



RENAISSANCE PLANNING GROUP

CAPE FEAR CATALYSTS PROJECT REPORT

YOUR IDEAS. YOUR REGION. YOUR FUTURE

FOCUS

NOVEMBER 2014

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BACKGROUND

The Catalyst Reports were prepared by Renaissance Planning Group in consultation with local government staff as part of FOCUS, an initiative of the Lower Cape Fear Sustainable Community Consortium. The Cape Fear Council of Governments, along with a group of local agencies called the Lower Cape Fear Sustainable Communities Consortium, were recipients of a grant from the U.S. Housing and Urban Development (HUD) agency. This grant is being used to support planning initiatives, studies and regional collaboration efforts to create a Regional Framework Plan for growth and sustainability in the Southeastern North Carolina area. More than 14 agencies and local governments have worked together to develop this program, which is called FOCUS.



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SETTING THE CONTEXT

The region's rapid population expansion shows no signs of slowing.

For several decades, people from across North Carolina and the rest of the country have been drawn to the Cape Fear Region by its natural beauty, climate, lower cost of living, job growth, and quality of life. Today the region's rapid population expansion shows no signs of slowing. The region's three counties - Brunswick, Pender and New Hanover - were also among the 10 fastest growing Counties in North Carolina.¹ Additionally, they are expected to add at least 190,000 residents and 74,000 jobs between 2015 and 2040, and recent trends indicate those figures could end up much higher.

In response to the region's rapid growth, 12 local governments and non-profit organizations teamed up through the FOCUS Consortium in 2012 to coordinate their planning and develop a shared vision and regional plan for sustainable development in

Southeastern North Carolina. The Consortium partners recognize that the location and character of the region's growth will affect infrastructure, traffic congestion, air quality, environment, and general quality of life.

In order to understand, communicate, and better plan for the region's growth, the FOCUS Consortium studied the effects of four plausible growth alternatives. Each of the four alternatives reflect different amounts of population and employment growth (high and moderate forecasts) as well as differences on where growth might occur, and how dispersed or compact that growth might be, and to what degree there is a mixture of uses. From these growth allocations, each scenario includes a summary of how well it performs against a set of quality of life indicators including factors related to housing, transportation and economic development.

This scenario analysis provides the region with a starting point for consideration of developing, refining or adapting local growth policies and economic development initiatives to better align future growth with long term quality of life goals.

The FOCUS Consortium also sought to identify Catalyst projects, where a closer examination of growth dynamics could provide insights to best practices in developing tools, policies and strategies for attracting quality, desirable development. The Consortium identified a short-list of 14 possible locations across the region. From this preliminary list of 14 sites, four areas were selected as Catalyst sites, as each reflects a very unique existing condition and opportunity for advancing new ideas on how best to plan for and accommodate growth. The four areas are:

¹ U.S. Census Bureau. Population Estimates, County Totals, Vintage 2013. Accessed May 1, 2014. <http://www.census.gov/popest/data/counties/totals/2013/index.html>.

CASTLE HAYNE

Existing rural highway commercial, rural residential and agricultural lands in unincorporated New Hanover County. The community wants to grow but keep **rural village** scale and character.

COASTAL PENDER

Undeveloped **greenfield site** in unincorporated Pender County. The area is transitioning from undeveloped, rural to more urbanized, master-planned patterns. The community seeks to welcome new businesses while encouraging quality growth patterns that maintain its small town rural feel and superior amenities.

LELAND TOWN CENTER

Existing suburban highway commercial area within incorporated town center with civic and municipal uses. The community adopted a form based code seeking to encourage **infill/redevelopment** into compact mixed use patterns.

WILMINGTON 5TH AVENUE CORRIDOR

Existing urban residential, transitional neighborhood south of downtown Wilmington. The area is seeking to **improve streetscapes, improve opportunity** and choice for existing residents and encourage infill development.

Each Catalyst project resulted in a Catalyst Project Action Plan, which identifies the next steps and actions a given jurisdiction might take to turn their community goals into complete community outcomes. These four distinct catalyst projects reflect the diversity of existing conditions and community challenges common across the region. Therefore, the

recommendations contained in each catalyst project are often applicable to other locations in the region.

This report includes the recommendations from each Catalyst project as well as an Appendix of best practices and strategies for implementation of complete community concepts.

COMPLETE COMMUNITIES AND LIVABILITY PRINCIPLES

Complete communities are well-designed places that meet residents and/or workers daily needs by providing plenty of housing and transportation choices, and creating a better mix and integration of land uses so people have easy access to stores, schools, parks, and other daily destinations. The FOCUS Consortium worked to further define the concept of a complete community through its catalyst projects. Complete communities are marked by:

- ▶ Compact and walkable patterns of development
- ▶ Fiscally prudent use of land and infrastructure
- ▶ Competitive local economies
- ▶ A mix of land uses and building types
- ▶ A strong and distinguishable sense of place that captures the unique local character

Complete communities have much in common with the popular planning concept of livability, which includes:

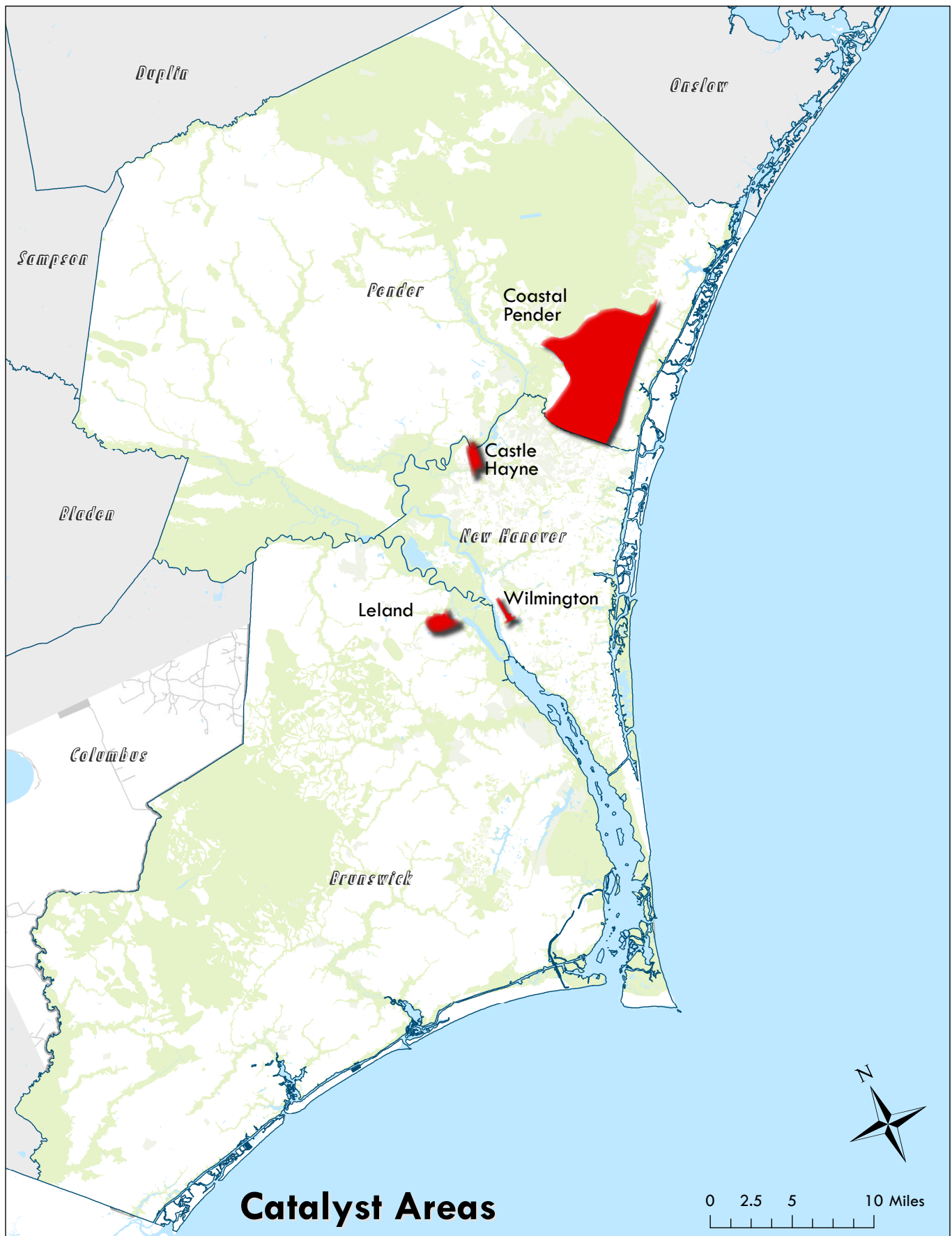
- ▶ Provide more transportation choices
- ▶ Promote equitable, affordable housing
- ▶ Enhance economic competitiveness
- ▶ Support existing communities
- ▶ Coordinate and leverage federal policies and investment
- ▶ Value communities and neighborhoods

FOCUS ELEMENTS

The FOCUS Consortium identified several elements that are important to the well-being of the region:

- ▶ Economy
- ▶ Environment
- ▶ Health
- ▶ Housing
- ▶ Opportunity
- ▶ Transportation

Each of these elements affects - and is affected by - the region's growth patterns. The FOCUS Consortium believes that building more complete communities through development and design policy at the local level will strengthen the region's performance each of these elements, ultimately improving quality of life and economic opportunity for all who live, work, and vacation in the Cape Fear Region.



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CASTLE HAYNE

CATALYST SITE DESCRIPTION

EXISTING POLICY CONTEXT AND KEY ASSETS

MARKET ASSESSMENT

CATALYST WORKSHOP

CATALYST SITE GOALS

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES AND TOOLS

TRANSPORTATION

HOUSING & DEVELOPMENT

ECONOMY



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SECTION 1

CASTLE HAYNE SITE DESCRIPTION

Despite its good access and the region's rapid growth, Castle Hayne has maintained a small town feel and rural character with farms, widely spaced houses, open space, and a small cluster of single story, smaller scale shops.

Castle Hayne is an unincorporated hamlet in northern New Hanover County. Its core commercial area is nestled between the Northeast Cape Fear River and the junction of Route 133 and US 117. Castle Hayne is indirectly served by Interstate 40 and has easy access to the region's airport and major employment centers on Interstate 140. Despite its good access and the region's rapid growth, Castle Hayne has maintained a small town feel and rural character with farms, widely spaced houses, open space, and a small cluster of single story, smaller scale shops.

Castle Hayne continues to face pressures to develop in a more suburban fashion. The recent extension of water and sewer services along Chair Road, on the southern end of Castle Hayne,

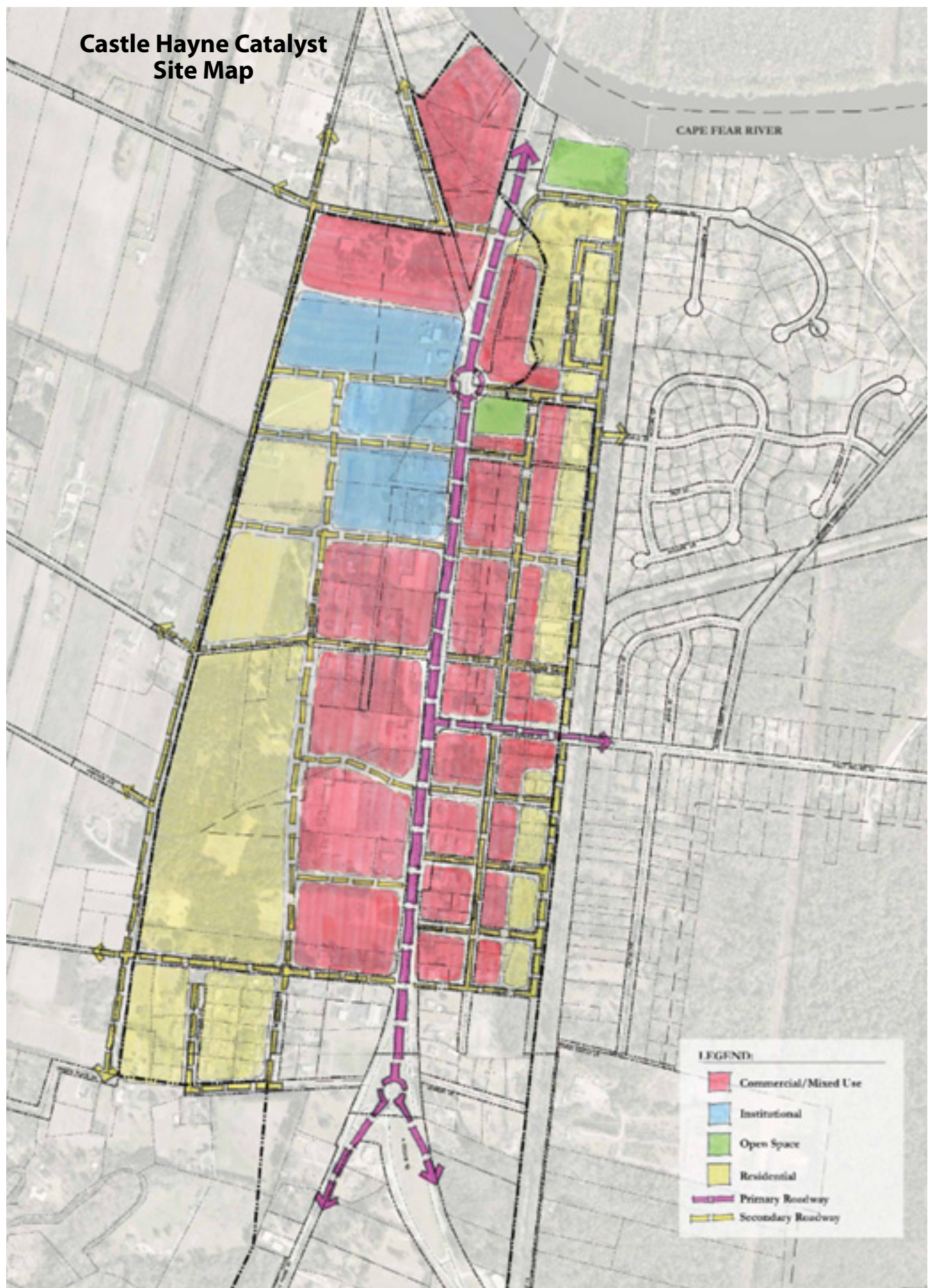
is bringing new development even closer to the hamlet's core. Meanwhile, North Carolina DOT is currently constructing a roundabout at the key intersection of Castle Hayne and North College Roads (completion date of summer 2015) that will improve traffic flow and safety. The New Hanover County School District has also contributed to changes in the area, opening Castle Hayne Elementary School in 2009 and Holly Shelter Middle School in 2010. The community has embraced these changes, but has concerns about other proposals, such as new industrial uses along the Cape Fear River, increases in traffic on Castle Hayne Road, and the potential widening of Castle Hayne Road to accommodate future traffic from growth in Pender and New Hanover Counties.

EXISTING POLICY CONTEXT AND KEY ASSETS

In 2008, Castle Hayne residents responded to mounting growth pressures by working with New Hanover County staff to develop a community vision plan. The plan laid out desired outcomes and obstacles to achieving the community's vision of Castle Hayne growing into a southern village with a walkable, main street commercial area.

The plan also described strategies to realize the vision. These include expanding commercial uses to serve daily needs, making the village center a destination rather than a pass through area, limiting signs and making them more consistent, enhancing the

Castle Hayne Catalyst Site Map



landscaping, and encouraging local small business instead of large superstores. Among the uses desired by residents at the time were restaurants, a library, a post office, book store, water sports outfitter, a hotel, medical office, and a farmers' market. These uses would help transform Castle Hayne from a pass through on the highway to a more complete community. In order to achieve this vision, the plan identified the need to address several obstacles including:

- ▶ Lack of water and sewer infrastructure
- ▶ Poor connectivity of local streets, which hinder efficient circulation for all transportation modes
- ▶ Heavy through traffic on Route 133 (Castle Hayne Road), which is the hamlet's Main Street
- ▶ Poor pedestrian access
- ▶ Haphazard development pattern
- ▶ Poor drainage
- ▶ Lack of a consistent look and feel among existing development
- ▶ Poor connection to the Northeast Cape Fear River
- ▶ Small lots on the east side of Castle Hayne Road

This vision plan reflected community sentiments and desires at the time, but did not include a robust analysis of the economic drivers, infrastructure costs or other issues associated with advancing the vision. The following provides a brief description of market dynamics demonstrating some of the growth trends likely to impact Castle Hayne and this area of the region.

MARKET ASSESSMENT

Castle Hayne is a place that continues to be poised for potential growth and development. While population and development in the three-county region is fairly centralized in Wilmington, recent trends (described in the Regional Market Assessment prepared for the FOCUS initiative) have indicated that growth is starting to spread out from the traditional core that is centered on Downtown Wilmington, the airport area, Mayfaire and the area around the University of North Carolina at Wilmington¹. Leland has emerged as a major growth center to the west, issuing almost 2,000 residential building permits since 2007 and seeing parallel growth in commercial development. To the north and east, growth in coastal Pender County, particularly in the Hampstead area, has continued the traditional path of development from Wilmington and waterfront areas, where household incomes and home values are higher. Castle Hayne sits in a transportation corridor roughly midway between those two growth corridors.

The Castle Hayne area is served by two interstate highway interchanges that give it excellent regional accessibility. Just south of the area is Interstate 140/US 17 which leads to Leland and Brunswick County to the west and the coastal area to the east, which will soon be enhanced by the planned Route 17 Hampstead Bypass. A major regional employer, the General Electric manufacturing facility, sits at this interchange and benefits from the access to the regional labor force this location provides. Just north of the area, access to I-40 provides north-south regional access into the heart of Wilmington and points south, and to the north ultimately leading to Raleigh and I-95. Besides the interstate highways, Route 133 and US 117 form the spine of Castle Hayne and carry around 15,000 vehicles per day, making it a notable local transportation route.

