



Fayetteville Mixed Use Development Project

Assessment Report

Walkable Urban Development LLC

September, 2015

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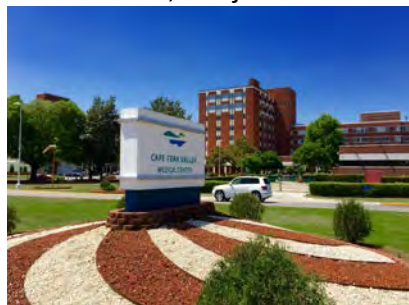
Executive Summary

There is a need and strong unmet demand for walkable mixed use development (MUD) and urban rental housing in Downtown Fayetteville and nearby corridor locations. There are several efforts that should be undertaken to better promote these development opportunities. The major findings of this assessment study follow and are broken into three parts: I. A Strong Market, II. Good Sites, and III. Good Local Support.

I. A STRONG MARKET

A. **Many Good Jobs Nearby** - There is a large and a growing number of good paying jobs in Fayetteville to support new urban housing development there. This is particularly true in Downtown and key corridors.

- 90,000 jobs are located at 10 major employers within 10 miles of downtown, including 73,000 at Fort Bragg.
- 43,000 of these jobs (48%) pay more than \$45,000 per year, enough to afford most new downtown and urban rental housing.
- More than 5,800 jobs were added at these employers since 2010.



- 300 more medical jobs are being added in 2015-16, with medical center expansions at both the VAMC and Cape Fear Valley Medical Center. The new Veteran's Service Center (photo left) opens in Fall, 2015.

- More than 8,000 military households each year move to (and from) community housing.

58% of military personnel live in private off-base community housing.

- There is no supply of recent rental housing available in Downtown and corridor areas. There are two recent new for-sale housing projects (90 units) built in Downtown.

B. **Much Successful Mixed Use Urban Development in Region** - Downtown and urban mixed use development (primarily rental housing) in nearby and comparable military community markets have been developed since 2000 and proved very successful, spurring many additional projects. No such new rental developments have yet been undertaken in Fayetteville to date.

- **Raleigh, NC** (10,000 units, 50 miles)
- **Norfolk, VA** (2,000 units, 200 miles)
- **Charleston, SC** (1,000 units, 200 miles)



C. **Major Destinations Attract People** - There are a number of major destinations and employers that attract people to Downtown Fayetteville (see map below). Downtown Fayetteville has several major regional destinations, including the Airborne and Special Operations Museum (ASOM), which attracts 150,000 visitors per year. There are also great parks and open spaces there, including the expanding Veteran’s Military Park, the Hay



Street National Historic District, and the Cross Creek Linear Park and trails. In addition, the majority of 4,400 City of Fayetteville, Cumberland County and Public Works Commission employees work in and near Downtown. These local governmental entities also bring many daily visitors to Downtown. Further downtown attractions under active consideration include development of

a new ballpark and a performing arts center. The targeted corridors include the following major attractions and employers: VA Medical Center, Methodist University, Fayetteville State University, and Fayetteville Technical Community College.

D.



E. **Target Areas Attractive to Developers** - Downtown Fayetteville's core area is very attractive for development, including both the scenic national historic district and the recent reconstruction of the entire streetscape in the area. The historic district in downtown includes a 20 block compact core area. This type of area has been central to the MUD



developed in other comparison cities, especially in Norfolk and Charleston, SC. The targeted corridor areas have also had some strategic streetscape and other improvements made, but not nearly to the extent of the Downtown area. One corridor location particularly identified during this study as being a gateway area in significant need of streetscape and possible building facade improvements is "the triangle" intersection of Bragg Boulevard and Ft Bragg Road, near Fayetteville Tech.

F. **Large Millennial Population** - Fayetteville has a larger than normal portion of its population in the millennials/young adults age group. These persons are the primary



age group living in urban rental housing in NC, regionally and nationally. In Raleigh, for example, more than 80% of the urban rental market is young adults 25-34 years old. Fayetteville had 15.9% of its population in this age group, higher than either the US with 13.6%, and NC with 12.6%. In addition, more than 50,000 persons (15.8%) in Cumberland County

were in this age group.

II. **GOOD SITES** - Downtown and corridor areas have a number of attractive and available sites to support mixed use and urban residential development. These include underused parking lots, aging retail sites, and other locations, including both privately and publicly owned sites. Most of these sites are close to major employers or destinations. The City has in the past 5 years adopted strategies to identify such sites and to actively promote such development of them. Attractive development sites in six such target areas are profiled in Chapter 3 of this report.

III. **GOOD LOCAL SUPPORT**

A. **Incentives** - the City has undertaken key actions and investment in recent years support MUD in Downtown and targeted corridor areas. This includes millions of dollars spent upgrading streetscape in the Downtown historic district, and construction of numerous facilities, particularly by the City and County. Consideration is being given to the building of new public facilities, such as a new ballpark or new performing arts center. This could further stimulate developer

interest in Downtown. Additional public incentives and support to developers on projects may also be available, as reviewed on a case by case basis.

B. **Barriers** - despite the many assets attractive to development in Downtown Fayetteville and nearby corridor areas, there are several issues and **barriers** that need to be addressed directly to more actively encourage and promote mixed use and walkable urban development in Fayetteville.

i. **Promotional Campaign** – a coordinated education effort with the local, statewide and regional development community is needed, particularly to show the job growth, good paying jobs, attractive sites and other assets of Fayetteville to support MUD. This would attempt to counteract false or inaccurate information developers might have about economic and urban development opportunities in Fayetteville.



ii. **Followup Developer Assistance** - such efforts are also needed to directly contact interested and experienced developers and provide followup assistance as appropriate.

iii. **Proactive Corridor Rezoning** – public development approvals in Downtown can currently be received with a minimum of delays and discretionary public decisions. However, the City should consider applying overlay zoning to targeted corridor areas in advance of development, so as to permit urban density development there without having to go through a rezoning process. Working with property owners in the next year to seek voluntary cooperation on such a proactive effort is recommended. The Suburban Area Corridor Overlay (SACO) has been recently added to the City's development ordinance and is available to be applied to such properties.

