Strategic Development Scenarios for University Avenue Site

Project Overview

Casey Foundation
July 25, 2014

Note
For much more detail, please see the "Executive Summary and Next Steps" memorandum (June 2014) and material referenced therein.

mass economics | Noel Consulting Group | RW Ventures | SOSS | TSW Planners Architects Landscape Architects

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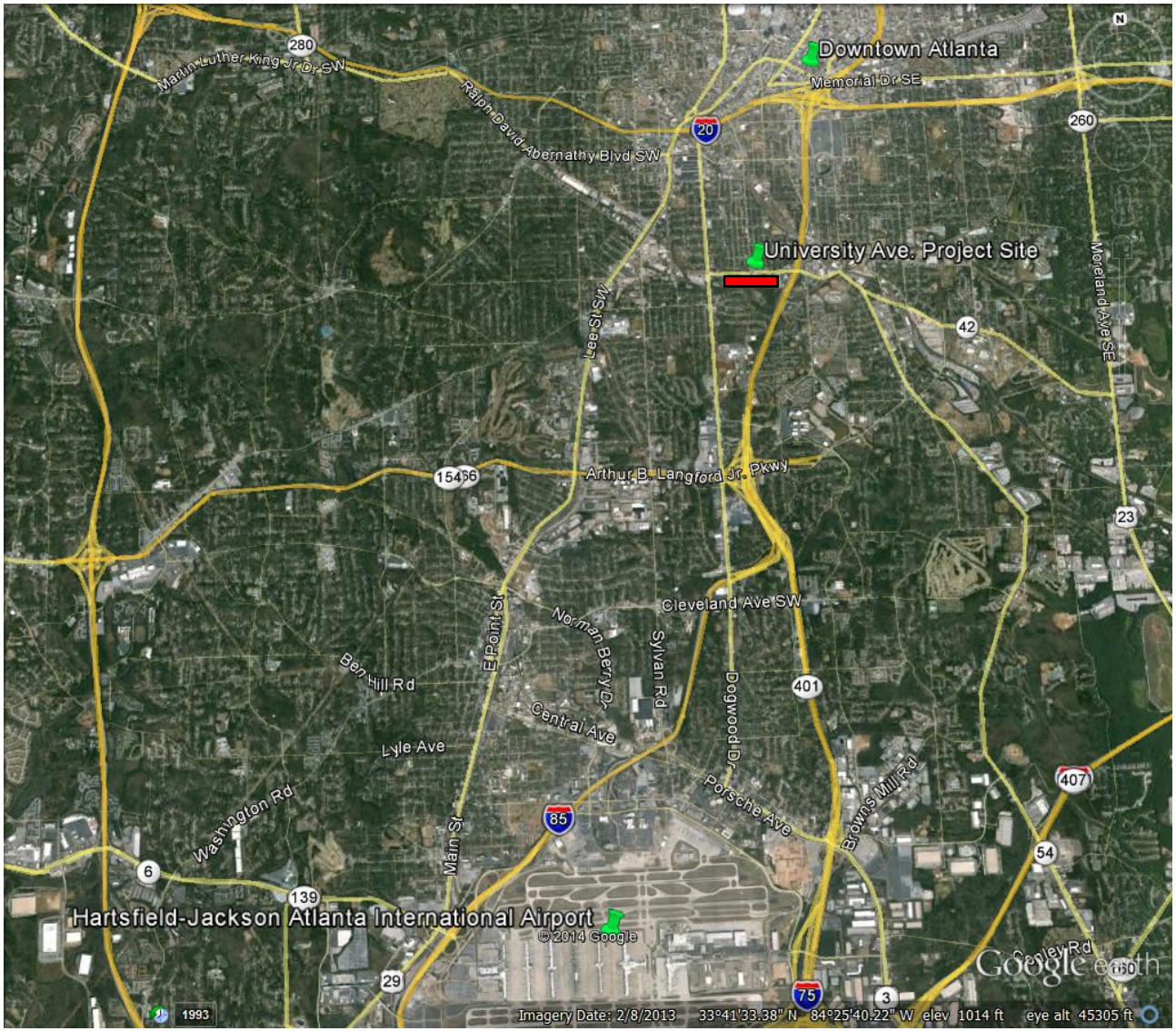
Context: Site Location



Context: Site Location (cont'd)

Project Goals

- Create economic opportunity for the surrounding community
- Connect neighborhood assets to regional cluster opportunities

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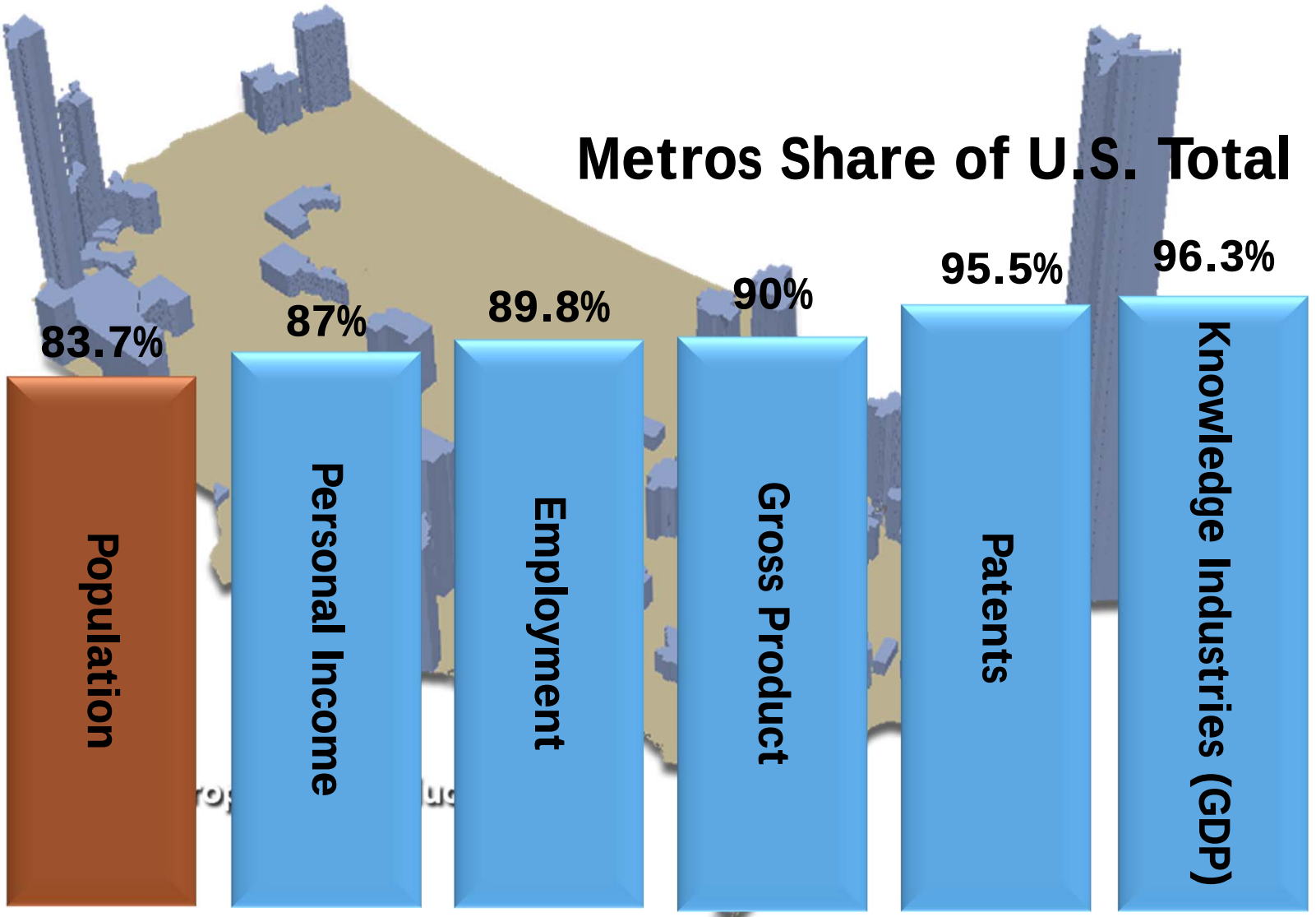
- Promote other local benefits and amenities (e.g., healthy foods, green space, the BeltLine)
- Plan for interim uses that will generate momentum

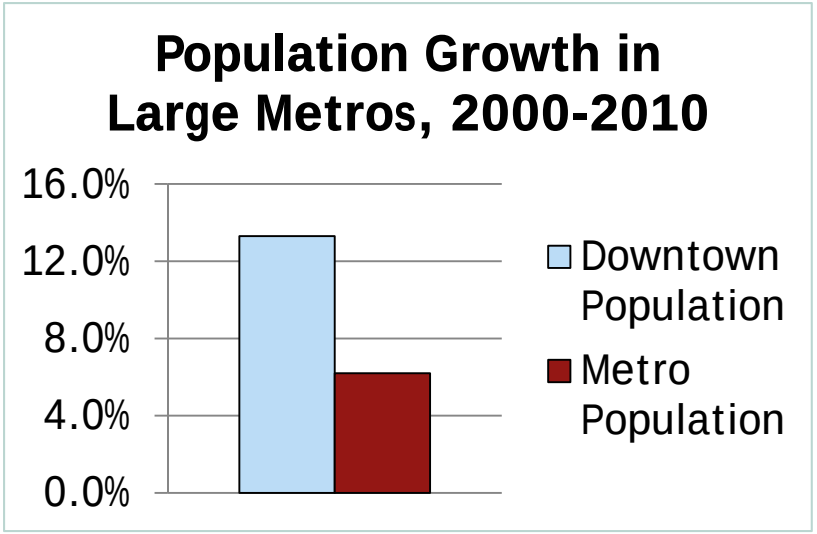
Knowledge Economy Favors Metropolitan Areas



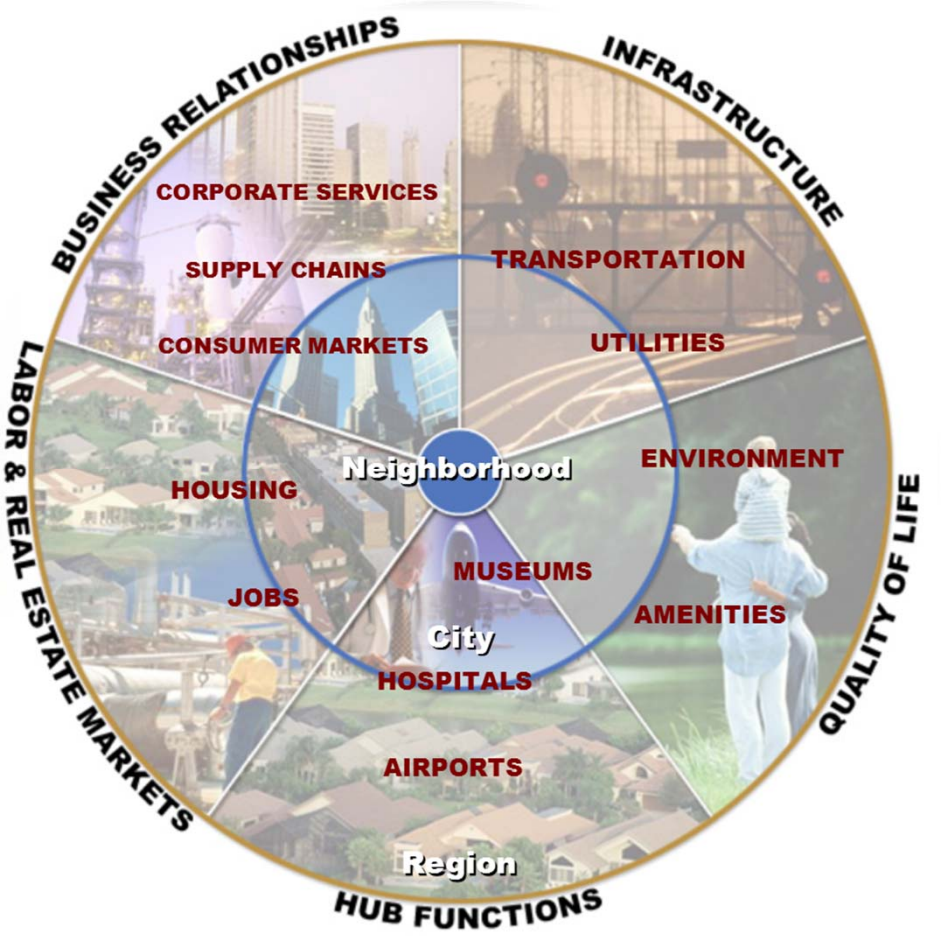
Source: Brookings Institution; Bureau of Economic Analysis, U.S. Patent and Trademark Office

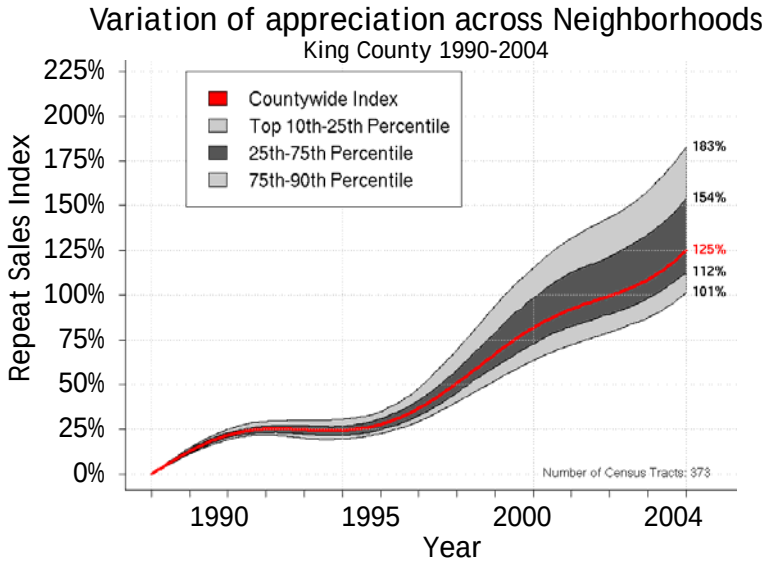
And Creates New Opportunities for Neighborhoods

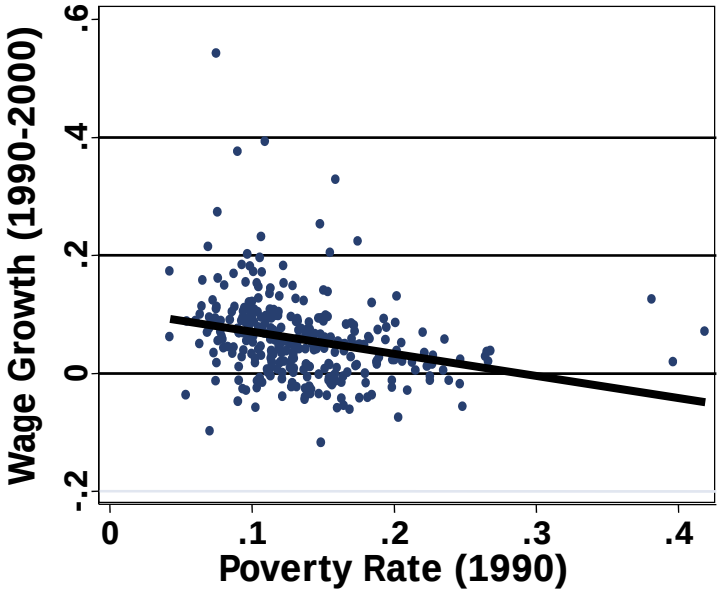
Industrial Economy	Knowledge Economy
Large factories	Smaller space, less physical capital
Sectoral specializations	Functional specializations
Sprawl	Densification
Continuous rise in VMT	Decrease and stabilization of VMT
Highest property values = single family houses	Highest property values = condos, apartments
Majority of households married with children	Majority of households single, no children



