, the unique tax increment financing (TIF) opportunity in North Carolina known as *synthetic TIF* or other similar financing methods.

Key to these recommendations are two important concepts:

- The organizational structure and complex financial arrangement suggested by the ULI panel in this report require the developer and the city to approach the entire southern gateway as one initiative, of which the stadium proposal and the Downtown South mixed-use project are key components.
- Coordination of this project will require focused and intentional commitments from the city, the county, and the developer as well as neighborhood residents.

The remainder of this report expands upon these basic recommendations.



Market Context

THE FOLLOWING OVERVIEW of market conditions and economic indicators has helped inform the panel’s work and subsequent recommendations. Understanding the socioeconomic trends that affect the study area can help planners and decision-makers identify the potential and pressure for future land uses. ULI believes that successful urban planning and land use policy can best be described as public action that generates a desirable, widespread, and sustained private market reaction.

Raleigh’s Economy

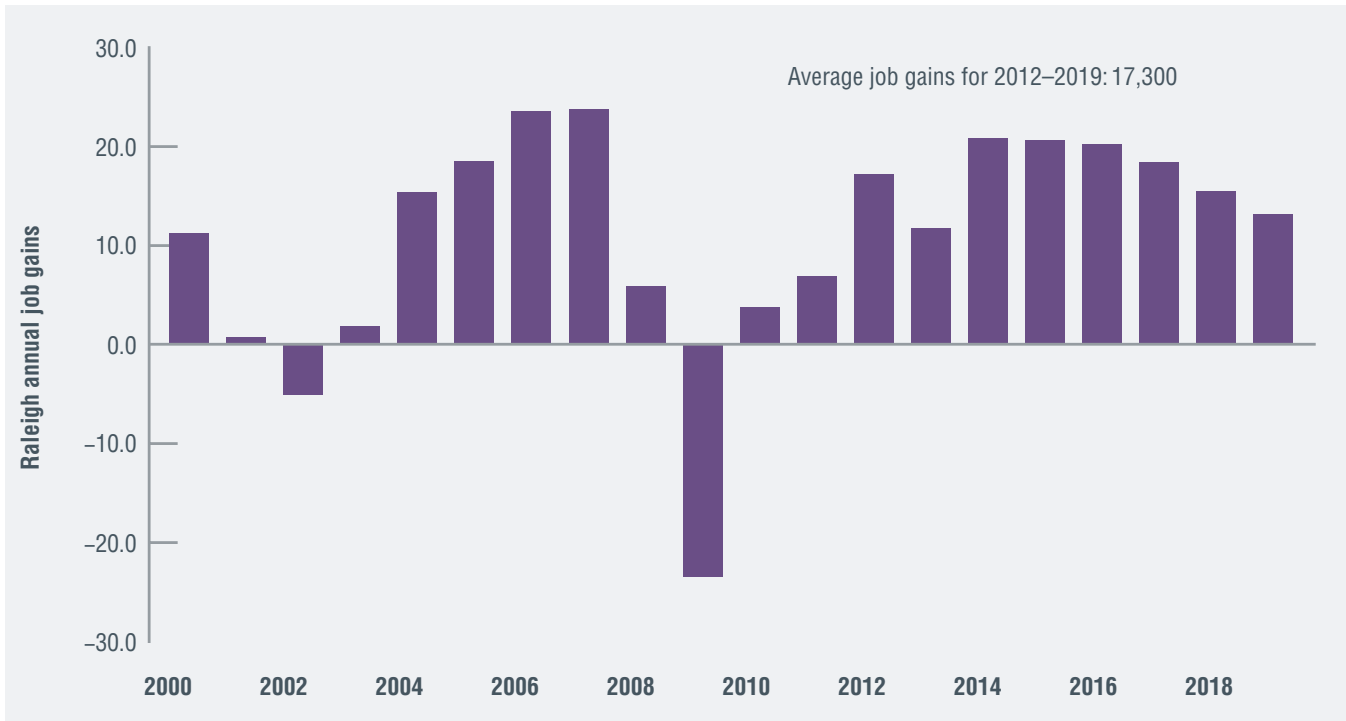
The Raleigh-Durham region currently totals more than 1.9 million people and 960,000 jobs. By far, the Raleigh side of the metro area dominates the region, with more than 1.4 million residents and 645,000 jobs currently.

Raleigh continues to consistently grow economically. Since 2010, Raleigh’s jobs are up almost 150,000 as the area continues to expand from internal and organic growth and new companies coming to the region. This increase of roughly 30 percent in the job base makes Raleigh one of the fastest-growing markets in the United States.

The job base continues to expand because of Raleigh’s regional U.S. location, its extensive list of educational institutions, a pro-business environment, affordable cost of living for residents, a high quality of life—and a very low cost of doing business that Moody’s estimates at 86 percent of the U.S. average. This combination makes Raleigh a very competitive market for companies seeking to establish and grow their business.

The strength and diversity of the region’s educational institutions should not be overlooked. They are key to positioning Raleigh as a talent hub for a diverse set of sectors, especially its backbone of technology that continues to reinforce Raleigh as a tech hub of the future.

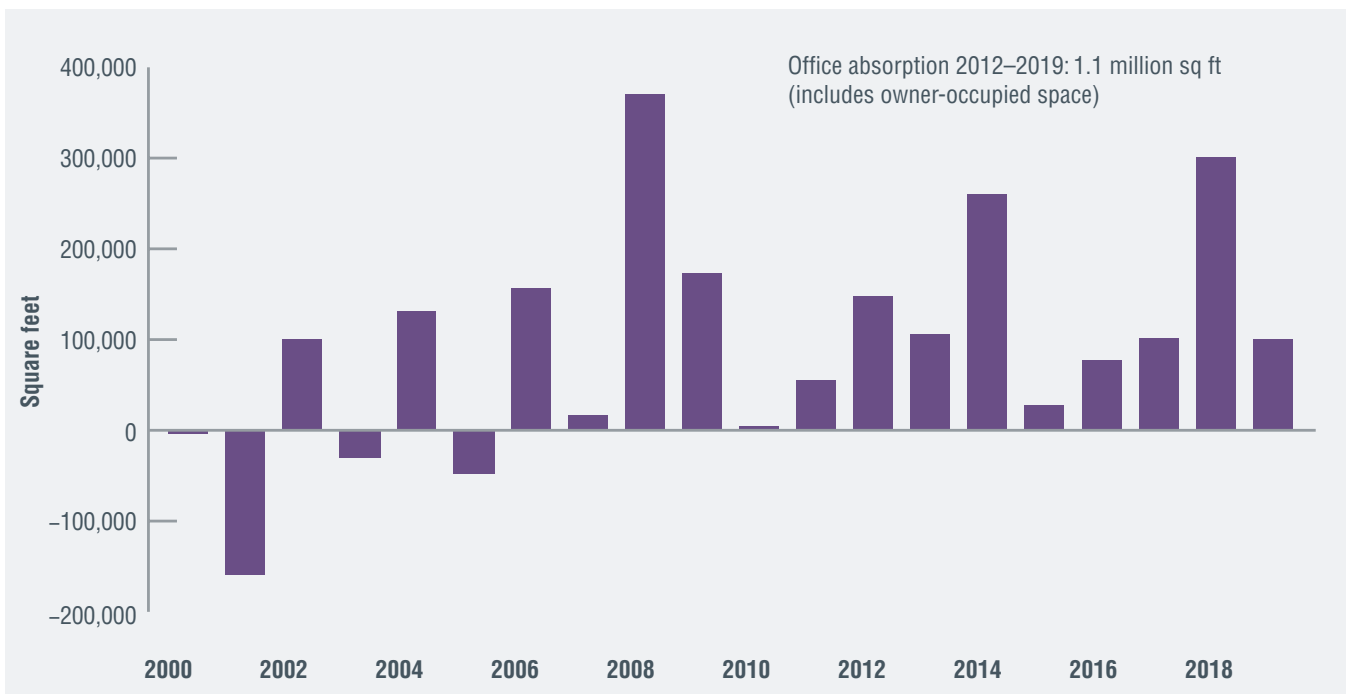
Average Job Gains



Sources: JLL and ULI.

The job base continues to expand because of Raleigh's regional U.S. location, nearby education institutions, pro-business environment, affordable cost of living for residents, and high quality of life.

Annual Absorption Rates for Raleigh Office Space



Sources: JLL and ULI.

Absorption of office space shows solid performance when compared to cities of similar size around the country.



Downtown Raleigh has seen solid, steady growth over the past 10 years.

Development Patterns

Historically development has been concentrated in a handful of suburban areas across the Triangle, with areas west of Raleigh being a focus. Research Triangle Park has anchored this western suburban area and a tech hub that many cities across the United States have tried to mirror.

In the past 10 to 15 years, active business development has regained momentum in Raleigh's CBD. Good demand exists in the downtown for office space. Since 2012, net absorption of office space in the downtown (including owner-occupied space) has totaled 1.1 million square feet, averaging 140,000 square feet annually. Peak years have seen office demand of 250,000 to 350,000 square feet. Downtown's share of overall

Raleigh office demand is roughly 12 percent, suggesting that there could be an upside for the downtown, given the right locations and product availability. Currently, downtown vacancy averages just 5.1 percent, compared with 8.6 percent for Raleigh overall (including Research Triangle Park). This is fully 2.5 percentage points lower than downtown's long-term average.

Although this level of demand may seem "light," average downtown demand since 2012 equates to 2.5 percent of the base inventory over the period. That is a solid annual share of demand compared to core office markets around the United States. It feels modest because of the relatively smaller scale of Raleigh's downtown, which totals about 7.0 million square feet (including class A and B space and owner-occupied buildings).

Major companies that have taken space or renewed their interest in the downtown cover a range of sectors from tech to financial and business services and include the likes of Red Hat, PNC (RBC acquisition in 2013), Advanced Auto, Citrix, Arch Capital, BBT, FNB, and Kimley Horn.

Combined with a well-performing convention center, downtown Raleigh's strong business environment has also created solid lodging demand. Based on the panel's information, downtown hotels total about 1,200 rooms and are operating at 77 percent occupancy at an average daily rate of \$159. This occupancy level is essentially "full" and is now a limiting factor to further room-night growth.

The downtown has also evolved into a housing location during the past several years. Since 2015, 1,800 new units have been added to the downtown and there is a 95 percent occupancy rate. An additional 1,200 dwelling units are approved and in the pipeline. By any account, downtown Raleigh has an active housing market, making it a viable live/work/play location. This is further evidenced by the proliferation of restaurants and the level of street activity after normal business hours.

Near-Term Outlook

The panel does not expect any major market shifts for Raleigh in the near future. The city will continue to grow economically because of the outlined locational and business factors.

Future development sites, however, are critical in providing an inventory of sites to "sell" the city to existing companies that want to expand and new users that are attracted to the region. Current trends reinforce demand for an urban environment for working and living.