Chapter 1 – Introduction

1. Background

a. **Fayetteville Basics**—Fayetteville is an historic city located in the midst of a growing urban area. The City of Fayetteville, founded in 1762 and chartered in 1783, had a 2013 population of 204,408, making it the 6th largest city in North Carolina. It is also the largest city within the Fayetteville-Lumberton-Laurinburg Combined Statistical Area (CSA), with a 2014 population of 548,000. That makes it the hub of the 4th largest urban region in North Carolina, with more than a half million people. The boundaries of the City include the majority of the developed portions of Fort Bragg, which is the largest military installation in the US, with more than 53,000 active military personnel.



b. **Notable Demographics**—Fayetteville is notable in several regards, including its large young adult/Millennial population of about 16% in both Fayetteville and Cumberland County (vs. 12.6% in North Carolina) 50,000 Millennials reside in Cumberland County. Likewise, per capita retail sales in Fayetteville are significantly higher (+34%) than for the rest of NC (\$16,912 vs. \$12,641). Both these figures support potential MUD demand in Fayetteville.

c. **MUD Defined**—The City of Fayetteville is actively seeking *mixed use development (MUD)* in downtown and key corridor locations. MUD characteristics generally is a mix of primarily residential or office/institutional uses, with retail uses at street level wherever feasible. Most MUD is of moderate urban densities, with 2-5 story buildings most often seen. Buildings are located close to the street, generally with a supporting network of sidewalks, parks, trails, bike facilities, transit, retail and other services nearby.

d. **Key Characteristics of MUD Market**—A growing number of small households are seeking small units with accessible and safe parking and transit, but in easy walking distance to a variety of retail, open space and other on-site amenities.



e. **MUD Plans Adopted**—The City has publicly developed and adopted four plans in recent years, calling for new investment and MUD in strategic locations. Of particular interest

is development of urban rental housing, along with walkable retail and other compatible uses. Many national studies have documented the many benefits to communities as the result of MUD. They include, most notably, increased economic development and job growth, attracting a talented labor force, strong tax base, efficient public service delivery, greater public safety, and increased resident health from a more active lifestyle.

Recently Adopted Plans in Fayetteville		
Plan	Adoption Date	Location
Downtown Renaissance Plan	2012	Downtown
Ramsey Street Corridor Plan	2009	Ramsey Street corridor
Ramsey Corridor Market Study	2013	Ramsey Street corridor
Bragg Boulevard Corridor Redevelopment Plan	2013	Bragg Boulevard corridor

- f. **No Market Response**—Very little MUD has occurred in Fayetteville since these plans were adopted. Accordingly, consultants active in other NC cities with more MUD have been hired to assess the opportunities for and barriers to MUD and to promote these opportunities with the development community.
 - g. **Target areas** were identified for this study, consistent with plans and based on best prospects for short-term development in downtown and 3 corridor areas. Five target areas are assessed, plus a review of development issues related to three other City-owned sites in Downtown are also discussed.
2. **Assessment Methodology** – In order to provide developers with current and relevant information most helpful in reviewing prospects to pursue an MUD project, a three part review was undertaken that focused on documenting: 1) Good MUD Market, 2) Good Developable Sites, and 3) Good Local Support.

a. **Good Market**

i. **Strength of market** – this topic was felt to be critical to attract developers, and is a major portion of this report, in five parts:

1. Location, number and growth in good paying jobs – direct 2015 survey of 10 major employers within 10 miles of Downtown.
2. Local, regional market for MUD – Raleigh, Norfolk, VA, Charleston, SC.



3. Target area investment - new building permits & land sales in each area were summarized for the past five years, indicating market activity.
4. Walkable block ratings in downtown – an assessment of the streetscape and orientation of buildings to the street was done. This has been shown to be an important factor in attracting MUD developers to this area.
5. Attractions and amenities in/near target areas – other factors also reviewed related to market strength were: uses that attract persons as destinations, job centers, historic character, open space, and general walkability.



ii. **Infrastructure for Downtown MUD**—A special inventory of the assets of the Downtown area that can attract developers were also carried out.

1. Historic district, buildings & streets
2. Streetscape improvements
3. Parks, open space, trails – Veterans Memorial Park, Festival Park, Cross Creek linear park
4. Museums – Airborne and Special Operations Museum (ASOM), Children’s, Transportation
5. City and County buildings and jobs
6. Parking garage & parking lots
7. Proposed - ballpark, performing arts center, veterans park expansion

iii. **Barriers to MUD**—Several issues were also identified by stakeholders and/or consultants which may discourage MUD in Fayetteville and the targeted areas. Recommended actions to counteract these issues are at the end of the report.

1. False perceptions of poor-paying jobs, especially military.
2. Incorrect belief that recently there has been no local job growth and that there have been actual job reductions, as seen in other NC communities.
3. The local pattern of having a very spread-out, auto-oriented community.
4. A widely-held image of Downtown as being only a place for special events, churches and government functions, but not as a place to live.
5. Many developers are locally-based and have mostly built single family residential and auto-oriented retail for many years.

6. Potential MUD corridor sites need to be rezoned to allow for the mix of uses and higher residential densities called for in the adopted plans.

b. **Good Sites** – review of six selected target areas felt to have the greatest potential for MUD at this time, inventorying the sites’ assets and attractions.

Downtown – has great potential, but has had limited private investment in recent years.

Boundaries for the targeted Downtown areas are similar to the historic district, from Cool Spring on east to past Roberson on the west, and extending north to Mason Street and south to Russell Street (about 2 blocks both north and south of Hay Street).

Site 1: North of Hay Area

Site 2: South of Hay Area

Ramsey Street Corridor—the major roadway extending north from Downtown and on which most jobs, retail and multi-family residential is located. This area has been targeted specifically to attract more investment in the near future.

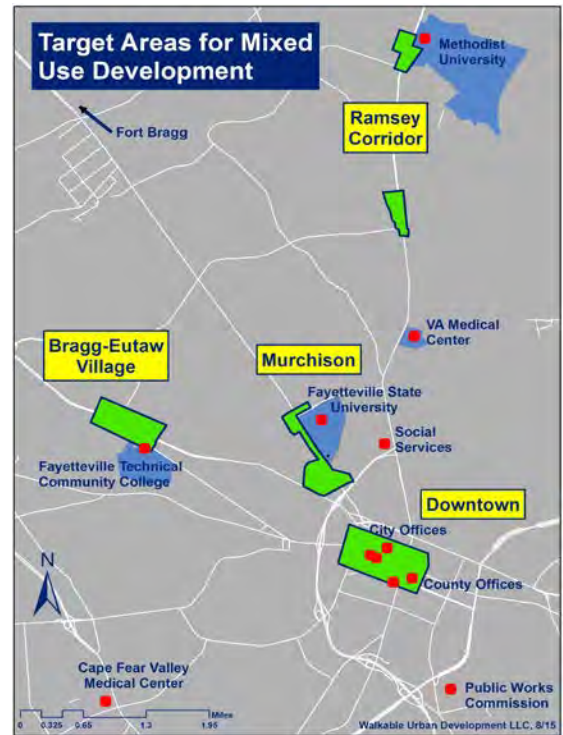
Site 3: Country Club Drive Intersection

Site 4: Stacey Weaver Drive Intersection

Bragg Boulevard Corridor—this roadway plays an important role in serving needs of Fort Bragg and NW Fayetteville and has had limited investment in recent years.