Being a highly accessible location in a growing region has led to greater attention in the development marketplace. The 313-acre River Bluffs development will bring approximately 700 new homes and other amenities to the Cape Fear River just south of Interstate 140. The GE plant hosts around 2,500 workers who could demand nearby shopping, restaurants, and services that do not exist now. The area is also in

¹ Stamm, Dave. "FOCUS Catalyst Project Regional Market Assessment." FOCUS Consortium. February 20, 2014.

close proximity to the 421 Corridor in Pender County which is targeted for increased industrial growth and commercial activity. Within Castle Hayne itself a new apartment development was recently considered and commercial development interests have been exploring the area around the new roundabout that will be reconfiguring the Route 133/US 117 interchange. The Castle Hayne community has noted the various factors that contributed to its emerging potential, and have expressed a desire to manage future growth in a way that is consistent with their current low-density, rural profile while introducing new local-serving business activity and residential development that is compatible with the existing community character.

Despite locational advantages, other demographic and economic factors inhibit Castle Hayne's desired growth patterns:

- ▶ The Castle Hayne and Skipper's Corner Census Designated Places (CDPs) combined have only 1,435 households living there according to the 2008-2012 American Community Survey (ACS). Given that retail development follows "rooftops," the low residential density of the local market area presents a challenge that could be exacerbated by the community's desire to maintain a largely rural character.
- ▶ The median household income in Castle Hayne for 2008-2012 is \$34,608, which is relatively low. Skipper's Corner presents a higher income profile with a median of \$70,429, but overall the income profile is not high enough to counterbalance the low household density.
- ▶ The lack of sewer service in Castle Hayne constrains current development. While plant capacity exists for future growth, the added time and complication of extending utility infrastructure to development sites will make the area less competitive to other regional locations in the near term.
- ▶ GE workers are a potential source of housing demand, but the site's regional accessibility means that they can live elsewhere and still have a convenient commute. Many GE workers live in the Porter's Neck and Hampstead areas, which are only about a 15 minute drive via I-140 and US 17 (without traffic). The Hampstead Bypass will likely improve mobility for many of these workers. Unless office and industrial development nearby increases significantly, the GE plant alone probably cannot generate enough critical mass of activity to attract shopping and services in Castle Hayne.
- ▶ The Hampstead Bypass will enhance mobility and accessibility from Wilmington northeast to coastal Pender County, reinforcing what is already a favored path of growth. Castle Hayne is on the western edge of the area that will be influenced the most by this new roadway and will have to compete with areas to the east that will be newly accessible and subject to increased attention for development.
- ▶ Physical brick-and-mortar retail is evolving in the face of online competition and changing household spending patterns. Development and store location decisions are increasingly being focused primarily on the strongest "A" rated locations, with peripheral locations and "B" rated (or lower) sites being avoided. The landscape is much more competitive than it once was as many retailers plan for fewer, but higher-performing new stores.

Considering all of these factors, Castle Hayne is probably not a prime location for major commercial development that would serve a trade area larger than the immediate community. There are physical and access constraints on development to the west, lightly populated rural land to the north, and highly competitive growth areas with future mobility improvements to the east. It seems reasonable to assume that the most intensive growth will follow the established paths of the coastal corridor and the Leland area, leaving Castle Hayne in between. While community residents and other stakeholders are not targeting intensive development in their vision for the future, there is a desire to address the market demand, planning, policy and infrastructure needs to attract desired shopping and services for those who live and work there, and those who may want to locate there in the future.

As noted above, the Castle Hayne/Skipper's Corner area has around 1,500 existing households living in it. The current capital improvements program for the Cape Fear Public Utilities Authority (CFPUA) notes that there is utility capacity for the following general levels of new residential development:

- ▶ 278-1,000 three-bedroom single-family homes in Castle Hayne, east of the railroad tracks and along Holly

Shelter Road

- 1,000 or more three-bedroom single-family homes south along College Road

Using the most aggressive build-out assumptions, if 2,000 new homes were built in these areas then the total household count in the local market area would increase to around 4,500. This growth could also spur additional utility extensions and expansions that increase the currently projected capacity. Besides household demand, the workers at the GE plant and commuters passing through the area on the interstate highways and Route 133/US 117 also would generate some demand for shopping, restaurants, and services.

Given this future growth profile, the most likely form that new commercial development could take would be what the retail development industry classifies as a neighborhood shopping center. Neighborhood centers are typically anchored by a supermarket of 45,000 to 60,000 square feet and comprise 70,000 to 90,000 total square feet including the anchor store. The most common tenants in a neighborhood center serve the everyday shopping and service needs of nearby residents. (See Table 1)

A neighborhood center requires the support of 6,000 to 8,000 households in a one to two-mile radius (which would extend the market draw into Pender County), which means that it will take a substantial build-out of local residential development potential supplemented with nearby employment and pass-through traffic to generate the local spending required to support this level of retail development. This presents the community with an opportunity to shape the future development pattern to align with its desire for a village-like environment that encourages walking and biking and presents more of a low-density residential pattern. Small-lot single-family homes, combined with attached homes and low-rise multifamily in select locations hold the best potential for creating a walkable environment with sufficient population density to both support the new stores and provide a high-quality setting with public open space, civic functions, and other amenities that can increase the drawing power beyond that of a typical shopping center. These supportive uses should also be located along and adjacent to Castle Hayne Road because future demand is not likely to support a fully commercialized corridor.

The basic development strategy would be to encourage development that contains the components of a neighborhood shopping center but reflects the physical characteristics and connectivity of a walkable village environment. Critical mass is important, so the development should be concentrated in a single site or in separately developed but adjacent sites, and not spread out too far along Castle Hayne Road. A location at or near the intersection with Holly Shelter Road would be ideal because of the exposure to that roadway's traffic flow and access to I-40 to the east. If critical mass for a neighborhood center is achieved and as the local market matures, there may be additional potential for ancillary commercial uses and other specialty stores seeking to capitalize on the strengths of the location. But the overall scale of the commercial village will primarily be linked to the size of the local residential population in Castle Hayne, Skipper's Corner, and the immediately surrounding area. Additionally, there may be an opportunity for additional market demand generated from increased use and activity along the riverfront where a new access point and facility is being planned.

Table 1: Most Common Tenants in Neighborhood Shopping Centers*

Supermarket
Medical and dental offices
Restaurant with liquor
Dry cleaner
Women's hair salon
Nail salon
Pizza
Unisex hair
Drugstore
Chinese fast food
Sandwich shop
Restaurant without liquor
Telephone/telecom store
Tanning salon
Dollar store/novelties
Mailing/packaging
Insurance
Finance company
Liquor/wine

* Based on ULI survey data, the tenants are listed in descending order based on the frequency of these types of tenants locating in neighborhood centers.

SECTION 2

CATALYST WORKSHOP

The discussion confirmed the community's desire to retain its rural character.

The FOCUS Consortium's emphasis on regional planning for growth and building complete communities is well aligned with Castle Hayne's vision. Therefore, FOCUS organized a workshop on April 8, 2014 where Castle Hayne residents and local government officials explored where and how the community should grow. The workshop provided an opportunity to revisit the 2008 Castle Hayne Community Plan and discuss the issues and opportunities for shaping future growth.

Based on the attendees present, the discussion confirmed the community's desire to retain its rural character, but also

revealed an inherent tension between the vision and Castle Hayne Road's importance as a regionally significant corridor that connects the hamlet and Pender County with Wilmington and the region's airport. The two-lane road is already carrying 15,000 vehicles per day, and volume will likely rise with the addition of nearly 700 new homes off Chair Road and potential industrial development near Interstate 140, not to mention growth just over the river in Pender County. This presents a design challenge in terms of accommodating future vehicular traffic along the corridor, which may necessitate creating a four lane facility, or creating two parallel two-lane

facilities. In both scenarios, the desire of local residents and businesses is to create a slower speed, pedestrian oriented cross section as the road traverses the village center.

Paying for the needed water and sewer infrastructure improvements is another challenge. The workshop also brought together staff from the county, the airport, NCDOT, the MPO, Cape Fear Utility Authority and others to explore these and other issues. The staff-level discussion pointed towards several steps that must be taken in order to bring about the vision for Castle Hayne as summarized below in Section 4.

CATALYST SITE GOALS

Workshop participants identified several key goals for the Castle Hayne area, many of which confirmed goals in the 2008 plan. These include:

- ▶ Find creative ways to mitigate increasing traffic on Castle Hayne Road to ensure existing residents and business maintain ease of auto access within, to and from the community; and that there remain opportunities to encourage pedestrian access between key retail and infill housing destinations.
- ▶ Encourage some residential infill development, but orient towards the southeast side of Castle Hayne Road.
- ▶ Encourage new retail, but ensure that existing businesses can stay and thrive.
- ▶ Improve aesthetics of commercial retail and other new development to create a unique look and feel for the area reflective of a rural, small town village.
- ▶ Utilize urban design principles that improve walkability between uses along the corridor (buildings near the street, rear parking, and internal access between properties).
- ▶ Maintain the maximum building height at three stories.
- ▶ Expand water and sewer to enable additional housing and commercial development described in the market assessment, but also use it to control type and scale of future development to ensure rural village character.
- ▶ Seek strategies to ensure that the private sector can help fund needed infrastructure and not place that burden on existing residents.
- ▶ Local new cultural facilities in Castle Hayne as new retail and residential arrive.

The following summarizes the issues, opportunities, and priority action items identified by those in attendance at the day-long workshop.

SECTION 3

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES, AND TOOLS

TRANSPORTATION

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

Castle Hayne Road is a key regional thoroughfare that has two lanes of traffic and a middle turn lane. Pedestrian and bicycle accommodations are poor to nonexistent along the corridor. The road in downtown Castle Hayne needs to handle both “through traffic” and “to traffic.” In other words, people are going to travel through the community on their way to Wilmington and the airport, but the community would also like to see more people traveling the road just to access and enjoy the village center of Castle Hayne. The former travelers demand higher speed and less delay. The latter demand slower speeds, more parking, and walkability. The two purposes of the street are

somewhat contradictory, but this is a common problem that creative integrated land use and transportation strategies can help to solve.

The transportation system also lacks good circulation on the side streets and cross streets. Few connect the east and west sides of the community and for the most part they lack pedestrian accommodations. The transportation system could also provide better connections to the Northeast Cape Fear River, which is a key environmental and recreational asset in the region. Two major improvements present an opportunity for Castle Hayne. The first is a roundabout at the intersection of Route 133 and

US 117, which come together just south of the hamlet to form Castle Hayne Road, currently under construction and due to be complete in summer 2015. The second is an \$8 million streetscape improvement to Castle Hayne Road from roughly the bridge over the Cape Fear River to the new roundabout. However, construction on the streetscape improvements is not expected until between 2026 and 2035 unless there are significant changes to land use and traffic patterns in the area in a shorter timeframe. Based on this context, the following presents some ideas on next steps:

RECOMMENDATION 1 - COMPLETE A ROADWAY CONNECTOR STREETS AND MULTIMODAL TRANSPORTATION PLAN

The 2008 plan included a conceptual diagram illustrating the grid of streets desired for the area. To advance these concepts, the county should consider developing a Connector Street and Multimodal Plan for the Castle Hayne area in concert with the development of a Small Area Plan as part of the creation of the County's first Comprehensive Plan. This Connector Streets and Multimodal Transportation Plan would reflect long term transportation needs for auto, bike, pedestrians and transit based on long term growth and development plans for the area. The plan would help to identify priority locations for bicycle and pedestrian infrastructure as well as a potential location for a future transit stop and park and ride lot which can help connect the area to the region's WAVE bus system. Funding the needed collector streets and multimodal improvements could come from a combination of public and private sector sources as new growth comes along.

RECOMMENDATION 2 – COMPLETE A FULL BICYCLE, PEDESTRIAN AND TRAILS MASTERPLAN

As part of the Connector Streets Plan, a more detailed effort is needed to incorporate non-motorized modes of travel within the Castle Hayne village center. This would include seeking opportunities for more sidewalks within the Village Center to encourage walk trips between destinations, and also to serve future areas of infill housing development that would help to encourage links between close in residential and retail opportunities. This strategy would also allow visitors to park once and walk to multiple destinations. In addition, the larger pedestrian, bicycle, trail and equestrian network of sidewalks, bike lanes and multiuse trails should also be completed for the larger Castle Hayne area to better link these opportunities with the Village Center, nearby schools and the Community College, and recreational destinations like the river.

RECOMMENDATION 3 – WORK WITH THE MPO TO PRIORITIZE TRANSPORTATION IMPROVEMENTS IN LOCATIONS ACROSS THE REGION (LIKE CASTLE HAYNE) WHERE COMPLETE COMMUNITY CONCEPTS ARE BEING ADVANCED

Projects in lower density communities in the region that lack transit, such as Castle Hayne, are at a disadvantage for securing funds for transportation projects through the MPO. The criteria used to evaluate projects favor higher density areas with existing transit service. The MPO could consider ways to help fund needed improvements in rural village areas while also seeking to encourage non-motorized travel and with plans to advance Complete Community concepts.

RECOMMENDATION 4 - INITIATE A CORRIDOR STUDY OF CASTLE HAYNE ROAD FROM THE NORTHEAST CAPE FEAR RIVER TO THE NEW ROUNDABOUT AT ROUTE 132/US 117 (CASTLE HAYNE ROAD/COLLEGE ROAD)

In partnership with the NCDOT, the Wilmington Metropolitan Planning Organization and both New Hanover and Pender Counties, a new corridor study of Castle Hayne Road from points north in Pender County to the soon-to-be constructed traffic circle at College Road. Castle Hayne is a "through" corridor for traffic from I-40 and Pender County heading south to GE, the airport, and Wilmington, but it's also a "to" corridor for people that shop, dine, and live on the road. The study is an important step in defining the long term vision for Castle Hayne Road in light of the new bypass to the east, increased development in Pender and New Hanover County, and discussions about additional interchanges on I-40. While the MPO's long-range transportation plan includes streetscape improvements along this stretch sometime between 2026 and 2035, there are some larger corridor wide issues that should be revisited to identify how a network or grid of roadways in this part of New Hanover and Pender Counties can work together.

RECOMMENDATION 5 - PURSUE SAFE ROUTES TO SCHOOL FUNDS FOR SIDEWALKS/ TRAILS TO SCHOOLS

The Castle Hayne area has two schools, Holly Shelter Middle School and Castle Hayne Elementary School. To improve and encourage bicycle and pedestrian access to these schools, the County can coordinate with the NCDOT Safe Routes to School coordinator and the Regional Active Routes to School coordinator in Robeson County to help seek federal funding to improve the connections from nearby homes to the school campuses.

HOUSING & DEVELOPMENT

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

Castle Hayne consists mostly of single family homes on fairly large lots with a separate commercial district marked by highway-oriented businesses. The Castle Hayne Community Plan calls for moving more towards a village concept with a mix of uses connected by a walkable streetscape. Residents also have mentioned the need to preserve historic bungalows and encourage people to transition them into new uses. As the region grows, Castle Hayne will likely see more demand for housing and services, but the underlying zoning codes will need to change and additional incentives may be required to enable the type of development the community envisions. The following includes key recommendations to address these issues:

RECOMMENDATION 1 – CREATE A SMALL AREA PLAN FOR CASTLE HAYNE

In conjunction with the development of New Hanover County's Comprehensive Plan (underway in 2014-2015), the county should consider developing a Small Area Plan in concert with the development of the Street Connector Plan to set the specific policy context needed for Castle Hayne to realize its long term vision. This Small Area Plan can build upon the 2008 effort, current comprehensive planning efforts and input received as part of the Castle Hayne Catalyst project. It should include policies that would support the desire for mixed land uses and higher density infill housing development immediately adjacent to the commercial corridors with an emphasis for newer housing to occur east of Castle Hayne Road. In addition, local community members also identified a desire to maintain lower density uses west of Sycamore Street. This could be supported in the identification land uses specific to maintaining larger sized lots for equestrian or agricultural uses. This plan can then inform future updates to zoning ordinances as well as provisions for the location of sewer, water, and street improvements.

RECOMMENDATION 2 - CREATE A MIXED USE ZONING DISTRICT

The current zoning ordinance for the Castle Hayne area is several decades old and currently prevents mixed use development in Castle Hayne. A mixed use district should be considered. The district would likely be limited to the village center core surrounding Castle Hayne Road. The mixed use district would not only allow for vertical integration of uses with ground floor retail and housing above, but it could also help to encourage higher density housing to serve housing demand for more diverse housing types including apartments, townhomes and smaller lot single family residential.

RECOMMENDATION 3 - ENABLE ADAPTIVE REUSE OF BUNGALOWS ON BLOSSOM STREET

The community would like to preserve its history and significant structures that reflect the historic form and character of the region. The county can help by developing an ordinance that allows for and encourages adaptive reuse of bungalows on Blossom Street. These may be ideal for small professional service businesses.

RECOMMENDATION 4 – ESTABLISH AN AGRICULTURAL AND EQUESTRIAN USE PRESERVATION DISTRICT

As part of the county's Comprehensive Plan update, both policies and incentives should be explored to preserve working rural lands. This could include a range of policy and incentive strategies. Best practices on this topic are included in the Appendix.

ECONOMY

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

The core vision for Castle Hayne is to preserve existing businesses, maintain rural character but also attract new growth to support more locally serving retail and other community amenities. Many of Castle Hayne's existing businesses rely on both local and pass-through traffic on Castle Hayne Road. As presented in the market assessment, attracting additional retail can be facilitated through supporting additional residential growth in the area. In addition, the village center can also evolve as a key destination for living, shopping and recreating that could appeal to workers in the nearby GE facility and other employers in the industrial areas near Interstate 140. To realize this economic vision, the County should continue to work with community members to refine the desired scale and form of new development which can then be translated into marketing strategies aimed at attracting desired new growth and investment. The following includes some key recommendations to address these issues:

RECOMMENDATION 1 – CREATE THE FUNDING MECHANISM AND DEVELOPMENT THRESHOLD TRIGGERS TO EXTEND WATER AND SEWER SERVICES WITHIN CASTLE HAYNE

Much of Castle Hayne lacks water and sewer service, which are vital for additional growth and development. Providing water service would also improve quality of life and potentially health for existing residents relying on underground water. Water drawn from wells in the area has a high mineral content, which erodes pipes and forces residents to build multiple expensive wells. The Northside Treatment Plant has capacity to serve growth in Castle Hayne, but the community lacks sufficient connections to the plant. Once the county establishes the long term development vision for the area, they can partner with private sector developers and Cape Fear Public Utilities to determine the best combination of funding mechanisms that can help support desired expansions. Some of these funding initiatives such as USDA-Rural Development funding programs are included by reference in the Appendix and can also be explored in the Comprehensive Plan process.