For Raleigh, the key challenge is that the current downtown is physically constrained, with limited ability to expand north, east, and west because of historic neighborhoods and lack

of links and available land. As such, development pressures are beginning to push southward where available undeveloped land exists.

Presently, Raleigh has no formal entrance to the city from its major I-40 access point a mile from downtown. This presents Raleigh with a unique opportunity to grow southward and create an "entrance" to the downtown.

Downtown South: Impact of Location

Although this area is removed from the current urban core, its location on the interstate is unique and strategic. It gives Raleigh the rare opportunity to plan for downtown's future by creating a new mixed-use, high-density development hub.

Substantial attractions and work already exist in this area, such as its proximity to Dix Park, the established farmers market, and an extensive greenway that runs through the overall region. The scale of the opportunity zone area for Downtown South also makes development of a modern, high-density, mixed-use commercial project possible. Appropriate uses include single-tenant and multitenant corporate office space, lodging for on-site uses to complement the needs of the CBD business and visitor markets, a broad range of housing options, and related retail and amenities.

This new entry into downtown will need transit and pedestrian links in the immediate area and to the existing downtown to make the new development possible. In addition, development scale, phasing, and timing are critical in maximizing the potential of the Downtown South holding.

The office feature is particularly important because of its planned scale for Downtown South. Although office demand is consistent and strong in the downtown at 2.5 percent of the base inventory, the market's demand dynamics mean that new development must be appropriately sized for the market and the tenant needs identified for special build-to-suit opportunities. Because of this, development must proceed consistently and patiently to find the right users at the right densities.

While not a mandatory part of a commercial mixed-use program, a soccer stadium (potentially Major League Soccer at some future point) and related entertainment amenities are planned for the initial phase. This attraction can serve as a catalyst for an early stage to establish the site's identity and commercial development momentum.

In addition to the stadium, other similar attractions should be proactively considered. Among these could be an appropriately sized esports facility or stadium that capitalizes on the region's existing educational and technology strengths. For example, more than 120 gaming programs are offered in North Carolina educational institutions, with North Carolina State University's digital games initiative making it one of the top gaming design/media programs in the United States, along with local design programs offered at William Peace University and Wake Technical Community College. In addition, the panel has identified 38 gaming companies in the Triangle, such as Red Hat and Boss Key Productions, that could help catalyze this concept.

Given the scale of the project and the time required to complete, the panel also recommends a variety of interim uses to create an identity, enhance early activity, and align the property with community needs. On the local sports level, for example, the *Destination 2028 Plan* (to grow tourism in Wake County) report highlighted multiple needs for tournament fields in the region. Some interim uses could address these needs and fulfill community goals.



FINAL REPORT

Raleigh, NC | Adopted: February 7, 2017

Refining the Vision

THE RALEIGH AREA'S STEADY GROWTH has accelerated in recent years. Its population, now 1.4 million, is projected to continue to grow at a rate of 2.5 to 3 percent per year as millennials flock to this area and budding professionals graduating from its rich university community decide to make it their home.

Raleigh has a rare opportunity to manage its growth in ways that can deliver large benefits to the city and its residents through the revitalization of the area that is the focus of the of Downtown South development and the larger vision for the Southern Gateway Corridor.

Some of these benefits include creating a visible and viable southern gateway into downtown, a walkable/bikeable community, improved housing availability for all income

levels in southeast and south Raleigh, workforce development through institutional partnerships, sustainable jobs resulting from economic development spurred by anchor site development, support for both niche entrepreneurial development and small business/minority business participation in development, expanded local community amenities such as food, health institutions, art and cultural assets, and transit options that are efficient and affordable.

The development of the Southern Gateway Corridor and Downtown South would be driven by stakeholder input to refine a big vision involving the establishment of a sports and entertainment complex around the intersection of South Saunders Street and Interstate 40 and Interstate 440. This multifunction complex could host professional soccer in a facility right-sized for its audience, college and university sports, music concerts, festivals, and other large events that exceed the capacity requirements of the Red Hat amphitheater or are too small for the PNC arena.

The sports and entertainment complex would be the catalyst for measured and managed development around the complex. Specific components could be shaped by stakeholder input and include the following:

- Office/creative space—including an incubator for small businesses;
- Retail and commercial space—including restaurants, retail tailored to community and culture of place, and maker space for artists/creatives;
- Hospitality/hotels;
- Residential—mixed housing that is affordable for all (including luxury, workforce, low-income, veterans, and student housing);
- Health center and health facilities;
- Public space—internal and external sites that are gathering places and promote community cohesion;
- Enhanced Greenway that connects Downtown South to Dix Park, downtown Raleigh, the Centennial Campus, the future Cargill site; and
- Learning and education space—for workforce development and the like.

Although new development is focused on 100 acres at South Saunders and the interstates, the plans for housing, jobs, and expanded amenities most directly affect surrounding neighborhoods in the south and southeast. Kane Realty Corporation and North Carolina Football Club cited supporting “economic development of the surrounding neighborhoods” as a key goal of this project. This view was corroborated by most interviewed, who generally felt provisions were needed to ensure that residents are not displaced, and that they would benefit, not suffer, from new development. The “Community Investment Structure” section of the report addresses this issue in more detail.



Development Program

DOWNTOWN SOUTH, the Southern Gateway Corridor, and the surrounding community amenities could become a rare opportunity to create a location that allows \$1.9 billion of real estate investment. The following overview of the Downtown South development is coupled with a series of observations and recommendations that the panel believes will be useful to the developer, the city, and the community as the plan is refined.

Commercial Components

The developer anticipates 1.7 million square feet of office and creative space for the Downtown South site. The creative space could include incubator and accelerator space, shared space like WeWork, university and education creative space, and a host of other undefined spaces dedicated to employment as yet undetermined but based on the millennials flocking to the city.

The developer also anticipates hospitality space that could accommodate up to 1,200 rooms. This would of course include a conference center hotel with highly amenitized space that can accommodate high-quality conferences. This space is intended to be complementary and not competitive with the downtown convention center.

The proposal also includes up to 125,000 square feet of retail space, including locally serving retail, restaurants, and bars.

The panel recommends consideration of a small-format grocery store and a restaurant incubator project similar to the Trinity Groves project in Dallas. The panel also recommends considering an artists/cultural village. All these panel recommendations are based upon the need to redefine the “project” area to consider that larger community from Wilmington Street to the farmers market/Dorothea Dix Park. The farmers market could be the perfect synergistic mix with a restaurant incubator.

Residential Components

The developer anticipates a mixed-income community with up to 1,750 residential units consisting of market-rate units, affordable units, workforce units, and student housing. Although a phasing plan has been suggested for the development, this schedule will clearly need to be refined over time.

The panel recommends that some of the units should be focused on other cohorts, specifically housing for veterans combined with training and transitional job opportunities for veterans. The panel also recommends that the new development begin to explore a variety of newer unit types, such as villas, cottage-style and townhome/villa wraps around parking podiums. The subject of unit diversity has already begun to be explored with the condominiums in historic Caraleigh Mills and the tall, skinny “folk vernacular” homes built off Maywood Avenue. The panel believes that some portions of both the proposed Downtown South and the remaining larger development initiative suggested in the vision section of this report (that is, those potential development opportunities between Wilmington Street to the farmers market/Dorothea Dix Park) should focus on unique unit types that not only begin to brand the area but also provide for a mix of income types. In addition, the panel recommends a more in-depth evaluation of the demand for for-sale units such as townhomes and condominiums.

Finally, the panel recommends that a comprehensive revitalization program be established for the existing residential in the Caraleigh Mills neighborhood. This program could include incentives for new infill residential units, an existing homeowner retention initiative, a homeownership component, a home maintenance fund, and a jobs/workforce development feature. The extent and breadth of this comprehensive program can only be determined after the important work suggested in the “Community Investment Structure” section of this report. The funding sources for these initiatives are addressed in a later section of this report as well.

Transportation, Parking, and Circulation

A comprehensive evaluation of transportation, parking, and circulation for the entire Southern Gateway Corridor should be undertaken. The concept of a stadium with its associated event traffic will need to be thoroughly analyzed to ensure proper design. Parking deck locations and their access points onto existing streets need to ensure that traffic flow during events is optimized.

Access to future bus rapid transit in the South Wilmington Street corridor should be designed to permit robust pedestrian access to and from the Downtown South core. Considerations for car-sharing pickup and dropoff should be incorporated into the design. Alternate transportation modes such as scooters, electric bikes, and charging facilities for electric vehicles should also be built into the design. In addition, both the site and surrounding area should be evaluated for how automated vehicles or other potential future technologies could move people in and out of the area, into downtown, and to surrounding communities.

Coordination with Adjacent Development Areas

The developers of Downtown South must coordinate with neighbors and landowners in the Southern Gateway Corridor. They are encouraged to educate local developers on the realities of Opportunity Zones and work with lenders to establish a clear path to successfully use Opportunity Zone benefits and work with the city to consider special districts in the area between Martin Luther King Jr. Boulevard, I-40, Dix Park, and South Wilmington Street.

Prime sites such as E.B. Bain Water Treatment Plant and Cargill are key to the success of Downtown South. The developer should partner with the developer of the Bain Water Treatment Plant to launch that project before the first phase of Downtown South and partner with Cargill site redevelopment leadership (Friends of Southeast Raleigh, Leonard Holden, etc.) to support it as a community resource (training pitches, recreation center, or other possibilities depending on community input).



Community Investment Structure

DISPLACEMENT AND EQUITABLE DEVELOPMENT are growing national concerns. Studies have shown that diverse cities perform better over time. Indeed, a city or a county where the affluent occupy the cities and other residents live on the edges is exposed to huge negative implications for crime, health, and economic performance.

Stakeholder engagement is critical to the success of this project, with the goal being to realize a shared vision for Downtown South. This will be accomplished through stakeholder meetings, clear and comprehensive communications about the project, and stakeholder input on priorities and needs.

Planning and execution for the Downtown South site must recognize the historic context of the southside communities—their heritage, culture, neighborhoods, natural settings, and community assets. Any future must not only celebrate the richness of the community’s past, but also must proactively acknowledge and reconcile the difficulties and challenges of the past, particularly social and economic. The plan must account for and lay the foundation for providing a means to mitigate and erase historic and significant differences within the community in terms of employment, educational

opportunities and attainment, condition of infrastructure, and housing. When looking through the lens of the site, the proper vision and consequent plan must look to, address, and benefit the southside holistically.

Culture, Identity, and Interim Uses (Placemaking)

Placemaking is a critical component in making this project the best offering that it can be. In looking at placemaking, the panel considered four specific areas:

- Internal site attributes;
- Branding and identity;
- Surrounding interventions; and
- Interim uses.

The Downtown South project will be the center for residents and visitors of Raleigh who embrace an active lifestyle. They will be able to come see a soccer match, listen to their favorite musicians, take a ride on the Walnut Creek Trail, learn about the local ecology, check out the interim uses (possibilities include Zorb Balls, miniature golf with holes themed around area historical sites, and a pump track) at the fields, or visit permanent on-site amenities like indoor trampolining and iFly indoor skydiving. The fun and energy that these uses create should be represented in the branding and public features of the site.