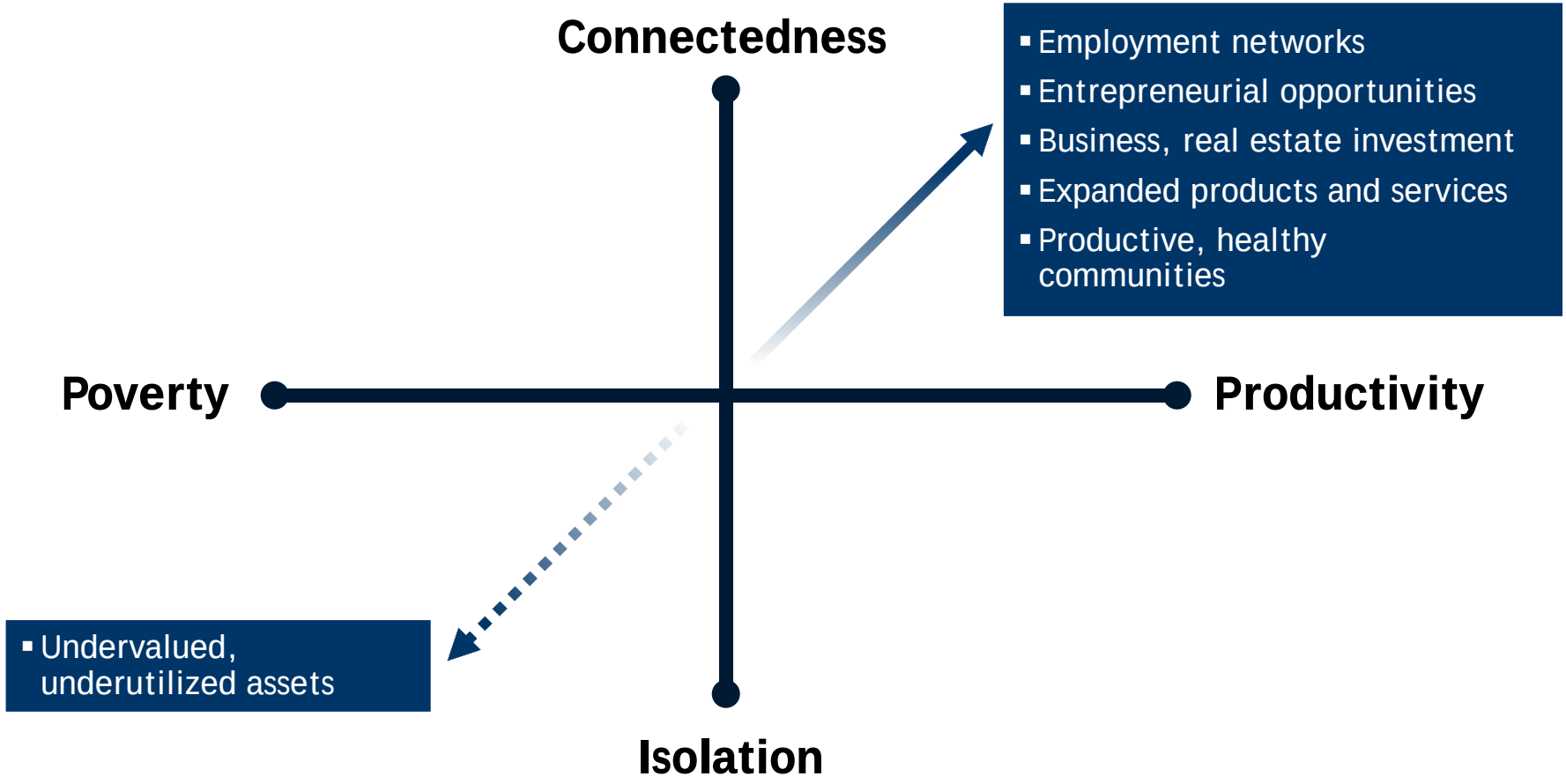
Regions Need Neighborhoods





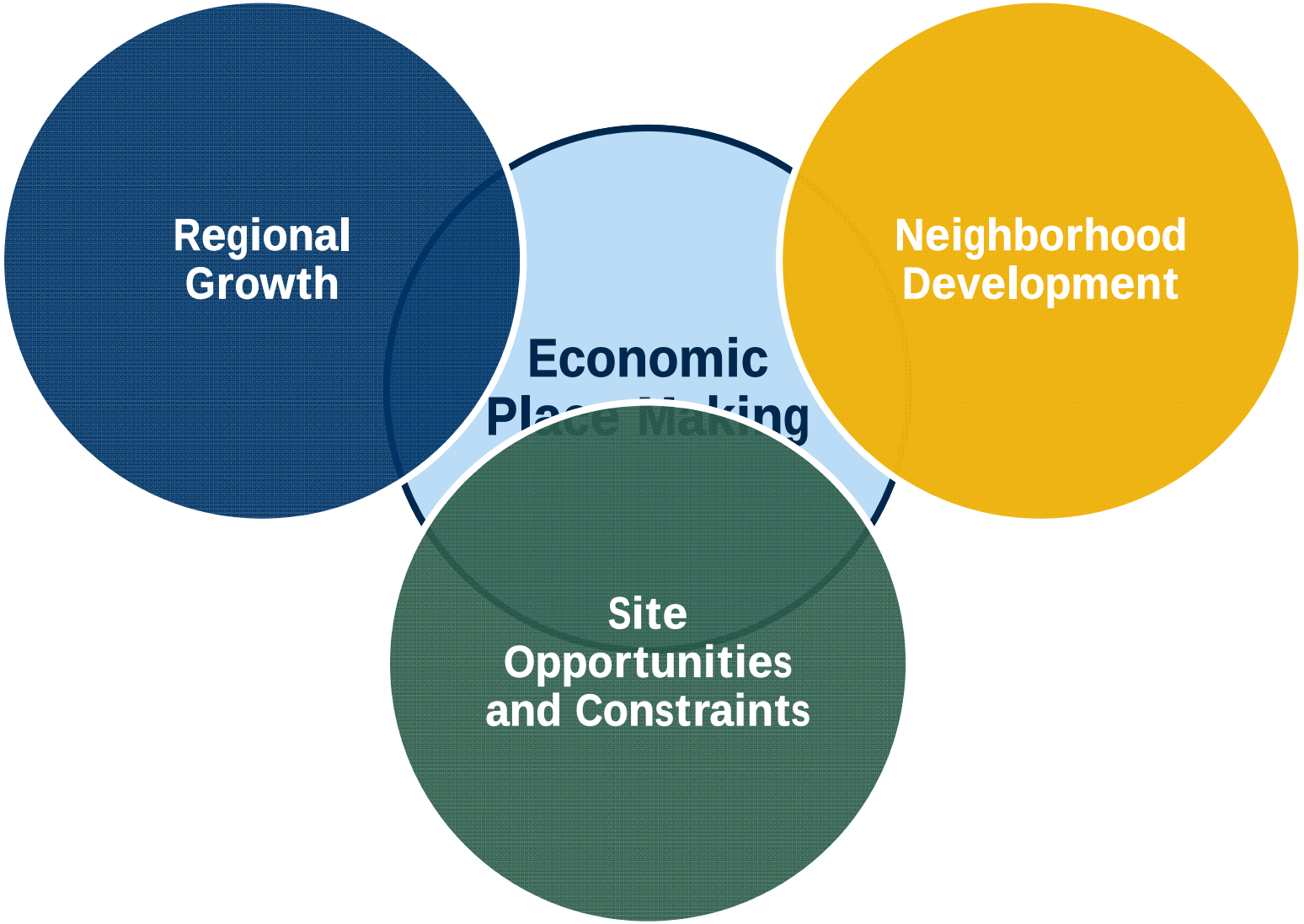


Neighborhoods Need Regions



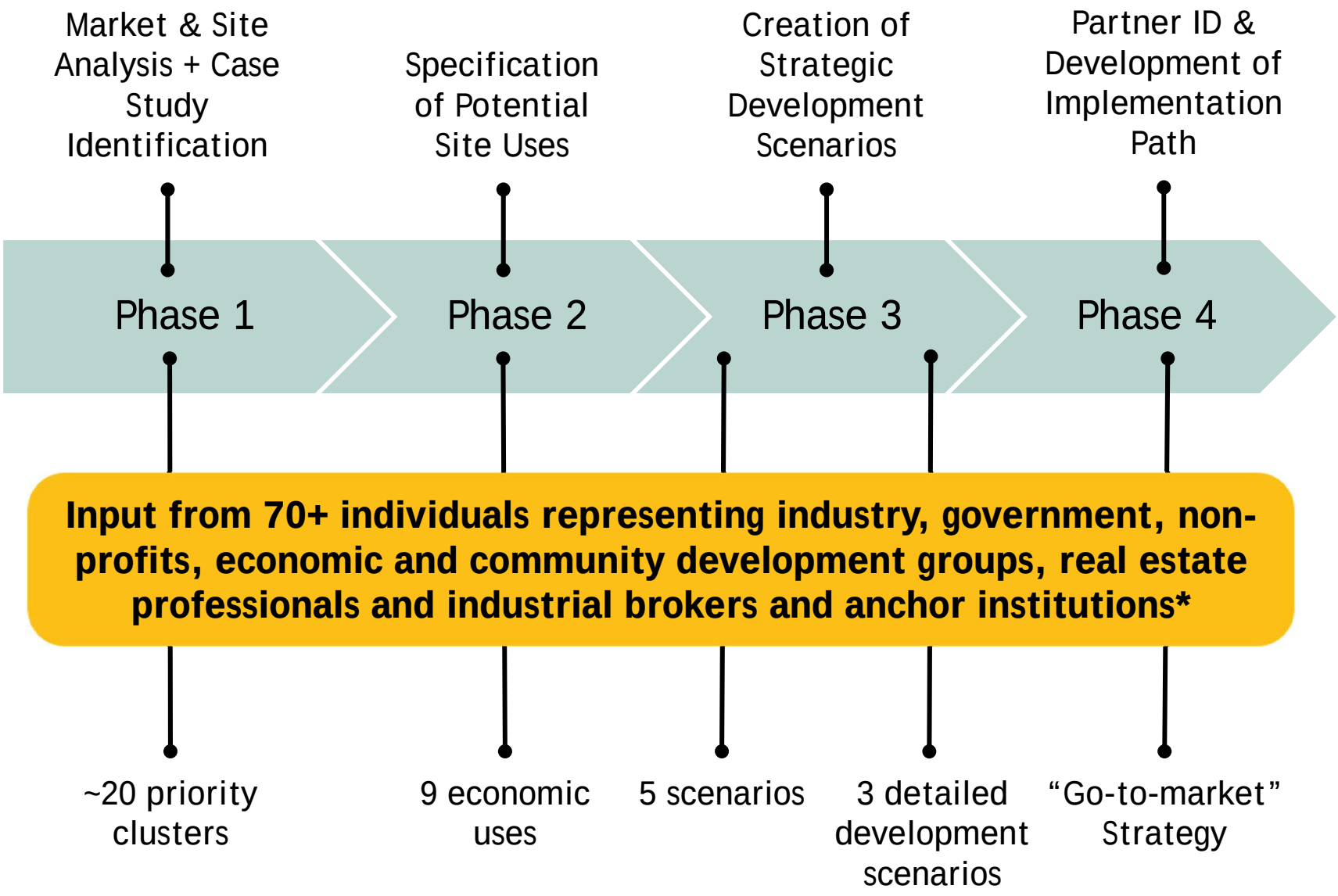
Goal: Neighborhoods that Build Capacity and Opportunity (Amartya Sen)

Project Approach



Project Logic

Project Flow: Overview



* See Appendix C to *Project Overview* PowerPoint (June 2014) for detailed list of Interviews/outreach

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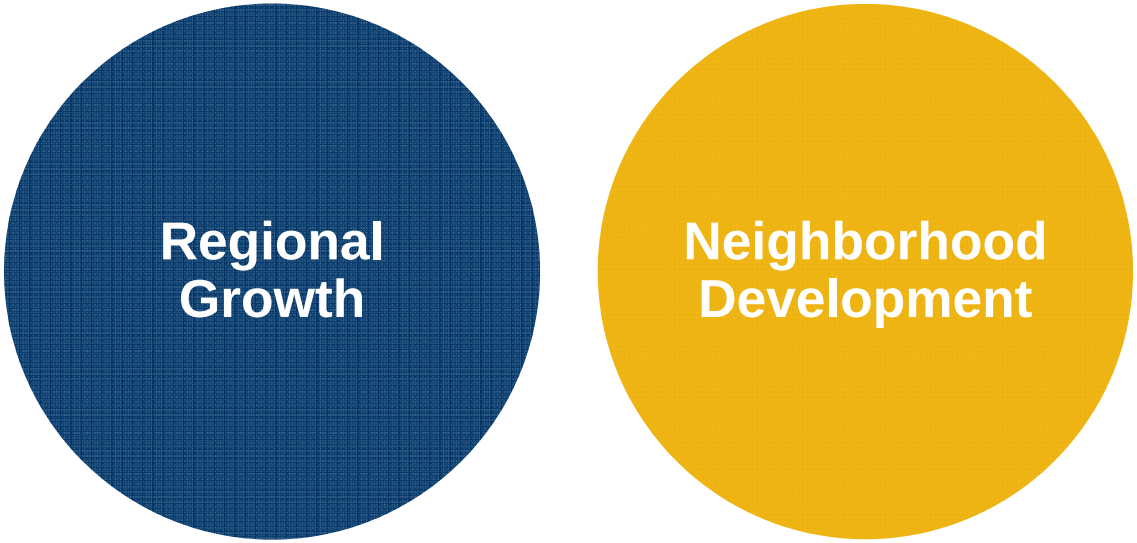
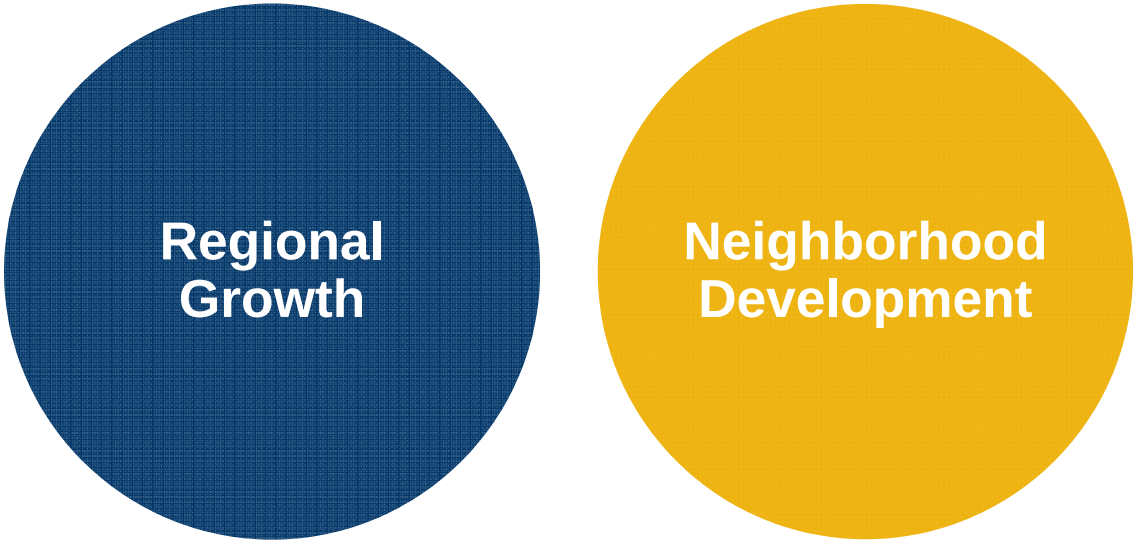
Economic Context



Metric	Atlanta Region	Pittsburgh
Employment Growth (2002-12)	2%, +52K	-21%, -155
Population Growth (2000-10)	24%, +1M	-11%, -600
Poverty Rate (2008-12)	14%	52%
Unemployment Rate (2008-12)*	9%	24%
Per Capita GRP Growth (2001-12)**	(-7%)	N/A
Upward Mobility	96th out of 100 MSAs in upward mobility	N/A

Note: * Unemployment Rate for 25 to 64 year olds. ** The Atlanta Region's per capita GDP decreased by 7% from 2001 to 2012, compared to an increase of 6% for the US as a whole.
Source: QCEW, QWI, LEHD-OTM, BEA, American Community Survey, http://www.equality-of-opportunity.org/