RECOMMENDATION 2 – ESTABLISH A PUBLIC/PRIVATE ECONOMIC DEVELOPMENT AGENCY AND GROWTH ADVISORY COMMITTEE

Castle Hayne is not incorporated as a town or city, so it lacks a mayor and council. In order to implement the infrastructure and regulatory changes called for in the Community Plan, and further advance the vision, a quasi-government body should be established. Ideally this committee would emerge from both the public and private sectors to advocate for and on behalf of the area to the County, NCDOT and the MPO. Additionally, the area could also benefit from the creation of a business alliance or chamber of commerce-like group to better reflect existing and new growth interests. The Friends of Castle Hayne is another group that could be tapped to help establish a regular advisory type of committee.

RECOMMENDATION 3 - CONDUCT A FISCAL IMPACT ANALYSIS ASSOCIATED WITH THE SCALE AND DEVELOPMENT DESCRIBED IN THE MARKET ASSESSMENT, VISION AND TO BE DEVELOPED SECTOR PLAN

Cape Fear Public Utilities Authority provided some preliminary cost estimates for extending water/sewer to the village center in Castle Hayne. This information plus longer term estimates for other infrastructure such as the streetscapes, additional collector streets, signage, schools, safety and fire, and other related development support services and infrastructure should be completed to help determine the total capital, operating and long term maintenance cost associated with more intensified growth in this area of the county. The Cape Fear Public Utilities Authority can also help to estimate the revenue needed to support the extensions and also help identify potential grant or loan opportunities to cover the initial cost of construction.

RECOMMENDATION 4 – ESTABLISH LONG TERM PUBLIC-PRIVATE INFRASTRUCTURE FINANCING STRATEGY

Based on the long term fiscal impact analysis costs and insights from the advisory group, there is a need to

explore and establish a range of potential funding sources to help accommodate the infrastructure needed to support new growth and provide the incentives needed for desired growth patterns.

RECOMMENDATION 5 – DEVELOP A COMMUNITY MARKETING STRATEGY

To attract the quality and type of growth desired, Castle Hayne could benefit from conducting its own branding effort to distinguish its character, highlight adjacent amenities (such as river access, equestrian lifestyle, conservation lands, etc.) and other quality of life attributes. As new retail develops, the plan could extend to include specific strategies to attract people to shop and stroll the village center. This could be implemented by the Advisory Committee, in conjunction with private developers and real estate agents, or in concert with County economic development and marketing efforts.

RECOMMENDATION 6 – ESTABLISH A WAYFINDING AND SIGNAGE PROGRAM

To orient potential customers to retail and restaurant offerings as well as local public recreational activities, the County could work with residents and businesses to establish a signage and wayfinding program. This can help to establish a sense of arrival for those entering into the new village center and orient visitors to the full range of offerings.

SECTION 4

CONCLUSION

Castle Hayne is a place that continues to be poised for potential growth and development.

Castle Hayne will likely see more demand for housing and services. The Castle Hayne Community Plan calls for moving more towards a village concept with a mix of uses connected by a walkable streetscape. However, the infrastructure needed to support this vision is currently lacking and will require long-term commitment to realize.

Castle Hayne's Catalyst Plan provides recommendations that are consistent with the Complete Communities concept, and include:

- ▶ A range of transportation plans that start the process of a more compact and walkable transportation network

- ▶ Ordinance updates that takes advantage of the area's existing housing stock and allows for mixed use development

- ▶ Refining the economic vision to ensure a strong, distinguishable sense of place, and providing guidance and incentive for the private development community to pursue that vision

The prevailing trends in Castle Hayne suggest that these recommendations are achievable, but will require leadership from those willing to champion the village center vision. Identifying and cultivating that leadership will be paramount.

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COASTAL PENDER

CATALYST SITE DESCRIPTION

EXISTING POLICY CONTEXT AND KEY ASSETS

CATALYST WORKSHOP

CATALYST SITE GOALS

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES AND TOOLS

TRANSPORTATION

HOUSING & DEVELOPMENT

ECONOMY

HEALTH



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SECTION 1

COASTAL PENDER SITE DESCRIPTION

The purpose of the catalyst project is to help Pender County explore how best to plan for and partner with the private sector to realize quality growth in the area.

Coastal Pender runs from the New Hanover County border in the south, to Surf City in the north, and from the Intracoastal Waterway on the east to just west of U.S. Highway 17. Most of the existing development is along the Intracoastal Waterway and on the barrier islands, which are both east of US 17. The area west of US 17 is largely undeveloped and reserved as state game lands. The unincorporated community of Hampstead is roughly in the middle of the 60-square mile area.

Coastal Pender is facing substantial growth pressure as the Wilmington metropolitan area expands. Existing and proposed transportation infrastructure along with other positive quality of life attributes put Coastal Pender in a prime

position to attract a large portion of this growth pressure. The U.S. Highway 17 Hampstead Bypass (Hampstead Bypass R-3300 NC DOT STIP Project) will likely bring more growth by reducing travel time to Wilmington and Interstate 40, while also opening access to undeveloped areas. The Bypass will traverse southern Coastal Pender, connecting the Wilmington Bypass with US 17 near Sloop Point Loop Road, and separating local from through traffic on US 17, creating a downtown Hampstead.

The purpose of the catalyst project is to help Pender County explore how best to plan for and partner with the private sector to realize quality growth in this area. While the County adopted the 2010 Pender County Comprehensive Land Use Plan,

the catalyst project helped identify some specific design considerations, policy and zoning changes and infrastructure strategies that could help the County bring about the desired growth pattern.

The project involved a cursory review of local plans, policies, and ordinances and a day-long workshop involving stakeholders such as government officials, land owners, and developers to explore opportunities for growth in the area. Figure 1 below depicts the Coastal Pender area and the planned Hampstead Bypass.

EXISTING POLICY CONTEXT AND KEY ASSETS

Pender County's existing quality of life, natural beauty, excellent school system, small town and rural feel combined with its proximity to jobs and amenities in New Hanover County, Jacksonville and the City of Wilmington make it an attractive place to live and do business, which is in part why it is experiencing such rapid growth pressures. These pressures have the potential to jeopardize these assets, hence the County's proactive approach to planning for growth.

Keeping up with needed services and infrastructure to support this growth is one of the major challenges facing Pender County, especially in the urbanizing area of Topsail Township, which makes up much of the Coastal Pender area. Topsail Township grew more than 50 percent between 2000 and 2010. Pender County is also fast growing, increasing from 41,082 people in 2000 to 52,217 in 2010. To even maintain the same level and quality of services present today, continued growth will require more classrooms, parks, water and sewer pipes, water and sewer treatment capacity, storm drainage, and streets. The County temporarily addressed some of its school crowding issues through a \$52 million bond issue in 2005 that supported the

construction of two new schools in Hampstead. However, the County is still predicted to experience significant classroom and park shortages over the next 10 years.

Stormwater management is also an especially important concern due to the poor drainage of soils in the area, and the sensitivity of the coastal wetlands. While additional water and wastewater infrastructure will be needed to support future growth, implementing Low Impact Development (LID) is another strategy to help address these issues. County staff prepared a report in 2011 that identified specific recommendations for how to remove regulatory impediments to Low Impact Development and offered up strategies to further encourage environmentally-preferred development through incentives. LID refers to ways in which sites can be designed, constructed and maintained over time to "protect or restore the natural hydrology of the site so that the overall integrity of the watershed is protected."¹

The 2010 Pender County Comprehensive Land Use Plan is an important tool that will help shape the coming growth. The Plan calls for growth within existing growth corridors, and in areas where current or planned infrastructure

will support it. The Coastal Pender Small Area Plan (which is included in the Comprehensive Plan) calls mostly for mixed use development along the US 17 corridor and a substantial area of suburban residential growth north of US 17 and east of N.C. Highway 210.

While the Comprehensive Plan doesn't prescribe the form of growth in the mixed use district, the mixed use designation for this area supports smart growth principles which align with the complete community concepts defined in the Background chapter. The mixed use designation is meant to encourage more compact and efficient patterns to promote walkability, help reduce the overall urban footprint, locate housing within walking or a short driving distance from local destinations including retail, schools, parks and employment opportunities and develop the needed transportation and water/sewer infrastructure concurrent with new growth. The implementation mechanism for this policy framework is the Unified Development Ordinance. The underlying premise for the policy framework and the implementing ordinance is to promote an efficient long term development pattern that respects the unique environmental conditions of Coastal Pender and ensures that the County can fiscally sustain the needed infrastructure and

¹ Pender County. "Implementing Low Impact Development in Pender County." 2011

"The private market is the primary driver of growth; however, local governments can affect the market through the adoption and enforcement of land use regulations and through provision of services. Local governments are charged with protecting the health, safety, and public welfare and for providing for the public good. As such, local governments have an interest in ensuring that the timing, location and intensity of growth are sustainable."

Excerpt from Pender County Comprehensive Plan

services through a reasonable return on its public sector investments in the form of local tax revenues.

One of the current large land owners in the area, Mr. Raiford Trask, has an approved Special Use Permit to build a 3 million gallon per day wastewater treatment facility in the Scott's Hill area that can serve a number of major new commercial and residential developments including Blake Farm. Blake Farm is a new development proposed by the Trask Land Company. The Master Development Plan is conditionally approved for up to 2,998 residential units on 1,300 acres with 250,000 sq. ft. of non-residential space. The Blake Farm development provides an opportunity to set the precedent for the type and quality of growth that can occur in this part of the County. It is likely that approval of this project along with the additional wastewater capacity will encourage other applicants seeking to develop land along either side of this property.

Coastal Pender Catalyst Site Map



SECTION 2

CATALYST WORKSHOP

Participants identified several next steps and actions needed by the County to ensure quality growth in this area.

The FOCUS Consortium's emphasis on regional planning for growth and building complete communities is well aligned with the 2010 Pender County Comprehensive Land Use Plan and the need to address long term growth in the Coastal Pender area. Therefore, FOCUS partnered with the County to organize a stakeholder's workshop on March 26, 2014 to revisit the Coastal Pender small area plan and discuss the issues and opportunities for

shaping future growth in this area. Based on the discussion, the participants identified several next steps and actions needed by the County to ensure quality growth in this area.

The workshop brought together County and School Board officials including the Chairman of the Board of County Commissioners, local land owners, representatives from the Pender County Planning Board, and staff from NCDOT,

the Wilmington Metropolitan Planning Organization (MPO) and FOCUS. The discussion included a review of the Complete Community concepts, the Coastal Pender Small Area Plan, design precedents from other coastal communities, funding strategies and public-private partnerships necessary to advance quality growth concepts. The following key goals, issues, opportunities and recommendations reflect these discussions.

“Water, sewer, and road infrastructure cost less in compact development than in more dispersed development. In addition, ongoing expenses—including those for police, fire, and emergency services; street maintenance; and trash removal—are higher per capita when development is dispersed and infrastructure must serve people across a larger geographic area. To increase revenue, many local governments think first of property taxes because they account for more than one-quarter of total revenues and are the largest locally generated revenue source. Smart growth development can help communities maximize property tax revenue without raising tax rates because higher property values are associated with: compact development in established town and city centers; transit connecting homes and jobs; neighborhoods and streets that make walking and biking safe, convenient, and enjoyable.”

EPA, “*Smart Growth and Economic Success: Strategies for Local Governments.*” 2014
www.epa.gov/smartgrowth/pdf/economicsuccess/sg-and-economic-success-for-governments.pdf

CATALYST SITE GOALS

The workshop also helped to confirm the specific goals for the catalyst site which include overarching smart growth principles outlined in the Coastal Pender Small Area Plan, but also consideration of the following:

- ▶ Explore public-private partnerships and create incentives to create quality growth
- ▶ Locate jobs and daily destinations closer to housing
- ▶ Target areas for economic development to attract greater share of professional jobs
- ▶ Create a multimodal transportation network to encourage more walking, biking and the potential for public transit opportunities over the long term.
- ▶ Maintain existing natural assets and incorporate them into community design
- ▶ Encourage connections of Mountain to Sea Trail
- ▶ Create open space corridors, multi-use and horse trails
- ▶ Implement LID practices and explore other creative water conservation and reuse strategies to protect local watershed and wetlands

The following summarizes the issues, opportunities, and priority action items identified by those in attendance at the day-long workshop.

SECTION 3

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES, AND TOOLS

TRANSPORTATION

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

The proposed US 17 Hampstead bypass presents part of the long term solution for accommodating increased travel demand in Pender County. This will be a state roadway, designed and constructed by NCDOT. Ongoing coordination and joint planning for the bypass will be needed between Pender County, NCDOT, the MPO, New Hanover County and local citizen groups to ensure coordinated land use and transportation investments. The alternative analysis work

was completed in 2012 and the corridor is currently in the final design and right of way acquisition phase. However, the project has received no more funding in the most recent Transportation Improvement Projects (TIP) list¹. While this facility would help address travel between Pender and New Hanover County, there will also be a need for a redesigned and

integrated network of collector roadways and streets to the east and west of the corridor as identified in the Coastal Pender Small Area Plan. The challenge facing the County is how best to plan for and fund this network in concert with NCDOT and the private sector, and also ensure that a more robust multimodal network is created.

¹ For more information, visit NCDOT's Website at <http://www.ncdot.gov/projects/us17hampsteadbypass/>

RECOMMENDATION 1- DEVELOP A NEW COLLECTOR STREET PLAN WITH A DETAILED MULTIMODAL ROADWAY AND NON-MOTORIZED NETWORK FOR COASTAL PENDER COUNTY

A detailed collector roadway plan is needed to identify the specific needs and longer term multimodal strategies to accommodate more compact, mixed use growth in this area. There are current efforts underway to advance discussions of creating park-and ride lots in Pender County to connect with the WAVE transit service. The long term multimodal plan can build on this work and the land use policies to ensure there is a 20+ year strategy for expanding transit service as new growth and more dense settlement patterns emerge. The multimodal collector plan can help to identify the long term build-out needs for the transportation network in this area and identify the type and location of potential public and private street networks. This is a critical step in working with prospective developers to identify needed infrastructure, dedicate future rights of way and explore joint funding agreements. In addition to the focus on facilities to support auto travel, the multimodal network plan should also propose regional multiuse trails, pedestrian oriented streets and transit corridors. The multimodal network plan would also benefit from establishing roadway connectivity standards and other design parameters aimed at supporting more compact patterns of development. Finally, the plan should also include consideration of connecting with the larger network of roadways outside the study area, such as looking into the feasibility of linking the bypass with Sidbury Road in Pender and New Hanover County.

RECOMMENDATION 2 – DEVELOP MULTIMODAL ROADWAY DESIGN OR OTHER FLEXIBLE ROADWAY DESIGN STANDARDS

The typical NCDOT roadway design standards do not adequately address the desire for local jurisdictions to implement creative transportation design strategies such as Complete Streets, Low Impact Design (LID) or Green Infrastructure approaches. However, NCDOT is willing to work with local governments to explore creative approaches to incorporating these considerations and in fact has developed statewide guidance on Complete Streets in 2009. Pender County should consider partnering with NCDOT and the MPO to develop specific roadway design standards for the Coastal Pender Small Area Plan, as the scale, character and location of streets serve as the backbone and framework for implementing Complete Community design concepts. The new standards should allow for a close correlation between the desired built form of new development and the roadway design. Similar to the concepts inherent in form-based codes, roadway guidelines should be oriented to align the street with the adjacent desired uses. This includes typical cross-section, streetscape, and green infrastructure strategies that address stormwater management. The design standards could also help to identify the long term maintenance and operational agreements needed to ensure clarity about local, private sector, and state maintenance responsibilities over the long term. This could include the creation of Memoranda of Understanding (MOUs) between the various stakeholders.

Examples of these strategies in action can be found throughout North Carolina including: Concord (ordinance), Davidson (ordinance), Asheville (policy), West Jefferson (resolution), Winston-Salem (policy of the MPO), Chapel Hill (resolution), and Durham (comprehensive plan policy). See this site for more information about complete streets in North Carolina: <http://www.completestreetsnc.org/>. Additionally, the concepts of Green Streets, Green Infrastructure and Low Impact Development should also be considered in establishing new guidance on roadway design. Resources on these concepts can be found in the Appendix.

RECOMMENDATION 3 – STUDY THE FEASIBILITY OF APPLYING A SYNTHETIC TAX INCREMENT FINANCING (TIF) OR OTHER PUBLIC PRIVATE PARTNERSHIP (P3) STRATEGIES

Neither the public nor private sector alone can fully fund the needed infrastructure to support planned growth in Coastal Pender County. North Carolina statute G.S. Chapter 159, Article 6, which is known as the "Project Development Financing Act" enables local governments to pursue creative financing practices to help fund some of the initial road and other infrastructure investments. In particular, the implementation of a synthetic TIF may be a viable technique for developing the major east-west spine road within the Blake Farm property. This spine road would serve as the primary east west connector between the future bypass and the existing US 17, which will be a critical connector between the new developments, points south and existing commercial on US 17.

RECOMMENDATION 4 – ENGAGE SCHOOL BOARD AND KEY STAFF MEMBERS TO EXAMINE COMPLETE COMMUNITY SCHOOL SITING GUIDELINES.

Encouraging kids to walk and bike to school helps to reduce vehicular traffic. Pender County can work with the Pender County School Board to implement community and neighborhood school siting design parameters that include identifying locations within close proximity to the greatest number of households, and site design that encourages walking and biking through the design of adequate sidewalks, bike racks and adjacent streets following complete streets design principles. Well-designed schools and community centers can become a strong market driver in new development, and further build on the County's strong reputation and history of investing in quality schools.