Internal Site Attributes

The panel is recommending that the project team define a comprehensive placemaking package. This package should include permanent outdoor activations (including a variety of accessible uses such as fountains, movable play features, swings, a giant permanent slide like the 93-foot slide at the Aventura Mall in Miami, and a meditation labyrinth), and branded street features (benches, platforms, banners, trash cans, lighting).

Wayfinding features should be large scale and in keeping with the brand and offerings on the site. Large, beacon-like pieces of artwork should be placed at four or five key nodes within the site. Movement could be a part of these pieces. Kinetic sculptures are one possibility. They have been very popular in other locations because of their interactive nature and engaging visual presence.

Branding/Identity

Downtown South needs a clear and compelling brand or identity to draw crowds and sit in people's minds as an enjoyable and exciting place to visit. Effective place branding comes from a genuine sense of place and is generated from within communities. This project has to have a clear sense of place, and to do that, it must have a clear brand. But that brand must be authentic.

Downtown South should work with the existing communities in south, southeast, and southwest Raleigh to define an identity for the project. Residents and stakeholders in these neighborhoods know the roots of this area better than anyone else and can help guide a process that realizes a much more impactful outcome. By hiring a branding consultant that can engage the local community to host a public feedback

session, propose several options, and have the community decide between them, the resultant product will resonate in a powerful way with local residents and visitors alike.

Surrounding Interventions

Downtown South will embrace the natural environment and the joy and health benefits that it can bring to the residents of Raleigh. Key corridors adjacent to Downtown South should also celebrate this. Greenery will need to be present through the South Saunders Street, South Wilmington Street, and Lake Wheeler Road corridors with street trees placed regularly between sidewalk space and the roadbed to reinforce a feeling of streets as linear parks.

As discussed in the connectivity section of this report, local anchors such as Dorothea Dix Park, the greater Wake County Capital Greenway Trail System, Centennial Campus, the future Cargill site, and the redeveloped E.B. Bain Water Treatment Plant should be embraced as part of the larger area and amenities for Downtown South. Placing banners and other placemaking materials that recognize these anchors throughout the local neighborhood will help reinforce their presence as part of the greater neighborhood.

The rich history of the area and its past residents can also be celebrated on historical placards. Visibility into the past along the major connectors (South Saunders and South Wilmington streets) to the Downtown South site will help people understand where they are and will help the existing neighborhoods be a visible part of the area's future. In addition, public art that relates to the history and character of the area should be considered at the following major nodes along South Saunders and South Wilmington streets: Penmarc Drive and South Saunders Street, Prospect and South Saunders streets, and the newly introduced intersections at E.B. Bain Water Treatment Plant and South Wilmington Street and Keeter Center Drive and South Wilmington Street.

Interim Uses

Providing major interim uses on the site will be a catalytic move, drawing larger volumes of people to the site from the beginning, creating psychological comfort with traveling to the site, and helping improve the perception of the site and its offerings to the public.

A clear and communicated need exists for additional playing fields in the area. The project team should work with the local community to come up with a vision for the use of the phase two and three spaces that can fulfill the community's needs. However, other activities such as Zorb Balls, bocce courts, a construction equipment park, miniature golf (with holes themed around area historical sites), and a pump track could likely be part of a package for the remaining space and would benefit the local community, the entire project, and the city of Raleigh.

Communication and Engagement Plan

The opportunity for the development community to invest in a community and make money is unquestioned in markets like Raleigh. However, the existing community must be involved and participate in the investment being made as part of a plan. The total sum of the investment from the developer, the soccer club, the city, the county, and other public sources, and the private sector, must be focused on a comprehensive plan that includes not only a new mixed-use development and stadium but on-site and off-site infrastructure, affordable housing, minimization of displacement, and a host of other community benefits for existing citizens and property owners in the area. The ULI panel sees an effective communications plan as key to this approach.

The panel suggests a seven-step communication and engagement plan as the beginning of this process (see sidebar).

Metrics of Progress

Measurements are important to demonstrate accountability, build trust, show progress, and indicate where adjustments are needed. One approach could be partnering with local institutions of higher learning to identify metrics and monitor progress.

Examples of metrics could include measuring the percentage of increase or decrease in the following areas important to the community as a whole:

- Jobs (e.g., living-wage, full-time employment in directly affected areas);
- Housing;
- Health statistics; and
- Entrepreneurial growth.

These metrics need to be established early in the process and, as with all such undertakings, modified and refined over time.

Staffing

The panel recommends dedicated staffing to lead this communication and engagement effort, including a senior leadership team to champion the effort and one or two full-time staff members over a three- to five-year period. The staffing for this effort should be supported in some measure by the developer of the Downtown South development.



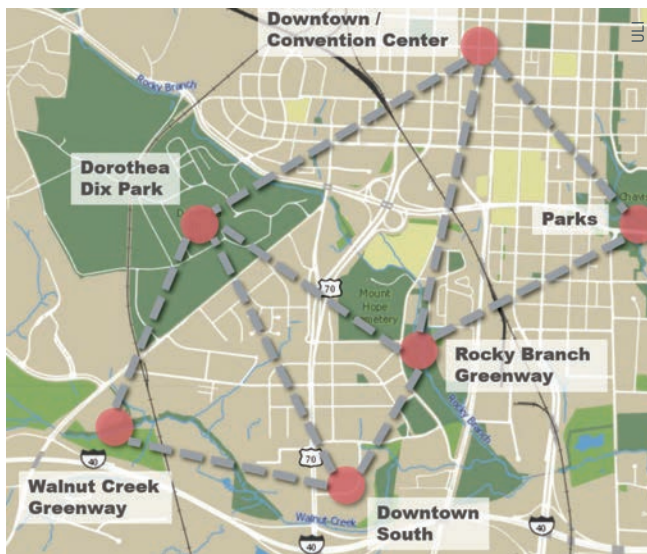
Seven-Step Communication and Engagement Plan

1. Engage the south/southeast community.
2. Identify target areas directly affected by the Downtown South project, and define the scope and goals to be achieved in the plan (e.g., minimize displacement of housing, jobs).
3. Engage stakeholders who can help, such as existing community partners like WakeTech, Shaw University, and so on.
4. Shape the communications aimed at raising awareness and understanding of the Downtown South project.
5. Begin implementation of the engagement plan.
6. Continually evaluate, perhaps through partnership with research/education stakeholders such as Shaw and North Carolina State University; make adjustments as needed; understand the important role of arts and culture, and ensure they are incorporated in the process.
7. Celebrate early wins.



Planning, Placemaking, and Urban Design

THE PLANNING AND DESIGN of the South Gateway District and Downtown South should be addressed as a comprehensive initiative for the south side of Raleigh. This planning and design approach needs to leverage the synergistic opportunities created by the proximity of the Centennial Campus, the farmers market, Dorothea Dix Park, downtown, the Walnut Creek watershed, and the rich cultural heritage of the south side.



The planning and design context for the Downtown South area consists of existing industrial uses mixed with older single-family neighborhoods surrounded and intermixed with significant greenway and open space. Surrounding uses such as Dorothea Dix Park, the convention center, downtown, parks, and greenways create a web of nodes that support and enhance each other.

Planning Context

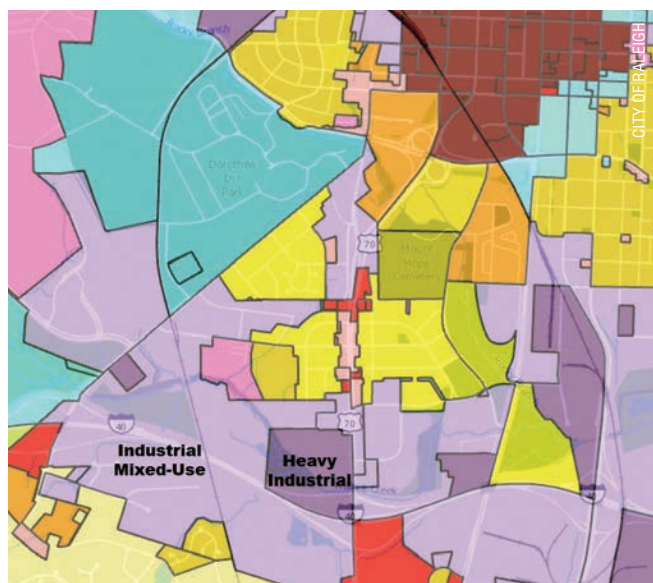
Downtown South sits roughly one mile from the heart of downtown Raleigh. Today, the journey between the two brings one past low-density warehouses, light industrial, set-back retail establishments, and vacant sites. To better connect and knit these two areas together, the primary corridors connecting them, South Saunders and South Wilmington streets, should be better positioned for revitalization and reactivation.

In addition, the Opportunity Zones for census tracts 545 and 509 include these corridors and will promote redevelopment in this area. Once a clear path for the use of this program is defined, local officials should market this tool for the area's redevelopment.

In addition, an enterprise district could be created to provide tax abatements to new, locally owned businesses that locate along these corridors. The city of Raleigh should consider a special zoning district (in the area between Martin Luther King Jr. Boulevard, I-40, Dix Park, and South Wilmington Street) along these corridors that would prescribe frontage, height, transparency, and land use in adjacent properties. Development height and flexibility should be of a much greater scale than exists today, encouraging investment and reuse.

Land Use

The three subject parcels are currently zoned as industrial mixed use and heavy industrial. However, the future land use has been proposed as the following three categories: regional mixed use, office, research and development, and public parks and open space. Along with the recent investments downtown and projected improvements in Dorothea Dix Park, this proposal signals big changes for the area. The Downtown South project fits with the vision to transform this part of town into an urban, walkable, and mixed-use district.



The current land use in the subject area is industrial. However, all over the country locations are being repurposed to meet the ever-increasing needs for living space. The proposed development envisions transforming this underused industrial area into a district for entertainment and urban living.

The Special Highway Overlay District is intended to preserve the natural and scenic beauty of the highway corridor with ample planting of trees and open space. In this area, the Greenway corridor helps advance this goal by preserving low-lying land for floodplain, trails, and natural open space. In addition, this overlay district calls for enhanced building setbacks on primary thoroughfares to preserve space for future roadway enhancements. These are critical issues that will need to be considered and negotiated in the planning and design process.

Density

Currently, the south Raleigh area primarily comprises a mix of residential neighborhoods, industrial properties, and limited commercial businesses. The density of these land uses is generally low, both in terms of lot coverage and height. The amount of open space is relatively high as compared to building area, and building heights are generally one to three stories, both of which make the area feel more open when compared to the downtown core. As south Raleigh changes over time, the panel anticipates that density will need to increase to accommodate the development necessary to accommodate the region's growth. More important, the Raleigh region is experiencing the effect of national trends where a greater percentage of the population wants to live and work in dynamic and active urban areas.