Labor Force Characteristics



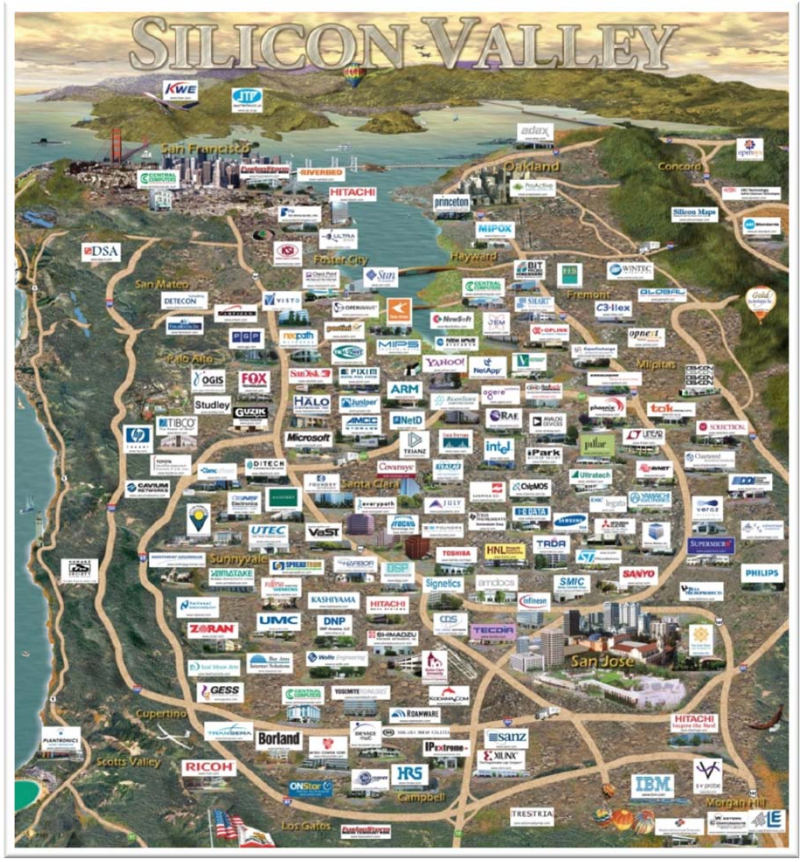
Metric	Atlanta Region	Pittsburgh
Education Levels (25 to 64 year olds):		
Less than HS Degree	11%	20%
Bachelor Degree+	49%	12%
Largest Occupations:		
Office/Administrative Support	14%	21%
Food Prep./Serving Related	5%	14%
Sales & Related	13%	10%
Building/Grounds/Maintenance	4%	10%

Source: American Community Survey

Clusters = A Primary Driver of Regional Economic Growth

Regional Growth

- Groups of firms and related institutions that benefit from their proximity
- Clusters:
  - Enhance the productivity of firms and workers
  - Improve flow of ideas and innovation
  - Foster creation and attraction of new firms

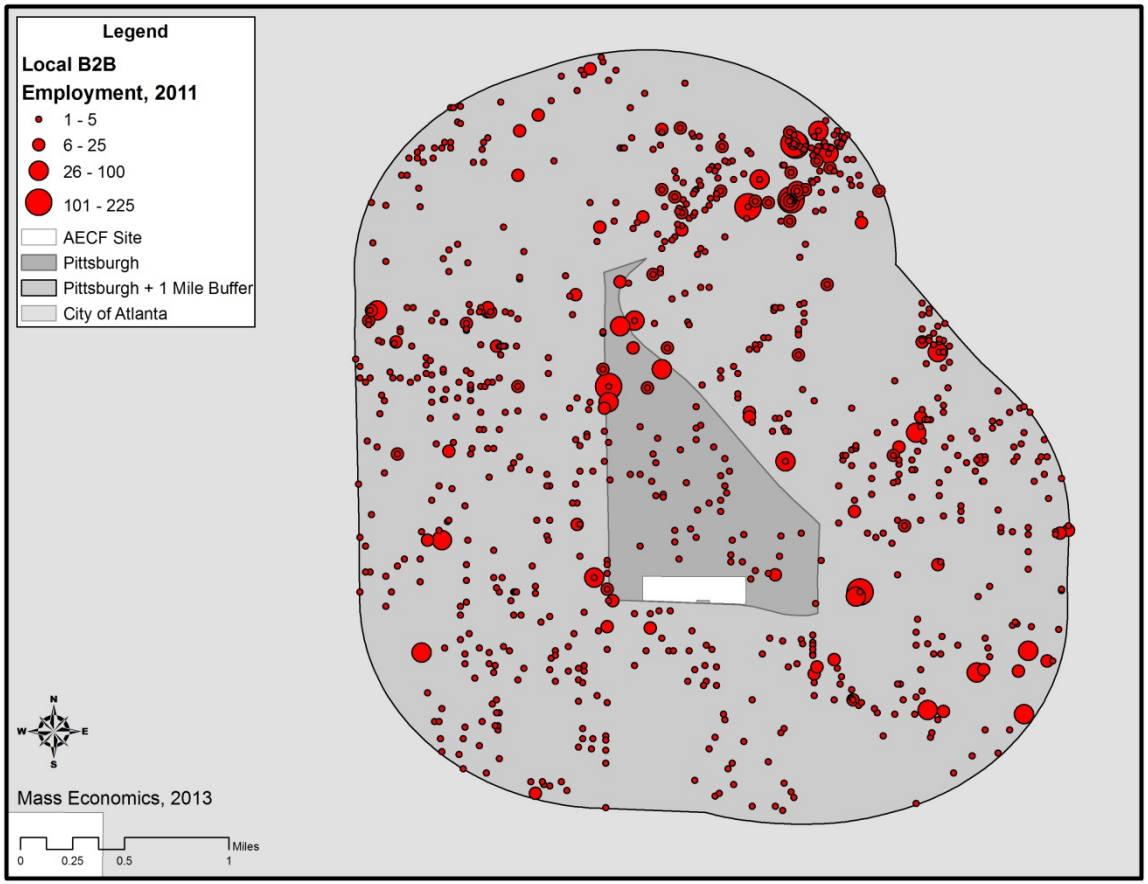


Example – Cluster Growth and Neighborhood Assets

Regional Growth

- Workforce
- Land
- Supply Chains
- Markets

Local B2B Firms by Employment, 2011



Regional Opportunity Criteria:

Cluster Strength & Growth Potential

Regional Growth

- Builds from strong, underlying regional assets:
  - Exhibits large employment and firm base
  - Exhibits above-average concentration of employment or gross product
  - Leverages institutional and other assets

- Exhibits potential for economic growth:
  - Market expectations to grow nationally or globally
  - Export potential
  - High employment multiplier

- Other
  - Growth can be supported/catalyzed through place-based solutions
  - Changing cluster dynamics play to regional and neighborhood strengths

Neighborhood Development/Impact Criteria:

Alignment of Cluster's Needs with Neighborhood Assets

Neighborhood Development

- Presents opportunities for neighborhood assets:
  - Human capital needs lend to neighborhood residents
  - Real estate needs align with neighborhood land availability
  - Supply chain gaps that neighborhood firms/entrepreneurs could fill

- Current presence in neighborhood:
  - Firms and jobs have an existing presence in the neighborhood
  - Firms are owned or managed by neighborhood residents

- Offers employment opportunities that:
  - Are accessible to neighborhood residents
  - Provide living wages, the opportunity for promotion and other benefits

Summary: Regional & Neighborhood Economic Opportunities

Regional Growth

Neighborhood Development

- 30% of Employment is in Traded Clusters
- Largest Clusters in 2012:
  - Business services (HQ support)
  - Transportation & logistics
  - Hospitality & tourism
  - Distribution & electronic commerce
  - Food processing & manufacturing
  - Communications equipment & services
- Emerging, Niche Opportunities
  - Healthcare IT
  - Mobile security
  - Supply chain management software
  - Intermodal marketing
  - Clean energy & recycling
  - Film
  - Niche manufacturing (e.g. medical devices)

See pages 7 – 14 of the Market & Site Analysis Findings – Summary Memo for additional details

Summary: Regional & Neighborhood Economic Opportunities

Regional Growth

Neighborhood Development

- 70% of Employment is in Local Clusters

- Local Business-to-Business (B2B) Services:
  - Facilities management
  - Local transportation and logistics
  - Local trucking
  - Equipment repair & maintenance
  - Rental & leasing
  - Warehousing & storage
  - Waste services
  - Wholesale

- Retail:
  - Only as an ancillary or complementary use
  - NOT as a primary use of the site

For additional details, See pages 14 – 21 of the Market & Site Analysis Findings – Summary Memo & the Retail Market Study in Appendix A

Site Opportunities & Constraints Criteria:

Relationship of Site Assets & Challenges to Cluster's Place-Based Needs

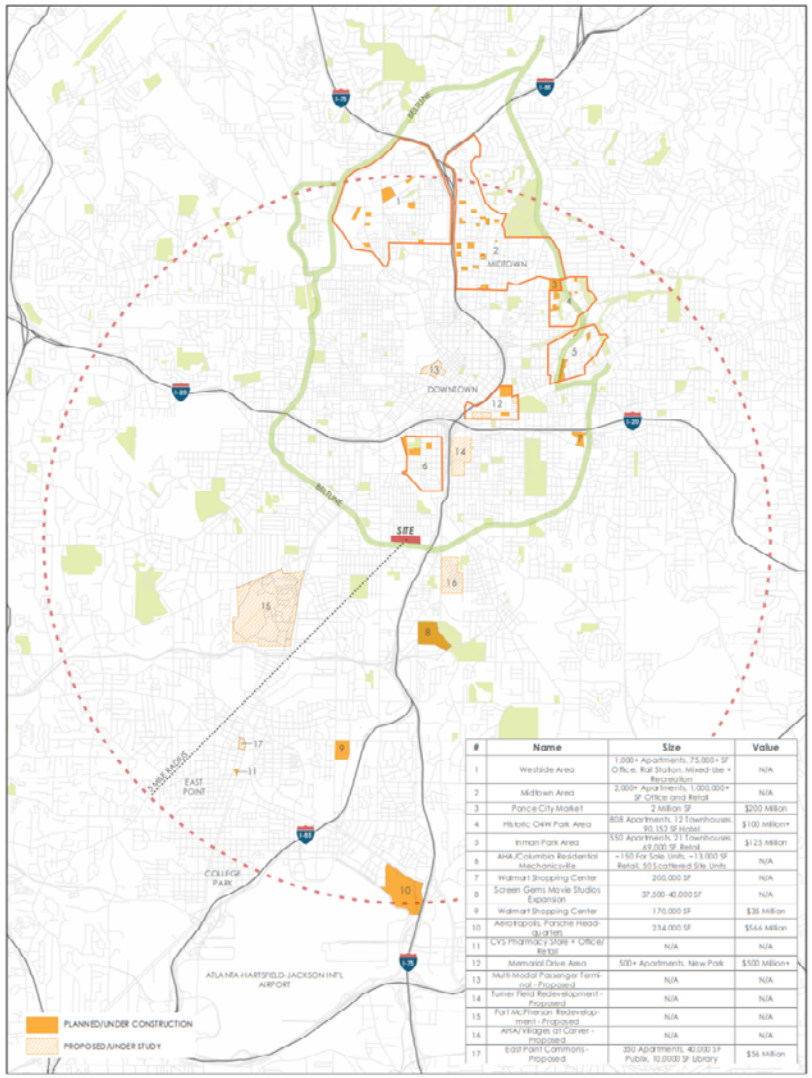
- Access & Connectivity to Surrounding Neighborhood
  - -Site Access
    - Vehicular
    - Pedestrian
  - -Visibility

- Site Characteristics
  - Topography
  - Contamination
  - Hydrology
  - Utilities

- Assets
  - Site Structures

Site Opportunities and Constraints

Overview: Site Context



#	Name	Size	Value
1	Westside Area	1,000+ Apartments, 75,000+ SF Office, Rail Station, Mixed-Use + Recreation	N/A
2	Midtown Area	2,000+ Apartments, 1,000,000+ SF Office and Retail	N/A
3	Ponce City Market	2 Million SF	$200 Million
4	Historic O4W Park Area	808 Apartments, 12 Townhouses, 93,152 SF Hotel	$100 Million+
5	Inman Park Area	550 Apartments, 21 Townhouses, 69,000 SF Retail	$125 Million
6	AHA/Columbia Residential Mechanicsville	~150 For Sale Units, +13,000 SF Retail, 50 Scattered-Site Units	N/A
7	Walmart Shopping Center	200,000 SF	N/A
8	Screen Gems Movie Studios Expansion	37,500-40,000 SF	N/A
9	Walmart Shopping Center	170,000 SF	$36 Million
10	Aerotropolis, Porsche Headquarters	234,000 SF	$544 Million
11	CVS Pharmacy Store + ORSC40 Retail	N/A	N/A
12	Memorial Drive Area	500+ Apartments, New Park	$500 Million+
13	Multi-Modal Passenger Terminal - Proposed	N/A	N/A
14	Turner Field Redevelopment - Proposed	N/A	N/A
15	Port McPherson Redevelopment - Proposed	N/A	N/A
16	AHA/Villages at Carver - Proposed	N/A	N/A
17	East Point Commons - Proposed	200 Apartments, 40,000 SF Public, 10,0000 SF Library	$56 Million

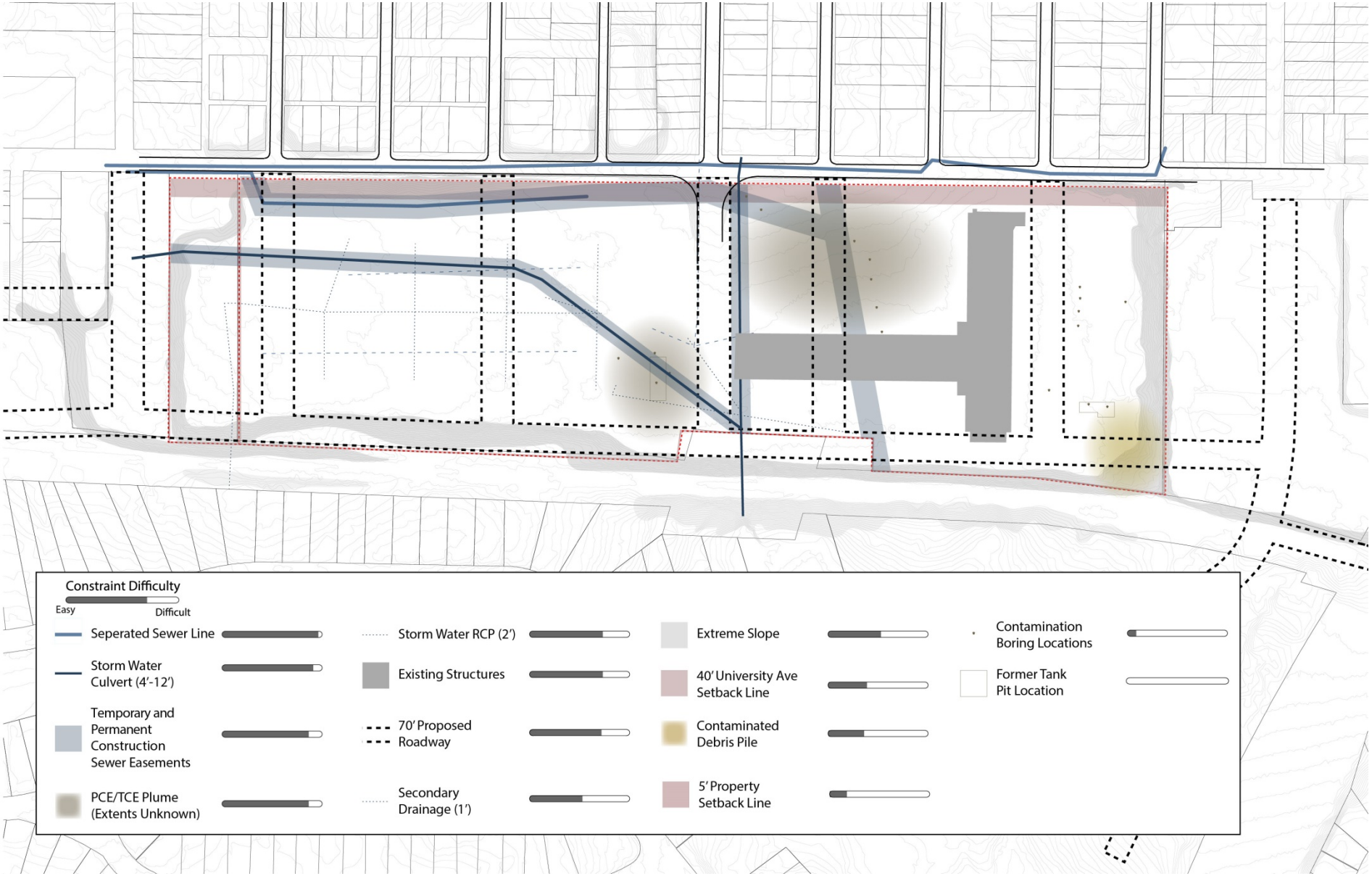
Casey Foundation - Strategies for University Avenue Site
DEVELOPMENT CONTEXT (excludes hotels and museums)
Prepared by: TSW
December 16, 2013

- Well-positioned between downtown (< 2 miles) & Atlanta Hartsfield International Airport (< 5 miles)
- Adjacent to I-75/85 & near intersection of other major highways
- Connected to nearby Metropolitan Parkway (major north-south artery) via University Avenue
- Adjacent to the future BeltLine - mass transit access & connective open space amenity

Site Opportunities and Constraints

Summary: Site Assets

Summary: Site Constraints



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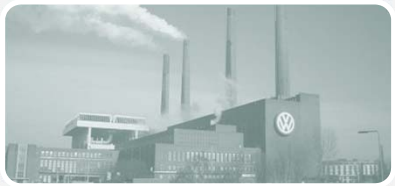
Types of Economic Uses

Industrial



Traditional Manufacturing
-Single user
-Multi-user

Urban Manufacturing
-Low Impact
-Location Adv.