Site 5: Bragg Blvd-Eutaw Village

1. NW edge area – vacant sites of former Putt-Putt and to the east of the Mercedes and Lexus auto dealer sites.
2. SE edge area – large, very underused spaces possible for infill development in eastern portions of shopping center parking lot.



Murchison Corridor – there has been very little investment in recent years in most parts of this corridor. Improvements and expansion of Fayetteville State University and possible development of City-owned “catalyst sites” near Downtown are good prospects for MUD here.



Site 6: Murchison Street—Attractive sites are available on Murchison at Water Treatment Drive and on Washington Street, between Bragg and Murchison. Both sites are owned by Fayetteville State University. New MUD there may include old retail adjacent and fronting on Bragg Blvd. Underused County land also adjoins the site. The City is considering supporting development of a new ballpark on Murchison closer to Downtown, but not far from these sites.

Other City Sites Downtown

Three city-owned sites in Downtown were also reviewed in Chapter 3 for short-term development potential. They are outside the Downtown historic district core area most targeted for this report.

- Bus transfer terminal site—Russell and Old Wilmington
- Center City Business Park/HOPE VI site—Gillespie and Blount
- Cape Fear River Site—at eastern end of Russell

c. Good Local Support

Local government has made it a priority to support development in Downtown and the targeted corridor areas. This has taken different forms, such as:

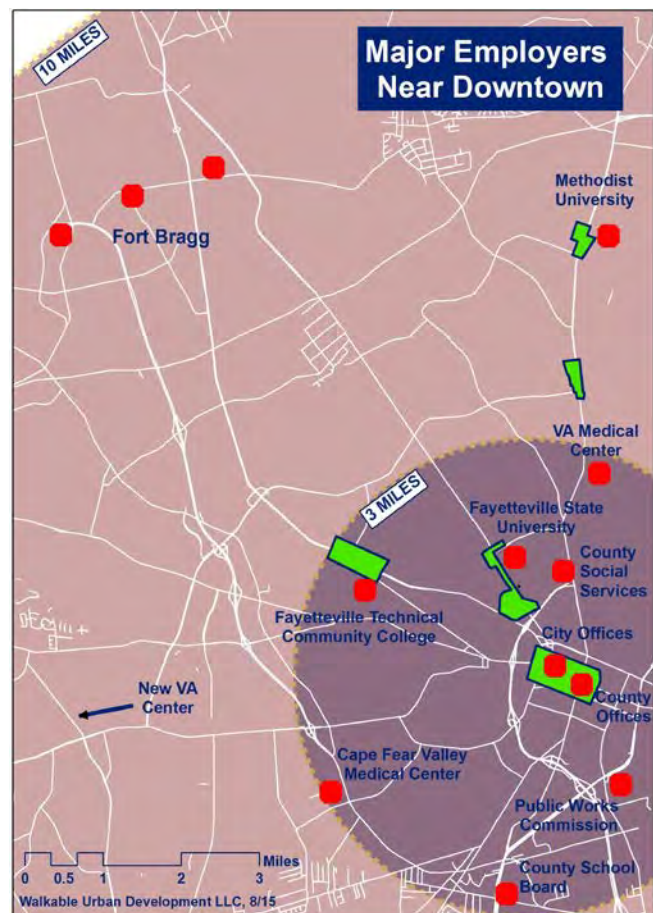
- Public investment—streetscape, buildings, parking and other facilities



- Public commitment—adoption of MUD plans, incentives provided
- Public approvals—most regulations in place to support MUD development in target areas. Exceptions are rezoning for higher density residential in corridor locations and public hearings for building plans for the historic preservation commission.

Chapter 2 – A Strong Market

1. **Introduction** – This part of the report is seeking to present clear and current information about the MUD and urban housing market that would support a developer decision to proceed with MUD projects in the targeted areas of Fayetteville. Most important is demonstrating how the same conditions that have made MUD successful in many cities in NC and the region are also present in Fayetteville and will result in successful projects here.
2. **Many Good Jobs Nearby** – for this assessment, a direct survey was conducted in Spring of 2015 with 10 major employers in Fayetteville, all located within 10 miles of Downtown Fayetteville. The following information was obtained from each employer: total number of jobs, number of jobs that paid more than \$45,000 per year, number of jobs that were added in the past five years, and number of jobs that were planned to be added during the next two years. The map below shows the location of these employers relative to Downtown Fayetteville.



Numbers of Jobs - Statistical results are shown in the table below. These 10 employers have more than 90,000 jobs at these Fayetteville locations. Fort Bragg employs more than 53,000 active military, with another 20,000 civilian or contractor jobs on base. More than 4,000 healthcare jobs are located near Downtown Fayetteville at the two VA Medical Center sites and at Cape Fear Valley Health System's sites, with additional health jobs at Womack Army Hospital at Fort Bragg. 2,000 higher education jobs are

located nearby, at Fayetteville State University, Fayetteville Technical Community College, and Methodist University. In addition, more than 50,000 full or part-time students attend these institutions. A large portion of the 4,400 employees of local government at the City of Fayetteville, Cumberland County and the Public Works Commission are located in the Downtown area. The headquarters of the Cumberland County Schools system is also within 3 miles of Downtown, with a portion of the system’s 6,800 employees located there.

Employer	Total Employees (FTE)	Jobs above \$45K	Jobs above \$45K (%)	Total Jobs Added Last 5 Years	Jobs above \$45K Added Last 5 Years
Fort Bragg	73,383	38,000	51.8%	4,200	3,360
Cumberland County Public Schools	6,807	1,448	21.3%	N/A	N/A
Cape Fear Valley Health	3,294	1,183	35.9%	440	154
Goodyear	2,500	50	2.0%	0	0
Cumberland County	2,335	337	14.4%	244	10
City of Fayetteville	1,486	842	56.7%	98	11
Veterans Administration Medical Center	800	534	66.8%	600	400
Fayetteville State University	799	231	28.9%	43	43
Fayetteville Technical Community College	761	294	38.6%	40	10
Fayetteville Public Works Commission	601	288	47.9%	N/A	N/A
Methodist University	438	233	53.2%	166	70
Total	93,204	43,440			

Jobs Paying More Than \$45,000 Per Year – In order to help translate the numbers of jobs near Downtown to workers that could afford new urban rental housing in Downtown or the corridors, we asked each employer what portion of their employees were paid greater than \$45,000 per year. That income level is sufficient on average to afford new housing rental rates of at least \$1,000 per month. Those results are also shown in the table.