HOUSING & DEVELOPMENT

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

The Coastal Pender Small Area plan includes a mixed use land use designation. As described earlier, the mixed use designation is intended to encourage more compact patterns of development where housing, shops and other destinations are located closer to one another. While this designation provides a helpful policy context, the County may benefit from more policy refinement and zoning ordinance revisions to encourage the desired compact, Complete Community concepts while also providing incentives to developers through more flexibility and streamlined reviews. This may be particularly important for ensuring a minimum mix of uses, LID techniques, housing choices, and integrated transportation networks that encourage more transportation choices.

RECOMMENDATION 1- UPDATE THE SMALL AREA PLAN POLICIES FOR COASTAL PENDER IN CONCERT WITH DEVELOPMENT OF THE MULTIMODAL AND COLLECTOR STREET PLAN.

There is a need to provide more specificity as to the maximum and minimum desired mixtures of uses, provide more focus on building form rather than use, identify guidance on locating community facilities, and other parameters to support Complete Community concepts. This policy guidance would primarily be provided through a new small area plan that considers targeting development into more nodal patterns of development organized around the one-quarter mile walking shed. This policy guidance can also set the stage for revisions to the Planned Development (PD) Zoning District ordinance.

RECOMMENDATION 2 - PREPARE PLANNED DEVELOPMENT ORDINANCE REVISIONS TO ALLOW MORE FLEXIBILITY FOR DEVELOPERS TO RESPOND TO MARKET CONDITIONS, BUT STILL ENSURE THE LONG TERM CREATION OF COMPLETE COMMUNITY PATTERNS THROUGH DEVELOPMENT OF A FORM BASED PLANNED DEVELOPMENT ORDINANCE.

The type of development desired in the Complete Community concepts will require additional provisions and revisions to the zoning code to ensure a minimum and maximum mix of uses, but also provisions that ensure Complete Community site design practices that encourage clustered and vertically integrated land use patterns that promote walkability and 'park once and walk' opportunities. This could be accomplished in part by adopting more of a form based type of approach to the zoning code. One example could be to refine the PD Section of the Pender County Unified Development Ordinance to require the submission of a more flexible type of site plan – one that requires detailed street and block plans, design guidelines for buildings and open spaces but greater flexibility of uses. This modified definition of the PD site plan would include specific design standards addressing building heights, orientation and setbacks, but allow more variety

of uses. Doing so would allow developers more flexibility in bringing products that reflect current market conditions, while still creating a building form and development character that supports the larger Complete Community design concepts.

RECOMMENDATION 3 – REFINE THE PD ORDINANCE ADMINISTRATIVE AND PROCEDURAL STANDARDS TO SPECIFY PARAMETERS THAT WOULD ALLOW FOR SITE PLAN CHANGES THROUGH ADMINISTRATIVE RATHER THAN LEGISLATIVE APPROVAL.

One of the key incentives that the County can provide to the development community to encourage the creation of Complete Community concepts is to streamline the development review process. While Pender County already has a predictable and expeditious review process in place, they may benefit from interviewing developers to gain a better understanding of some potential areas of additional improvement. In some cases the biggest obstacle to quality development in this area may be the lack of flexibility in the ordinance structure to allow developers to adapt to changing market dynamics for products. As part of the update the PD ordinance, the County can identify an appropriate set of site plan amendments that may be addressed through administrative review by the Zoning Administrator in lieu of a legislative approval and full board hearing. Additionally, the County can take the lead on engaging the public in a visioning effort as part of the revisions to the Small Area Plan (in the existing Future Land Use Plan) policies to explore the long term build out of this area and provide visualizations, estimated impacts and other helpful information that can help dispel some of the traditional concerns from the community relative to traffic or environmental impacts resulting from new development.

RECOMMENDATION 4 – CONDUCT A FISCAL IMPACT ANALYSIS FOR THE COASTAL PENDER AREA.

Understanding the long term public sector investments for the provision of services is a critical step in any growth management strategy. In this particular case, the County can use this overall planning effort to determine how different levels of density and mix of uses can in turn provide the needed tax base to support future development. In effect, this fiscal study can be used to guide potential refinements to the plan policies and subsequent ordinances to ensure that the tax revenue return that could result from an appropriate densities and mixes of uses is viable and reasonable to pay for the public investments in infrastructure. This type of analysis could also be used to provide justification for setting aside future Capital Improvement Plan funds based on anticipated future tax revenues.

RECOMMENDATION 5 –DETERMINE THE BEST COMBINATION OF PUBLIC/PRIVATE FINANCING STRATEGIES TO SUPPORT DESIRED GROWTH.

Based on the outcomes of the fiscal study, the County should investigate and evaluate the most suitable public and private funding strategies to accommodate desirable future growth. This would include conducting a more detailed feasibility analysis of funding mechanisms such as a synthetic TIF, investigating options for generating revenues/cost savings through water reuse, looking at other state or federal loan programs (United States Department of Agriculture Rural Development, Economic Development Administration), advancing special assessments or service districts, and other strategies to help the County pay for long term growth in this area.

RECOMMENDATION 6 – IMPLEMENT RECOMMENDATIONS IN THE 2011 LOW IMPACT DEVELOPMENT (LID) STUDY

The 2011 study recommended several next steps to incorporate LID techniques during the design, construction and ongoing maintenance of infrastructure associated with new development. The study recommends removing the barriers to LID in the existing Pender County Unified Development Ordinance, and creating County funded grants to encourage individual property owner implementation. In addition to these techniques, the County could also explore additional technical assistance, and loans and grants through state or federal agencies (e.g. the Environmental Protection Agency) to support pilot projects in LID or innovative storm water management provisions..

ECONOMY

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

Long term economic development for this area of Pender County depends not only on the continued emphasis on ensuring high quality of life, but also in engaging with regional partners to better align and coordinate on strategies. There are several potential longer term job creating industries that might be attractive to this area and recent reports and studies on the topic emphasize the need to create more high quality, higher paying jobs in the professional, healthcare and other sectors. The new US 17 Hampstead Bypass corridor project presents the County with an opportunity to positively market this part of the region not only for its proximity to the coastal amenities, but also as a nearby locale with good access into Wilmington and all of its assets.

RECOMMENDATION 1 – PARTNER WITH NEW HANOVER COUNTY TO ESTABLISH A JOINT PLANNING AND ECONOMIC DEVELOPMENT STRATEGY FOR THE HAMPSTEAD/ SIDBURY ROAD CORRIDOR

The creation of the joint land use, transportation and economic development plan for this part of the region would help to unite efforts and ensure a more coordinated approach to land use and transportation investments. North Carolina statutes (Chapter 160A) enable joint planning between jurisdictions for these purposes. This could be accomplished by engaging members of the local chamber of commerce, realtors and other interested parties along with key agency staff to help develop a long term vision for the corridor and the supporting economic development strategies. Given their interest in the roadway corridor, the MPO would also be a valuable partner in this process.

HEALTH

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

How we design our communities impacts public health outcomes. From access to fresh foods to community design that supports active lifestyles where people can walk or bike to daily destinations, there is a growing consensus in the planning field that ‘healthy by design’ concepts can be incorporated into broader land use and public policy decisions. In the Coastal Pender area, this is likely to be addressed through the implementation of Complete Community design concepts which emphasize walkability and locating a diverse mix of uses within close proximity to where people live. In addition, the County as a whole is deficient in recreation areas. The provision of more recreational facilities is another key funding challenge facing the County and should be addressed as part of the longer term financing options explored for other infrastructure needs. The County should also build on past precedent for engaging local volunteer groups and non-profits to support development of these facilities. Another funding option is “payment in lieu” option for developers.

RECOMMENDATION 1 – EXAMINE THE FEASIBILITY OF CREATING A RECREATIONAL SERVICE DISTRICT FOR PROVIDING PARKS AND RECREATION.

To address the parks and recreation needs, one strategy to pursue would be the establishment of a County (or two-county) Recreational Service District. Recreational Service Districts are enabled by North Carolina State Statute (Chapter 153A, Article 16) and establish taxing authority to generate revenues for the management, control, improvement, maintenance and acquisition of land for recreational purposes. This would create a funding source and if pursued as a cross -County strategy with New Hanover County, could also allow the region to better leverage different parks and recreational assets and cost share in the acquisition and long term operating and maintenance costs.

RECOMMENDATION 2 – INITIATE A SMART SCHOOL SITING INITIATIVE TO ENSURE HEALTHY LOCATION AND DESIGN DECISIONS.

Pender County Planning Staff can partner with School Board officials to identify key design principles that can inform the location and design of sites and buildings for future schools to support livable, Complete Community concepts. This information can also be used in conducting preliminary discussions with developers to identify key sites and locations as part of project development plans.

SECTION 4

CONCLUSION

Existing and proposed transportation infrastructure along with other positive quality of life attributes put Coastal Pender in a prime position to attract a large portion of the region's growth pressure.

Keeping up with needed services and infrastructure to support this growth is one of the major challenges facing Coastal Pender County. Previous planning efforts in the county have recognized the need to ensure that development is handled responsibly, so that private and public interests are both served.

Coastal Pender's Catalyst Plan provides recommendations that are consistent with the Complete Communities concept, and include:

- ▶ Continue planning and identifying funding for multimodal, interconnected transportation network that facilitates improved access and mobility in the area

- ▶ Ordinance updates that build on current mixed use language, providing more specificity and clarity on building form and use.

- ▶ Explore a wider range of funding and financing mechanisms for public infrastructure and private development.

- ▶ Improve health outcomes through the thoughtful placement of public facilities

Coastal Pender County is poised for growth, but is not yet positioned to capitalize on that growth to create the kind of community its residents and the larger region desire. Pursuing the recommendations in this plan can help facilitate the realization of that vision.

LELAND GATEWAY

CATALYST SITE DESCRIPTION

EXISTING POLICY CONTEXT AND KEY ASSETS

MARKET ASSESSMENT

CATALYST WORKSHOP

CATALYST SITE GOALS

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES AND TOOLS

PLANS AND POLICIES

COMMUNITY DEVELOPMENT OPPORTUNITIES

TRANSPORTATION



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SECTION 1

LELAND GATEWAY SITE DESCRIPTION

Transportation access has supported rapid growth, to which the Town of Leland has responded by designating the Gateway District as a focus area for community development, economic development and place-based transformation.

Leland sits west of downtown Wilmington, on the other side of the Cape Fear and Brunswick Rivers. The town has excellent transportation access to Wilmington via the Cape Fear Memorial Bridge. It is also well connected to the region's highway system and airport via U.S. Routes 17, 74, and 76. Transportation access has supported rapid growth, to which the Town of Leland has responded by designating the Gateway District as a focus area for community development, economic development and place-based transformation. As the Town grows, it wants to transform the Gateway District from a "drive-through" place to a "go-to" place.

The Gateway District is the historic central place of the Town

that includes areas around Village Road, Old Fayetteville Road and Navassa Road just north and west of US 17. The area includes mostly automobile-oriented retail development and adjacent residential neighborhoods. The Gateway District is also home to the Leland Town Hall and community park facilities immediately adjacent. While there is some vacant land in the area, most of the future change in the Gateway District will be through the rehabilitation, reuse or redevelopment of sites with existing buildings on them. While it is the Town's desire to create a new gateway of the community, the lack of a historic main street area creates challenges in establishing a walkable district that has expanded housing choices, retail uses and civic destinations. There

have been some newer infill and redevelopment projects in the area, but too few to claim progress in attracting new projects at the desired pace. While redevelopment and infill projects have been slow to materialize, there are a number of civic, neighborhood and natural assets to build on in the area.

EXISTING POLICY CONTEXT AND KEY ASSETS

Despite the challenges that exist, there are many positive forces and attributes the Town of Leland can leverage. The regional location of the Gateway District makes it almost inevitable that positive change will occur in the district over time. The

immediately proximate residential neighborhoods are stable, affordable and very conveniently located relative to the job centers of the region. The newer large-scale residential developments and commercial areas in the Town of Leland present an opportunity for the Gateway District if the district can be made distinct. While the retail and housing act in a way as competition, they are more important as a source of retail critical mass in the area and purchasing power of the new residents. This new development outside the Gateway District in general will continue to drive interest in the area.

These ingredients help the Town set the stage for making the Gateway District a civic center, a destination-oriented place and a place where area-wide residents go for goods, services and entertainment. The Gateway District has the opportunity to complement the everyday retail establishments with small, locally-owned restaurants, shops and services that tend to find homes in traditional community centers. In order for the retail and services diversification strategy to work, new housing must come to the district to support the creation of new business and to sustain them over time. The Gateway District plans and policies are designed to make this happen, including having vertically-integrated, mixed-use buildings and allowing for relatively high-density residential development.

MARKET ASSESSMENT

The Town of Leland has experienced dramatic growth over the past decade, going from a population of 1,938 in the 2000 Census to an estimated 14,799 people in 2013 according to ESRI. On average, Leland has added almost 1,000 new residents per year since 2000. This growth has brought higher incomes to Leland, which had a median household income of \$32,574 in 2000. Adjusted for inflation, the estimated 2013 median household income of \$52,619 represents a 17 percent increase in real purchasing power for the typical Leland household. Since 2007, the Town has issued almost 2,000 residential building permits, becoming one of the primary growth centers in the three-county region. This growth in affluent households is projected to continue, as shown Figure 1. ESRI forecasts that Leland will add 1,132 new households earning more than \$50,000 per year from 2013-2018, with the largest growth coming in empty-nester households (age 55-74) earning more than \$100,000 per year.

Figure 1: Leland Household Change by Age and Income, 2013-2018



Source: ESRI

The demographic sources of demand for high quality development are present in Leland. Comparing the existing sales by retail category to the local spending in those categories for the local trade area (defined by a seven-minute drive from Town Hall) reveals that there are many categories where local spending is “leaking” out to other shopping areas because Leland residents are not able to shop closer to home. This raw potential demand for new retail development exists for a range of store types:

- ▶ Furniture and home furnishings stores (such as La-Z-Boy or Pier 1) – can capitalize on the many new households moving in and outfitting homes
- ▶ Electronics and appliance stores (such as Best Buy or H.H. Gregg) – online retailing has severely impacted this retail sector, but it can also capitalize on new housing growth
- ▶ Building materials and supply stores (such as Lowe’s or Home Depot) – also a beneficiary of housing growth, these are typically large stores that may only be suitable for particular locations in town
- ▶ Clothing and accessories stores (such as Banana Republic, Forever 21, or Nine West) – sales leakage in this category typically represents spending that takes place at regional malls, but some small boutique/specialty stores might be supported in the local trade area
- ▶ Sporting goods, hobby, book, and music stores (such as Dick’s Sporting Goods, Barnes and Noble, Michaels) – another category that has been hit hard by online sales, but unique and/or highly focused specialty stores that tap into a loyal local customer base can find support
- ▶ General merchandise stores (such as WalMart, Target, Macy’s) – this category is largely the province of big box superstores and regional mall department stores
- ▶ Full-service restaurants – as the population and household income level increases, local demand for dining beyond the existing fast food, takeout, and fast casual also grows

This local retail demand is available to be captured by new stores, but that is a competitive process that is based on each retailer’s blend of price, product, convenience, and shopping experience. Leland has attracted retailers to auto-oriented shopping centers, but there may also be local demand for shopping in more traditional, walkable places that is not being met. The pattern of development to date in Leland has emphasized convenience and everyday shopping needs, but as the market continues to grow and mature new opportunities can emerge.

Leland’s recent growth has largely occurred out on the western and southern edges of town, in subdivisions and master-planned developments such as Brunswick Forest, Magnolia Greens, and Waterford. These areas are physically and psychologically separated from the older, originally settled area of Leland located along Village Road. Growth has shifted the center of gravity in Leland out to Ocean Highway (US 17), where new shopping centers, big box retailers, and office space have been developed to cater to the new residents nearby. Increasingly, the older part of Leland is not the everyday heart of the community – most new residents are unlikely to even pass through it during their travels to and from home. There are not many reasons for them to go there at present. The attractiveness of the Gateway District needs to be built on distinguishing assets and uses that cannot be found on US 17. Right now US 17 is competing with the Gateway District in terms of providing new retail and commercial services for the community as a whole. The Town needs to shape a strategy for the Gateway District that is tailored to its assets and potential as a diversified mixed use district, walkable neighborhood and civic center.

The market position of Leland for conventional suburban development has proven to be strong and can be expected to continue. But the Town is seeking to create a walkable, mixed-use town center environment in its historical core that can be a counterweight to the continuing suburban expansion and revitalize the Gateway District. The question is whether Leland’s strong growth position can translate to the potential for creating an alternative form of development that reflects the “complete community” goals of the FOCUS initiative.

As noted above, Leland’s recent growth has been dramatic and made it a prominent center of development

activity in the region. But in order to leverage this market position to create a town center, the Gateway District must become the true gateway of the community, a place that is inherent to the Town's identity and a natural gathering place for all of its residents, no matter what part of town they live in. Historical downtowns that are still vibrant today have retained or regained this status over time, which illustrates the challenge of creating a downtown where one does not currently exist. A true town center must have strong social, cultural, and economic connections with its community, even if it is no longer the primary place for shopping or employment – which few downtowns are today. It is a place where people choose to come because of a unique mix of amenities, businesses, and civic destinations that appeals to their sense of community while also being attractive and convenient.

The Gateway District is currently largely composed of auto-oriented commercial development and underutilized properties. It is not very walkable, nor attractive to people who might consider spending time there for purposes other than convenience-driven shopping. Given the District's geographic and psychological separation from Leland's growth areas, which are major sources of demand for development, it needs to have destinations and activities that will draw residents to the place and help establish it as the central place of the community. The challenge for redevelopment is that retailers and other private sector drivers of development and investment are also looking for the same things that bring people back to a place on a regular basis. With the recent adoption of the SmartCode for the District, the Town's vision has been publicized, a development concept has been illustrated, and the regulatory framework for implementation has been established. But retrofitting the Gateway District as a walkable, mixed-use area will be a complex and risky undertaking that evolves over time, which makes the early stages of activity difficult to lead by profit-driven entities. Public investment is often needed to lay the groundwork for private investment.