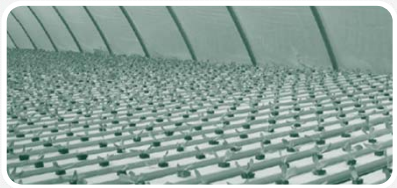
Mixed Use (w/ Industrial)

Doer/Maker Space
-Incubator
-Creative/Arts

B2B
-Blue Collar
-White Collar

Retail

Social Enterprise

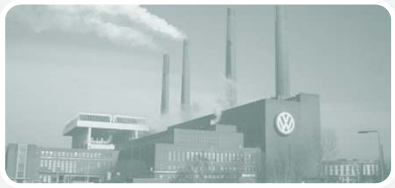


Urban Agriculture

Non-Industrial

Types of Economic Uses -- Illustrative Site Scenarios

Industrial



Traditional Manufacturing

- Metal Products

Urban Manufacturing

-Bikes

Mixed Use (w/ Industrial)

-Food

Doer/Maker Space

-Green Tech

-Film

B2B

-Integrated Service Center for Hospitals

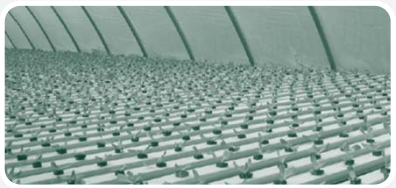
- Blue Collar Back Office

Retail

-Grocery+ Local Retail

Social Enterprise

-Arts Entre-preneurship



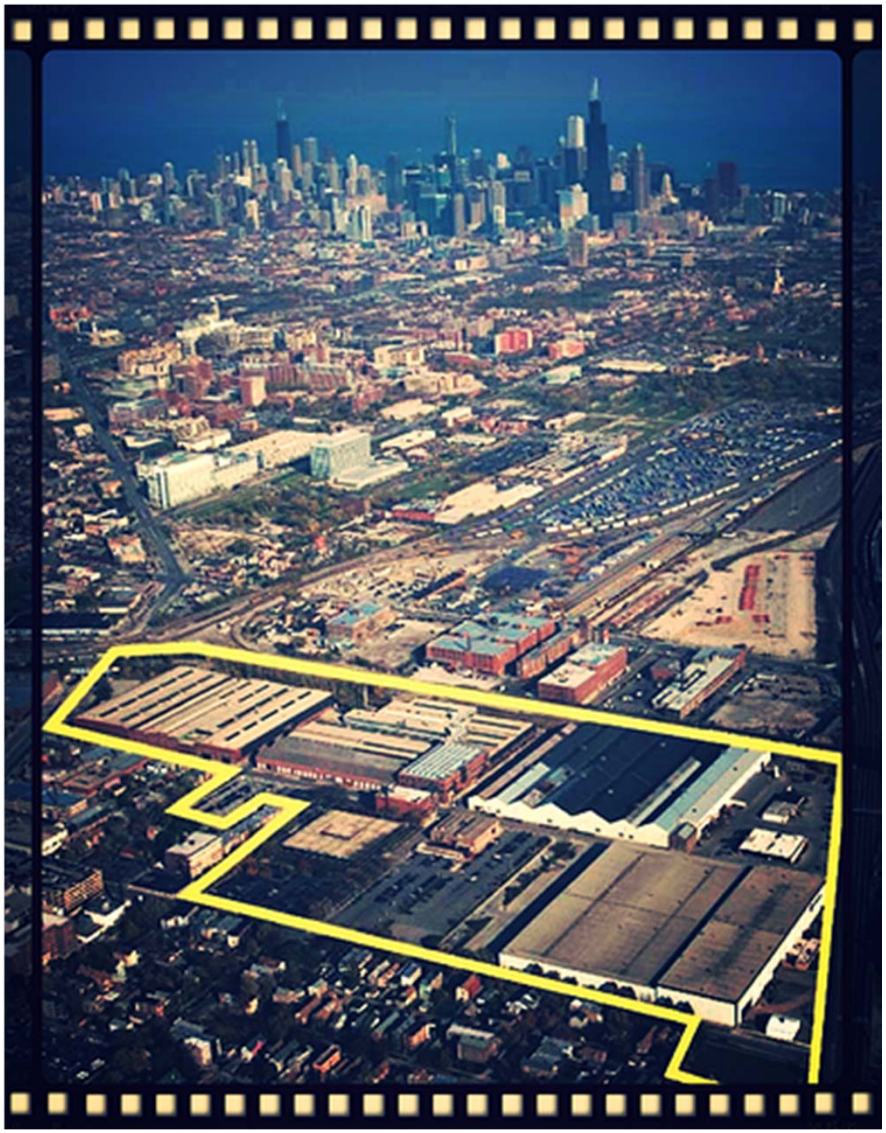
Urban Agriculture

Non-Industrial

Tradeoffs/Factors

Metric	Description
Market Opportunity	Level of local and regional demand associated with the use
Job Creation	Typical jobs/acre associated with the use
Job Accessibility	Degree to which education and skill levels associated with the jobs match those of neighborhood residents
Job Quality	Average wage and wage for workers with less than four-year degrees
Positive Externalities	Extent to which the use provides additional benefits beyond job creation, such as a product or service needed by the neighborhood
Negative Externalities	Whether the use creates pollution, noise, traffic and other negative outcomes in the neighborhood
Neighborhood Integration	Whether the site is physically connected to the neighborhood, and neighborhood residents are able to engage with the site
Compatibility with Site Constraints	Whether the use is compatible with site constraints, such as traffic flow, topography, existing infrastructure, etc.
Utilization of Site Assets	Degree to which the use takes advantage of key site assets, such as its size, its location on the BeltLine, the water running beneath it, etc.
Cost of Development	Total expected costs to develop the site
Time to Development	Total expected time to develop the site
Remediation Effort	Level of site remediation required prior to/alongside development
Compatibility with Zoning/Regulations	Extent to which site use aligns with existing zoning classification and other regulations
Interim Use	Whether the primary long-term use naturally lends to coherent staging

Doer/Maker Scenario: Film



- **Studio Space**
- **Prop and set production and storage**
- **Offices**
- *Catering / Other*

Sources: Cinespace Chicago, Screen Gems Studios Atlanta

Doer/Maker Scenario: Film

Metric	Doer/Maker Space: Film
Market Opportunity	o
Job Creation	o
Job Accessibility	-/o
Job Quality	o
Positive Externalities	o
Negative Externalities	-/o
Neighborhood Integration	-
Compatibility with Site Constraints	-
Utilization of Site Assets	o
Cost of Development	-
Time to Development	-/o
Remediation Effort	-/o
Compatibility with Zoning/Regulations	+
Interim Use	-

Pros

- State tax incentives spurring film production in Atlanta
- Entrepreneurship opportunities
- Positive indirect impact on local restaurants, hotels, short-term housing, hardware, florists, etc.

Cons

- Some uses closed off from the neighborhood
- Heavily unionized, often out-of-town, temporary labor force
- Dependent on constant stream of productions
- Reliant on uncertain state tax incentives
- Only 1/3 and 2/3 of jobs are accessible with <=HS diploma and <= Associates Degree, respectively

Retail Scenario: Grocery + Local Retail

Source: Noell Consulting

Retail Scenario: Grocery+ Local Retail

Metric	Retail: Grocery+ Local Retail
Market Opportunity	-
Job Creation	o
Job Accessibility	+
Job Quality	-
Positive Externalities	+
Negative Externalities	+
Neighborhood Integration	+
Compatibility with Site Constraints	o
Utilization of Site Assets	-
Cost of Development	-
Time to Development	-
Remediation Effort	-
Compatibility with Zoning/Regulations	o
Interim Use	+

Pros

- Provides needed products and services to neighborhood
- Offsets current retail expenditure leakage from neighborhood

Cons

- Poor job quality: primarily low wages and part-time employment
- Insufficient demand for retail as *primary* use
- Challenge in attracting private development until surrounding area shows signs of revitalization
- Likely to require subsidies for required remediation and construction

Social Enterprise Scenario: Arts Entrepreneurship

- **Fully-equipped studio space for artists**
- **Event space**
- **Paid youth apprenticeship and leadership program**

Source: Artists for Humanity

Social Enterprise Scenario: Arts Entrepreneurship

Metric	Social Ent.: Arts Entrepreneur-ship
Market Opportunity	-
Job Creation	-
Job Accessibility	+
Job Quality	o
Positive Externalities	+
Negative Externalities	+
Neighborhood Integration	+
Compatibility with Site Constraints	+
Utilization of Site Assets	-
Cost of Development	o
Time to Development	o
Remediation Effort	o
Compatibility with Zoning/Regulations	+
Interim Use	+

Pros

- Youth enrichment and preparation for workforce
- Compatible with ancillary uses
- Strong integration with community
- Revenue generated through sale of artwork, events

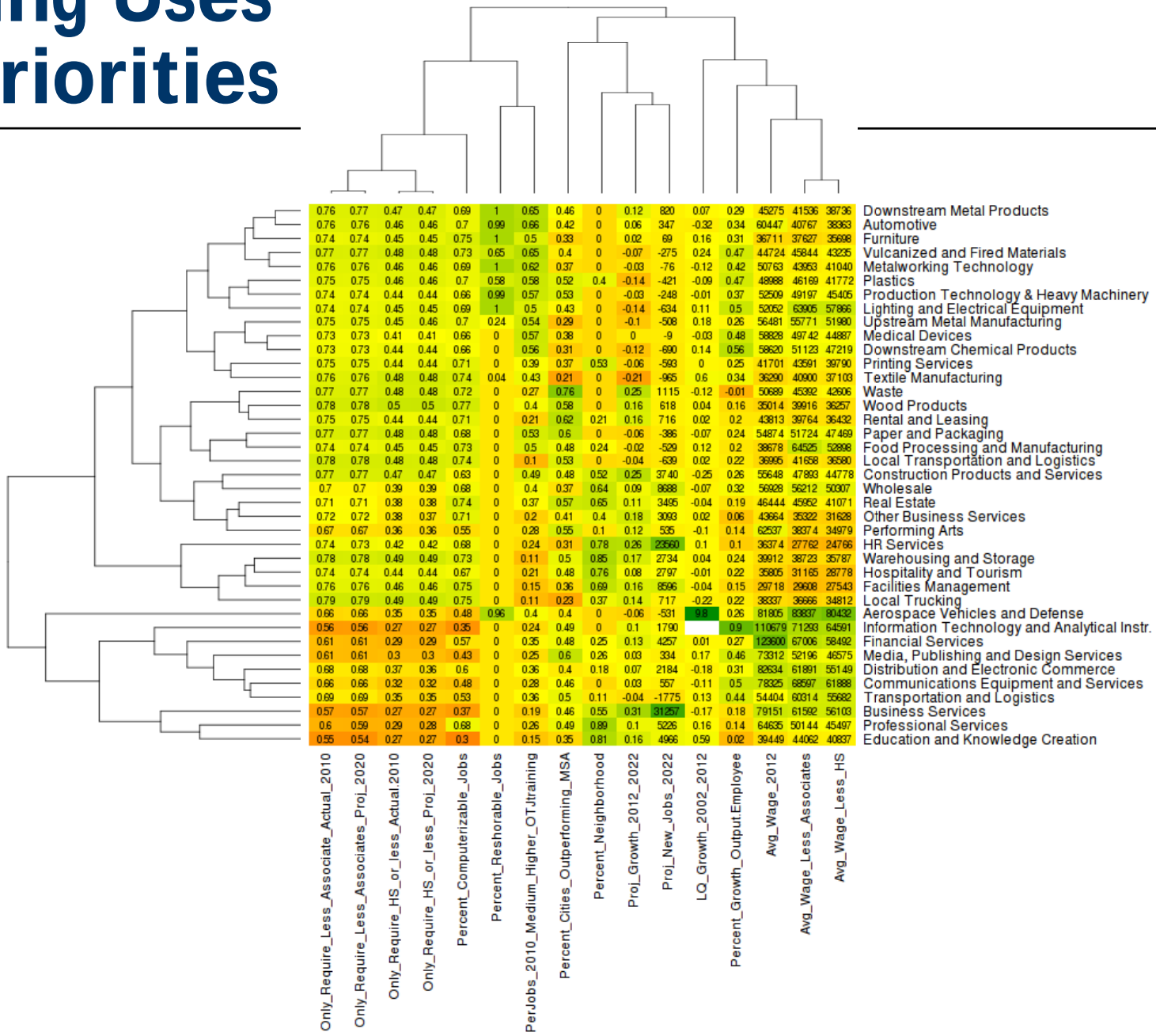
Cons

- No existing building for reuse → development costs may outweigh economic benefit
- Limited full time job creation
- Ongoing subsidy likely required

Summary of Tradeoffs (illustrative)