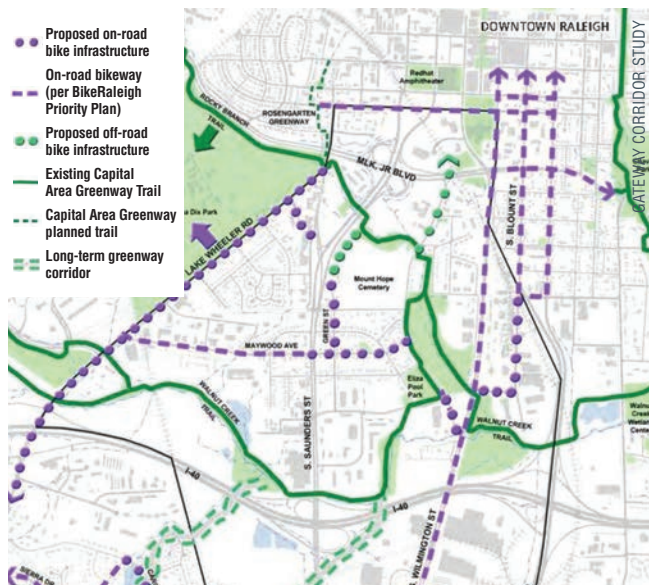
Mobility/Connectivity

Mobility in the urban environment, including street networks, pedestrian and bicycle paths, and mass transit options, is a critical element allowing people to effectively reach their destinations. Promoting strong and successful connectivity in south Raleigh will provide easy access to, through, and from key destinations such as downtown, Dix Park, and Downtown South. It will also promote diversity of choice—the ability to decrease dependence on personal cars by providing a range of enhanced mobility options.

First, modifications to the street network could help increase east-west connectivity and reestablish the street grid. Providing multiple ways and means to get from one place to another is a good way to reduce traffic and enhance response time for emergency services and first responders. The proposed development of the project site also raises questions regarding

access. Though Downtown South is situated at the major intersection of South Saunders Street and I-40, tremendous pressure will be placed on the existing infrastructure. To alleviate this pressure, several alternatives and options are being and should continue to be explored, specifically ones that will use public transit.

Enhancements to key corridors should be completed that will help realize the vision of the redevelopment of south Raleigh. With three lanes in each direction, South Saunders Street has been designed to move a high volume of cars quickly between I-40 and the downtown core. Over time, strategies to encourage mixed-use development and a variety of mobility options should be considered for this corridor. The Downtown South site and the larger South Gateway Corridor have a significant bike/pedestrian infrastructure plan providing both local and regional access to hikers, bikers, and commuters.



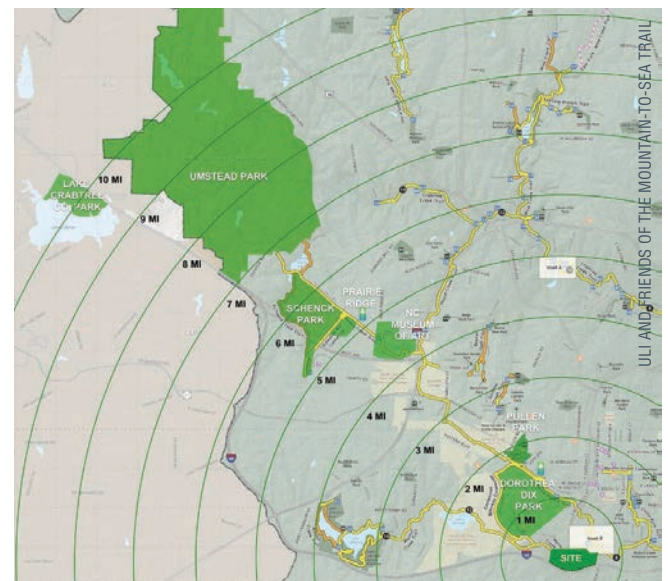
The Bike and Pedestrian Connectivity Plan from the Southern Gateway Corridor Study includes potential on- and off-road bike routes and pedestrian connections.

South Wilmington Street is set to become the primary multimodal connection between downtown Raleigh and the Downtown South development. According to the *Southern Gateway Corridor Study*, it will be a “transit-oriented, walkable, and bikeable spine that unites and defines the district.” To ensure its appeal and success as a multimodal corridor, South Wilmington will need to include effective placemaking elements.

In addition, the North Carolina Department of Transportation has developed a concept that would connect Raleigh Union Station and the city center to Downtown South. The plan would bring visitors to the site by using a combination of existing rail (repurposed CSX tracks) and self-driving, electric shuttles. All of these options should be considered, including the increased use of autonomous vehicles over time. Access, circulation, and parking on the site will be greatly affected by autonomous vehicles in the future. Reducing or eliminating parking requirements and waiting as long as possible to build expensive parking structures should be strongly considered.

Greenway Network

Wake County has an extensive greenway network, the Capital Area Greenway Trail System, a 117-mile system that passes along the southern edge of the project site. The proximity of the greenway system presents an incredible opportunity to tap into this regional asset, allowing the site to become the easternmost green space in a chain of existing public amenities that stretch northwest to William B. Umstead State Park and ultimately connect to the Mountains-to-Sea Trail.



The chain of recreational amenities stretches 10 miles from the William B. Umstead State Park to the Downtown South site. The greenway path continues both east and west, connecting downtown Raleigh with the Great Smoky Mountains and the Outer Banks.

The chain is composed of seven destinations:

1. **Downtown South**, which could be used to highlight cultural elements that exist in Raleigh.
2. **Dorothea Dix Park**, with its deep history as Hunter Plantation, Dorothea Dix Hospital, and the role Dix played in the areas of mental health rehabilitation and most recently as the home of the North Carolina Department of Health and Human Services.
3. **North Carolina Museum of Art**, the nation's largest museum park, comprising 164 acres, and the first major museum collection in the country to be formed by state legislative funding and that continues to be a model of enlightened policy with free admission and artwork spanning 5,000 years from antiquity to the present.
4. **Prairie Ridge Ecostation**, an outdoor classroom and satellite facility of the North Carolina Museum of Natural Sciences that showcases Piedmont prairie, forest, ponds, stream, and sustainable building features all in a wildlife-friendly landscape.
5. **Carl Alwin Schenck Memorial Forest**, a teaching and research forest managed by North Carolina State University that shows successional stages, includes a variety of recreational opportunities, and includes the Braham Arboretum.
6. **Lake Crabtree County Park**, a 215-acre site adjacent to Lake Crabtree that provides a wide variety of recreation amenities, including a boat dock (as well as rentable sailboats), an observation tower, and a system of hiking and biking trails. The trail that crosses the park connects the park entrance to the Black Creek Greenway—Old Reedy Creek Road intersection, near the entrance to William B. Umstead State Park.
7. **William B. Umstead State Park**, a 6,000-acre park that is the most visited park in the state with over 1 million visitors annually. Besides tent and trailer camping, biking, fishing, hiking, rock climbing, and boating, Umstead has a variety of education programs in forestry and conservation.

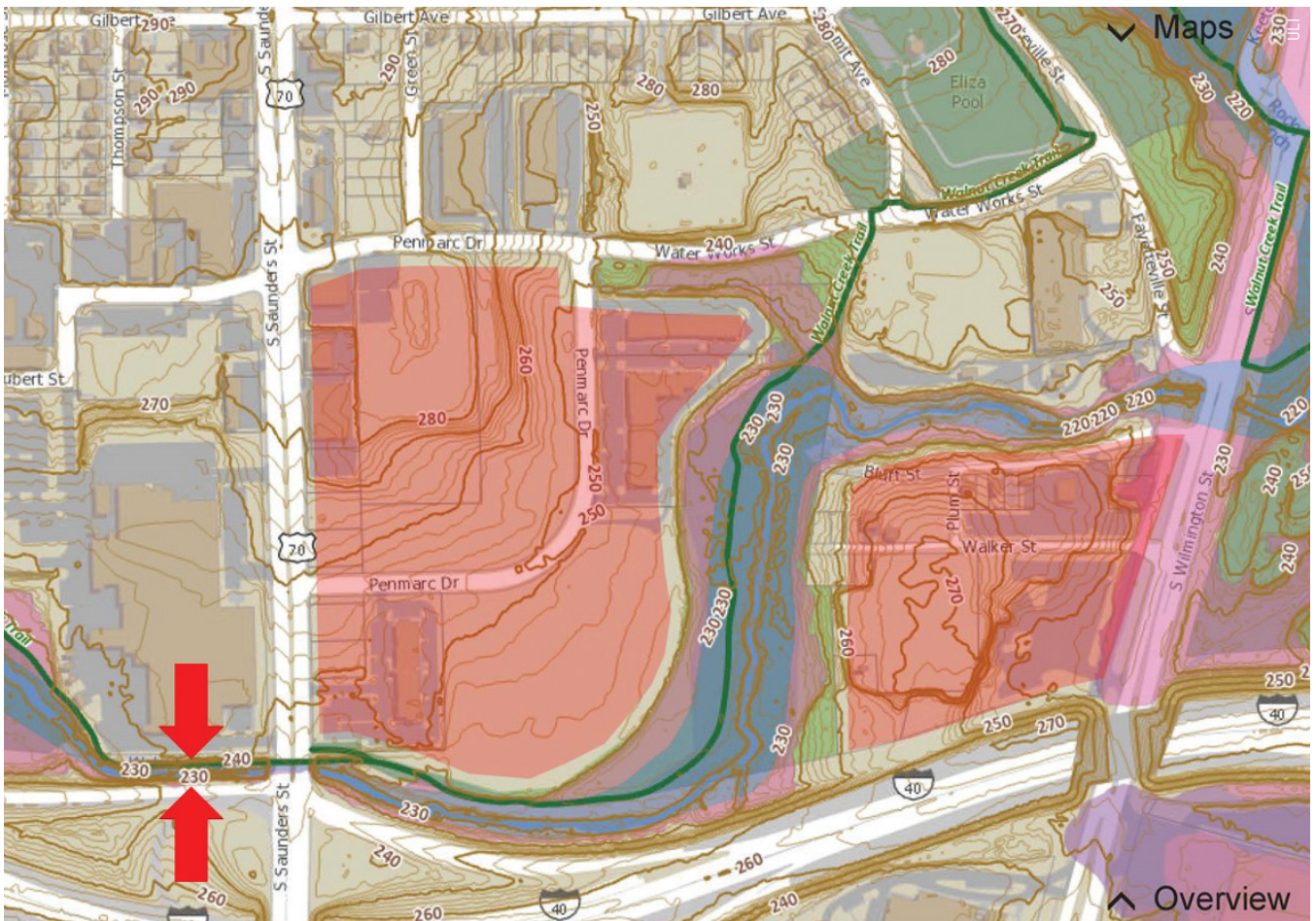
These seven destinations lie near each other and are linked by a trail system offering an unprecedented possibility to link these facilities with downtown Raleigh. With these existing connections and the recreational opportunities, historic significance, and educational capabilities that each destination presents, the potential for a cultural trail starts to become evident. With key elements mostly, if not entirely, in place, the evolution into a cultural trail could provide tremendous impact with relatively minimal effort and investment on behalf of the project team.