The Town of Leland can lay the groundwork for redevelopment of the Gateway District through actions and investments in civic programming and placemaking that make the area an attractive community destination. Examples of civic programming include cultural and civic events, such as a street festival celebrating a unique regional asset, a Gateway District Farmers' Market, or something as small as a weekly movie night in the summer for families. Examples of placemaking include building new public open space and recreational facilities, such as a new park. Together these investment can combine to establish the District in the minds of residents as a place where something is always going on, and a place where families and neighbors can come together for a variety of activities. The library, Municipal Park, and Town Hall are already clustered together in the District, forming a foundation of civic and recreational facilities that can be leveraged with other Town-owned property to create a high-quality central place for the community. Getting families to come to the Gateway District to play in the park, attend a cultural event, or check out library books is the first step toward getting them to come for shopping or eating out.

Public investment in the Gateway District can show the private market that the Town is committed to redevelopment of the area, and a successful civic destination will help bring in the activity and customer traffic that retailers and other businesses need to be successful. Leland has benefited from a strong market position that continues to attract new development. To transform the Gateway District that market strength must be used to catalyze both public and private investment that creates a central place that serves all of Leland's residents.

SECTION 2

CATALYST WORKSHOP

The discussion confirmed the community's desire to retain its rural character.

The FOCUS Consortium held a day-long work session focused on the Gateway District. Town staff, one elected official and a representative from the North Carolina Department of Transportation attended the work session. The work session was designed to put the market dynamics, public policy and community development issues of the Gateway District into perspective. The conversation of the day revolved around specific past development proposals and public-private collaborations as they related to policy administration and public decision-making. There was also discussion of completed, planned and potential catalytic public investments that will create increased interest in the

district and attract desirable development activity. The consultant prepared a list of opportunities and potential threats to implementing the vision of the Gateway District Infill Plan and FlexCode. The consultant also gave a presentation of demographic and market forces at work in the area, with a focus on housing and retail activity. As a follow up to the work session, the consultant performed an audit of the Town's policies for the Gateway District and prepared recommendations for improving the substance and administration of the regulations. The recommendations are presented in the following section.

CATALYST SITE

GOALS

The workshop helped town officials confirm the specific goals for the catalyst site, which include:

- ▶ Attract high quality development projects that meet the intent of the Master Plan, Infill Plan and FlexCode
- ▶ Improve the ease of administering the FlexCode
- ▶ Maximize the potential to shape and improve development proposals that do not meet the FlexCode requirements rather than abandon them.
- ▶ Identify public investments and infrastructure that will create

the context for quality development.

- ▶ Increase the mix of housing types and commercial establishments, creating a walkable, mixed-use district
- ▶ Create a district that serves the immediate local residents, draws residents from throughout the Town of Leland and attracts visitors from around the region.

The following summarizes the issues, opportunities, and recommended priority action items identified by the participants at the work session and by the consultant team after the work session.

SECTION 3

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES, AND TOOLS

PLANS AND POLICIES

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

The Town of Leland has already committed to planning and policy development that will serve to transform the Gateway District over time. The Town invested in an Infill Plan for the Gateway District and created and adopted a new zoning code for the area. This FlexCode is based on the placemaking principles of New Urbanism, codifying and demonstrating desired patterns and types of streets along with building uses, sizes and orientations. The challenge of leveraging these planning and policy tools is that there have not been projects in the Gateway District that have advanced to implementation under the FlexCode. This has been a function largely of

economic conditions affecting the rate and type of development that is viable in this part of the region, but also has to do with the localized market dynamics, the types of physical development that follow the established patterns of the area and the mismatch between particular visions for change in the Infill Plan and specific development proposals for sites in the Gateway District. The local stakeholders and typical developers are not going to be as forward-thinking as the Town. There are a number of development dynamics at play, including:

- ▶ Inexperience of regional developers in more urban/ walkable forms of development;

- ▶ Low familiarity/market acceptance of denser housing styles, including smaller lot single-family;

- ▶ Inexperience of local banks lending for this sort of development;

- ▶ Uncertainty about/ inexperience with new code by developers; and

- ▶ No development organization or agency with primary focus.

In addition to new development, there needs to be a focus on improving existing properties. There are a number of commercial, and some residential,

properties that are functionally obsolete or that remain viable through a combination of very affordable rents and underfunded maintenance and rehabilitation activities. The reuse, rehabilitation or improvement of these areas needs to be addressed in the code and through cultivated relationships with property owners.

The following recommendations include minor changes to the code; enhanced user-oriented information about the purpose, application and use of the code; and additional guidance to clarify the intent of the code. There is also the need to clarify the relationship between the vision and policy expressed in the Master Plan and Infill Plan relative to the FlexCode requirements.

RECOMMENDATION 1 - CONSIDER MODIFICATIONS TO THE FLEXCODE PROVISIONS

The consultant conducted a review of the FlexCode in addition to gaining perspective on the application of the code in specific development proposals. The FlexCode is an effective, but still non-traditional, approach to development regulation. Although it has been adopted by communities around the country, local property owners, business owners, developers and their representatives are usually unfamiliar with how it works. They do not perceive the code as intuitive and often find it difficult to understand. The Town should consider further refinements to the code to make it more effective in its application in the Gateway District. Recommended refinements include:

- ▶ Better define specific terms used in the language, including public frontage, TND, RCD, and CLD (in summary table);
- ▶ Clarify the difference between a FlexCode Zone and a Transect Zone .
- ▶ Clarify the difference between a new community plan, regional plan, and an infill plan and specify clearly when these plans are required¹;
- ▶ Be more direct in defining civic zone requirements;
- ▶ Check civic zone requirements table references (in summary table);
- ▶ Clarify that none of the “special requirements” in the plan descriptions are mandatory;
- ▶ Create a provision for cross parcel access to serve in place of street network in select instances²;
- ▶ Create provisions for relaxing the requirement for ground floor non-residential uses in select instances; and
- ▶ Add sidewalks to the requirement for multimodal networks, which is currently limited to the bicycle network.

The summary table is a very important tool in the code document, but it is difficult to engage with. A verbal description of the information that is contained in the summary table would go a long way in helping the user understand the information and use the table as a point of departure for drilling down into each section of the code.

RECOMMENDATION 2 – CLARIFY THE ROLES OF THE MASTER PLAN AND INFILL PLAN AS GUIDANCE VERSUS POLICY

These documents contain information designed to guide the nature of new development in the Gateway District. However, they are either too general (in the case of the Master Plan) or too specific (to some extent in the Infill Plan) to act as effective design guidance for specific development proposals in the district. The Town should consider this in the next update to the town-wide Master Plan and for further refinements

1 This can be accomplished in the suggested additional verbal description of the summary table. It would also be useful to have a step by step description of how to use the document depending on what type and size of development it is.

2 One example of this would be to allow new cross access connections to serve as street network when the cross access provides connection to a property that also connects to a street that the applicant property does not connect to and/or when the cross access provides, through the applicant property, a connection for an adjacent property to a street the adjacent property does not have access to.

to the Gateway District infill strategy. A separate design guidance document should be considered to complement the FlexCode. While the code is very thorough and clear on some site design and building design elements, there are other areas where design quality and intent can be further clarified through additional guidance. The guidance should also illustrate the streetscape standards that are in the FlexCode, as well as the streetscape standards recommended below.

STRATEGIES AND TOOLS

CREATE GUIDANCE FOR USING THE FLEXCODE

The FlexCode needs written guidance on how to use it. Town staff provide a knowledge base and assistance for using the code, but potential applicants could be better prepared for staff discussions with some basic guidance, and staff would be able to spend more energy on shaping quality development and less energy on educating applicants about the code. A simple step-by-step guide with some definitions would be helpful. As the document stands now, it is daunting to take on for anyone who is not very familiar with how codes and design standards work.

IMPROVE WEB-BASED MATERIALS SUPPORTING PLAN AND POLICY INFORMATION

The Town provides information about the FlexCode on its website, but more content on the nature of the FlexCode, where it is optional and where it is required, and how to use it, would be helpful to have on a series of webpages. Also, the Master Plan and Infill Plan do not seem to be features on the main Town website. The lelandvision.com site is out of date and no longer the site of record for the Gateway Improvement Initiative. Given that the web presence for the effort is the primary source of information about what is going on, the website and webpage strategy needs to be revisited to be organized, up to date and demonstrating the latest developments in planning and policy development for the Gateway District (and other areas of the Town).

COMMUNITY DEVELOPMENT OPPORTUNITY

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

Transforming the Gateway District and realizing the vision for the area is going to be a very long and effort-filled process. Success will rely on the infusion of private investment, public investment, and strategic collaborations across, public, private, civic and non-profit lines. There is the need for additional staff time or staff capacity needed from within the Town to make this revitalization effort successful.

While there has been a significant amount of high-quality and inclusive planning and policy development, the private market has not responded in kind to bring the types of projects envisioned and desired. Implementation of public initiatives¹ has also been slower than necessary to catalyze the area and attract public investment. The Gateway District is a small, but differentiated market within the region with specific opportunities for housing, services and jobs development. The stewards of other areas such as this have succeeded in attracting quality development through leading with public investment and grass roots revitalization efforts. The success of the Town of Leland relies on growing and invigorating their efforts in these areas and incubating, facilitating and ultimately responding to the involvement of stakeholders from a number of interest areas.

1

Initiatives to transform streets and enhance multimodal facilities is a primary example here.

The first priority should be to change the image of the district as a drive-in, drive-out retail location. There is a psychological, as well as physical, transformation that needs to take place. Progress will be slow, but each manifestation of progress should improve both perception and the physical quality of the District. The Town should cultivate the local and regional reputation of the Gateway District, focusing on reasons someone would visit. The Town has a number of non-commercial draws, including Town Hall, the community park and the library. Efforts to enhance this area of the District need to continue to help catalyze interest in the area and make it a more popular destination for the growing number of Town and area residents.

In addition to public investment, there are a number of strategies and approaches that should be considered in the review, approval and implementation of private projects. The following recommendations cover the areas of organizational development, collaboration, strategic focus areas and public investment.

RECOMMENDATION 1 – CREATE A NEW/UPDATED INFILL PLAN/MASTER PLAN FOR THE TOWN CENTER AREA

The Infill Plan should be supplemented or amended to include a master plan concept for the town center area around the new Town Hall. This area is the number one opportunity for the Town to create public space, public uses and private uses that create a Town-wide and regional draw for the Gateway District. The Town should continue to create first class public facilities, matching the dedication to quality that influenced the design of Town Hall. The master plan should identify opportunities to expand the town center footprint and frame the public spaces that exist with new private mixed use or residential development. This small area plan for the town center/Town Hall area would clarify opportunities to incentivize and shape private development with public investments and a clear vision for the build out of the area. It does not matter whether this is considered an update to the existing Master Plan or a separate initiative or part of a new Master Plan, it just needs a fresh look and a stronger commitment to creating a first class civic space and community destination.

The master plan process should identify the next wave of public investment in the area and sites where public-private partnerships could emerge to make development happen. While there has been some development interest in the area, there is the need to think and dream bigger. Housing, rather than retail or office, is most-likely the best focus area for development at the town center. The Town could envision, cultivate and facilitate a market-rate project in this area, creating the successful catalytic project that has been elusive within the Gateway District. This type of project would create interest and activity, but also should embody and typify the urban design principles that are highly emphasized in the Gateway District plans and land development policies. With a catalyst project underway, the Town and regional transportation planners can strengthen the Gateway District's access to downtown Wilmington and other job centers through enhanced transit services. These services would give the Gateway District a competitive transportation advantage relative to the more suburban development in Leland.

RECOMMENDATION 2 - CONTINUE STRATEGIC POSITIONING FOR BEST PRIVATE DEVELOPMENT OPPORTUNITIES

The Infill Plan is designed to be implemented incrementally. The Town has already identified the best private development opportunities in the district. There aren't many big parcels where large numbers of single-family homes can be built. Multifamily for rent, single-family attached/townhomes and small-lot single family are going to dominate the Gateway District market. The Town could participate in site consolidation in the areas with the most potential as a long term strategy to make larger groups of parcels available and marketable. However, for the short run there has been a diverse enough (although not robust enough) list of interested developers in various locations throughout the Town so as to not warrant what would be expensive and involved consolidation activities at this time.

If a catalyst project is not going to happen in the town center area, then it needs to happen in another location. The flea market property is the best place for this, despite the fact that a fairly recent development proposal came up and did not advance to implementation. The cost of infrastructure and required mix and location of uses are two impediments on the site. The Town should consider funding mechanisms as described below or from other sources to make that site more development ready or to use as another development emerges. The Town should also consider requiring retail only at the Village Road edge, allowing for the development behind to be single-use residential.

STRATEGIES AND TOOLS

ENCOURAGE SPECIAL ASSESSMENT IMPROVEMENT DISTRICTS TO FUND INFRASTRUCTURE FOR NEW DEVELOPMENT

Upfront infrastructure costs can be a fatal obstacle to development proposals. Fortunately for communities and developers, the North Carolina General Assembly in 2008 and 2009 expanded the authority of municipalities to establish special assessment districts for funding public infrastructure projects. Special assessment improvement districts eliminate the upfront burden of building infrastructure such as water, sewer, streets, and more. State law requires the property owners of the proposed district to petition the local government to create the district. Once created, following a series of steps outlined in state law, the local government can borrow money to build the needed infrastructure. The debt can be paid back over 30 years through assessments on the property owners in the district. The assessment is in addition to the community-wide property tax rate. However, this method comes with some risk. If the infrastructure is built, but the developer fails to sell all of the parcels, the assessment revenue could be insufficient to cover the debt payments².

INCREASE NUMBER OF EVENTS IN TOWN CENTER

The Town must address both the public perception of the Gateway District and its physical form. Holding events in the District is one way to address the former. Many North Carolina communities hold arts and crafts festivals that attract people from near and far. Examples include Cary Lazy Daze in Downtown Cary, NC; The Brushy Mountain Apple Festival in downtown North Wilkesboro, NC; and close to home is the North Carolina Blueberry Festival in Downtown Burgaw, which attracts more than 30,000 people to the town's streets on a Saturday each June. While these are all annual events, many other communities across the state hold weekly music shows and farmers' markets in their downtowns that attract hundreds of people. Some cities have also successfully attracted attention to their downtowns by closing a key street or streets and allowing pedestrians and bicyclists only on a Sunday. Whichever approach Leland decides to pursue, it will take significant effort and coordination to ensure that people and vendors are interested in participating. Ideally, events and festivals also build on some unique feature of the community's culture, history, or agriculture.

IMPLEMENT TAX INCREMENT FINANCING FOR THE DISTRICT

Municipalities have used tax increment financing (TIF), also called project development financing in North Carolina, sparingly since the Legislature and voters enabled its use in 2004. TIF is similar to special assessment district financing, and can finance a similar set of infrastructure projects necessary for development. The major difference is that local governments use the incremental property tax revenue generated by the development to pay down the debt associated with the TIF district. The Woodfin Town Center Redevelopment project, just four miles north of Asheville, NC, is a good example of a successful TIF in North Carolina that holds lessons for Leland³. Buncombe County issued nearly \$27 million in bonds for streets and public utilities for the Woodfin Downtown Corridor Development Financing District.

One of the problems with TIF is that the security backing the debt, which is the incremental property tax revenue generated as a result of the improvements, is speculative and lenders sometimes view it as weak. In the Woodfin example, the county, Town of Woodfin, and developer entered into a minimum assessment agreement, which guarantees that the tax value of the property in the district will be set at a level sufficient to service the debt⁴. This is a common way to "enhance" the security backing the debt. Another problem is the time and complexity involved in establishing a TIF district. As a result, many North Carolina communities have opted for a "synthetic TIF," where the community intends to use the incremental property tax revenue to service the debt, but secures the debt with something else, such as an asset or the community's general taxing power⁵. The synthetic TIF option is likely an easier and preferable route for Leland to finance infrastructure with incremental property tax revenue.

2 Millonzi, Kara. "Special Assessments for Economic Development Projects." UNC School of Government. October 29, 2013. <http://ced.sog.unc.edu/?p=4682>.

3 Radcliff, Laura Mirkin and Ryan Maher. "TIF Case Studies and Lessons Learned." A.G. Edwards/Wachovia Securities. <http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=RadcliffMaher.html>.

4 Millonzi, Kara. "Local Government Debt Financing Primer: Enhanced Security for Project Development Financings." UNC School of Government. November 29, 2011. <http://ced.sog.unc.edu/?p=3561>.

5 Millonzi, Kara. "What is a Synthetic Project Development Financing (aka Synthetic TIF)?" UNC School of Government. April 30, 2013. <http://ced.sog.unc.edu/?p=4499>.

TRANSPORTATION

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

The Gateway District is well positioned on the transportation network. Just off US 17, the area is not overwhelmed with automobile traffic, making it possible to strike a balance between vehicle throughput, local access for vehicles and the users of other modes of transportation. Village Road is the key facility in the district. It provides the gateway into this part of Leland and is home to most of the commercial activity in the area. Village Road needs to emerge as the main street for the area, creating a sense of place from a vehicle windshield point of view while being walkable and transit-friendly. The other streets in the district need to play important supporting roles, providing localized multimodal access, connecting neighborhoods to commercial areas and public places, and making it easy to get from place to place without having to use Village Road. Pedestrian and bicycle facilities need to be in place throughout the district in order for it to function in a manner consistent with the Infill Plan and Town Master Plan. The Town should continue to set priorities for these networks and have a clear vision for how to implement specific multimodal improvements, both large and small, incrementally over time.

RECOMMENDATION 1 – SOLIDIFY THE VISION FOR VILLAGE ROAD AND PREPARE SPECIFIC IMPLEMENTATION PLAN

Village Road has received a good deal of attention in the Town's planning processes and through a specific improvement plan prepared by NCDOT. To date, the Town's vision for the road has not materialized on the ground. No specific complete streets design or implementation plan has emerged from past conversations. Given that Village Road is such a vital asset to the district, it needs to be revisited in order to sort out gaps between the vision for the corridor, standards of roadway design and the need to accommodate all modes of transportation. This endeavor will require focus, collaboration and compromise. It is also an opportunity to showcase Leland's complete streets policy.