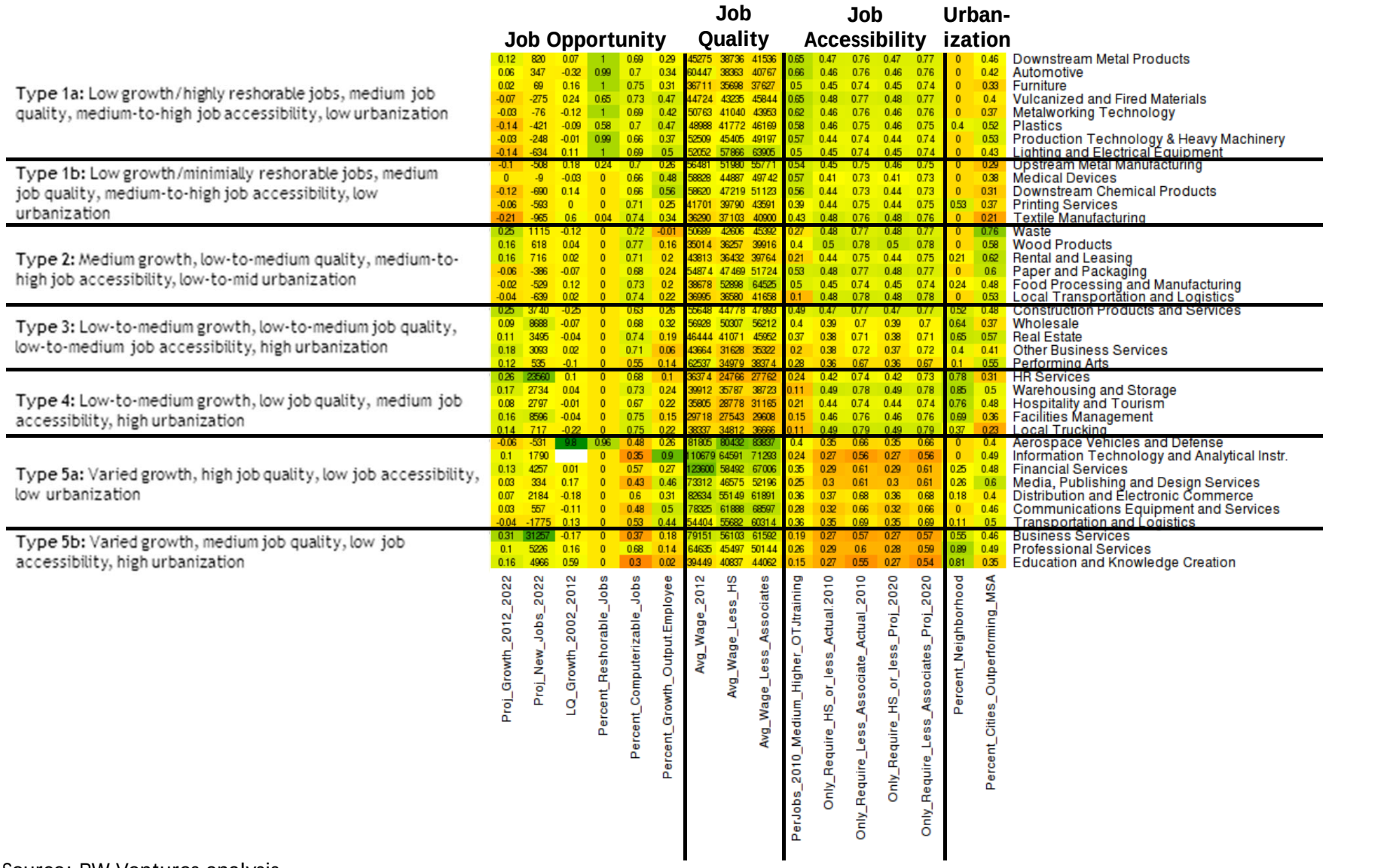
Metric	Trad. Mfg: Metal Products	Urban Mfg: Bikes	Mixed Use (w/ Industrial): Food	Doer/Maker Space: Green Tech Incubator	Doer/Maker Space: Film	B2B: Healthcare Int. Service Center	B2B: Blue Collar Back Office	Retail: Grocery+ Local Retail	Social Ent.: Arts Entrepre-neurship
Market Opportunity	-	o/+	o/+	+	o	+	o/+	-	-
Job Creation	+	o	o	o/+	o	+	+	o	-
Job Accessibility	+	+	+	-/o	-/o	+	+	+	+
Job Quality	+	+	+	+	o	+	+	-	o
Positive Externalities	o	+	+	o	o	+	o	+	+
Negative Externalities	-	o	-	o	-/o	o	o	+	+
Neighborhood Integration	-	o/+	+	o/+	-	o	o	+	+
Compatibility with Site Constraints	-/o	o/+	o	o	-	-/o	o	o	+
Utilization of Site Assets	o/+	+	+	o	o	o	o	-	-
Cost of Development	o	o	o	o/+	-	o	o	-	o
Time to Development	o	+	-	o	-/o	-/o	o/+	-	o
Remediation Effort	+	+	-	o/+	-/o	-/o	-/o	-	o
Compatibility with Zoning/Regulations	-/o	+	+	+	+	+	+	o	+
Interim Use	-	o/+	+	+	-	o	o	+	+

Relating Uses and Priorities



Source: RW Ventures analysis

Relating Uses and Priorities (cont'd)



Source: RW Ventures analysis

Priorities: Kitchen Cabinet, Public Forum + Casey Civic Site Team

- **Jobs: creation, accessibility & sustainability**
- Alignment, synergies with overall neighborhood strategies, including housing strategy
- Attractive opportunities for a range of skill and income levels
- Integration w/surrounding neighborhoods and Beltline
- Connection to city & region (economic and as destination)
- Minimization of negative externalities (e.g., pollution, heavy truck traffic)
- Long-term site flexibility

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Decision Framework: Overview

High-level questions:

(A) What is the optimal long-term development use(s) for the site?

1. Type of use (at the category level)
2. Specific mix of uses/users/programming

Given a particular long-term development use(s):

(B) What is the optimal site design?

1. Configuration of/spatial relationship among of uses on the site
2. Site improvements
3. Development/design quality
4. Costs & resources
5. Timeframe to develop long-term uses

Parallel/Iterative

(C) What are the ideal interim uses and staging toward the long-term development program?

Detailed Strategic Redevelopment Scenarios arise out of iterations of (B) and (C)

(A1) What is the optimal long-term type of use (at the category level) for the site?

Potential Primary Use

- Traditional Manufacturing
- Urban Manufacturing
- Mixed-Use (w/Industrial)
- Doer/Maker Space
- Business-to-Business (B2B)
- Retail
- Social Enterprise
- Urban Agriculture

Factors

Casey Foundation Values/Priorities	Economic Opportunity/Viability
• Jobs: creation, accessibility & sustainability • Neighborhood amenities to support housing strategy • Integration w/surrounding neighborhoods • Integration with Beltline • Service to a range of income levels • City-wide & regional destination • Long-term site flexibility • Minimization of negative externalities[1]	• Global/national trends • Regional assets & challenges • Market expectations for growth • Duration of opportunity (sustainability) • Level of risk • Return on investment • Existence of potential partners

Category of Use

- → Transportation, Distribution & Logistics (TD&L)
- → Business-to-Business (B2B)
- → Mixed-Use (w/Industrial)

(1) Includes, e.g., air, ground and noise pollution; significant truck traffic; etc.

(A2) What are the optimal specific uses/programming for the site?

Category of Use	Overarching Principles	Long-Term Development Program
Transportation, Distribution & Logistics (TD&L)	• Informed by market opportunities -- today and anticipated ("skate to where the puck will be")	→ TD&L: Traditional Warehousing & Distribution
		→ TD&L: "Last Mile" Warehousing & Distribution
Business-to-Business (B2B)	• Flexible, able to adapt to market changes and new opportunities (belt line; change in surrounding neighborhoods; etc.)	→ B2B: Mixed White-/Blue-Collar
		→ B2B: "Blue-Collar Innovation Hub"
Mixed-Use (w/Industrial)	• Mix of uses • [see also, B1]	→ Mixed-Use: Food

Tradeoffs: Optimal site design vs. costs, timeframe and interim uses/staging

(B1) Configuration of/spatial relationship among uses

Factors
Market-Based Parameters • Building characteristics (size, # of floors, etc.) • User acreage requirements • Orientation to neighborhood (e.g., buffering) • Access (customers, trucks, etc.) • Parking • Visibility
Site Opportunities/Constraints • Topography • Hydrology • Infrastructure easements • Contamination • Connection to BeltLine • Reuse of existing structures • Active vs. passive (e.g., parking) use of land • Zoning & City policies (esp. stormwater)

(B2) Site improvement

Factors
Level & Nature of Environmental Remediation
Public Infrastructure Improvements • Sidewalks on University Avenue • Upgrades to University Avenue • Changes to stormwater &/or sewer infrastructure • Change in type of land cover
Other Improvements/Features • Grading • Buffering for particular uses • Landscaping/open spaces • Blue & green infrastructure

(B3) Development/design quality

Factors
Urban connectivity • Orientation toward street/pedestrians • Relationship to the Beltline
Integration with surrounding uses/neighborhoods
Creating a "sense of place"
Contributing to the Pittsburgh neighborhood's identity
Architectural detail/design
Building materials
Landscaping and hardscaping

Tradeoffs

(B4) Costs & resources

Factors
Casey Foundation resources & funding priorities
Potential funder/investor partners
Specialized financing resources (e.g. TAD, NMTC)
ROI & other financial metrics

(B5) Timeframe to development of long-term uses

Factors
Protocols & priorities of Casey Foundation & potential funders/partners
Extent of site remediation, infrastructure & other improvements required for selected long-term uses
Extent of regulatory & other approvals required (e.g., zoning changes, TAD funds, etc.)
How quickly can the selected long-term development program/site plan be implemented?

(C) What are the ideal interim uses & staging toward the long-term development program?

Factors
What components of the program/design are complementary or require development in a particular order?
Given timeframe for development, which portions of the site might benefit from what types of interim uses?
Are there particular interim uses that could help address identified community needs?
Are there cost implications to particular staging alternatives?

TD&L: Traditional

USES

- Large-scale distribution hub
- Access for 18-wheelers, 53-foot trailers
- Illustrative tenant types: Amazon, UPS, e-commerce company

BUILDING & SITE CHARACTERISTICS

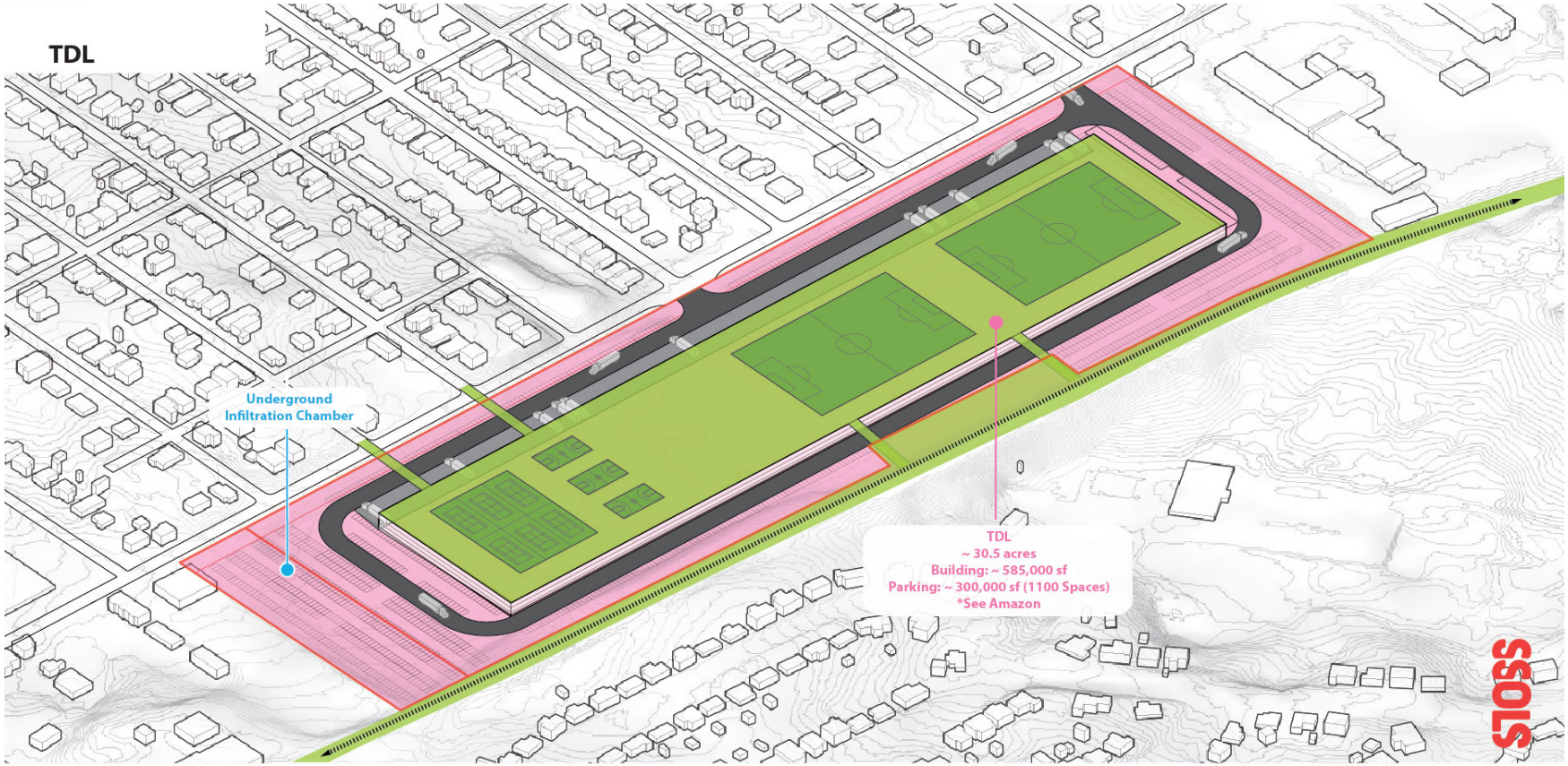
- Single user occupies entire site
- 1-story, 585,000-square foot building
- 1,100 parking spaces (apx. 7 acres)

ESTIMATED JOBS IMPACT

- 500 to 1,600

Image sources: Wikimedia Commons, ITR truck, Joe Smith/NHCL

TD&L: Traditional – Illustrative Design



Adheres to Constraints:

- ☐ Beltline Street Network
- ☐ Beltline Zoning
- ☐ Sewer Easements
- ☑ Stormwater Management
- ☑ Parking Requirements
- ☑ University Ave Setback
- ☐ Areas of Extreme Slope

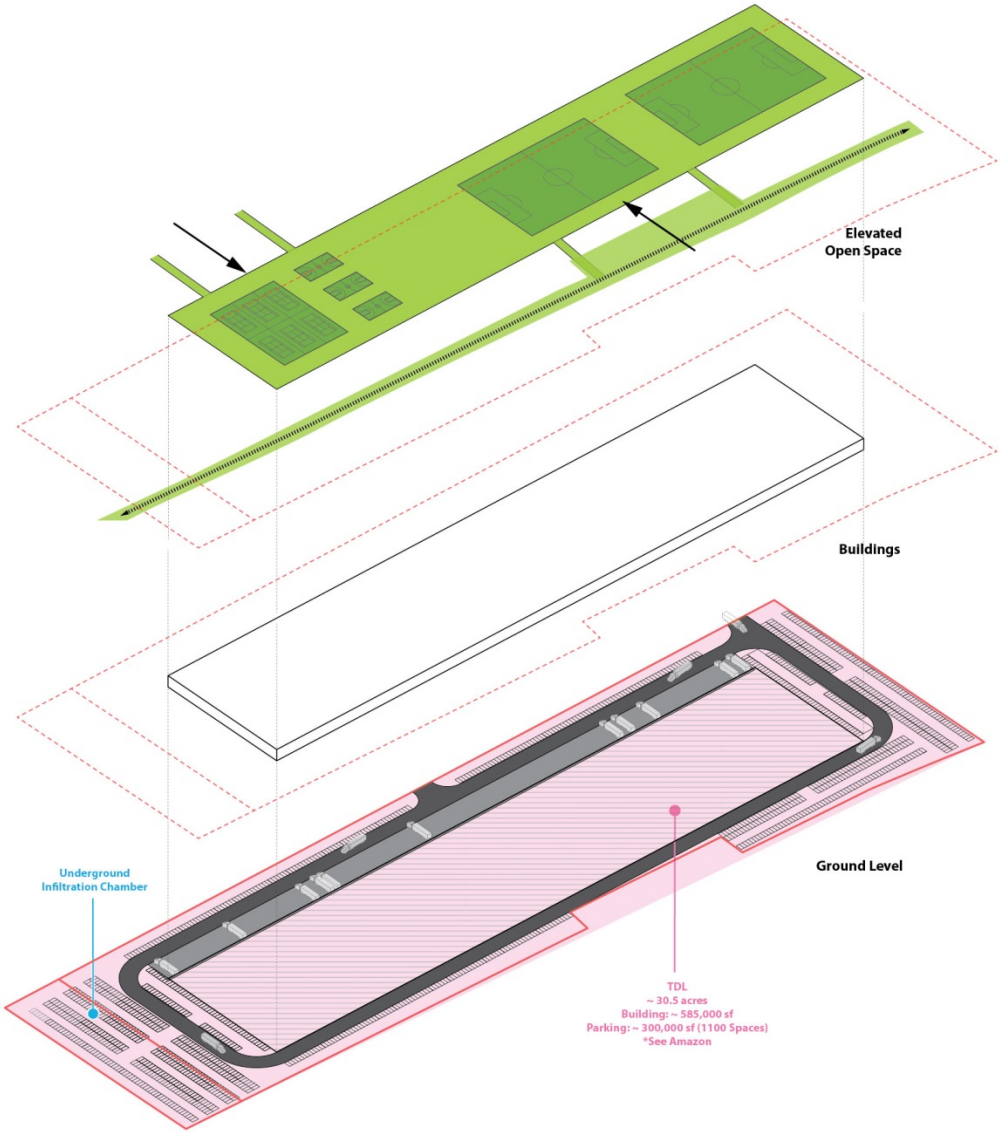
Remediation Level:

Creates Assets:

- ☐ Visual Access
- ☑ Vehicular Access
- ☑ Beltline Connection
- ☐ Stormwater Resource
- ☑ Open Space
- ☐ Historic Building Reuse
- ☑ Single Phase Development

Development Timeline:

TD&L: Traditional – Detail



TD&L: Traditional – Observations & Tradeoffs

Economics	Physical/Site
• Jobs are accessible to Pittsburgh residents at good wages ➢ Apx. 40% of jobs require <= HS diploma at average wage of $55K ➢ Apx. 70% of jobs require <= associates degree at average wage of $62K • Demand for these uses appears to exist - site could likely be filled quickly • Relatively fast payback on investment (e.g., <15y) • Future site flexibility – allows for rapid transition of uses to adapt to changing market conditions	• Possibly only modest remediation needs • Provides access to BeltLine, but does not fully leverage this asset • Stormwater management – potential roof-top amenities would require subsidy • Requires moving sewer infrastructure (significant cost & time) • Extensive visual & sound buffering needed along University Ave • Widening University Avenue & improvements to on/off ramp • Minimal to no integration w/ neighborhood • Heavy truck activity to & from site

TD&L: "Last Mile"

USES

- Just-in-time distribution hub/sorting facility
  - 24/7 operation w/3 shifts of workers
  - Product customization, labeling & packaging capabilities
- Integrated Service Center (ISC) for regional hospitals/medical centers, potentially including:
  - Blue-collar: centralized supply warehousing & distribution, laundry facilities, sterilization & instrument packaging, etc.
  - White-collar: medical records storage, purchasing, etc.