A cultural trail also provides significant programming and community outreach opportunities. By partnering with local groups, other parks, or the institutions that are situated along the trail, the project team could sponsor community events, educational programs, and cleanup, improvement, and restoration efforts that will engage the local community and draw new users to the site.

Local Open Space and Walnut Creek Greenway

Raleigh currently has 351 parks, which use 11 percent of the city's land. Using four important characteristics of an effective park system—access, acreage, investment, and amenities—for evaluation, the Trust for Public Land has given the city of Raleigh a Park Score of 61 of a possible 100. It was determined that 57.4 percent of residents live within a 10-minute walk of a park (with about 200,000 residents falling outside the 10-minute walk measure).

The city received its lowest score in the access category. The access score identifies physical barriers such as highways, train tracks, and rivers without bridges, giving preference to routes without barriers. The study also determined and prioritized areas of deficiency and need. Directly northwest of the project site are two areas that have been designated as high need, underscoring the importance of and need for on-site open space as it relates to the surrounding neighborhoods.



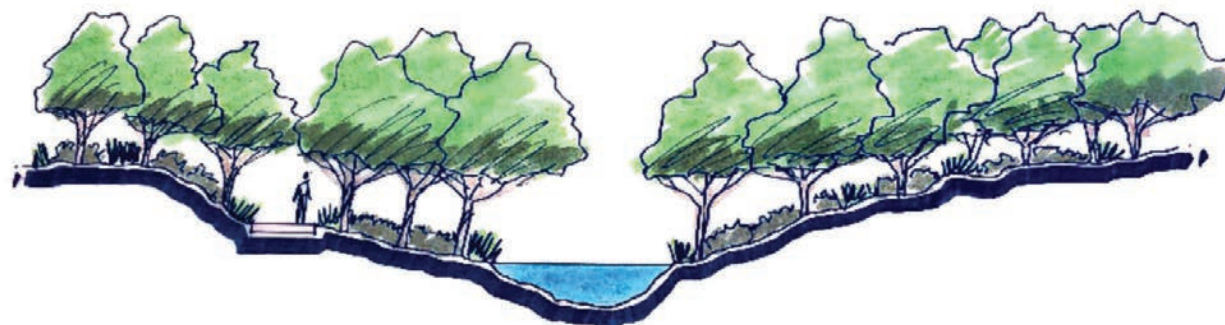
The Downtown South site includes a portion of the alignment for the Walnut Creek Trail. The site has formidable topography that results in a “pinch point” for the creek (shown with red arrows). Widening this pinch point, terracing the slopes, and improving the variety of vegetation will provide a more accessible greenway that better accommodates access while addressing extreme storm events.

Through thoughtful and strategic design and by leveraging the existing natural features present on the Downtown South property, the proposed development has the potential to fill a great need within the adjacent communities. The Downtown South project has the ability to offer the best of both worlds: an urban plaza and a greenway park, catering to a wide variety of uses and users, programming potential, and educational opportunities.

One of the most distinct elements of the development sites is the Walnut Creek Trail. This asset should be protected as a green infrastructure element that effectively

drains stormwater in the area. It should also be enhanced to offer active and passive recreational opportunities that provide a unique amenity for residents and visitors alike.

This open space provides a unique opportunity to create an urban open-space amenity that fits with the mixed-use neighborhood. The greenway through the site provides both challenges and opportunities that need to be considered as part of the design process. Widening the “pinch point,” terracing the slopes, and improving the variety of vegetation will provide a more accessible greenway that better accommodates access while addressing extreme storm events.



1 EXISTING GREENWAY SECTION VIEW

AUGUST 2019

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DOWNTOWN SOUTH RALEIGH, NORTH CAROLINA



2 ENHANCED GREENWAY SECTION VIEW

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DOWNTOWN SOUTH RALEIGH, NORTH CAROLINA

The existing cross section of Walnut Creek on the site (top) and a suggested concept for improvement (above) showing terracing and improved vegetation.

Placemaking and Branding

Building on the incredible amenities of the future stadium and Walnut Creek, Downtown South will be the regional center for residents and visitors who embrace an active lifestyle. Permanent elements will encourage activity and provide new opportunities for people to play, engage, explore, and have fun. Downtown South will have an approach to branding that announces and celebrates the locations not just in terms of the future but in reverence to the past.

Gateway Elements

The panel heard from almost all stakeholders that the Downtown South project provides a rare and exciting opportunity to create a new gateway in Raleigh. As a high-density, mixed-use,

and walkable urban environment, it will provide an iconic regional destination as well as significantly change a major entry into the city.

Using high-quality design and construction, the built form of the development itself will be a beacon that indicates to people that they have arrived at a unique place and be an intuitive signal that they have entered a dynamic urban area.

In addition, urban design elements can help reinforce the idea of this area as a gateway. These elements include cohesive streetscapes along Saunders and Wilmington streets that could provide pedestrian sidewalks, crosswalks, bike lanes, transit or autonomous vehicle shuttle lanes, street furniture, lighting, community identifiers, street trees, and special paving.



Downtown South will have an approach to branding that announces and celebrates the locations not just in terms of the future but with reverence toward the past. Public art and other design elements such as these will be included.

Cultural Amenities

It is also important that the site ensure reference to site history and area character in public space design. As suggested earlier in the “Community Investment Structure” section, the neighborhood and the larger community must be brought into this discussion. The community engagement process will help identify the larger-scale site for preservation and memorialization, such as the Methodist orphanage, Home for Children, and Caraleigh Mills. This is also an opportunity to showcase the art and culture of the area, including a history of a strong African American community. This could include placing sculpture, murals, and other art installations in the area, as well as promoting local institutions that showcase and celebrate food, drink, music, and theater.

The engagement process will also help define the comprehensive placemaking package, to include public art, outdoor activation (variety of accessible uses such as fountains, movable play features, swings, labyrinth), and branded street features (benches, platforms, trash cans, lighting).

Branding

When discussing branding, the panel means more than a name, a symbol, or a tagline. The panel believes that the Southern Gateway/Downtown South truly has to have a consistent message about where it was, where it is, and where it wants to go. Currently, it is not clear what Southern Gateway or Downtown South represents in the minds of the neighbors and citizens of Raleigh and Wake County.

Neighborhood involvement could be an important component of starting to decipher the proper course for branding. The city and the developer then need to take the results of the neighborhood involvement, create some options, and begin to test their resonance. When one or more options gain consistency, the design standards along the corridor can and should reflect that unified vision, while allowing each individual element to demonstrate its unique community offerings and character.



Two conceptual designs for the Downtown South site, both providing pedestrian access from South Wilmington Street and placing the stadium in locations that maximize open space adjacent to Walnut Creek.



Ownership and Operations

THE PANEL BELIEVES that a stadium befitting the region's growth should be located near Raleigh's downtown. The Downtown South development and the proposed stadium offer an excellent location acting as a gateway to the CBD and as an iconic symbol of Raleigh's importance in North Carolina. Such a development would be consistent with the connectivity and land use goals outlined in the *Southern Gateway Corridor Study* adopted by the city in 2017.

Raleigh has reached a population of almost 500,000, Wake County more than 1 million, and the Triangle more than 2 million—up from 2000 census figures of 291,141 for Raleigh, 627,842 for Wake County, and 1,312,478 for the Triangle. Built on the foundations of government, education, research, health care, high-tech industries, entrepreneurship, retail commerce, and collegiate and professional sports, the Triangle has consistently garnered numerous high national rankings for employment, livability, and quality of life.

As the region has grown, interest in soccer and other sports and entertainment has surged throughout Raleigh, Wake County, and the Triangle. The North Carolina Football Club fields a men's professional team, North Carolina FC, and a women's professional team, NC Courage, and is the largest youth-to-professional soccer organization in the nation, home to 14,000 players. A stadium befitting this interest should be located near downtown Raleigh.

Stadium Ownership

The panel recommends that a professional-level soccer stadium be developed as a key and catalytic element of Downtown South. The panel believes this stadium should be owned by a new, quasi-governmental sports authority composed of a rotating and term-limited board of directors selected jointly by the county supervisors and city councilmembers. In addition to a significant equity contribution from project developer Kane Realty Corporation and the team owner of North Carolina FC and the North Carolina Courage as part of a long-term, exclusive lease agreement, the sports authority should have sufficient bonding capacity to underwrite the balance of the hard and soft construction costs of the stadium. These revenue bonds would be repaid from the base rental payments due under the stadium lease, as well as the percentage rent discussed later.

As is typically the case with retail-type leases, part or all of the equity contribution to the project by the project developer and the team owner, who would be the tenants, could be in the form of tenant improvements, such as locker rooms, concession stands, press facilities, audiovisual equipment, and concert stage, whereas the sports authority would pay to construct the infrastructure, parking, and backbone of the structure.

As time goes on, the sports authority could also take over the ownership and management of other existing and proposed sports and recreation facilities in Wake County, such as the Carolina Mudcats baseball stadium, WakeMed Soccer Park, or even merge with the Centennial Authority to oversee PNC Arena as well. If this were to occur, these various sports facilities would not need to compete against each other for interlocal or other governmental funding but would share in the income from all of the related sports facilities as well as the parking and concession income generated by the various facilities.

A successful example of this form of public ownership can be found in the Harris County–Houston Sports Authority which owns and operates BBVA Stadium (soccer), Toyota Center (basketball and concerts), Minute Maid Field (baseball), NRG Stadium (American football and rodeo), George R. Brown Convention Center, Sam Houston Race Park (horse racing), the Polo Club (polo), a skate park, a bike park, and a variety of other professional and nonprofessional venues. This ensures that funding for new developments and maintenance are fairly and adequately spread around competing sports and locations within the county.

A critical decision that would need to be made early in the design process of the Downtown South soccer stadium is the scale of the facility. Although the panel heard the team owner disavow current interest in acquiring a new or transferred team affiliated with Major League Soccer, this may change over time, so the design process should take into account the potential to build a smaller, more cost-effective stadium as a first phase, with the planned ability to upgrade and upsize the seating over time as conditions warrant.

Stadium Operation

Although the stadium's primary use will be for professional soccer, it should be designed to be functional for other outdoor sports such as rugby, field hockey, American football, and lacrosse, as well as soccer on a collegiate and nonprofessional level. Additional events for which the stadium should be designed will include concerts, festivals, convention events, and track meets, allowing for year-round use. Maintaining the quality of the playing surface for the primary purpose must always be considered when scheduling alternative events.

Daily operation and programming of the stadium should be handled by the tenant, who is likely to be the professional soccer team promoting the project in some form of venture with the project developer. That said, the tenant may hire a professional manager or leasing agent to bring additional events and income to the stadium. The lease between the stadium owner and the tenant should provide for a percentage of all income, including concessions, retail sales, suite sales, on-site advertising, naming rights, and sublease income from events, to be paid to the stadium owner. During stadium construction, a permanent seat license program could be instituted as well.