The outcome needs to be a specific engineering design and landscape improvement plan that creates the facilities that are needed and establishes the context for the type of development that is desired along the road. The implementation will be based on existing site conditions, but the design needs to account for redevelopment and ongoing improvement of the corridor on a site-by-site basis.

RECOMMENDATION 2 – IDENTIFY SMALL TRANSPORTATION PROJECTS THAT CAN BE IMPLEMENTED ON A ROLLING BASIS

Creating the walkable environment envisioned by the Town is an incremental process that won't be completed with one project. While the larger Village Road project is critical for creating a walkable environment that attracts the desired development, there are smaller "low-hanging fruit" projects that the Town can likely implement in the near term. For example, the Town can close gaps in its existing sidewalk network, improve or install crosswalks and pedestrian signals, and add bike parking in the District. The Town can also reallocate road space during paving or widening projects. For example, after repaving a street the Town may be able to reduce the travel lane width and add a bicycle lane within the existing right of way. Street trees and maintenance of existing landscaping are also relatively low cost efforts that can make a big difference in walkability and sense of place.

RECOMMENDATION 3 – FOCUS ATTENTION ON KEY INTERSECTIONS

Intersections are a very important aspect of transportation services and placemaking. From a systems-performance standpoint, intersections create the most potential conflicts and safety issues between drivers, bicyclists, pedestrians and buses. From a placemaking point of view, intersections are often the most visible and important area to define the way the street interacts with the adjacent built environment.

The town should initiate an intersection improvement program designed to improve intersection safety, enhance the aesthetics of the street and shape the adjacent development. Many of the safety improvements are relatively inexpensive and easy to implement (e.g. crosswalks, pedestrian signals, enhanced bus waiting areas, branding or directional signage, street trees and other landscape) while others are more expensive

and moderately difficult to implement (e.g. pedestrian lighting, bulb outs/curb extensions, raised intersections, micro-parks at corners). The program does not have to be involved, requiring only some field work, keeping a list of opportunities and working to implement several of them at a time. Funding is needed to get this done, but the money is well spent as the improvements are visible and manifest themselves quickly.

From a placemaking point of view, the way buildings at intersections are sited has a significant impact on the perception of the street as a space. Buildings should be built close to the right-of-way with entrances oriented toward the intersection. Buildings with two or more stories are better than one story buildings. This arrangement will shape the public space effectively, calm traffic and establish a real and perceived sense of pedestrian-friendly areas. The Town should review the FlexCode to identify enhancements that need to be made that fully address the design and siting of buildings at intersections.

RECOMMENDATION 4 – CREATE A PARK AND WALK RECREATION OPPORTUNITY IN THE HEART OF THE DISTRICT

Many communities have been successful in integrating multi-use trail loops in urban park and town center environments. These park and walk trails attract local residents, enhance the health of community members and create another layer of interest and awareness-building for what is going on in the heart of the town. Many residents are attracted to them because they feel safe and because they provide a setting for social interaction. They also come because there is not a good place to exercise where they live. The Town should consider integrating this element into the town center area as further planning and design takes place.

STRATEGIES AND TOOLS

EDUCATE STAKEHOLDERS ON LELAND'S COMPLETE STREETS POLICY AND ALIGN CODES WITH THE POLICY

"Complete Streets" refers to the design philosophy that all users should be accommodated on urban streets. Users can include people driving vehicles, people walking or biking, transit riders, and people with disabilities. The number of complete streets policies in the United States is growing rapidly. In North Carolina alone the following communities have adopted the principles of complete streets – Concord (ordinance), Davidson (ordinance), Asheville (policy), West Jefferson (resolution), Winston-Salem (policy of the MPO), Chapel Hill (resolution), and Durham (comprehensive plan policy)¹. The North Carolina DOT also has a policy that it adopted in 2009. See this site for more information about complete streets in North Carolina: <http://www.completestreetsnc.org/>.

Simply adopting a policy is not enough though. Town officials, engineers, partners such as North Carolina DOT, and citizens need to be educated about the policy and its importance to the community. The Town may also need to change its zoning regulations, subdivision codes, and any design guidelines it has for street construction and reconstruction. These codes and guidelines should be aligned with the stated policy. The policy must remain front and center in order to have an effect on how streets are built and rebuilt in the town.

PREPARE A SET OF STREETScape STANDARDS

Streetscape standards specify the materials, geometric characteristics and quality of facilities for a number of elements in and adjacent to street rights-of-way. Defining the expectations for the width of sidewalks, sidewalk setbacks, on-street parking, bicycle facilities, multi-use trails, landscape, street furniture and lighting are the primary elements of typical standards. The standards included in the FlexCode are not sufficient to negotiate and/or clarify specific geometric, elemental or materials-based considerations. Having these standards would benefit the Town of Leland in several ways, including working with NCDOT as streets are maintained, improved and enhanced; reviewing site development proposals by developers and property owners as projects are planned and implemented; and designing and constructing locally-led transportation projects. In addition to providing performance-based requirements for the quality of facilities, the standards should also specify materials and unit types (e.g. lighting). The elements of the streetscape, if coordinated and consistent, will help to create a unique look and feel that will brand the Gateway District.

¹ National Complete Streets Coalition. Policy Atlas. <http://www.smartgrowthamerica.org/complete-streets/changing-policy/complete-streets-atlas>. Accessed June 4, 2014.

SECTION 4

CONCLUSION

Rapid growth makes Leland an ideal place to apply policies and development approaches that bring about complete communities with lasting value.

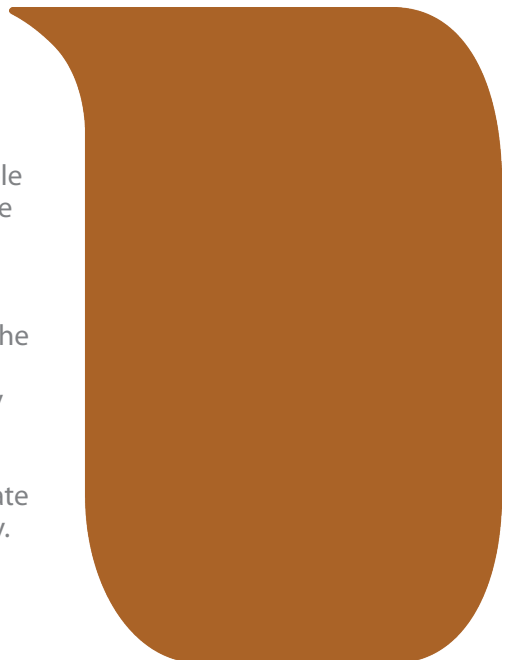
Leland is one of North Carolina's fastest growing communities. Decisions about where and how to develop land will have long-lasting consequences. The rapid growth makes Leland an ideal place to apply policies and development approaches that bring about complete communities with lasting value. Among the core Complete Communities principles that Leland is addressing with its Gateway District plan are:

- ▶ Compact and walkable patterns of development;

- ▶ A mix of land uses and development types; and

- ▶ A strong and distinguishable sense of place that captures the unique local character.

This report has laid out several next steps for bringing about the Town's vision for the Gateway District. Leland's staff is already working on several of them. However, the prevailing trends in Leland's development indicate that change will not come easy. But the benefits from future generations make the effort worthwhile.



WILMINGTON 5TH AVE CORRIDOR

CATALYST SITE DESCRIPTION

EXISTING POLICY CONTEXT AND KEY ASSETS

MARKET ASSESSMENT

CATALYST WORKSHOP

CATALYST SITE GOALS

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES AND TOOLS

TRANSPORTATION

HOUSING & DEVELOPMENT

ECONOMY

OPPORTUNITY



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SECTION 1

WILMINGTON 5TH AVE CORRIDOR SITE DESCRIPTION

There is potential for the area to be a mixed-income, multi-cultural neighborhood with a variety of supporting neighborhood services and local destinations.

The Wilmington catalyst project is located within the SouthSide neighborhood, south of downtown. The site includes S. 5th Avenue from Castle Street to Greenfield Street, and along Greenfield Street from S. 3rd Street to S. 7th Street. The main focus area of redevelopment potential is at the intersection of S. 5th Avenue and Greenfield Street.

EXISTING POLICY CONTEXT AND KEY ASSETS

Wilmington in 2014-2015 is developing its next comprehensive plan. Create Wilmington will cover a 20 to 25 year time horizon and establish policies for growth and redevelopment citywide. The

city has also conducted planning efforts focused solely on the neighborhood level. The catalyst area has been part of two such planning efforts. The first is the City of Wilmington's SouthSide Small-Area Plan, which identified community development strategies for multiple neighborhoods, including the whole SouthSide community. The second is the Wilmington Housing Authority's (WHA) Choice Neighborhoods Transformation Plan. This plan has positioned the WHA to seek federal funds to diversify and improve the provision of affordable housing and increase opportunity in the SouthSide community. The catalyst site has a number of assets to leverage for revitalization:

- ▶ Historic background
- ▶ Considered part of "Greater Downtown"

- ▶ Gateway to Greenfield Lake Park and Gardens
- ▶ Supportive Plans/Policies: SouthSide Small-Area Plan, Urban Mixed-Use zoning designation
- ▶ Grid-street pattern
- ▶ Cape Fear Historic Byway – North Carolina's first urban scenic byway
- ▶ Inclusion in the East Coast Greenway – the nation's first long-distance urban trail (still in development)

There are a number of parcels in the catalyst site area that have attracted the attention of developers. The South Front apartment complex (which is located two blocks west of the intersection of S. 5th Avenue and Greenfield



Street) has proven that there is a healthy market for market-rate housing in the area. The fact that the market rates can bear the costs of renovation in that project demonstrates other renovations or adaptive reuse residential projects are viable. The older housing stock, while in need of constant care because of its age, will be a sustainable asset to the area into the future as more homeowners are investing in renovations. There is also clearly a need for quality affordable housing in the area and the neighborhood. There is potential for the area to be a mixed-income, multi-cultural neighborhood with a variety of supporting neighborhood services and local destinations that attract residents from across the city and visitors as well. Achieving success will be based on public and private actions that leverage the market-based opportunities

along with intentional public policies, services and infrastructure investments that meet the needs of area residents.

MARKET ASSESSMENT

The area centered on the intersection of S. 5th Avenue and Greenfield Street in Wilmington's SouthSide is a neighborhood on the cusp of a substantive transition. Rich with historical significance and strategically located, but beset by poverty and limited investment, this potential node of activity has the raw materials needed to spark redevelopment and lead the revitalization of the larger SouthSide area. Its emerging market position will be defined by a synthesis of its strengths, weaknesses, oppor-

tunities, and threats – each of which will influence the course of redevelopment.

STRENGTHS

► Population and employment in the three-county region is fairly centralized, which means that centrally located sites close to major transportation routes have superior access and mobility within the region. The Smart Location Database produced by U.S. EPA places the site and surrounding area close to or within the 90th percentile of all census block groups in the region in terms of job accessibility.

► A central location, multimodal options, and low housing prices mean that the combined costs of housing and transportation at the site are among the lowest in the region. For median income

households (\$19,138 for the census tract containing S. 5th Avenue and Greenfield Street), the combined costs of housing and transportation are well below the recommended target of 45 percent of household income, while for low-income households they are only moderately above that target.

- ▶ An impressive set of existing or planned recreational/open space amenities are nearby or existing along S. 5th Avenue, including North Carolina's first urban scenic byway and the nation's first long-distance urban trail. The site is the gateway to Greenfield Park and Gardens, a major recreational asset in the City of Wilmington. Access to the Cape Fear River is relatively close.
- ▶ Historic assets including homes, school buildings, and parks that are the foundation for a strong neighborhood character and sense of place. Many of the homes are sound structures with interesting histories and architectural characteristics that make them prime opportunities for adaptive reuse.
- ▶ A recently completed SouthSide Small-Area Plan lays out policies and standards creating a framework for redevelopment. This includes an Urban Mixed-use zoning designation that facilitates the intended physical form of development.
- ▶ The Castle Street commercial area less than 10 blocks to the north has emerged as a revitalized art and antique district, which can increase the appeal of nearby housing and provide a template for commercial revitalization elsewhere in the SouthSide.

WEAKNESSES

- ▶ The median household income of the census tract containing S. 5th Avenue & Greenfield was only \$19,138 according to the 2007-2011 American Community Survey (ACS). For the census tract just north of the site, the median income was only \$15,728. In both of these tracts, 52 percent of the population were living in poverty according to the ACS. Despite its assets, this is still a very poor neighborhood, which can discourage investment by potential new residents and businesses.
- ▶ There are three Wilmington Housing Authority developments in the SouthSide area, two of which are within several blocks of the site. Perception issues about public housing related to crime and public safety can discourage investment in an area, particularly in the immediately adjacent blocks where any negative neighborhood image issues are most pronounced.
- ▶ Vacant lots and poorly maintained buildings limit the available building stock that can be occupied without significant renovation, and create a negative image of the neighborhood.
- ▶ The truck traffic entering and leaving the Mayflower Moving Company site at the corner of S. 5th Avenue and Greenfield Street negatively impacts the community character due to noise and pollution and limits vehicular, pedestrian, and bicyclist mobility.
- ▶ Sidewalks and crosswalks are often missing or in poor repair, impeding walking and biking in the neighborhood.

OPPORTUNITIES

- ▶ Under its "Find It, Fix It" policy, the Cape Fear Public Utilities Authority (CFPUA) repairs water and sewer lines in the neighborhood as necessary, which will ensure that there is adequate utility service to support most redevelopment activity.
- ▶ The City of Wilmington is planning to redesign and resurface S. 5th Avenue and reduce it from four lanes to two lanes with on-street parking and bike lanes, plus adding missing sidewalks and installing crosswalks. This will greatly improve the walkability of the area and its accessibility by bicycle, plus the city's commitment to infrastructure improvements should attract attention to the neighborhood and its redevelopment prospects.

- ▶ The former Century Mills site was recently purchased by a local developer, which could be an anchor for additional commercial development and a destination that could attract new residents and visitors to the area.
- ▶ While numerous vacant buildings and underutilized sites may be unsightly, they also represent opportunities for redevelopment with an urban location and character.
- ▶ The appearance and functionality of the existing building stock could be enhanced through façade improvements and interior renovations, creating a distinctive real estate product that is not widely available in the regional market.
- ▶ Across the country, demographic shifts including the aging of the Baby Boom generation and the evolution of the Millennial generation are producing increased demand for urban living spaces in walkable, mixed-use neighborhoods similar to what is envisioned around S. 5th Avenue & Greenfield Street.
- ▶ Wilmington won two brownfields assessment grants from the U.S. EPA to assess contamination in properties in the S. 5th Avenue and Greenfield area. \$150,000 out of the \$200,000 awarded in the first grant received has been spent on sites in the SouthSide.

THREATS

- ▶ Persistent poverty and negative perceptions of the area continue to impede revitalization, even with the substantial assets it possesses.
- ▶ The prices/rents that can be achieved for renovated or redeveloped properties may not be sufficient for some projects in the area to be financially feasible.
- ▶ Developers with the vision and/or capabilities to execute complex redevelopment projects in pioneering urban neighborhoods are scarce in the region, leading to unrealized plans.
- ▶ Site-specific challenges to redevelopment, such as environmental contamination, soil conditions, or uncooperative property owners make projects on key catalytic sites difficult or impossible to execute.

In summary, the S. 5th Avenue and Greenfield Street area has many opportunities for positive transformation. Its close proximity to Downtown Wilmington and location in a centralized region makes it a highly accessible catalyst area. The SouthSide area has historical character, recreational amenities, and a convenient location close to shopping, services, and employment that can all be leveraged to create a revitalized mixed-use neighborhood that offers housing for a range of income levels and household preferences. But the revitalization process is still in its early stages, and needs support by public investment that can help overcome the challenging conditions that have led to private disinvestment in the past. The market position of S. 5th Avenue and Greenfield Street is defined by future redevelopment potential that calls for strategic actions by the city to unlock its value, and collaboration with capable developers and interested property owners to move projects forward.

SECTION 2

CATALYST WORKSHOP

Twenty people attended, representing a broad range of interests, including developers, business owners, land owners, affordable housing interests, and development financiers.

The FOCUS Consortium held a day-long workshop focused on devising strategies for improving the areas of transportation, economic development, housing and opportunity. The day culminated with a public planning and design session in the evening. Twenty people attended, representing a broad range of interests, including developers, business owners, land owners, affordable housing interests, and development financiers.

CATALYST SITE GOALS

The workshop helped confirm the specific goals for revitalizing the catalyst site, which include:

- ▶ Attracting certain types of commercial development;
- ▶ Creating affordable housing options and improving housing options; and

- ▶ Improving infrastructure and amenities to support this commercial and residential development.

The following summarizes the issues, opportunities, and priority action items identified by those in attendance at the day-long workshop.

SECTION 3

ISSUES, OPPORTUNITIES, RECOMMENDATIONS, STRATEGIES, AND TOOLS

TRANSPORTATION

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

Most of the transportation facilities in the catalyst area include two-lane roadways with no bicycle lanes and disjointed sidewalks. There is a plan to redesign and resurface 5th Avenue with a road diet, which will include two travel lanes, bicycle lanes, and on-street parking. This resurfacing project is not yet funded, but is included in the *Walk Wilmington: A Comprehensive Pedestrian Plan* as a near-term priority. These plans, however, do not include additional sidewalks. Intersec-

tions along S. 5th Avenue, and particularly the intersection with Greenfield Street, have the potential to be improved through enhanced crosswalks. The Wilmington MPO recently applied for and was awarded grant funds to create crosswalks on S. 5th Avenue at the intersections of Dawson Street and Wooster Street.

While this is good progress that will support redevelopment of the area, there are additional actions to take that will further

enhance the transportation infrastructure. The following section presents the top recommendations for this area, summarized by the map on page 69.

RECOMMENDATION 1 – COMPLETE SIDEWALKS ALONG S. 5TH AVENUE AND GREENFIELD STREET

Fill in gaps in the sidewalk along S. 5th Avenue and Greenfield Street to improve the pedestrian environment and safety of pedestrians. This will also support new developments as they occur within the area. Sidewalks are required when a developer changes a building's use.