BUILDING & SITE CHARACTERISTICS

- Last-mile distribution hub: 1-story, 250,000-SF building on 12.6 acres
- Integrated Service Center: 1-story, 140,000-SF building on 9.6 acres
- Apx. 1,200 parking spaces (apx. 7.6 acres)

ESTIMATED JOBS IMPACT

- Last-mile hub: 190-470 employees per shift / 570-1,410 per day
- Integrated Service Center: 110-160 employees

Source: Joe Smith, NHCL

TD&L: “Last Mile” – Illustrative Design

Adheres to Constraints:

- ☐ Beltline Street Network
- ☐ Beltline Zoning
- ☐ Sewer Easements
- ☑ Stormwater Management
- ☑ Parking Requirements
- ☐ University Ave Setback
- ☐ Areas of Extreme Slope

Remediation Level:

Creates Assets:

- ☐ Visual Access
- ☑ Vehicular Access
- ☑ Beltline Connection
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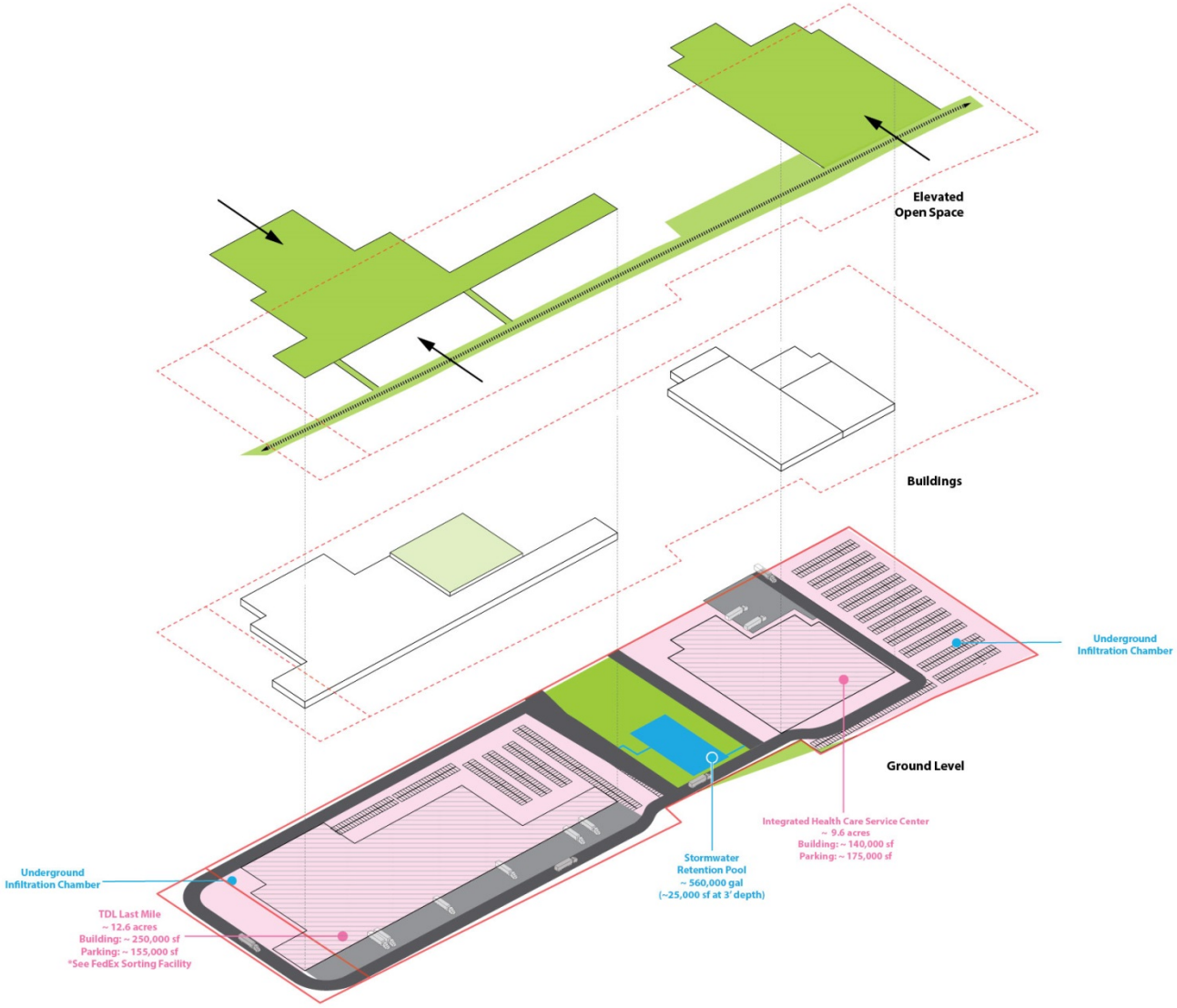
- ☑ Open Space
- ☐ Historic Building Reuse
- ☐ Single Phase Development

Development Timeline:

TD&L: “Last Mile” – Detail



TD&L: "Last Mile" – Observations & Tradeoffs

Economics

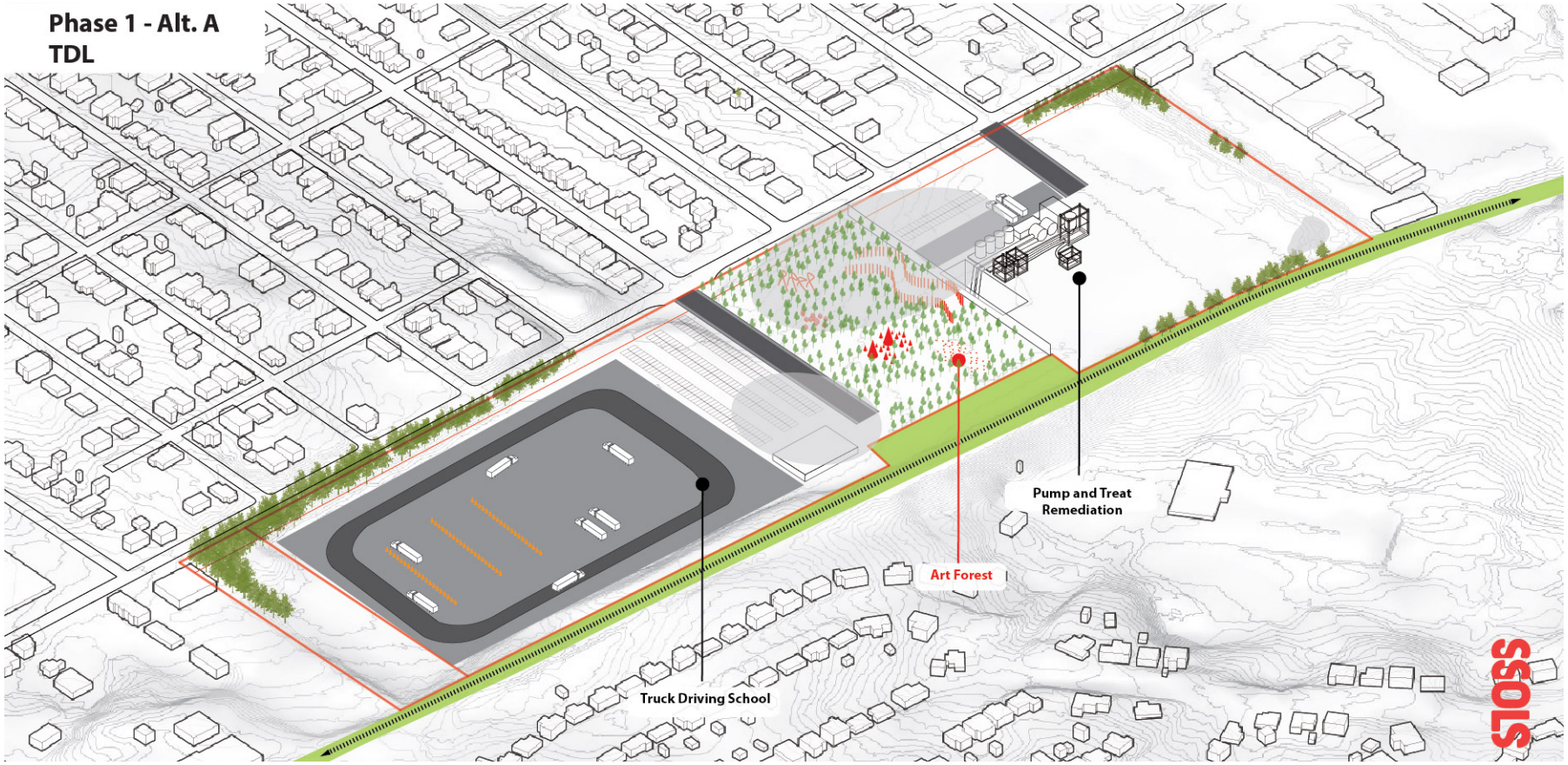
- Most jobs are accessible to Pittsburgh residents at good wages
  - Distribution uses have comparable wage/skill profile to Traditional TDL
  - Blue-collar ISC jobs are more accessible (~75% with <=Associates), but have lower wages (~$35K)
  - White-collar ISC uses require higher skills (29% <=HS; 60% <= Assoc.), w/wages between blue-collar ISC & traditional TDL levels
- Last Mile distribution hub
  - Demand appears to exist for this use- site could likely be filled quickly
  - Aligns w/market shift to denser network of smaller nodes & 24-hour delivery window
- Integrated Service Center
  - Creates entrepreneurship & employment opportunities for neighborhood residents
  - Dependent on buy-in from local hospitals

TD&L: "Last Mile" – Observations & Tradeoffs (cont'd)

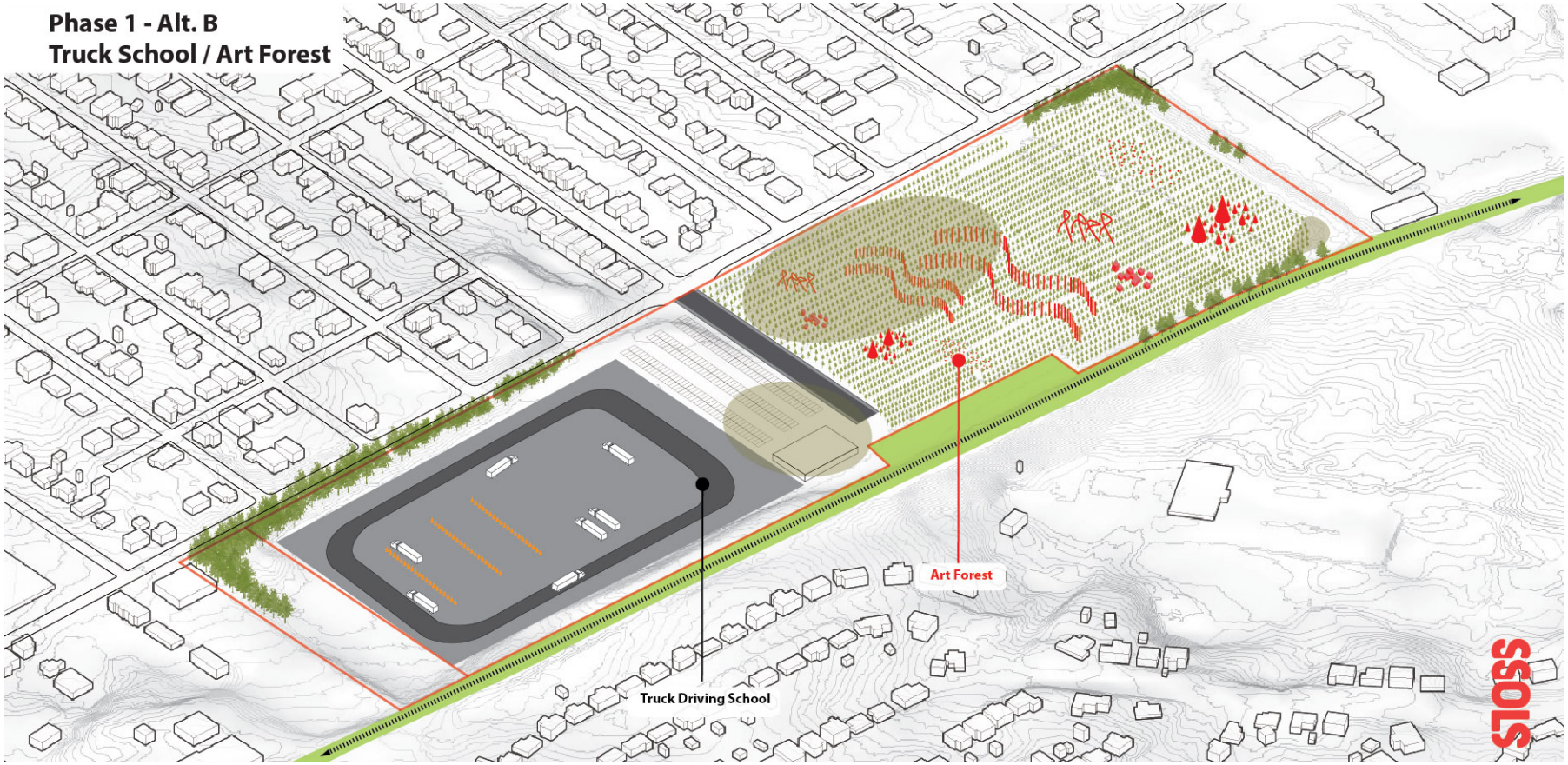
Physical/Site

- Multiple buildings facilitate phased development
- Remediation
  - Last-mile hub may not require extensive remediation
  - Healthcare-related activity (ISC) may require higher level of remediation
- Heavy truck & van activity to & from site – though fewer large trucks than traditional TDL
- Requires moving sewer infrastructure (cost & time implications)
- 24/7 activity requires extensive visual/sound buffering along University Ave
- Minimal to no integration with the BeltLine or the Pittsburgh neighborhood