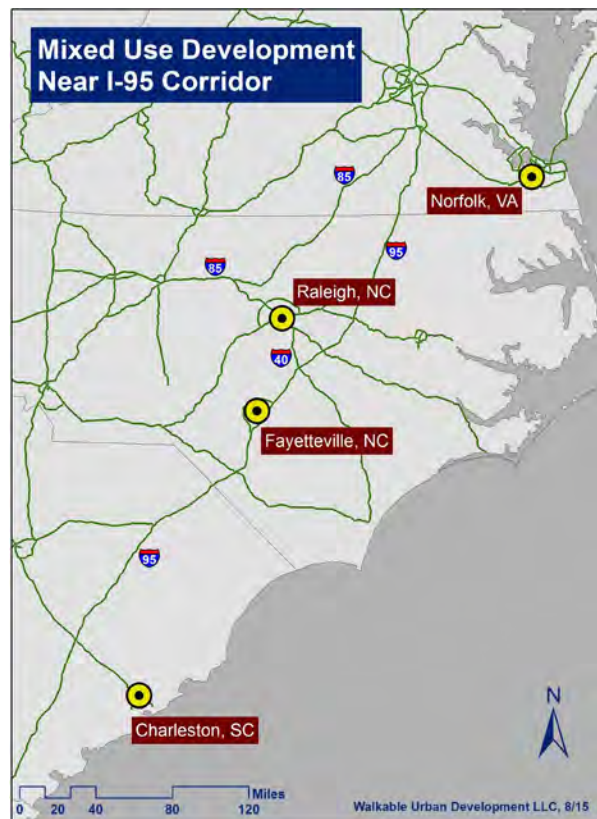
A total of more than 43,000 of these jobs pay more than \$45,000 per year, which is more than 46% of the total jobs. The employers with the highest proportion of jobs paying more than \$45,000 are the VA (67%), the City (57%), Methodist University (53%)

and Fort Bragg (52%). Note: the income statistics for Fort Bragg jobs included factoring in the BAH (Basic Allowance for Housing) that is received for military personnel that live in community housing off base (58% of total personnel).

Recently Added and Planned Jobs – More than 5,800 jobs have been added at these employers in Fayetteville since 2010. Employers adding the most jobs included 4,200 were at Fort Bragg, with another 1,000+ healthcare jobs added at Cape Fear Valley Health and the VA. Both the VA and Cape Fear Valley Health reported they are adding 200 and 80 jobs respectively in the next two years, all of which pay more than \$45,000 per year.

3. **Much MUD Success in Comparable Cities in Region** –

A number of cities not far from Fayetteville (see map) have had a substantial amount of successful MUD and urban housing developed in Downtown and central areas in the past 15 years. Several cities were visited and information compiled for this report about such housing development and jobs base in Raleigh, Norfolk, VA and Charleston, SC. The following section shows a summary of the results.



Number of MUD Housing Units –

- **Raleigh, NC** is located only 50 miles north of Fayetteville and has had developed more than 10,000 urban housing units built in MUD areas in the Central Raleigh area since 2005, with many more planned and under construction. Similar MUD success has also been seen in Holly Springs (40 miles – 100 units) and Durham (70 miles – 4,000 units).
- **Norfolk, VA** is 200 miles to the NE and has had more than 2,300 rental units (plus 1,100 condos) developed in Downtown over the past 15 years, including significant amounts of both new and renovated rental housing.
- **Charleston, SC** is 200 mile to the south and has seen more than 1,000 such new MUD units built in the past 5 years. Note: Central Charleston has had many

thousands of MUD/urban housing units preserved and developed within its huge historic district, particularly over the past 20 years.



Jobs Base in Comparable Cities – Shown below are profiles of similar major employer types in or near the central part of the comparable regional cities. While both Norfolk and Charleston also have many military jobs, Raleigh has many state government jobs, with some similarities. All of the cities have a major presence of healthcare jobs in their central areas.

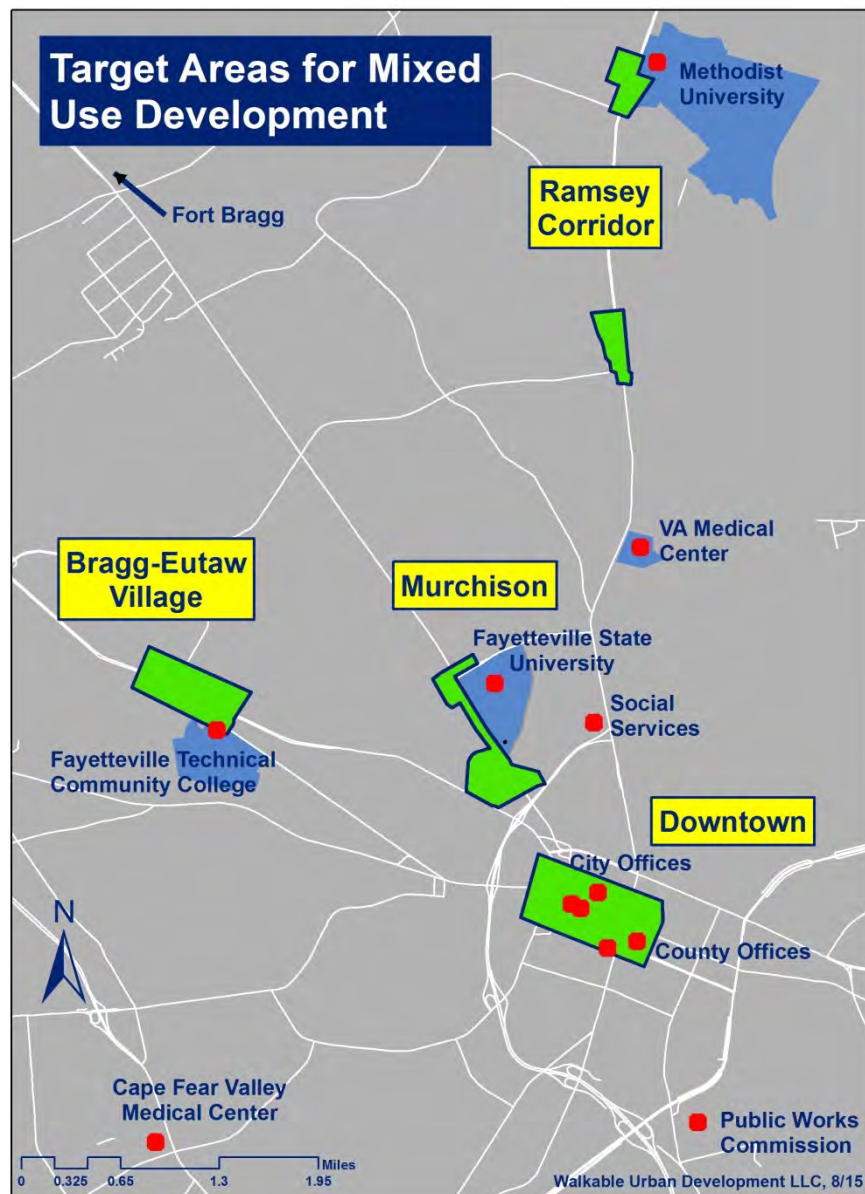
- **Fayetteville** – 53K military, 20K civilian, 7K healthcare = \$80K jobs
 - **Raleigh, NC** - 24K state govt, 14K higher ed, 14K healthcare = 52K jobs*
 - **Norfolk, VA** - 50K military, 30K civilian, 23K healthcare = 103K jobs
 - **Charleston, SC** -36K military, 10K aviation, 17K healthcare = 63K jobs
- *Additional large job sectors in Raleigh include banking and technology