RECOMMENDATION 2 – PLACE PEDESTRIAN CROSSWALKS AT INTERSECTIONS WITH S. 3RD STREET

Create better pedestrian connections between the SouthSide area and the residences and businesses along S. 3rd Street by placing crosswalks at key intersections between the crosswalks at Greenfield Street and Castle Street. Additionally, the crosswalks at the intersection of Greenfield Street and S. 3rd Street need restriping.

RECOMMENDATION 3 – CONNECT GREENFIELD LAKE PARK AND GARDENS TO THE CATALYST AREA

Greenfield Lake Park is an asset to the community. In order to leverage the close proximity to the park, better multimodal connections between the catalyst area and Greenfield Lake Park to the south need to be implemented. Sidewalks or a multi-use trail would help to achieve this, as would adding wayfinding signs.

RECOMMENDATION 4 – CREATE A TRAIL CONNECTION BETWEEN GREENFIELD LAKE PARK AND RIVERWALK

This trail connection is a recommendation from the Cape Fear Historic Byway Plan and is the existing route for the East Coast Greenway. The trail connection would help to connect the area with recreational users coming from downtown. These recreational users could become potential customers to businesses in the catalyst site area.

STRATEGIES AND TOOLS

DEVELOPER INCENTIVES FOR PEDESTRIAN AMENITIES

Encourage, and give preference to, developers who include sidewalks and other pedestrian-scale amenities in their redevelopment plans. Incentives could include providing density bonuses beyond what is allowed in the Urban Mixed-use zoning district for single-family and multifamily residential. Other possible incentives to offer developers include property tax abatement or reduced impact fees.

CREATE A TIF DISTRICT

Creating a tax increment financing (TIF) district, also referred to as project development financing, for the area is a possible tool to secure funding for transportation or infrastructure improvement projects. This can be achieved by the city borrowing money to fund public improvements within the district. The debt for funding the improvements is repaid by tax increment revenue. Property within the district is taxed at a higher level and the additional funds pay for improvements. The funds generated in the district will then be used for infrastructure improvements within the district, such as creating sidewalks or a multi-use trail. It is important for the city and neighborhoods to define specific improvements before using such a financing tool. The city may also consider using such a financing tool in conjunction with the creation of a business improvement district. More information is available in the appendix.

CREATE A BUSINESS IMPROVEMENT DISTRICT

A business improvement district (BID), is similar to a TIF district in that it is a geographically-defined area wherein additional personal and real property taxes are assessed to pay for a wide range of enhanced services, including maintenance, marketing, economic development, and security. They are a common practice in North Carolina, with 51 cities having BIDs. The city would have to define the geographic boundaries, services to be included, tax assessment rate, and management organization. The Wilmington Southside Community Development Corporation is a possibility to partner with in the creation of a Southside BID. See the appendix for more information.

HOUSING&DEVELOPMENT

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

RECOMMENDATION 1- REHABILITATE EXISTING BUILDINGS INTO AFFORDABLE HOUSING STOCK

Identify buildings within the catalyst site area that may be appropriate to rehabilitate into affordable and workforce housing stock. One such positive example within the area is the old William Hooper School on Meares Street, which has been turned into William Hooper Apartments for the elderly. Other types of residential development could also be incorporated. Additionally, as a neighborhood enhancement, the William Hooper Apartments could be reconnected to S. 5th Avenue to put more faces on the street.

RECOMMENDATION 2 - DEVELOP VACANT LOTS OWNED BY CITY

There are several lots within the HUD grant-defined area that are owned by the City of Wilmington. There is the potential for these lots to be developed as affordable and workforce housing and counted toward the replacement requirements of the Choice Neighborhoods program. The development of these lots could also serve as catalysts to other similar affordable housing developments and demonstrate new patterns of attractive worker housing, whether associated with Choice Neighborhoods or not.

STRATEGIES AND TOOLS

INFILL INCENTIVES TO DEVELOPERS FOR AFFORDABLE HOUSING

Offer developers incentives for building affordable housing, such as density bonuses, tax abatement on improvements, or expedited development review.

TAX CREDIT ASSISTANCE FOR DEVELOPERS

Local developers may not be aware of, or have experience working with, tax credit programs that can help them build affordable housing. The complexity of these programs can be a barrier for some developers to use them. The city and/or WHA can help by connecting interested developers with the agencies that award credits, developing deeper expertise in how developers can effectively use the credits. Among the programs that developers can tap into are federal Low Income Housing Tax Credits and State Housing Credits. More information on all three programs is available in the appendix.

ECONOMY

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

There are a number of visibly vacant or underutilized buildings, as well as industrial type uses that do not mix well with the surrounding residential development. With the right combination of new uses replacing incompatible uses, the area can develop into a self-sustaining small neighborhood economy. The new Urban Mixed-use zoning designation allows for uses more appropriate to supporting an urban neighborhood and its residents' every day needs. A developer purchased the old Century Mills site, with a potential use being a microbrewery. The building is large enough to house more than one microbrewery, so has the potential to become a microbrewery destination that could attract people from other parts of the city.

This is a good start towards bringing in more compatible uses and redeveloping the area. During the workshop, several types of commercial uses were identified as needed in the area. Specifically, lack of a good grocery store is a concern.

Lack of code enforcement is another issue that was evident in the area. Vehicles are parked along S. 5th Avenue in the road or on areas with sidewalks, creating blockades. Some of the buildings are run-down and overgrown. Improvements to facades to reestablish a more consistent street face could be incentivized. Enforcing housing and health codes will help to begin turning the appearance of the area around. Devising strategies, implementing tools, and offering incentives to help landowners in the area will be mutually beneficial. Activating the area with more compatible uses will improve the overall appearance of the area while in turn improving property values.

RECOMMENDATION 1 - CREATE A LEAD REDEVELOPMENT AGENCY

Create a lead organization that can organize, coordinate, and lead the redevelopment efforts in the area. There are many different agencies or organizations at work in this area with overlapping work efforts. Combining these efforts will improve efficiency and achieve greater outputs. This will also help to manage grant funds and potential BID or TIF funds if these tools are implemented. The redevelopment agency could be formed through a public-private partnership. The Cape Fear Land Trust could be a potential partner organization or a model to follow. See the appendix for more information.

RECOMMENDATION 2 - CREATE A LAND BANK TO CONSOLIDATE VACANT LAND

Another redevelopment tool to consider is the creation of a land bank, which is a public authority that acquires, maintains, and redevelops or sells vacant and abandoned properties. Consolidating land under one ownership, such as a land bank, may ease the process of selling land to developers. This can be run by the City of Wilmington, or a redevelopment agency, if created. The city or redevelopment agency would be able to acquire and hold troubled properties, stabilize troubled properties, and sell properties to a developer. North Carolina law allows cities to create land banks by piecing together various statutes. The appendix includes more information on this tool.

RECOMMENDATION 3 - INVENTORY LAND OWNERSHIP AND SITE CONDITION FOR ALL PARCELS IN THE AREA

Ownership of the parcels within the catalyst area, specifically at the intersection of S. 5th Avenue and Greenfield Street, will have an impact of the ease with which redevelopment can occur. Identifying the owners of the parcels, how many owners there are, and the condition of each parcel are the first steps toward developing a land bank for the catalyst area.

RECOMMENDATION 4 - PHASING FOR REDEVELOPMENT OF CATALYST SITE BLOCKS/ PARCELS

The northeastern and northwestern corners of S. 5th Avenue and Greenfield Street should be the first blocks for the city to focus on redeveloping. Relocation of the Mayflower moving company would need to occur. This site could include two-to three-story buildings with residential use on upper floors and ground-floor retail. The second phase of redevelopment should include the blocks to the north of the first phase, including S. 5th Avenue and Martin Street, Kidder Street, and Marsteller Street.

RECOMMENDATION 5 - RELOCATING UNSUPPORTIVE USES

The Mayflower moving company appears to be outgrowing its corner location at S. 5th Avenue and Greenfield Street, and the use is incompatible with the future vision of the area. Relocating this business to a more industrial area, such as the industrial triangle, would be mutually beneficial for the neighborhood and for the business. Currently, the business only has direct access from two small side streets. A new location with better access will improve the efficiency of truck movements into and out of the business. This will also relocate truck traffic out of the catalyst site area and into more appropriate places for this type of traffic. This will be a key step in creating a more walkable area supportive of economic and residential growth.

STRATEGIES AND TOOLS

TYPES OF COMMERCIAL USES FOR BUILDINGS

Support the addition of different types of commercial uses. Some specific types of uses that will be appropriate for the area, or uses that the area is lacking, include:

- ▶ Microbrewery
- ▶ Grocery store
- ▶ Artist/artisan space
- ▶ Day care
- ▶ Restaurant or coffee shop
- ▶ Pet day care/hospital
- ▶ Catering business
- ▶ Repurposed goods
- ▶ Bike shop/rentals
- ▶ Local food system operations
 - ▶ Permanent farmers market
- ▶ Small-scale industry (goods are produced on small machines with a small number of employees)
- ▶ Music venue/recording studio
- ▶ Incubator facilities
- ▶ Charter schools

TYPES OF PUBLIC USES FOR BUILDINGS

Reusing vacant buildings for public uses is one way to begin to redevelop the area. Some possible ideas for public use include:

- ▶ Non-profit office space
- ▶ Vocational training and education center
- ▶ Public offices

EXPEDITED DEVELOPMENT REVIEW

The approval process for development plans can be complicated and time consuming. Streamlining and simplifying this process for proposals in the redevelopment area can be an incentive to attract developers because it saves them time and money. This tool can be implemented by creating a criteria evaluation to allow certain types of developments (i.e. mixed use, affordable or workforce housing) to receive expedited review. The availability of this option should also be clearly communicated to prospective developers. Clearly identify areas in need of redevelopment and establish a policy for this area to include expedited development review.

CODE ENFORCEMENT

Improve enforcement of codes along S. 5th Avenue and Greenfield Street and surrounding streets to improve the appearance of the area.

PUBLIC-PRIVATE PARTNERSHIPS

The North Carolina Public Private Partnership (P3) contracting method allows flexibility in creating partnerships. These partnerships are mutually beneficial to both the city and the developer. This could be one of the key methods to revitalizing the catalyst site area.

NEW MARKETS TAX CREDITS

The New Markets Tax Credits Program (NMTC Program), under the Community Development Financial Institutions Fund for the US Department of the Treasury, offers developers a tax credit against their Federal income tax return in exchange for creating business or real estate projects in low-income communities. The credit totals 39 percent of the original investment amount claimed over a period of seven years. Developers and non-profit organizations in other cities have used New Markets Tax Credits to build grocery stores in underserved areas. A Wilmington-based group could potentially tap into this financing-assistance program to build the grocery store that the neighborhood is in need of. See the appendix for more information.

BUSINESS ASSISTANCE

Provide business assistance to help companies that locate in the area pursue state economic development incentives. North Carolina offers several economic development incentives for companies that locate in the state. While these funds often go towards companies that may need larger facilities than are available in the S. 5th Avenue and Greenfield Street area, smaller businesses that would fit with the scale and vision for the neighborhood may also be able to take advantage of the programs, which include the Economic Infrastructure Program, Job Development Investment Grants, and the One North Carolina Fund. See the appendix for more information.

BUILDING REUSE LOAN PROGRAM

This Community Development Block Grant (CDBG) funding program supports projects that return vacant industrial/commercial buildings to economic use. The local government provides a loan to a business and that requires no repayment if the company maintains a specified number of jobs for five years. This program could help convert some of the existing industrial and commercial buildings into new uses. See the appendix for more information.

OPPORTUNITY

ISSUES, OPPORTUNITIES AND RECOMMENDATIONS

There is potential to improve the livability of the area and provide better access to recreational or public spaces. The SouthSide area has several positive aspects to leverage. It is located in close proximity to downtown and historic residential neighborhoods. The East Coast Greenway passes through the SouthSide area and connects to the Greenfield Lake Park.

Issues include a lack of a neighborhood grocery for nearby residents. The area could be supplemented with small public park spaces sprinkled throughout the neighborhood. The perception that this area is unsafe can be changed by activating the area with more recreational and retail users. Wayfinding signage would help to draw more visitors to the park.

RECOMMENDATION 1 - PARKS AND RAILS

While Greenfield Lake Park is located near the catalyst area, there is potential to further include parks or neighborhood gardens throughout the area. Park space could be required as a component of new larger developments. The area also includes potentially unbuildable lots that would be better suited as park space. More parks will provide residents places to recreate and get people outside, which would bring a number of health benefits.

RECOMMENDATION 2 - NEIGHBORHOOD CENTER

There were several comments during the workshop that the area needs a community center or gathering place. A central gathering place that can bring all residents together would add to the sense of community for this area. For urban neighborhoods, small, walkable commercial districts can serve this purpose. These districts often draw from within the neighborhood and from other parts of the city. The S. 5th Avenue and Greenfield Street area has the potential to serve this purpose, but a significant increase in the number of housing units and neighborhood commercial uses from what exists now is needed.

RECOMMENDATION 3 - IMPROVE PERCEPTION OF SAFETY

Activating the area with more public space would help to add more “eyes on the street” and discourage criminal activity. Other amenities, such as lighting and a more inviting streetscape that encourages walking would improve the appearance of the area. Consider requiring developers to install lighting when redeveloping a site.

RECOMMENDATION 4 - ACCESS TO FOOD

Lack of an adequate grocery store in the area was noted as an issue in the area. It is recommended to establish a neighborhood grocery that provides healthy, fresh foods. There could additionally be the creation of a space for a weekly or monthly farmers’ market. The structure could serve as a community space during times when the market is not in business.

STRATEGIES AND TOOLS

SITE LOCATION FOR PARKS, COMMUNITY CENTER, AND FARMER’S MARKET

Identify areas appropriate for new parks, a community center, and a farmers’ market. Determine if there are vacant lands or vacant buildings, and develop a plan to acquire land. Greenfield Lake Park could be an ideal location for the farmers’ market. The TIF district or BID, if created, could help with the development of these facilities.

BUILDING REUSE LOAN PROGRAM

A part of the CDBG funding program, this awards funds to return vacant industrial/commercial buildings to economic use. The local government provides a loan to a business and that requires no repayment if the company maintains a specified number of jobs for five years. This program could help convert some of the existing industrial and commercial buildings into new uses. See the appendix for more information.

NC PARKS AND RECREATION TRUST FUND

The Parks and Recreation Trust Fund (PARTF) provides dollar-for-dollar matching grants to local governments for parks and recreational projects to serve the public. See the appendix for more information.

FUNDING FOR THE FARMERS’ MARKET

Wilmington can pursue funding for the farmers’ market idea through the USDA’s Farmers Market and Local Food Promotion Program. This 2014 Farm Bill expanded the funding and scope of this program. It now includes \$15 million per year for the development of farmers’ markets and another \$15 million for promotion of local foods. The program awards grants of up to \$100,000. See the appendix for more information.

SECTION 4

CONCLUSION

Achieving success will be based on public and private actions that leverage the market-based opportunities along with intentional public policies, services and infrastructure investments that meet the needs of area residents.

As stated earlier, the S. 5th Avenue and Greenfield Street area has many opportunities for positive transformation. Future redevelopment calls for strategic actions by the city to unlock its value, and collaboration with developers and property owners to move projects forward.

Wilmington's Catalyst Plan provides recommendations that are consistent with the Complete Communities concept, and include:

- ▶ Improve multimodal connectivity to local destinations through a range of financing mechanisms
- ▶ Use city-owned assets to catalyze increased affordable housing development

- ▶ Create new agencies focused on the area's economic revitalization

- ▶ Support a wider variety of commercial options in the neighborhood

There is a tremendous amount of interest in the revitalization of SouthSide from both the public and private sectors. Harnessing that interest and facilitating it through a range of policies, incentives, and investments could yield tremendous benefits to this re-emerging neighborhood.

APPENDICES

A. INFRASTRUCTURE

B. NEIGHBORHOOD REVITALIZATION

C. ECONOMIC DEVELOPMENT

D. HOUSING

E. RURAL/AGRICULTURAL

PRESERVATION

F. COMPLETE COMMUNITY DESIGN
RESOURCES



The following pages include references and summary information on strategies, tools, policy approaches and community design examples that can be used to help create Complete Communities. These reflect ideas and concepts generated during the Catalyst Project discussions.

A. INFRASTRUCTURE

SPECIAL LEVIES AND BORROWING

SPECIAL ASSESSMENT IMPROVEMENT DISTRICT (SAID)

Local governments can use special assessment improvement districts to pay for infrastructure. State law allows local government to assess a levy for up to 30 years on property owners to pay for public improvements that benefit the property. SAIDs are similar to an impact fee, but the people that purchase property pay for the public infrastructure rather than the developer. The property owners must petition for the district. This is easy for a developer with one large piece of property, but would be difficult for existing neighborhoods. SAIDs are somewhat risky because properties may not sell after public improvements. Eligible uses include sewer, water, storm sewers and flood control, streets and sidewalks, street lighting, parking facilities, public transit facilities, low income housing, school facilities, and parks.

- For more information: <http://ced.sog.unc.edu/?p=4682>.
- An example from Hillsborough, NC: <http://ced.sog.unc.edu/?p=4770>.
- State Enabling Legislation - G.S. Chapter 153A

PROJECT DEVELOPMENT FINANCING (TIF)

This is commonly referred to as TIF. State law has enabled TIF for cities and counties. Local governments use TIF to attract investment to blighted or underdeveloped areas. TIF is similar to assessment districts, but the debt is secured by the increase in property values (rather than a special assessment). TIF covers many of the same project types including streets and sidewalks, sewer, water, community facilities, schools, and low income housing.

- For more information: <http://www.sogpubs.unc.edu/electronicversions/pdfs/lfb36.pdf>.
- An example of using TIF for infrastructure in a mixed use community from Asheville, NC: <http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=RadcliffMaher.html>.
- State Enabling Legislation - G.S. Chapter 159, Article 6

SYNTHETIC TIF

The main difference between TIF and Synthetic TIF is that for the latter a local government pledges either the asset that is financed or its general taxing power as security for the loan, rather than the incremental increase in property tax revenue. The local government intends to use the incremental increase in property tax revenue, but does not use it as security for the loan.