The stadium is anticipated to have very limited dedicated on-site parking, but any revenue from this should also be shared with the stadium owner on a specified basis. Parking revenue from lots or garages on other tracts in the Downtown South development should be split on a fair basis between the stadium owner/tenant and the owners of said lots and garages.

The percentage split on gross income should increase the tenant's share as the volume of all proceeds goes up, thus incentivizing the tenant to program more, bigger, and higher-grossing events.



The activity possible in the common space outside the stadium as depicted by the North Carolina Football Club.

Ancillary Development and Programming

The stadium could have ancillary facilities that would be open even when no sporting event is taking place, such as sports bars, musical venues, gyms and workout facilities, yoga and Zumba classes, and cafés and restaurants. A permanent musical stage overlooking the field could be advantageous for concerts. Outdoor movies could be displayed on a large screen, which would be used during games for replays. Repeats of important games played elsewhere, as well as simulcasts of international contests, could be shown for soccer enthusiasts. Although the ticket revenue for these might be small, the food and beverage receipts from these extra events could be substantial.

Esports

Another use that has huge potential is the possibility for esports. As noted in the “Market Context” section of this report, Raleigh has many companies focused on esports. The NC State Digital Games Initiative makes this stadium a potential location to host events. Designing the stadium infrastructure for new and emerging technologies (i.e., future-proofing) could be a critical decision that could be useful in programming activities in the stadium other than soccer. The use of indoor and outdoor spaces (arcades, boxes, meeting rooms, and common space) as locations to host esports events could provide a significant payoff in the future.



Financial Strategies

THE DOWNTOWN SOUTH DISTRICT represents a gateway into the city with not only land for development and a multiuse stadium, but also exciting neighborhoods that have both historical and cultural value. The panel recommends that both new development and rehabilitation of existing neighborhoods be considered as one project and that financing be considered as one initiative.

In response to the sponsors' request to identify financing options for the Downtown South development, the panel is proposing several options that focus on uses and sources of funds. The uses (those structures, infrastructure, and amenities that constitute the development) and the sources (public and private sources of capital) can be developed and leveraged in a variety of ways that can maximize public investment, enhance private value, and address community and neighborhood impacts in a positive and beneficial way.

From the public-sector perspective, several ways exist to integrate public support with private real estate economics. Public entities will approach monetizing from the perspective of risk and public benefit, as summarized in the chart.

In addition, projects with broader and secondary benefits may justify public funding that exceeds the measurable direct fiscal benefits. Major job creators, such as economic development drivers, and tourism attractors are demonstrated to

Municipal Risk Spectrum: Funding Sources



Source: Stephen B. Friedman, ed., *Successful Public/Private Partnerships: From Principles to Practices* (Washington, DC: Urban Land Institute, 2016), 51.

have secondary economic impacts that may justify broader funding. Catalytic projects that change the environment or major remediation projects may have positive spillovers that also justify deeper and broader assistance.

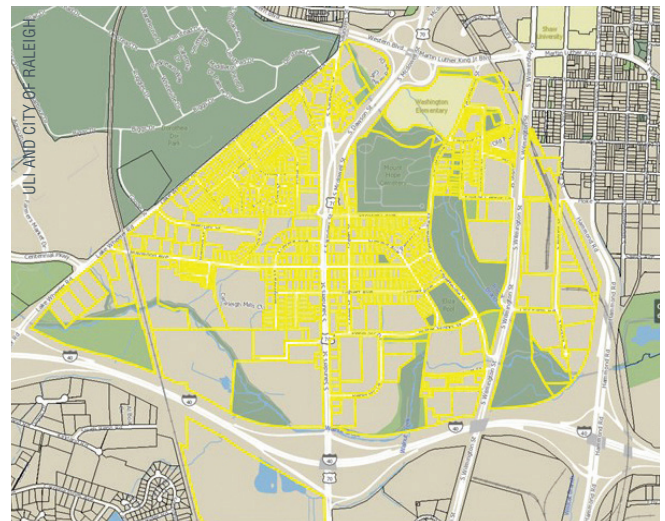
Monetizing Future Revenues from the Project Itself

In some states, interest-bearing notes may be issued to a developer as reimbursement for costs allowed under state law. The developer then borrows additional funds or provides its own funds to complete project financing. This method is low risk to the municipality but often difficult for the developer in a challenging project.

Notes may be left outstanding or may be taken out by more formal public financing when the project achieves stabilization. This financing may take the form of special revenue bonds supported only by the revenue from the project or some other defined, limited source, for example incremental taxes from throughout a district. General revenues are not pledged to this type of instrument. Bonds may also be issued that are supported by special taxes levied on a development. These may arise under special assessment legislation (typically

based on benefit) or community improvement district legislation (often based on value or interests in real estate). These are additional taxes beyond the general taxes applicable to the jurisdiction.

Bonds may also be used with broader backing, such as general sales taxes or the full faith and credit of the municipality (general obligation). In redevelopment this method can create greater risk than other mechanisms and is usually undertaken only after careful analysis and for specific purposes that provide a lasting public asset, such as land or infrastructure.



One suggested boundary for a TIF or TIF-like district could include all the properties between Dorothea Dix Park and Hammond Road. According to the city's tax information, these properties currently represent \$150 million in value. As development of Downtown South occurs, this value will increase to well over \$2 billion. The significant increment could be leveraged to generate upward of \$150 million that can be used for both Downtown South and the larger neighborhood-focused projects and needs.

Uses of Funds over 10 Years

Construction—mixed use	\$1,855,833,200
Construction—stadium	\$180,000,000
On-site infrastructure	\$30,000,000
Off-site sewer, etc.	\$1,000,000
Off-site road	\$2,000,000
On-site greenway development	\$1,500,000
Off-site greenway improvements	\$1,000,000
Other pedestrian connectivity	\$2,000,000
Youth soccer fields	\$2,000,000
Transit related	\$500,000
Incentive for infill/new development	\$5,000,000
Homeowner retention program	\$1,000,000
Homeownership program	\$4,000,000
Home maintenance fund	\$5,000,000
Engagement and communication plan	\$500,000
Jobs and workforce development	\$1,000,000
On-site programing/interim uses	\$2,500,000
Total	\$2,094,833,200

Source: ULI.

Uses

The list of uses in the table not only recognizes the developer's desire for new residential, office, retail, and recreational uses, but it also includes a proposed soccer stadium. This list includes both on-site and off-site expenses associated with neighborhood engagement, affordable housing, neighborhood preservation, and approaches to homeownership. For the purposes of this recommendation, the entire package of uses moves forward as justification for the public portion of the funding. These uses have been divided into three categories: on-site improvements associated with the private development; on- and off-site improvements and associated programs constituting citywide benefits; and off-site improvements and programs focused on neighborhood improvements and preservation.

Sources

The traditional sources of financing for real estate projects are investors' equity and bank loans. Here, investors look at the financial returns from developing the site, such as income from renting the retail and apartments, and parking fees. For the Downtown South project, the public amenity of the soccer stadium and the entertainment district defines the entire project and becomes a key factor attracting visitors and residents alike. This list of sources is divided into those associated with the larger mixed-use development and those available from the stadium and its appurtenant uses.

Sources of Funds over 10 Years

Developer equity	\$371,166,640
TIFs/synthetic TIFs	\$239,000,000
Opportunity Zones	*
City Affordable Housing Fund	\$10,000,000
Wake County Transportation Fund	\$10,474,166
New Markets Tax Credits	\$41,896,664
Brownfields Fund	\$5,237,083
Infrastructure funding from state/federal	\$41,896,664
New amusement tax	\$2,094,833
Rent from stadium	\$10,474,166
Federal/state/local park funding	\$10,474,166
Transportation enhancement funds	\$4,189,666
Parking fees for Downtown South	\$10,474,166
Interlocal	\$45,000,000
Developer debt	\$1,256,899,920
Special assessment district	\$15,000,000
Federal workforce investment	\$2,000,000
Team equity	\$20,000,000
Total	\$2,096,278,135

Source: ULI.

* See Opportunity Zones sidebar, page 34.

Intentionality

An intentional series of choices determine whether a city is going to be great or just okay. The intentional choice by the city to acquire the Dorothea Dix property largely for a park was a choice toward greatness. Seeing the potential for the Downtown South district not as a separate unrelated series of developments, but rather as one project, connected through design and financing, is a choice that challenges civic and political leaders to reimagine south Raleigh.

The Downtown South district of Raleigh represents a gateway into the city but one of unfulfilled potential. The district, surrounded on one side by the Dorothea Dix Park and on the other by a vibrant downtown and on the third by Shaw University, has acres of underused and undeveloped property. The area represents an opportunity to both build on the existing historical and cultural assets and residents and to turn the key and open the district to significant new investment. The panel believes it is critical, and its recommendations reflect this, that both the new developments and the rehabilitation of the existing neighborhood and greenways be considered as one project and that the financing be considered as a whole also.

For this development and the neighborhood revitalization to reach their potential, the financing will be multilayered. The panel is proposing several options that focus on the uses and sources of funds.

Opportunity Zones

Opportunity Zones, or O-Zones, were part of the 2017 Tax Cuts and Jobs Act.

Under the Opportunity Zone (OZ) legislation, there are three separate tax benefits. Individual and corporate investors may defer capital gains tax until 2026 if those gains are reinvested into new construction or major rehabilitation of projects in economically depressed areas via Qualified Opportunity Funds (QOFs). If held for five years, the original amount of capital gains tax due is reduced by 10 percent; if held for seven years, it is reduced by 15 percent. If the investment is held for at least 10 years, gains on the invested amount accrue tax free. At least 90 percent of the opportunity fund assets must be invested in qualified opportunity zones (QOZs).

Key to the intent of the legislation is that the zones, designated by each state governor, were designed to spur economic development and job creation in economically distressed areas.

Where OZs Stand in 2019

What has become strikingly clear is that while the potential is extraordinary, implementation remains murky. As of early August 2019, the U.S. Department of the Treasury is still formalizing rules and policies to give investors clarity and confidence. The Internal Revenue Service has released two sets of proposed regulations. The first, in October 2018, dealt principally with real estate investment. The second, in April 2019, clarified a number of issues primarily related to operating businesses. More is still to come, with the next set reportedly focusing on impact metrics.

Some of the key real estate clarifications in the second round of guidance include the following:

- The initial regulations provided a 31-month working capital safe harbor as long as the funds are to be used to acquire, construct, or substantially improve tangible property and there is a written plan of deployment—a nod to the realities of a real estate development process. The April guidance further makes an exemption that allows extension beyond 31 months if the delay is attributable to waiting for government action (such as permitting) as long as application documents have been submitted.
- Leased property qualifies as long as “substantially all” of the property is used for QOZ purposes for “substantially all” of the lease term.
- The tax benefit is linked to the duration of the taxpayer’s investment in the QOF, not the duration of the QOF’s investment in a specific asset or business. With very limited exceptions (e.g., banks, including community development financial institutions), almost anyone (individuals, corporations, trusts, and so on) can set up their own Qualified Opportunity Zone Fund, invest for their own account, and defer capital gains. Capital gains must be invested into a Qualified Opportunity Zone Fund within 180 days of gain recognition.