MUD Demand Issues – The National Board of Realtors and many other organizations have been documenting for 10+ years the strong US demographic shifts to smaller households and the desire for young adults (or Millennials) to live in MUD/walkable urban areas. A shortage of supply of such walkable housing has been credited as driving the strong demand for MUD in central cities. And in NC, we are seeing the same trend. A 2015 market demand study for Raleigh (Barrett Consulting), for example, showed that more than 80% of demand for rental housing in the next five years would come from Millennials (ages 25-34), with incomes greater than \$35,000. The large majority of rental housing under development in Raleigh is in walkable locations in the Downtown and central area. Fayetteville has a larger Millennial population than either NC or the US and currently has no new Downtown rental housing available. Based on recent major MUD market success seen in other cities in the region, Fayetteville would appear to have great potential and pent-up demand for the success of such MUD housing.



Chapter 3 – Good Sites

1. **Target Areas and Sites** - Fayetteville has many good sites for MUD in Downtown and the targeted corridor areas. This chapter will provide more details on some attractive sites within those areas. Six target areas have been identified for further review, based on recommendations from adopted plans and on market feasibility in the short term. The map below shows the locations of the target areas, along with major employer locations. While prospective sites that are vacant or underused are highlighted, the report makes no specific claims on their availability for purchase.

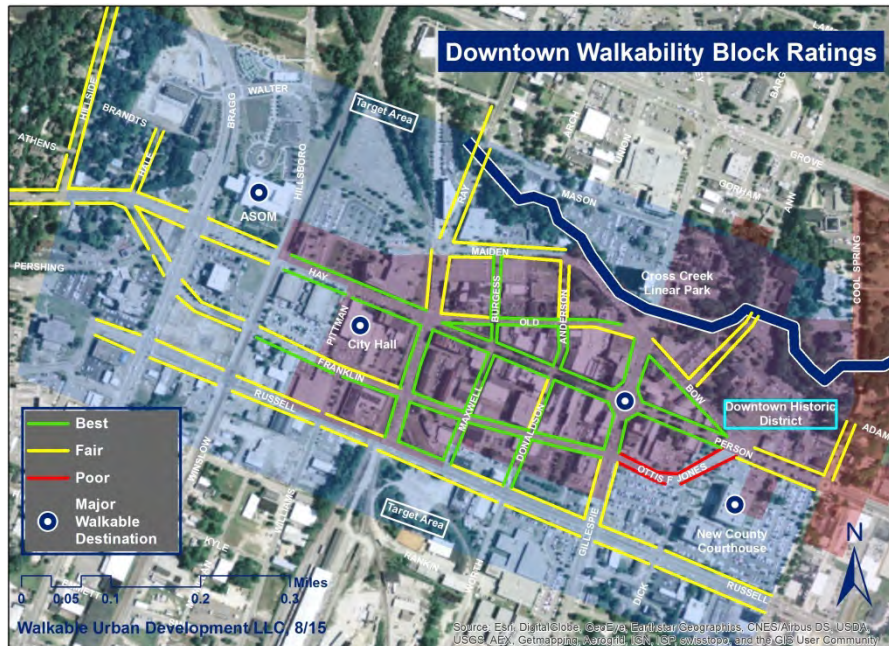


2. **Investment and Land Sales Inventory** – In order to help determine market strength in the designated target areas, a review of investment through new construction building permits and sales of land in or adjoining each area in the past five years was carried out. The table below shows the results. Downtown clearly had the most land sales at the greatest sales prices. Stacey Weaver and Ramsey had the greatest amount of new construction, likely due to new retail and Methodist University construction.

Target Area	Number of Land Sales	Value of Land Sales	Total Acreage	Number of New Construction Building Permits	New Construction Costs
Downtown	134	\$30,153,000	37.48	4	\$4,694,734
Stacy Weaver and Ramsey	5	\$4,461,500	4.75	5	\$9,350,000
Country Club and Ramsey	3	\$1,725,000	3.66	1	\$162,311
Eutaw Village	13	\$1,966,500	6.46	2	\$323,445
Murchison and Bragg	49	\$6,508,000	16.63	1	\$60,000