BUSINESS IMPROVEMENT DISTRICT (BID)

Cities (but not counties) can establish special taxing districts for “downtown revitalization” under North Carolina law. These are commonly known as BIDs. Cities can fund a wide variety of programs and capital improvements through a BID. There is no petition requirement (unlike a SAID) under state law. The local government can draw the boundaries. The local government can also assess an ad valorem tax on top of the base tax rate to pay for the BID. The BID entity cannot borrow. But with voter approval, a local government can borrow and use BID revenue for debt service.

- More information is available here: <http://canons.sog.unc.edu/?p=2146>.
- State Enabling Legislation - G.S. Chapter 160A, Article 23

SERVICE DISTRICT (COUNTIES)

Similar to BIDs, counties can establish service districts for several purposes under state law. Among those

related to infrastructure are beach erosion control and flood protection, recreation, sewage collection and disposal, water supply and distribution, and drainage.

- For more information: <http://canons.sog.unc.edu/?p=4591>.
- State Enabling Legislation - G.S. Chapter 153A, Article 16

SAVING

The previous strategies focused on special levies and borrowing. Local governments can also fund infrastructure by saving through two main options.

FUND BALANCE

Local governments can maintain a fund balance, typically for covering unforeseen expenses or for times during the year with lower revenues. Local governments can also save up reserves over time for a major capital project.

- For more information: <http://canons.sog.unc.edu/?p=6869>.

CAPITAL RESERVE FUND

A capital reserve fund is similar to fund balance, but the money is periodically transferred to a separate fund, known as a “capital reserve fund.” State law allows local governments to establish a capital reserve fund for any purpose for which it may issue bonds. A capital reserve fund is a more formal mechanism than fund balance. It is also more transparent because the local government must indicate how it will spend the money. One weakness is that funds cannot be transferred back to cover operating expenses.

- For more information: <http://canons.sog.unc.edu/?p=6869>.
- State Enabling Legislation
 - G.S. Chapter 159-18, Article 3 (enabling law for capital reserve funds)
 - G.S. Chapter 159-48, Article 4 (purposes for which bonds may be issued)

GRANTS

WATER & SEWER GRANT/LOAN PROGRAMS

The NC Division of Water Infrastructure has a Clean Water Loan Program that has provided about \$100 million per annual funding round and offers loans at 50 percent of market rate. Stormwater best management practices are an eligible expense and given high priority. New sewer line extensions that serve areas with failing septic tanks are also high priority. New Hanover County has sought funds through the program to replace failing septic tanks in two areas, including one just south of Castle Hayne. The NC Division of Water Infrastructure also has a Drinking Water Revolving Loan Fund. Recently, the state has substantially increased its water and sewer funding through its statewide Community Development Block Grant Program.

- For more information: <http://ced.sog.unc.edu/?p=4764>.

COMMUNITY DEVELOPMENT BLOCK GRANTS

The US Department of Housing and Urban Development (HUD) provides block grants to states and local governments through the CDBG program. Local governments can use the funds for a wide variety of programs that benefit low-and-moderate income persons and eliminate blight. Larger cities receive CDBG funds directly from HUD while states administer the CDBG program for smaller cities. In North Carolina, CDBG funds for smaller cities are mostly used for water and sewer infrastructure projects.

- For more information on the CDBG program: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs
- For more information about the CDBG program in North Carolina: <http://ced.sog.unc.edu/?p=4764>.

NORTH CAROLINA PARKS AND RECREATION TRUST FUND

This program, administered by the state’s Parks and Recreation Authority, provides dollar-for-dollar grants to

local governments to acquire land or develop parks and recreation projects that serve the general public. In 2013, the Authority awarded Wilmington about \$151,000 for the Park Avenue Greenway, Topsail Beach about \$440,000 for its Town Center Park, and Brunswick County \$500,000 for Waccamaw Park.

- For more information: http://ncparks.gov/About/grants/partf_main.php.

OTHER

DENSITY BONUSES

Density bonuses allow developers to build at a higher density than allowed under the existing zoning code. A density bonus allows a developer to spread the cost of land and other predevelopment costs among more units or square feet. By adding square feet and/or housing units, the developer may be able to increase the return on investment from the project. The City of Wilmington offers density bonuses in exchange for certain public benefits including low impact design, low and moderate income housing, provision of private transit service or a parking garage, reducing impervious surfaces, mixed use, historic preservation, pedestrian facilities, public transit facilities, implementation of a transportation demand management program, and preservation of wetlands and vegetated buffers. However, the incentive has historically been underutilized. The return on additional units or space may be insufficient to cover the costs of the public benefits.

- For more information on Wilmington's density bonus options: <https://library.municode.com/index.aspx?clientId=14101>.
- State Enabling Legislation - G.S. Chapter 160A, Article 19
 - o Enables density bonuses for the purpose of encouraging development that reduces energy consumption.

PUBLIC-PRIVATE PARTNERSHIPS

State law in 2013 made public-private partnerships easier in North Carolina. Government units now have more flexible contracting authority to partner with a private developer to construct, finance, and operate a capital project. Public entities no longer require legislative authorization to take this action. The private developer must provide 50 percent of the financing and the state's Local Government Commission must approve the deal if it involves a capital or operating lease.

The law also established a new statutory framework for entering into a public-private partnership. These steps are:

1. Make written finding of a critical need for project.
 2. Determine programming needs for the project.
 3. Advertise a request for qualifications (RFQ).
 4. Evaluate responses and select a developer. Free to develop own criteria.
 5. Publish terms of the contract.
 6. After 30 days, award contract at a public meeting.
- More information is available here: <http://ced.sog.unc.edu/?p=4805>.
 - State Enabling Legislation - G.S. Chapter 143-128.1C, Article 8.

B. NEIGHBORHOOD REVITALIZATION

REDEVELOPMENT AREAS

Local governments in North Carolina can create redevelopment areas under the state's Urban Redevelopment Law. Redevelopment areas are blighted or in danger of becoming blighted. The local government must form a redevelopment commission (often the local governing board) and create a redevelopment plan. Then the local government can establish programs of compulsory repair or rehabilitation and provide grants and loans for rehabilitation and redevelopment. Once established, the

redevelopment commission can acquire property, including through eminent domain; clear areas by demolition, prepare the sites for development, improve sites, and sell real property through competitive bidding.

- For more information: <http://ced.sog.unc.edu/?p=4340>.
- An example from Greenville, NC: <http://ced.sog.unc.edu/?p=4360>.
- An example from Rocky Mount, NC: <http://ced.sog.unc.edu/?p=4413>.
- State Enabling Legislation - G.S. Chapter 160A, Article 22

REVOLVING LOAN FUNDS

Revolving loan funds are used by many North Carolina local governments, often to support small businesses in distressed neighborhoods. The local government often manages fundraising, marketing, underwriting, and servicing. Some sources of start-up capital include Community Development Block Grant (CDBG) funds, U.S. Economic Development Administration's Public Works and Economic Adjustment Assistance Program (for distressed communities), and the U.S. Small Business Administration's Microloan Intermediary Program (for revolving loan funds managed by "quasi-public" non-profit organizations).

- For more information: <http://ced.sog.unc.edu/?p=4546>.

LOAN LOSS RESERVE

Local governments can partner with a financial institution to make it easier for small businesses to borrow at affordable rates. A loan loss reserve covers losses from a loan default. They are typically established through a percentage of the amount loaned. The local government can provide funds for the reserve, freeing the bank to lend more or take on more risky loans. As a result, banks are more likely to lend to small businesses.

- For more information: <http://ced.sog.unc.edu/?p=4520>.

CROWDFUNDING

Crowdfunding is a new tool in development finance that is poised to grow even faster once the U.S. Securities and Exchange Commission (SEC) finalizes guidance that allows crowdfunding investors to receive a financial return. Rules have prohibited all but "accredited investors" from investing in real estate. But institutional investors are not community developers. Crowdfunding will open up investment opportunities to people that want to play a role in improving their neighborhood.

- For more information: <http://ced.sog.unc.edu/?p=4550>.

NEW MARKETS TAX CREDITS

Investors can purchase the New Markets Tax Credits from special financial institutions known as community development entities (CDEs). Developers commonly use New Markets Tax Credits to eliminate the gap between the cost to build and market-rate rents and sales prices.

- For more information: http://cdfifund.gov/what_we_do/programs_id.asp?programID=5
- An example of the Golden Belt Complex adaptive reuse project in Durham, NC

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PROPERTY TAX ABATEMENT

Local governments use property tax abatement to waive property taxes on improvements for a fixed period of time. In the absence of a tax abatement policy, a property owner could receive a substantially higher tax bill after improving his or her property. Communities can attract investment in targeted areas by reducing or eliminating property taxes on new investment. By reducing future tax obligations, the developer can afford

to take on more debt to make improvements or to repurpose a property.

NC HISTORIC PRESERVATION TAX CREDITS

North Carolina offers a variety of tax credits for historic preservation. Developers can obtain either a 30 or 40 percent tax credit for rehabilitating former mill sites. The state also offers a 20 percent tax credit for qualifying rehabilitations of income-producing historic structures. The 20 percent tax credit is available to structures on the National Register of Historic Places. Additionally, homeowners can receive a 30 percent tax credit for qualifying rehabilitations of non-income producing historic structures. Unfortunately, the state's historic preservation tax credits are **set to expire on January 1, 2015** unless the General Assembly takes action to restore them.

- For more information: <http://www.hpo.ncdcr.gov/tchome.htm>.
- State Enabling Legislation:
 - o G.S. Chapter 105, Article 3D (Historic Rehabilitation Tax Credits).
 - o G.S. Chapter 105, Article 3H (Mill Rehabilitation Tax Credit).

COMMUNITY DEVELOPMENT CORPORATION

Community development corporations (CDCs) are nonprofit organizations that manage or invest in projects that are consistent with community goals, such as job creation, revitalization, and affordable housing. CDCs are often organized and managed by neighborhood residents, institutions, small business owners, and other groups with an interest in community development. CDCs often work in distressed communities on a wide range of services and projects, including real estate development, to spur revitalization. They help fill a gap in the market by investing in projects in which traditional lenders and developers are not interested. CDCs can also invest alongside the private sector by providing gap financing between a traditional loan and private equity.

LAND BANK

Local governments use land banks to acquire, stabilize, and redevelop abandoned or vacant properties. Through land banks, local governments can remove encumbrances such as tax liens or environmental contamination and prepare them for reuse. Land banks essentially 'hold' vacant or underutilized properties for future reuse and redevelopment. The Cape Fear Community Land Trust is a local example.

- Guidance for applying land banking tools in North Carolina is available here: <http://ced.sog.unc.edu/?p=4813>.

C. ECONOMIC DEVELOPMENT

ECONOMIC INFRASTRUCTURE PROGRAM

The North Carolina Department of Commerce administers this program, which provides grants to local governments for infrastructure projects that lead directly to job growth. Brunswick, New Hanover, and Pender Counties are in Tier 3, so they are eligible for grants of up to \$5,000 per newly created full-time job. The program prioritizes projects in the Tier 1 and 2 counties, which are more economically distressed. These counties are eligible for grants of up to \$10,000 per newly created full-time job.

- For more information: <http://www.nccommerce.com/rd/rural-grants-programs/economic-infrastructure>.

HUBZONE

The U.S. Small Business Administration's HUBZone Program helps small businesses in Historically Underutilized Business Zones (HUBZones) gain preferential access to federal procurement opportunities. Brunswick, New Hanover, and Pender Counties all have HUBZones.

- For more information: <http://www.sba.gov/content/understanding-hubzone-program>.

JOB DEVELOPMENT INVESTMENT GRANT

The Job Development Investment Grant program is a discretionary program that provides grants to new and expanding businesses. The state's Economic Investment Committee makes the awards based on five criteria.

Grants can be awarded directly to the business for up to 12 years.

- For more information: <http://www.thrivenc.com/incentives/financial/discretionary-programs/job-development-investment-grant>.
- State Enabling Legislation - G.S. Chapter 143B-437.52, Article 10

ONE NORTH CAROLINA FUND

The One North Carolina Fund is similar to the Job Development Investment Grant program. The Fund awards grants to companies for equipment, repairs, renovations needed for expansion, and infrastructure. Unlike the Job Development Investment Grant program, the local government (city or county) must match the state's assistance. Also, the grant awards are not tied to the income tax withholdings of the new employees brought by the company or expansion.

- For more information: <http://www.thrivenc.com/incentives/financial/discretionary-programs/one-north-carolina-fund>.
- State Enabling Legislation - G.S. Chapter 143B-437.71

D. HOUSING

LOW-INCOME HOUSING TAX CREDITS

Low-Income Housing Tax credits are a popular tool for financing affordable housing. The federal government provides developers with tax credits that they can sell to investors to raise capital. The capital reduces the debt burden of the developer, which allows them offer lower rents. The credit is worth nine percent of the qualified cost of building or rehabilitating the property. The owner must agree to maintain the affordable housing for 30 years.

- For more information: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/training/web/lihtc/basics.

STATE HOUSING TAX CREDITS

North Carolina offers additional tax credits for developers that are using the federal Low-Income Housing Tax Credits. This incentive makes affordable housing development even more attractive in the state. The North Carolina Housing Finance Agency manages the program. Developers are automatically eligible for the tax credits when the North Carolina Housing Finance Agency approves an application for federal credits. This tax credit program is **set to expire on January 1, 2015**.

[dLegislation/Statutes/HTML/ByArticle/Chapter_105/Article_3E.html](http://www.ncleg.gov/Legislation/Statutes/HTML/ByArticle/Chapter_105/Article_3E.html).

- For more information: <http://www.nchfa.com/about/financingfrom.aspx>.
- State Enabling Legislation – G.S. Chapter 105, Article 3E.

ADAPTIVE REUSE ORDINANCE

An adaptive reuse ordinance makes it easier for developers to convert older economically obsolete buildings into new uses, such as housing. These ordinances provide tailored zoning and code requirements that recognize the differences between reuse and new development. Local governments should consider applying an adaptive reuse ordinance in zones where older historic and underutilized buildings are concentrated. The ordinance may relax parking, density, design, and/or fire and safety standards that developers struggle to meet when redeveloping a historic building. For example, it may eliminate density restrictions, reduce the minimum housing unit size, waive parking requirements, and allow for expedited development review.

CODE ENFORCEMENT

Code violations can create a negative perception among the public about certain places in a community. Consistent code enforcement for property maintenance can improve the look and feel of a neighborhood, improve safety, and improve investor confidence.

E. RURAL/AGRICULTURAL PRESERVATION

CONSERVATION EASEMENTS/PURCHASE OF DEVELOPMENT RIGHTS

North Carolina law allows term or perpetual conservation easements. Counties can purchase an easement for the difference between the value of the land for farming and the value for development. North Carolina state law also offers tax credits for the donated property interest as an incentive for this preservation tool. North Carolina's Agricultural Development and Farmland Preservation Trust Fund has provided grants to local governments and non-profit groups since 2006 to purchase conservation easements. The program also supports agricultural plans and development projects.

- For more information: <http://www.ncadfp.org/aboutus.htm>.
- State Enabling Legislation - G.S. Chapter 106-744, Article 61

AGRICULTURAL DISTRICTS

North Carolina state law allows local governments to create Agricultural Districts. Upon passing an Agricultural District Ordinance, the local government creates an Agriculture Advisory Board to administer the program. Inclusion in an agricultural district increases protection for the farm from nuisance suits, waiver of water and sewer assessments if the farm is not connected to the public system, and eligibility for farmland preservation funds. Farms must opt-in to the district and agree to forego developing their land for 10 years.

- For more information: <http://www.ncadfp.org/FarmlandPreservation.htm>.
- Information about land preservation ordinances adopted by North Carolina's cities and counties can be downloaded here: <http://www.cals.ncsu.edu/wq/lpn/ncordinances.htm>. Brunswick County is the only one in the Cape Fear region with farms that are enrolled in an agricultural district. Pender County has an agricultural district, but no farms are enrolled. New Hanover County has not adopted an Agricultural District Ordinance.
- State Enabling Legislation - G.S. Chapter 106-738, Article 61

FARMLAND/FOREST PROTECTION PLANS

The North Carolina Farmland Preservation Enabling Act in 1986 laid out the requirements of county Farmland Protection Plans. None of the three counties in the Cape Fear Region have a Farmland Protection Plan.

- For more information, including a model plan: <http://www.ncadfp.org/FarmlandPreservation.htm>.
- State Enabling Legislation - G.S. Chapter 106-744, Article 61

CLEAN WATER MANAGEMENT TRUST FUND

North Carolina's Clean Water Management Trust Fund has provided grants since 1996 to local governments and non-profits for projects that protect surface waters. Funds are available to acquire land that represents the ecological diversity of North Carolina and provide buffers around military facilities, and for projects that protect unpolluted surface water and improve degraded water.

- For more information: <http://www.cwmtf.net/>.

TRANSFER OF DEVELOPMENT RIGHTS (TDR)

TDR is uncommon in North Carolina due to restrictions in state law.

F. COMPLETE COMMUNITY DESIGN RESOURCES

CONSERVATION SUBDIVISIONS

North Carolina State University's Conservation Subdivision Handbook is a good North Carolina-specific resource: <http://www.ces.ncsu.edu/forestry/pdf/ag/ag742.pdf>.

LOW IMPACT DEVELOPMENT AND GREEN INFRASTRUCTURE

The Low Impact Development (LID) Center provides information on this design strategy, which has been incorporated into policies and codes in southeastern North Carolina. <http://www.lowimpactdevelopment.org/publications.htm>.

The 2011 Bradley and Hewlett's Creeks Watershed Restoration Plan includes Appendix I detailing typical section examples of Green Street Practices for the City of Wilmington: http://www.wilmingtonnc.gov/Portals/0/documents/Public%20Services/Stormwater/G2B%20final%20plan%202012_August.pdf

The North Carolina LID group, based at NC State University, also provides resources. <http://www.bae.ncsu.edu/topic/lid/links.html>.

SCHOOL SITING GUIDELINES

EPA released school siting guidelines in October 2011. The guidelines help school districts and local governments select sites for new schools based on desirable attributes and hazards to avoid. The guidelines are available here: <http://www.epa.gov/schools/siting/>.