OZs’ Intent versus Potential

Outside of funds set up for individual projects, numerous multi-investor, multi-asset funds have been created, structured to ensure that the investors can take full advantage of the tax benefits. Capital deployment in these multi-asset funds remains spotty due to timing challenges and the availability of readily investable assets. Investments to date have primarily circled around previously vetted single-asset transactions.

Over time, we hope to see long-term investment in jobs, businesses, and assets in distressed and underserved communities that enhance the very fabric of these neighborhoods. Done well, this kind of investment will support communities already in positive transition and gives rise to great promise and a more flexible approach for under-resourced ones. The QOZ tax benefits essentially provide for a buydown in the cost of capital. This can propel transactions on the margin over the finish line and expedite good deals already in process.

Some cities and states are co-investing to spur private-sector development and business relocation; others are layering financial and/or development incentives on top as a carrot. In Mississippi, housing projects proposed in Opportunity Zones are receiving additional points on their low-income housing tax credit applications. Maryland and Ohio, among others, have instituted state tax credits for investments in QOZ projects and businesses. In many areas, both private and public-sector entities are taking the lead. For example, through Louisville Forward, the city and local economic development agency have created programs to proactively reach out to investors and highlight opportunities for development. In Fargo, North Dakota, and Erie, Pennsylvania, local private-sector business and community members have created their own Opportunity Funds to funnel capital into redevelopment of QOZ areas. In Erie, private leadership led by Erie Insurance and other businesses with capital gains have raised in excess of \$40 million for an Opportunity Zone Fund focused on local investments.

With limited guardrails, outcomes will be driven by community engagement and investors' choices within the context of OZ regulations, and investors' ability to meet the dual objectives of impact and return will require opportunities, disciplined investing, and understanding of community desires and interests.

It is important to note that the legislation, as currently written, sunsets without a provision for renewal. Unless this changes, there is a limited time period—maybe five years—to prove that Opportunity Zones produce the outcomes that communities and investors expect.

Source: HaydenTanner, "Executing on the Promise of O-Zones," *Emerging Trends in Real Estate*® 2020 (Washington, DC: PwC and the Urban Land Institute, 2019).



Implementation

IMPLEMENTATION OF THE SOUTHERN GATEWAY VISION must be a cooperative effort among the developers, the city, and the affected neighborhoods. This can be accomplished by defining a clear vision that the neighborhoods, the city, and the development community can all rally around, and by creating a robust communication and engagement strategy that not only lays out this clear vision, but also implements a chronological set of tasks that achieve the various components.

Defining Roles

Several positions need to be created to make the South Gateway plan and Downtown South project a reality. Bridging the gaps between government, community, and private sector, the panel suggests three individuals that can provide a laser-like focus on achieving the goals of the plan.

Southern Gateway Manager

The southern gateway manager is a city position tasked with coordinating the overall vision and managing the government efforts for projects in the entire south gateway area. This position would report directly to the city manager and would be equal in status to the city's economic development director and planning director. This position must have both the authority and the resources to implement the vision,

and the incumbent must also have the cooperation of the various city and county agencies that will aid and approve permits to make the vision a reality. This individual will also be the primary liaison with the other two positions mentioned below. Establishing the boundaries of and projects within the TIF district or special assessment district will be a prime role for this position.

Community Investment Manager

The community investment manager is tasked with coordinating and communicating with the adjacent neighborhoods and other community groups in south Raleigh as outlined earlier in this report. The community investment manager is also a position created by the city, and the funding for it should be provided by the Downtown South developers for a three- to five-year period. This position will be tasked with implementing the Seven-Step Communication and Engagement Plan previously described. A community engagement group, such as a citizens advisory committee, could be one method of obtaining meaningful and ongoing input from the community. This individual is tasked with coordinating and chairing this effort.

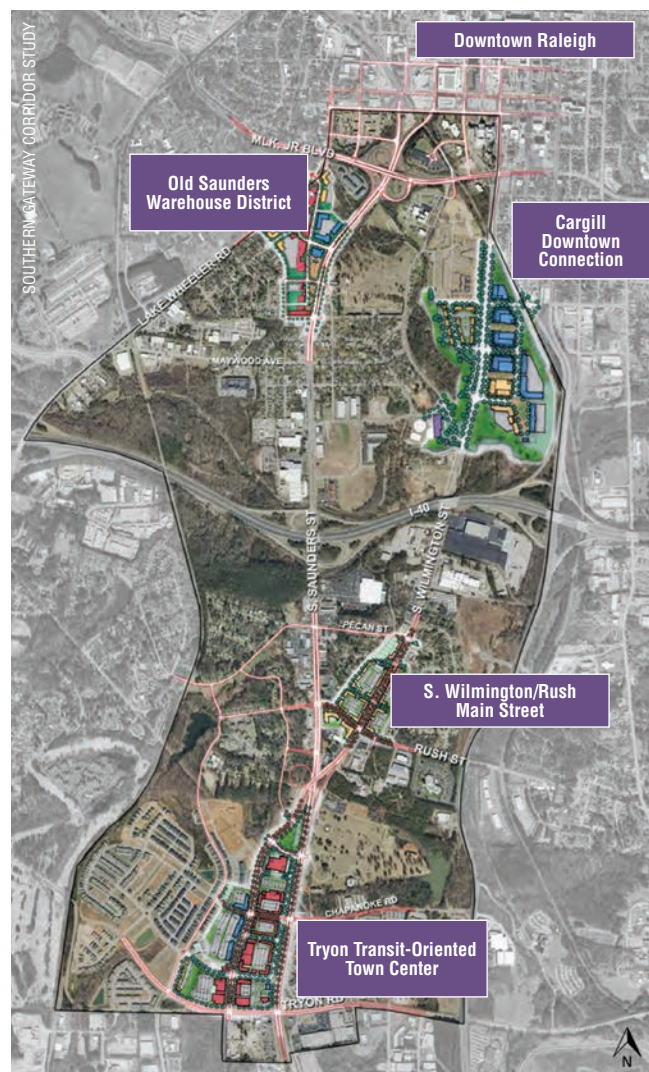
Downtown South Project Manager

The developers of the Downtown South project need to designate an individual who can act as the “go to” person on all aspects of the Downtown South development. As a partner with the other two managers described here, this position’s prime task is to represent the private-sector side of the development. Intimate knowledge of the proposal and close coordination with the south gateway manager and the community investment manager are essential.

Articulating a Clear Vision

A successful undertaking of this size requires a clearly articulated vision. This vision will be used by the three individuals holding the positions described previously to present to the community and provide the framework for the city and county to disburse interlocal funds and to create and manage the synthetic TIF district, special assessment district, or other funding methods. The vision must establish a phasing plan for Downtown South including all the collateral amenities and neighborhood revitalization projects that would happen as a part of development.

The panel suggests that after appointment of the roles outlined, a major focus should be to obtain input from the community in creating the framework for this vision.



A clearly articulated vision for the site and surrounding neighborhoods, combined with an organizational structure that can efficiently implement that vision, could make the larger concept for the Southern Gateway a reality.



Conclusion

THIS IS A RARE OPPORTUNITY to transform this area of the city into a vibrant gateway and an economic investment that will benefit all residents.

In 1959, the Raleigh region supported the concept of a world-class research park centered on the knowledge cluster of its universities. Now the nation's largest and most successful of its kind, the Research Triangle Park is a testament to innovation, entrepreneurial spirit, and leadership. It was the leadership, especially, that made the park possible.

All over the United States, real estate development projects with broader and secondary benefits may justify public funding that exceeds the measurable direct fiscal benefits. Major job creators, such as economic development drivers, and tourism attractors are demonstrated to have secondary economic impacts that may justify broader funding. Catalytic projects that change the environment or major remediation projects may have positive spillovers that also justify deeper

and broader assistance. The creation of a unified vision, the use of interlocal funds, the formation of a broad TIF or TIF-like mechanism for funding, the establishment of a broader project area that can benefit from investment and engagement and involvement from the immediate neighbors is a planning formula that can lead to success.

It is in this vein that the panel suggests that the city of Raleigh and Wake County leadership frame their approach to Downtown South. In the panel's opinion, the Downtown South project and the larger Southern Gateway corridor offer an unparalleled opportunity to improve the quality of life for the neighbors and launch a new renaissance of employment and urban living in a long-ignored quadrant of the city.

About the Panel

Leigh Ferguson

Panel Chair

New Orleans, Louisiana

Ferguson is a developer with over 35 years of experience in the real estate profession. He is an expert on downtown revitalization, affordable housing, mixed-use development, and partnerships with public and nonprofit entities. As the director of economic development for the city of New Orleans, he is responsible for facilitating downtown real estate development and investment, assisting the downtown community with issues affecting the business environment, advancing downtown planning, and attracting new business and development projects that will result in the expansion of employment, tax base, and wealth creation in downtown New Orleans.

Before his time in New Orleans, Ferguson was a senior developer at Bayer Properties where he was involved with a variety of commercial, mixed-use, and residential products in various locations around the United States. His primary duties included operating the residential and mixed-use real estate development and management division that focused on urban mixed-use community development projects in Birmingham's revitalizing Center City.

Ferguson also managed the Sloss Real Estate Group's participation as a joint venture partner in a \$100 million HOPE VI, mixed-income residential development. Before joining Sloss, Ferguson was the president of Corker Group Inc., where he managed 2 million square feet of office, commercial, and industrial properties; supervised all leasing, administrative, maintenance, and financial operations; and prepared monthly and annual business plans, budgets, and reports to ownership. From 1991 to 1999, Ferguson was president of Chattanooga Neighborhood Enterprise Inc. (CNE). At CNE, Ferguson managed lending, development, financing, and property management functions of about \$30 million annually. Previously, Ferguson was president and chairman of John Laing Homes Inc. and vice president of development for both the Van Metre Company and the Winkler Companies, all in the Washington, D.C., area.

A full member of ULI, Ferguson received ULI's O'Donnell Award in 2007 and is a member of the Urban Revitalization Council, chair for mission advancement of ULI Louisiana, and state public/private partnerships chair for ICSC. Ferguson has served on 15 national advisory panels and chaired 14 of those panels. He has served on numerous civic and nonprofit advisory boards, including the Federal Home Loan Bank of Cincinnati and the Tennessee Housing Development Agency.

Walt Bialas

Dallas, Texas

Bialas is the vice president for market research for Jones Lang LaSalle's (JLL) Dallas office. JLL is one of the world's largest professional services and investment management companies specializing in real estate. Bialas is a seasoned real estate professional with more than 25 years of creative problem-solving experience in the consulting, banking, and development industries. By virtue of a longstanding career in evaluating real estate across the United States, he has comprehensive knowledge of all major markets and property types, as well as a particular strength in quickly assessing market dynamics and their implications on project feasibility.