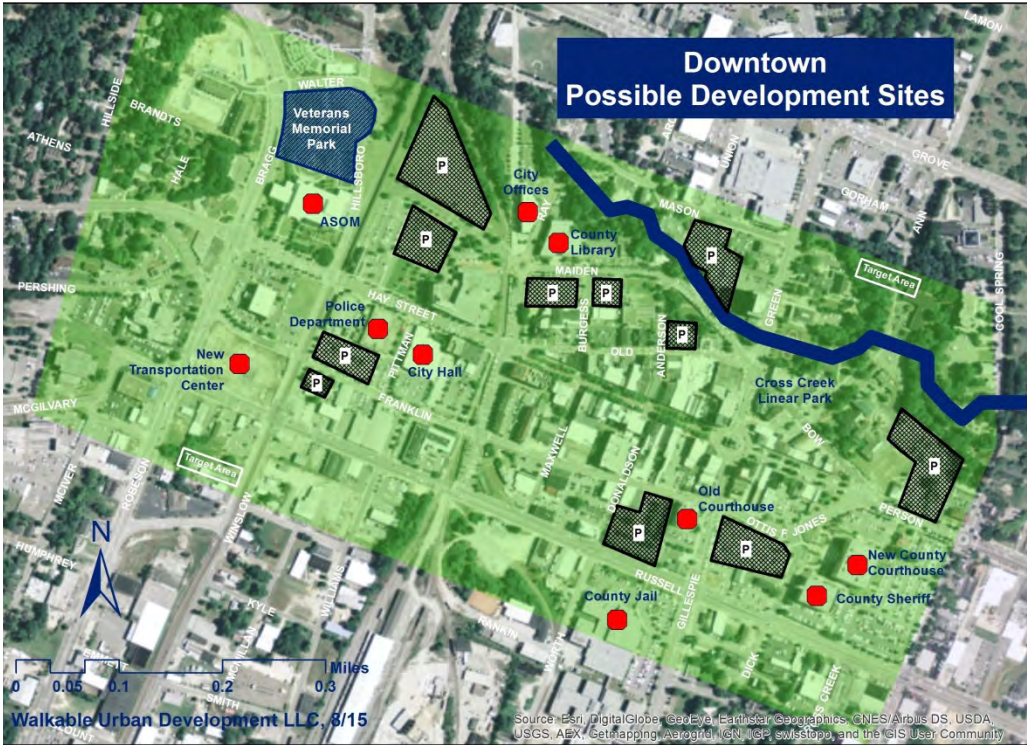
3. Downtown Area

Walkability Survey - A walkability block survey was conducted throughout the Downtown target area, to note where walking to different locations was more and less safe and attractive. The map below summarizes the results, with blocks with green lines indicating excellent walkability (45%), blocks with yellow lines being good (45%), with red lines indicating fair to poor walkability (10%). The general walkability of the Downtown target area is considered to be very good. Major elements ranked in the survey included streetscape quality in the public ROW and the orientation of existing or possible future buildings on sites outside the ROW.



Downtown Development Sites - The map below shows some of the underused sites in the Downtown target area. Many of the indicated sites are City or

privately-owned surface parking lots. These sites are shown in relation to downtown activity or employment centers, shown in red.



- a. Area 1: North of Hay Street
 7 different surface parking lots are indicated as prospective development sites in the northern part of the Downtown target area. 5 of the sites are located along Maiden Lane, the largest one being an almost 5 acre lot at the western end, which is owned by the City. The other sites are owned by the City, churches or other private parties. The proximity of these sites to Festival and Cross Creek parks is an amenity that could help attract MUD/residential development.

- b. Area 2: South of Hay Street
 4 different surface parking lots are shown as prospective sites in the southern part of the targeted area of Downtown. The largest site is a City-owned lot, between Franklin and Russell Streets and between Donaldson and Green Streets. It is about 1.9 acres in size and has very limited parking use at present. It is also near the new public parking deck on the north side of Franklin at Donaldson. The County-owned surface lot east of Green Street is in heavy use for the courthouse uses and is not likely available for development.

4. Ramsey Street Corridor

a. Site 3: Country Club Drive Area

This area has both active retail and older underused spaces. The map below shows several sites that are clearly vacant or underused and which would make good locations for MUD or urban residential development. The area is located near several job and activity concentrations, being about 1 mile from the main VA Medical Center and 1.5 miles from Methodist University. New MUD in this area would need to be buffered from single family areas set back on both sides of Ramsey Street.



b. Site 4: Stacey Weaver Road Area

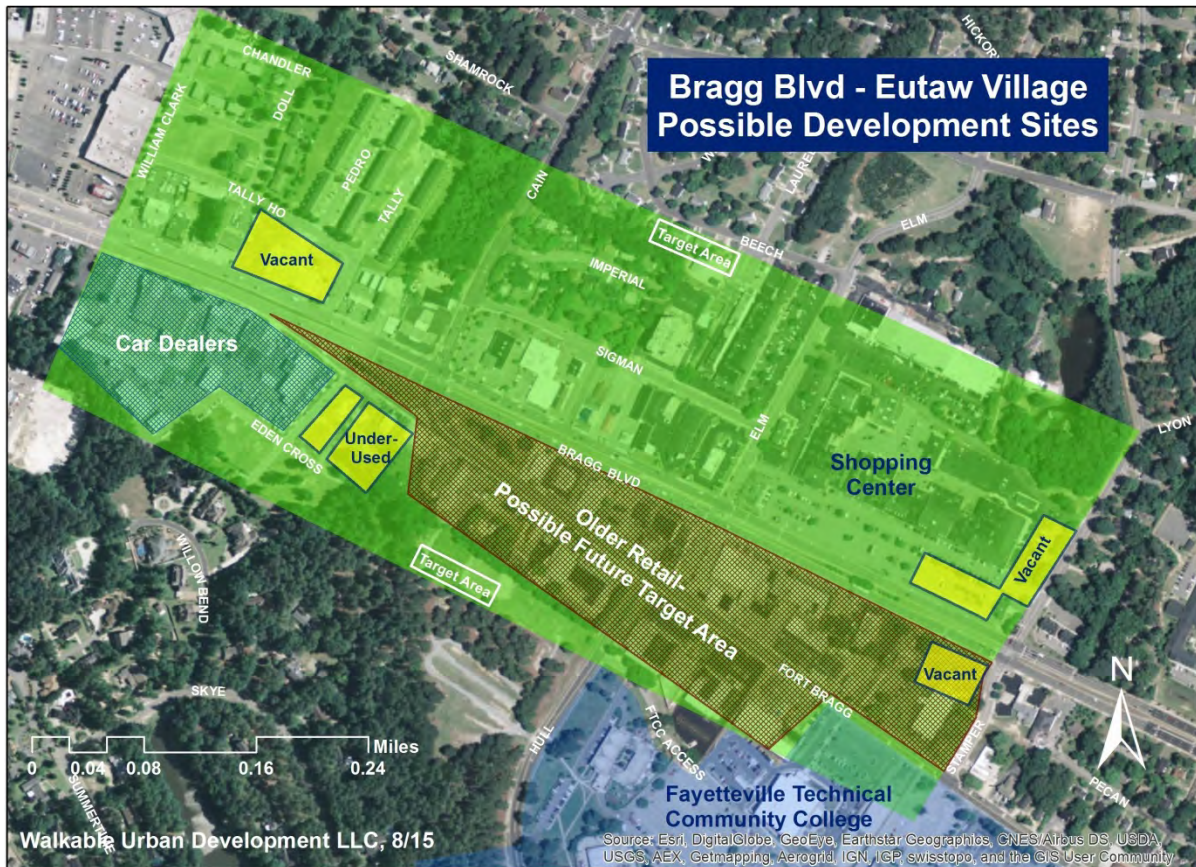
The map below shows several vacant or underused sites, several of which are located directly across Ramsey from the main entrance of Methodist University. The site is also located in good proximity to the new highway to the north of this area which is under construction but will provide direct and improved access to Fort Bragg in the future. Development here could directly benefit from both staff and students from Methodist University being very close to these sites.