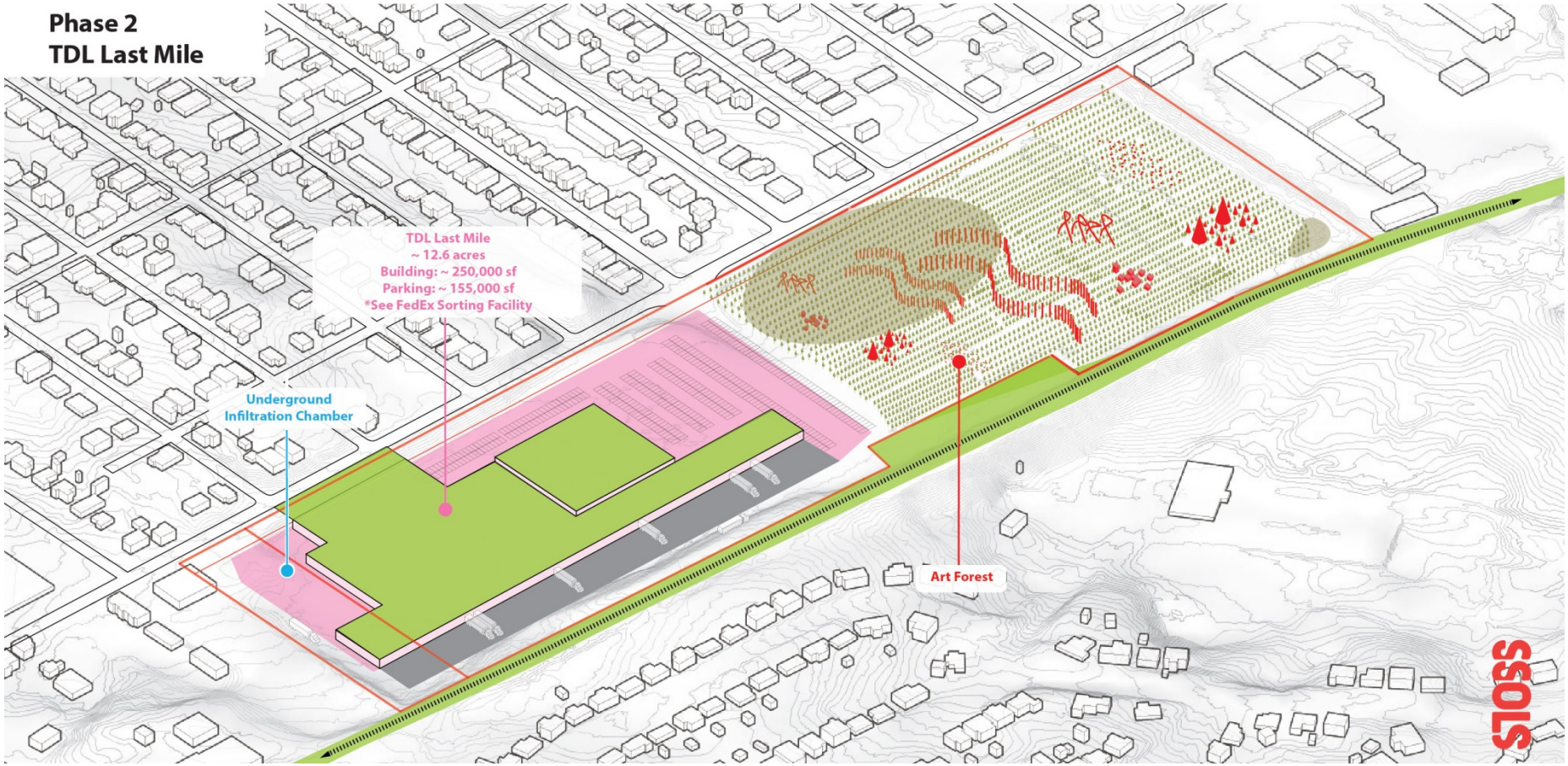
TD&L “Last Mile” – Illustrative Interim Uses



TD&L “Last Mile” – Illustrative Interim Uses (cont’d)



TD&L “Last Mile” – Illustrative Interim Uses (cont’d)



B2B: Mixed White-/Blue-Collar

USES

- Facilities support services
- Packaging, mailing & labeling services
- Payroll & billing services
- Document & record keeping services
- Industrial, commercial & electronic (ICE) equipment repair, maintenance & rental
- Bike Manufacturer
- Call center
- Ancillary retail

Image sources: wsj.com, Polis Network, Wikimedia Commons

B2B: Mixed White-/Blue-Collar (cont'd)

BUILDING & SITE CHARACTERISTICS

- Blue-collar uses: 266,000 SF of single-story buildings on 10.5 acres
- White-collar uses: Office space: 340,000 SF of multi-story buildings (& call center) on 10.3 acres
- Retail: 15,000 SF (included in mixed-use building w/offices)
- Apx. 1,730 parking spaces (mostly underground)

ESTIMATED JOBS IMPACT

- Blue-collar uses: 370 to 910 employees
- Office uses: 1,000 to 1,100 employees
- Retail: 100 - 200 employees

Image sources: https://www.istockphoto.com/portfolio/coffeekai, Wikimedia Commons

B2B: Mixed White-/Blue-Collar – Illustrative Design

Adheres to Constraints:

- [ ] Beltline Street Network
- [ ] Beltline Zoning
- [ ] Sewer Easements
- [x] Stormwater Management
- [x] Parking Requirements
- [ ] University Ave Setback
- [ ] Areas of Extreme Slope

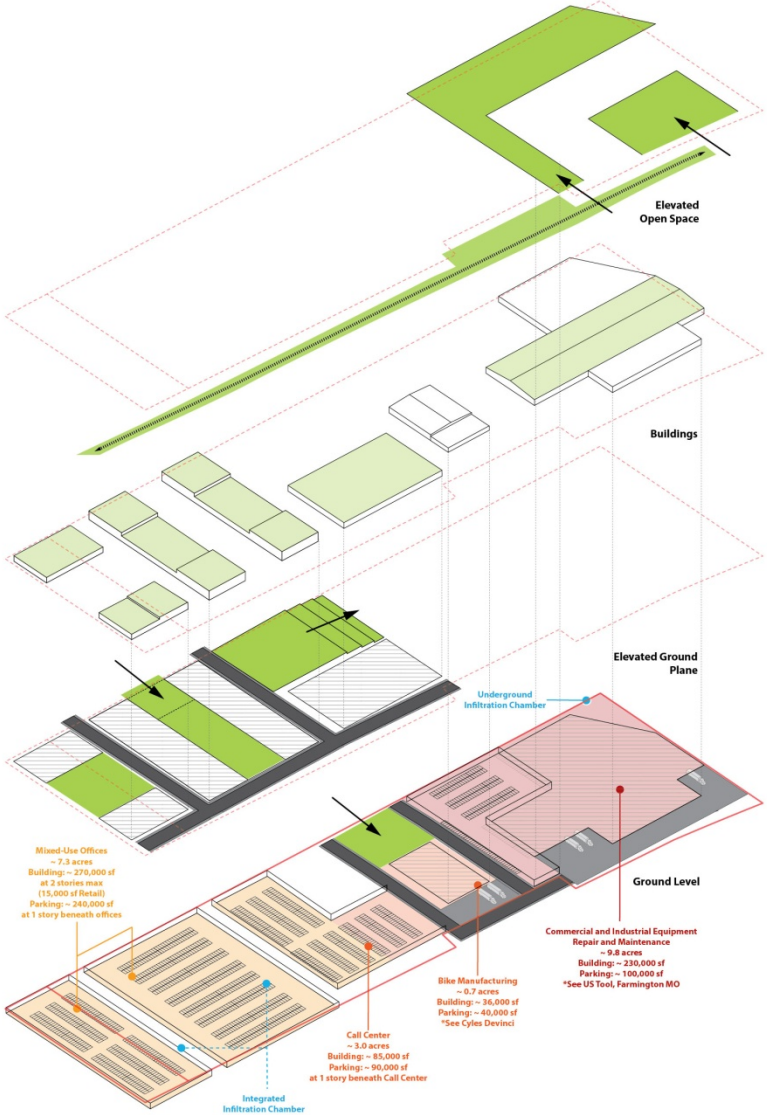
Remediation Level: ····› Future Use Change?

Creates Assets:

- [x] Visual Access
- [x] Vehicular Access
- [x] Beltline Connection
- [ ] Stormwater Resource
- [x] Open Space
- [ ] Historic Building Reuse
- [ ] Single Phase Development

Development Timeline:

B2B: Mixed White-/Blue-Collar – Detail



B2B: Mixed White-/Blue-Collar – Observations & Tradeoffs

Economics	Physical/Site
• Blue-collar jobs are accessible with <= HS diploma (46%) & <=associates degree (77%) • Between 7% (Repair and Leasing) and 18% (Other Business Services) growth projected in key "blue-collar back office" industries • Blue-collar jobs are only of moderate quality – wages of $32K for <= HS diploma and $34K for <= associates degree • Portion of site taken up by storage (docs & records, equipment), decreasing jobs/acre	• Multiple buildings = not difficult/costly to comply w/sewer easements • Allows for multiple on-grade connection to BeltLine • Reusable building types • Green roofs reduce need for stormwater infrastructure & provide expanded openspace • Conforms to BeltLine street framework & is ADA accessible • Movement of box trucks on & off site – lower frequency than TDL scenarios • Requires crosswalk improvements on University Ave for pedestrian access

B2B: Blue-Collar Innovation Hub

USES

Private and shared office space of a variety of sizes, anchored by shared industrial workshop space and equipment. Tenant types might include: bicycle mfg./repair; computer refurbishing; ICE equipment repair/maintenance; after-hours, for-fee doer/maker space; design & mfg. consulting; engineering, prototyping, manufacturing, assembly, testing services; medical device manufacturing; electrical and other contractors

- Shared workshop, prototyping lab, storage space
- Private office/workshop spaces
- Co-working/Incubator office space

Image sources: Detroit Bikes (via Facebook), Wikipedia (3D printing), flickr (Jeff Keyzer; http://www.flickr.com/photos/mightyohm/2645242736/)

B2B: Blue-Collar Innovation Hub (cont'd)

BUILDING & SITE CHARACTERISTICS

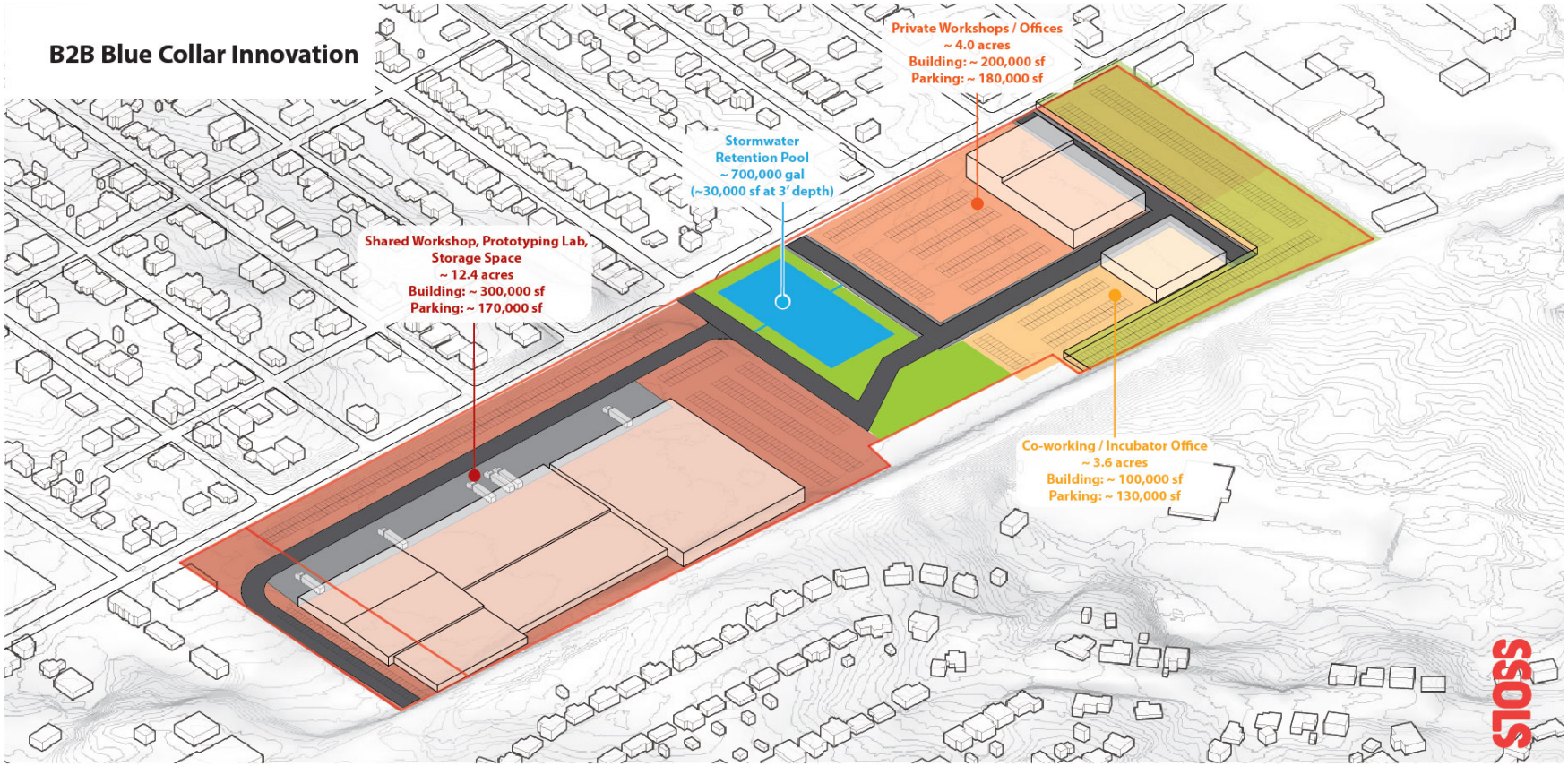
- Shared workshop, prototyping lab, storage space: 300,000-SF, 1-story building
- Private office/workshop spaces: 200,000-SF, multi-story building
- Co-working/Incubator office space: 100,000-SF, multi-story building
- Apx. 1,490 parking spaces (9.3 acres)

ESTIMATED JOBS IMPACT

- Shared workshop, prototyping lab, storage space: 900 – 1,100 employees
- Private office/workshop spaces: 600 – 1,600 employees
- Co-working/Incubator office space: 100 – 300 employees

Image source: flickr (http://www.flickr.com/photos/mightyohm/2645242736/)

B2B: Blue-Collar Innovation Hub – Illustrative Design



Adheres to Constraints:

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Remediation Level:

Creates Assets:

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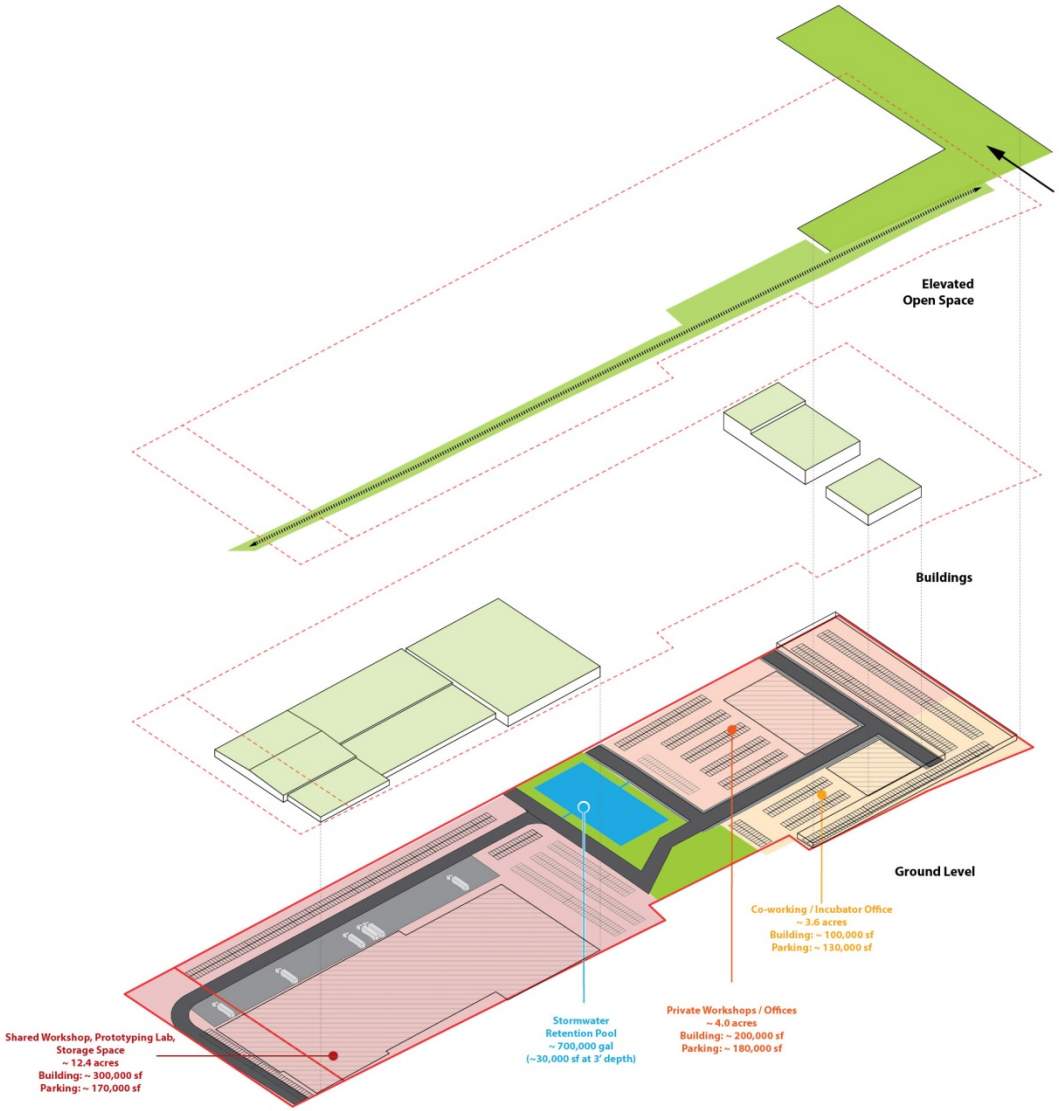
Development Timeline:

B2B: Blue-Collar Innovation Hub – Detail



B2B: Blue-Collar Innovation Hub – Observations & Tradeoffs

Economics

- Offers opportunities for entrepreneurship & small business growth
- Potential for relationship w/university/college tech partner
- Opportunity to cross-subsidize some programming/components via higher-rent tenants
- Mixed job accessibility & quality profile
  - Engineering & consulting occupations have high wages & skill requirements
  - Bicycle mfg., ICE & contractors have lower wages (roughly half) w/lower skill requirements (~75% vs ~57% <=Assoc)
- Requires ID & engagement of facility management/operating partner
- Requires further market testing to vet feasibility & ID specific mix of users

B2B: Blue-Collar Innovation Hub – Observations & Tradeoffs (cont'd)

Physical/Site

- Adheres to sewer easements
- Provides cost-effective stormwater management
- Creates a central open space that connects to the BeltLine
- Allows for multiple phases of implementation
- Heavier uses are visually buffered by the natural slopes of the site
- Large areas of impermeable surfaces & lack of green roofs require the implementation of large scale stormwater infrastructure in early phases of development
- Does not conform the BeltLine street frameworks or create full grid connectivity

Mixed-Use: Food

USES

- Food processor/distributor
- Small food processing/retail facility
- Grocery store
- Restaurants/small retail
- Urban agriculture

Image sources: Crop Circle Kitchen, Power Packaging

Mixed-Use: Food

BUILDING & SITE CHARACTERISTICS

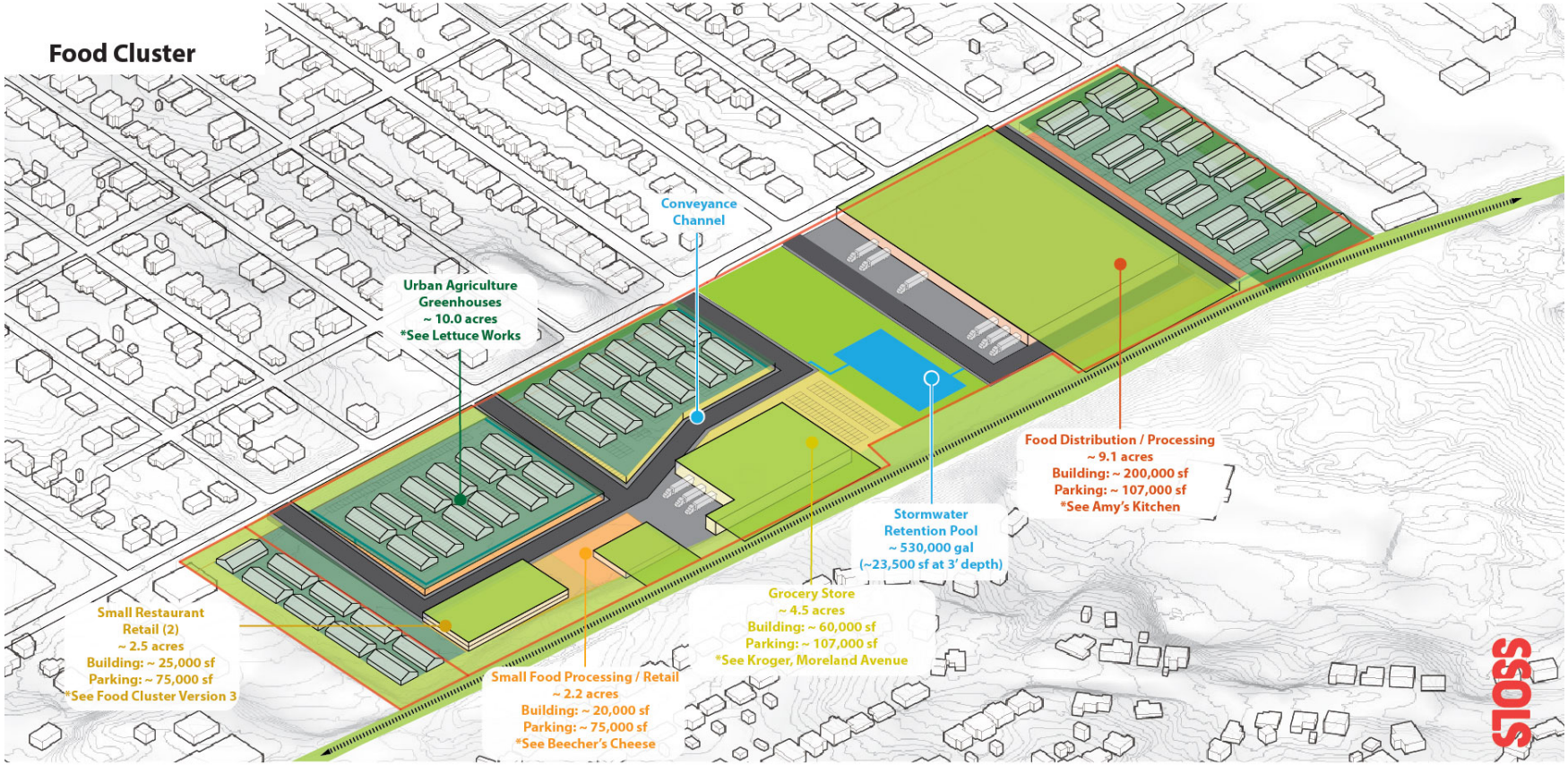
- Food processor/distributor: 200,000-SF single-story building on 9.3 acres
- Small food processing/retail facility: 20,000-SF single-story building on 2.2 acres
- Grocery store: 60,000-SF single-story building on 4.5 acres
- Restaurants/small retail: 25,000-SF single-story building on 2.5 acres
- Urban agriculture: 10 acres, on top of parking structure(s)
- Apx. 1,340 parking spaces (8.4 acres)

ESTIMATED JOBS IMPACT

- Food processor/distributor: 100 - 200
- Small food processing/retail: 20 - 35
- Grocery: 85 - 150
- Restaurants/small retail: 160 – 360
- Urban agriculture: 60 - 70

Image sources: Gotham Green, Noell Consulting Group

Mixed-Use: Food – Illustrative Design



Adheres to Constraints:

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Creates Assets:

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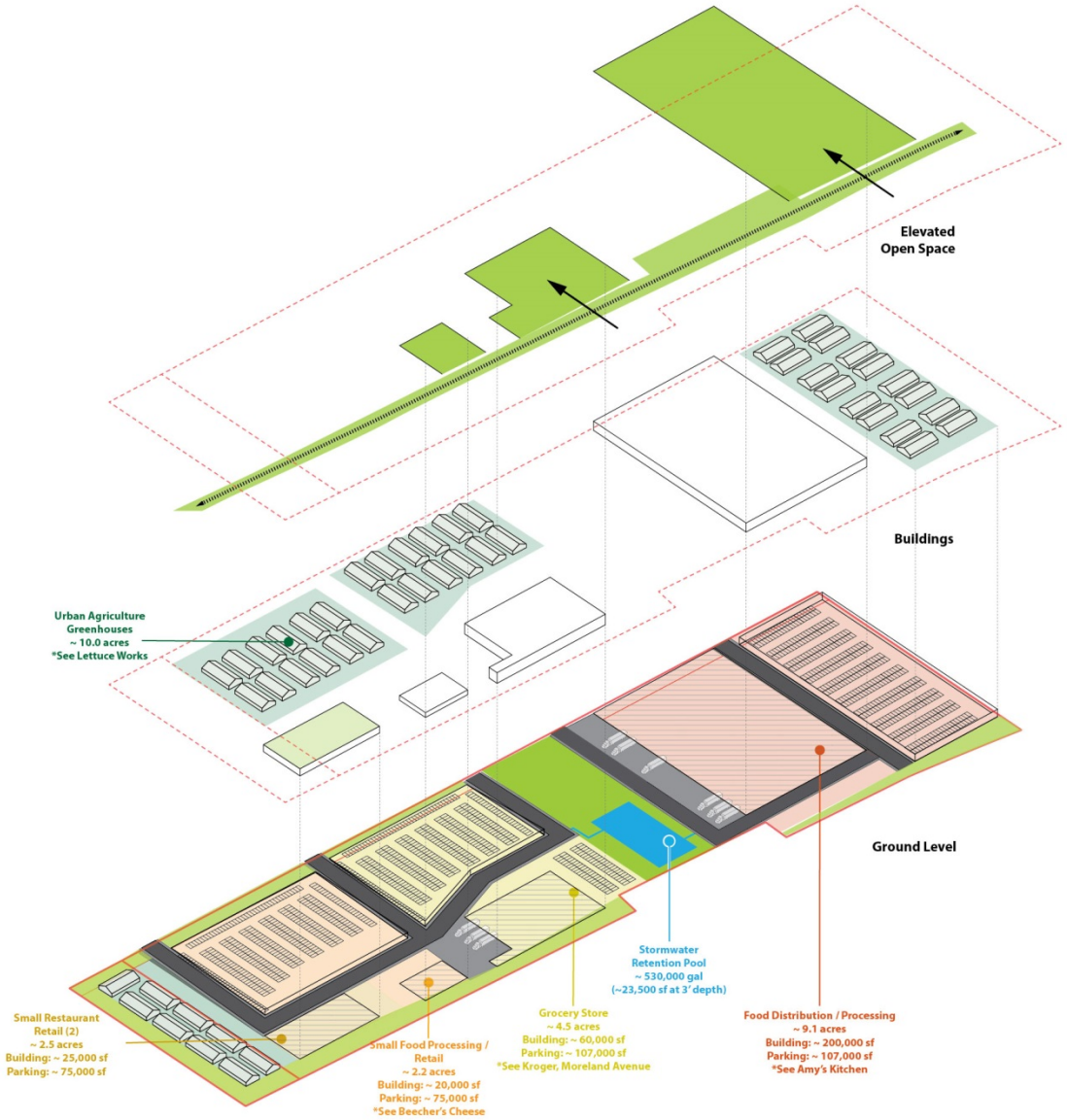
- ☐ Single Phase Development

Development Timeline:

Mixed-Use: Food – Detail



Mixed-Use: Food – Observations & Tradeoffs

Economics	Physical/Site
• Tie-in to promising regional cluster • Multiple potential options for "industrial" component – e.g., small-scale manufacturing, packaging, wholesale/distribution, organics focus, etc. • Meets neighborhood need for food access – potential options include mainstream grocer or farmer's market • Jobs are accessible: 74% with <= Associate Degree • Annual food processing & manufacturing wages average $38K	• Can be integrated with surrounding neighborhood • Roadway connectivity & ADA access • Rooftop ag. allows for on-grade connection to the neighborhood • Green roof on Beltline provides open space • Adequate stormwater management • Rooftop urban agriculture would require subsidy • Truck traffic for food manufacturing inputs/outputs • Food waste • High level of remediation required • Does not conform sewer easement - requires relocation or accommodation

Key Dimensions → Decisions

- Jobs: number, quality and accessibility
- Potential level of sustainable impact
- Increase Connectivity
  - To surrounding neighborhoods and regional economy
  - To future Beltline
- Viable and market-based, but aspirational and catalytic – lead the market

Vision extends beyond the neighborhood – leverage site as a transformative connector to regional opportunity

Three Scenarios Selected

- TD&L: “Last Mile”
- B2B: Mixed White-/Blue-Collar
- B2B: Blue-Collar Innovation District

See the Scenario Variations memo for discussion of potential alternative economic uses & design elements for each scenario

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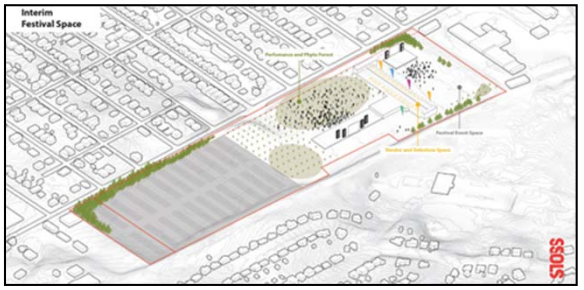
4 Strategic Development Scenarios

5 **Interim Uses**

6 Going to Market

Potential Interim Uses

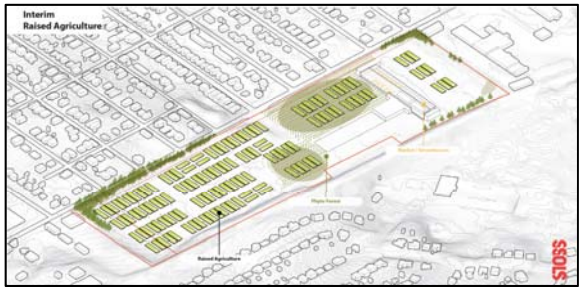
Art Precinct



Festival Space

Recreational Amenities

Nursery



Raised-Bed Agriculture

Bamboo Forest

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Next Steps

- Articulate Foundation's Project Vision & Criteria
  - Market orientation – leading vs. following; aspirational, market-making and transformative
  - Active role in site development/control; alignment with & investment in pursuit of equity goals
  - Impact, risk & return expectations for partnership & site development
- Engage high-level Executive Committee
- Clarify future role of Kitchen Cabinet or other advisory roles/committees

See the Executive Summary & Next Steps memo for details

Next Steps (cont'd)

- Identify & engage principal partners – developer, equity/financing partner
- Identify & engage resource partners – e.g., around City planning & infrastructure, workforce development, Tax Allocation District funds, etc.
- Structure & enter into joint venture
- Begin predevelopment activities (ongoing)

See the Executive Summary & Next Steps memo for details

Strategic Development Scenarios for University Avenue Site

Project Overview

Casey Foundation
July 25, 2014

Note
For much more detail, please see the "Executive Summary and Next Steps" memorandum (June 2014) and material referenced therein.

mass economics | Noel Consulting Group | RW Ventures | SOSS | TSW Planners Architects Landscape Architects