Before JLL, Bialas was senior market adviser at PPR/Co-Star, where his role was to enhance the research capabilities of both companies and expand the potential services available to clients in the Washington, D.C., region. Earlier, he oversaw Madison Marquette's research function as part of the company's investment and acquisitions team for retail properties across the country. Before his work at Madison, Bialas established an internal real estate consulting group at PNC Bank. During his 14-year tenure with PNC, he provided custom market due diligence in support of the bank's commercial underwriting process, evaluating unique location dynamics, market issues, and the reasonableness of pro forma assumptions. Before joining PNC, he spent 10 years with the national consulting practice of GA/Partners–Arthur Andersen in Washington, D.C.

Bialas is an active Urban Land Institute member. As part of his ULI commitment, he has completed 10 national Advisory Services panels, addressing a variety of downtown master planning and redevelopment issues. He also served on the ULI Pittsburgh executive committee. In addition, he is a longstanding member of the International Council of Shopping Centers and has served as the chair of its North American Research Task Force.

He received his bachelor's degree in urban studies from Albright College in Reading, Pennsylvania, and his master's degree in city and regional planning from Catholic University in Washington, D.C.

Galin Brooks

Washington, D.C.

Brooks is the director of infrastructure for the DowntownDC Business Improvement District (BID). She previously served as the NoMa BID's vice president, planning and economic development, where she directed public space planning, public art, policy, and transit and transportation projects for the organization. Brooks joined the DowntownDC BID with 10 years of city planning experience. She previously worked on community and economic development projects in New York, Alaska, and Switzerland. Her projects have included helping secure over \$50 million in funding to build new parks, bringing over 60 murals to the NoMa neighborhood of D.C., the North Capitol Street Needs Assessment, the NoMa Streetscape Guidelines, and over 10 pop-ups and placemaking activations.

Brooks holds a master of urban planning from the Robert F. Wagner Graduate School of Public Service at New York University. She is a member of the American Institute of Certified Planners and currently serves as chair of the Capital Trails Coalition.

Juanita Hardy

Silver Spring, Maryland

Hardy has a passion for making business and cultural connections that foster healthy, thriving, and culturally rich places to live, work, learn, and enjoy. She has over 45 years of business experience, including 31 years with IBM, where she retired in 2005, and over 35 years in the arts as a nonprofit leader, trustee, collector, and patron of the arts.

Hardy was senior visiting fellow for creative placemaking for Urban Land Institute (2016–2018), a global nonprofit committed to responsible land use. She now serves as a consultant for ULI on creative placemaking.

After retiring from IBM, Hardy founded Tiger Management Consulting Group, a global training and business consulting services firm. She has been an executive coach for Right Management, a global human capital development firm, since 2006. Hardy's client portfolio includes both for-profit and nonprofit organizations.

She is the former executive director of CulturalDC, a nonprofit committed to making space for artists and art organizations and fostering cultural and economic vibrancy in communities through its creative placemaking services. She cofounded Millennium Arts Salon, an art education initiative, in 2000. Hardy is an accomplished writer and public speaker. Her articles and essays have appeared in magazines and journals in the United States and abroad. Her recent writing includes a tetralogy of creative placemaking articles in *Urban Land* magazine.

Hardy serves on several boards, including ArtTable, a national nonprofit for women professionals in the arts based in New York City, and the Mosaic Theatre Company, a nonprofit theater company based in Washington, D.C.

Todd Meyer

Chicago, Illinois

With more than 25 years of experience, Meyer began his career in California with EDAW and later at HOK and SWA with a focus on master planning, landscape architecture, and urban design work for clients across the United States and globally. A common theme of his work is to integrate sustainable planning principles in his projects, including the U.S. Green Building Council's LEED ND criteria. As a principal with Stantec, Meyer's responsibilities include management, design oversight, and business development in the Chicago office. He is an active member of the Urban Land Institute and understands the development and construction process—including the fact that many investment decisions are driven by return on investment and internal rate of return from a cost/benefit perspective.

One of Meyer's professional interests is to promote "cultural urbanism" in his projects, working to celebrate regional differences and to create unique places to encourage social interaction. As a daily part of his work with clients and project teams, he is committed to creating beautiful, functional, and high-quality environments for people of all ages and backgrounds to enjoy. That objective in part addresses physical infrastructure, but also considers the natural systems that shape urban areas, using appropriate materials and making the right choices for the environment. He also seeks to stimulate cities, neighborhoods, and districts to be active and energetic in economic investment and unique cultural expression.

Meyer subscribes to the principles of the Charter of the New Urbanism, which seeks to curb suburban sprawl and to promote authentic urban neighborhoods that are compact and walkable, that provide an interesting mix of uses, and that promote a strong sense of identity and community for both visitors and residents. He believes that as a society, we should promote our unique qualities and that not all places should look the same—or function in the same manner. His

approach to planning is to be rooted in the unique context and characteristics of the place as much as possible. This starts with thinking at the large-scale master-planning level and transitions to the detailed design of spaces.

Tom Murphy

Pittsburgh, Pennsylvania/Washington, D.C.

Murphy is a senior resident fellow at the Urban Land Institute and the Canizaro/Klingbeil Families Chair for Urban Development. A former mayor of Pittsburgh, Murphy has extensive experience in urban revitalization—what drives investment and what ensures long-lasting commitment.

Before his appointment as senior resident fellow, Murphy served as ULI's Gulf Coast liaison, helping coordinate with the leadership of New Orleans and the public to advance implementation of rebuilding recommendations made by ULI's Advisory Services panel after Hurricane Katrina. In addition, he worked with the Louisiana leadership, as well as with leadership in hurricane-affected areas in Mississippi, Alabama, and Florida, to identify areas appropriate for ULI involvement.

During his three terms as mayor of Pittsburgh, from January 1994 through December 2005, Murphy initiated a public/private partnership strategy that leveraged more than \$4.5 billion in economic development in the city. Murphy led efforts to secure and oversee \$1 billion in funding for the development of two professional sports facilities and a new convention center that is the largest certified green building in the United States. He developed strategic partnerships to transform more than 1,000 acres of blighted, abandoned industrial properties for new commercial, residential, retail, and public uses, and he oversaw the development of more than 25 miles of new riverfront trails and urban green space.

From 1979 through 1993, Murphy served eight terms in the Pennsylvania House of Representatives. He served in the Peace Corps in Paraguay from 1970 through 1972. He is a

1993 graduate of the New Mayors Program offered by Harvard University's Kennedy School of Government. He holds an MS in urban studies from Hunter College and a BS in biology and chemistry from John Carroll University.

Douette Pryce

Stuart, Florida

As chief executive officer of Pryce Resources LLC, Pryce's leadership focuses on creating feasible and sustainable real estate projects that encompass all aspects of owner representation for real estate development both in new construction and redevelopment.

With more than 20 years of experience in the management, development, and construction of real estate assets throughout Florida, Pryce has held executive positions with Nalbandian Properties, Stiles Development, Opus South, Opus Military Communities, and Panattoni Development. His primary expertise lies in creating and repurposing mixed-use infill, multifamily residential, office, and retail assets that create a downtown anchor and experience.

Pryce has worked on several projects throughout the South Florida region, including the Diplomat Hotel and Country Club (golf course redevelopment), Hallandale; Pestana South Beach (boutique historic hotel), South Beach Miami; 200 Las Olas Circle (mixed-use office tower), Fort Lauderdale; Forte (luxury high-rise condominium tower), West Palm Beach; and Polo Club Shoppes (value add and redevelopment retail center), Boca Raton.

Before embarking on his career in real estate development, Pryce served with the U.S. Army, achieving the rank of Sergeant, and is a graduate of the University of Florida where he earned his BA in business and MSRE in real estate development, finance, and urban analysis. Pryce was the recipient of the

prestigious ULI Vision Award for Young Leader of the Year (2007). His accomplishments have earned him the respect of his peers within the real estate industry.

Pryce founded Pryce Resources LLC, a real estate development and investment advisory company, in 2008. Celebrating its 10th year of operations, his firm's disciplines include site selection, due diligence research and analysis, site plan design, and forecasting management.

Zane Segal

Houston, Texas

Segal is a developer, landowner, marketing consultant, and licensed real estate broker. He is knowledgeable concerning commercial, single-family and multifamily residential, hospitality, transit-oriented and mixed-use properties in historic, urban, suburban, and resort areas. He has 40 years of experience in venture management, equity sourcing, construction, and project development.

With various co-general partners, Segal is currently developing two single-family subdivisions with 220 lots; an urban-density mixed-use project with 350 loft units above 15,000 square feet of retail; a 142-unit active adult community; and a waterfront resort with a 200-key hotel, a commercial marina, and adjacent condominium buildings and townhouses. Segal has been a principal/managing venturer for significant properties in Houston's center city and in suburban areas in all directions from the urban core. He has brokered many multifamily, single-family, investment, and commercial sites and arranged financing for a resort.

At its 2008 Fall Meeting, ULI conferred upon him the Robert M. O'Donnell Award for outstanding contributions to the success of its Advisory Services program. He has chaired five and served on 11 additional national ULI Advisory Services panels, as well as chairing ULI Houston's first two technical assistance panels and participating on others. Segal served on the ULI Houston board for eight years, as vice chairman of

membership and of advisory services. Having participated on the committees of the first three ULI Houston Urban Marketplaces, he also instigated and led its initial Suburban Marketplace, the first such conference held by any ULI district council.

He served on the Houston Planning Commission's Mixed-Use/TOD Committee, chaired its task force on urbanizing the suburbs, and engaged in numerous other community visioning and planning efforts. Segal has often spoken, written for publication, and been quoted by the media on real estate, development, urbanity, and the arts.

He received a BS in humanities with a minor in visual design from the Massachusetts Institute of Technology and an MFA in cinema from the University of Southern California. Segal has studied graduate-level architecture and planning at the University of Houston and was initially licensed in Texas as a real estate agent in 1982 and as a broker in 1998.

Dawn Volz

Rockville, Maryland

Volz is a member of the Planning and Landscape Architecture team for the Dewberry Rockville office. Dewberry is a multidisciplinary consulting firm specializing in civil engineering, land planning, landscape architecture, and surveying. Her involvement spans all stages, from concept and feasibility through entitlement and final design/construction phases. As a designer with nearly 15 years of experience, she has worked on a variety of projects, including urban and mixed-use planning, adaptive use and infill, site planning, green roof design, and public space placemaking. She enjoys the challenges that each new design opportunity brings and strives to create balanced spaces that are thoughtfully designed, aesthetically pleasing, functional, and sustainable.

She received her bachelor of landscape architecture degree from Penn State and has been an active ULI member for five years, where she has been involved with the Young Leaders Group as well as the Women's Leadership Initiative as a Steering Committee member.



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