5. Bragg Boulevard Corridor

Site 5: Eutaw Village Area

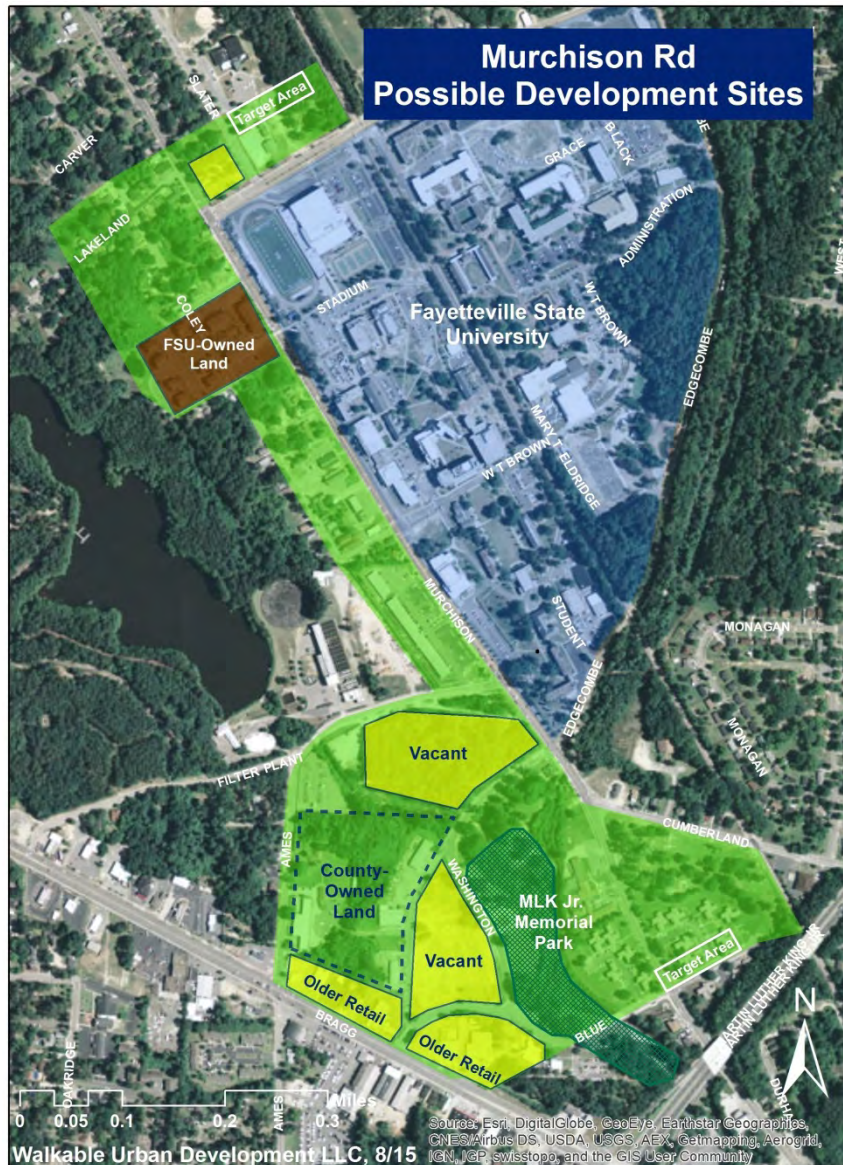
The map below shows several areas around the edges of the Eutaw Village Shopping Center that are vacant or underused and which appear to be good potential MUD or urban residential development sites. This area is just north of Fayetteville Tech, is close to major retail along Skibo Road and at the Cross Creek Mall area to the west, and is about 5 miles from Fort Bragg.



6. Murcheson Corridor Area

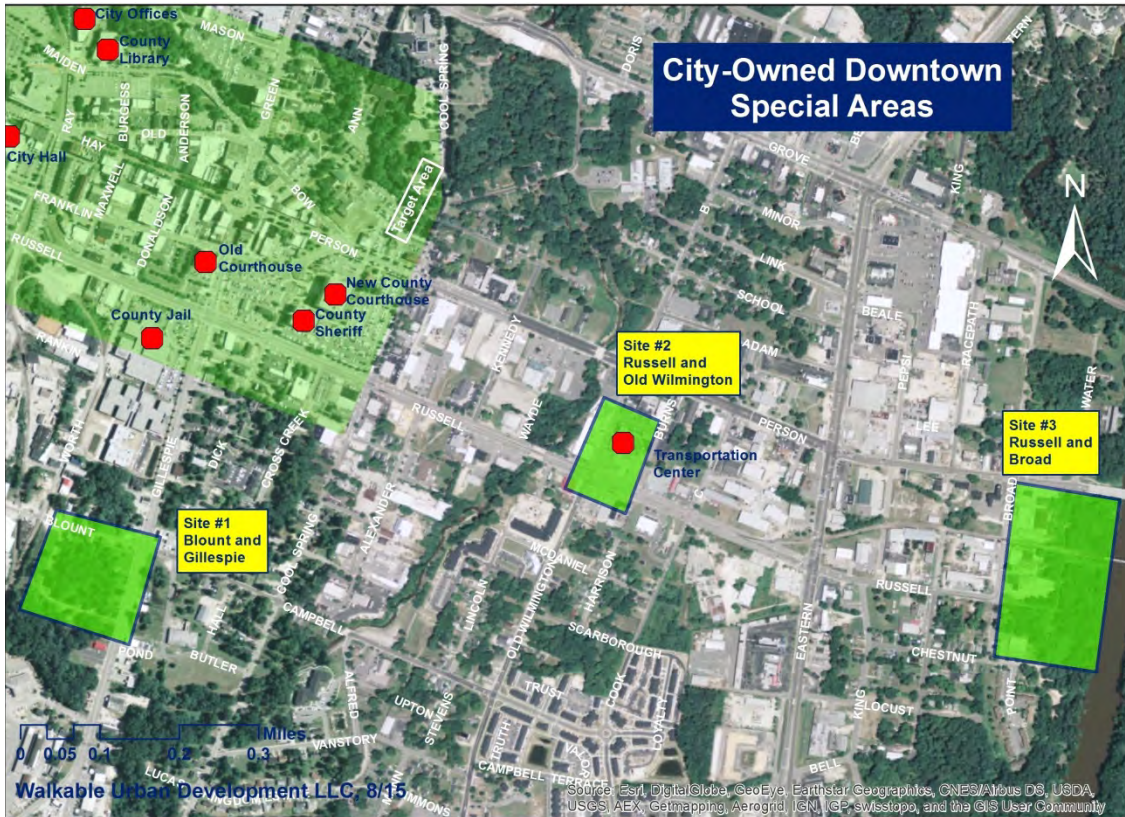
Site 6: Murcheson/Washington Road

There are 3 sites on or near Murcheson Road that are owned by either Fayetteville State University or their Foundation and which are adjacent to their existing campus. Either university/foundation or private MUD/urban development could occur on any of the sites. The best and most marketable site for MUD is a 5.9 acre site on Washington Road. This site could be expanded by adding some aging retail land fronting on Bragg Blvd or part of a 13 acre adjoining site owned by the County. The City is considering building a new minor league ballpark on Murcheson, close to but south of the Washington site.



7. Other City Land in Downtown

The City owns 3 tracts of land in the Downtown area which they are seeking to develop at some point. The map below shows the location of the sites. Comments on the development potential of each site are also shown below. None of the sites are viewed as currently feasible for MUD in the next few years. As more MUD occurs in the historic district area, these sites will become more marketable for MUD or other uses.



Site #1: Blount and Gillespie – Center City/HOPE VI Business Park

Good potential for office, wholesale, light industrial and retail uses. Heavy peak hour traffic volumes on Gillespie give it good visibility. Possible uses could be related to nearby institutional uses, such as County Detention or NCDOT. Distance from Hay Street will likely make marketability slow for at least 5-8 more years. The ability of the City to provide direct incentives for relocation or new development could increase marketability sooner. Russell Street improvements and investment would also help.

Site #2: Russell and Old Wilmington – Current Bus Transfer Station

Good potential for office, institutional, retail and perhaps urban residential uses. Good traffic volumes on Russell helps visibility and marketability. Proximity to Person Street and active retail and institutional there are positives in marketing and developing the site, likely with a 3-5 year timeline. Planned Russell Street streetscape improvements would speed up development. Additional investment nearby on Person Street would likely speed timetable for development. Screening or relocating adjacent businesses with major outdoor pipe storage would help marketability. Connecting the greenway coming from south of Russell to cross the street and continue toward Person would be a marketing positive as well.

Site #3: Russell and Broad – Riverfront Property

This site of about 60 acres sits on the western bank of the Cape Fear River, on the eastern edge of Downtown. Best potential uses are likely for recreation, cultural and environmental education, other institutional uses, perhaps combined with minor retail uses. Possible limited residential could be included. Single family residences adjoining the site make heavy traffic or noise generating uses difficult. Probably a 5-10 year marketing period expected. Closest recent investment appears to be near Grove Street and Eastern Blvd, to the north of this location. Extending planned Russell Road corridor streetscape improvements to this site could speed up marketing timeline. Specific flood impact areas would limit uses on part of the site. City use of a portion of the site for administrative or operational functions could also speed up development timetable.

Chapter 4 – Good Local Support

& Conclusions

1. **Local Support Team** – In addition to demonstrating a strong market and attractive sites for Mixed Use Development, it is equally important to have a local team that provides full support for developers seeking information about a possible project. Every developer and every project has different needs that have to be met. Fayetteville has an excellent support network and team ready to do their utmost to help an interested developer move forward.



2. **Incentives** – The City has undertaken key actions and investment in past years to support MUD infrastructure and individual projects, particularly in Downtown. This includes public investment in streetscape, public buildings and other facilities. And more key public building projects could still follow in Downtown. Being willing to listen to an individual developer about a proposed project and to do everything possible to meet their needs is a final key ingredient to helping a developer to proceed with a MUD project. Possible forms of MUD developer incentives the City may be willing to consider at this time include, payback payments, infrastructure improvements, parking provision, and involvement in land financing. Decisions on using certain incentives will have to be made by the elected body on a case-by-case basis. In addition, having land use approvals occur promptly and predictably is another method of showing local support for a developer. Having trained and available staff to give full attention to a developer's

needs is also an important type of support. Having clear and attractive written materials can also be important in letting a developer know early on what to expect in the way of approval times, fees, and other matters. Fayetteville currently has a very developer friendly set up for developers in Downtown, where they can receive approvals in a rapid manner with a minimum of discretionary decision-making required.



3. **Barriers** – Despite the many attractive aspects of Fayetteville to attract and encourage MUD, there are several issues that need to be addressed. They represent serious obstacles to proceeding with MUD projects in Downtown and the corridor areas.

a. **Low Paying Jobs and No Growth Image** – many outside developers are of the opinion that the Fayetteville area does not have good paying jobs and is not growing more good jobs. Chapter 2 of this report clearly demonstrates that is absolutely not true, particularly showing great pay and job growth in many local military, healthcare and administrative positions. Preparation and distribution of information that more accurately describes the Fayetteville community’s desire and ability to support MUD is essential to reverse this trend.

b. **Local Developers Not Familiar with MUD Successes** – the dramatic successes in filling thousands of new urban multi-family rental units in nearby places like Raleigh, Durham and Holly Springs are generally not well known or understood by most local realtors and developers. And while some local for-sale units have been built recently in and around Downtown, they have not really addressed national MUD trends on small rental units, moderate to high rents, secure parking, common areas and easy walks to local retail and services.



c. **Rapid Public Approvals on Projects** – As noted, the Downtown area has zoning and other regulations that permit prompt and predictable approvals for proposed MUD projects. However, in the targeted corridor areas, existing zoning does not permit the types of housing density that MUD projects usually demand. While the City has adopted an overlay zone that allows higher densities, the overlay zoning has not yet been applied to any corridor properties to date.

4. **Promotional Efforts** – This consulting contract calls for both an assessment of the community’s ability to encourage and support MUD AND a promotional effort to attract developers to do MUD projects in Fayetteville. We see there being three main components of this effort, to help overcome the barriers described above:

a. **Preparation of Promotional Materials and Developer Lists** – There need to be specific new materials prepared that describe accurately the reasons why Fayetteville can support substantial amounts of MUD in key locations. And a

large list of developers who have built such projects in NC and nearby states has to be compiled in order to distribute the new promotional materials.

- b. **Public Launch of New Promotional Efforts** – It is recommended that when the new materials and developer list are completed, that a public event be held at which the public is informed of the findings of this assessment, on the many strengths of Fayetteville in supporting MUD. This is currently proposed to be held in October, 2015.
- c. **Followup Contacts** – immediately following the public promotional launch effort, consultants and local staff as appropriate, would work together to make a concerted effort over a 4-5 week period to contact developers directly and provide them with MUD promotional materials for Fayetteville and to aggressively provide followup assistance as requested.

5. Conclusions

- a. Fayetteville has the same basic elements of good market demand, good sites available and good local support network that developers have used to



successfully develop substantial MUD in nearby and comparable regional cities.

- b. Fayetteville has a large and growing number of good paying jobs to support an urban rental housing type and choice that does not exist in the community at present, but which has been very successful in an increasing number of nearby communities.

- c. Fayetteville has carefully preserved and invested in its high quality Downtown, in ways that provide direct support for MUD by providing an authentic, historic walkable environment demanded by the growing number of urban renters.
- d. Fayetteville has a larger than normal number of young adults/Millennials, who are the driving force on occupying such MUD housing in walkable locations.
- e. There is large and growing number of developers doing MUD in North Carolina, and a carefully prepared and executed promotional effort will likely draw interest from such developers in considering projects in Fayetteville.

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