

Orangeburg, SC

DFI Update #1

Railroad Corner Redevelopment

Agenda

- DFI Introduction
- Market Analysis Findings
- Case for Investment
- Guiding Public Interests
- Next Steps



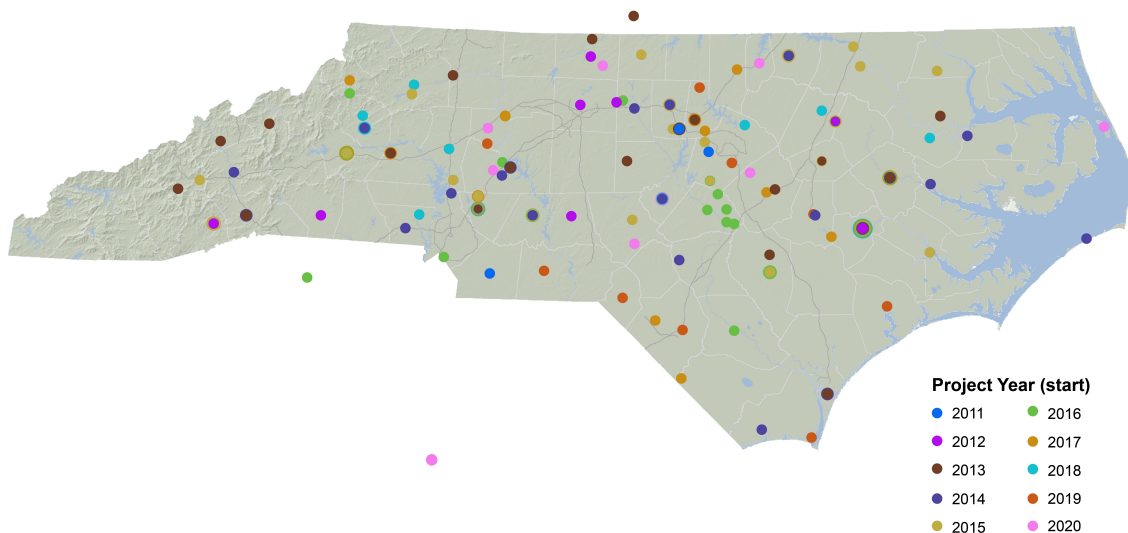
UNC School of Government



UNC Chapel Hill's School of Government is the largest university-based local government training, advisory, and research organization in the United States, and serves more than 12,000 public officials each year.

Development Finance Initiative

The Development Finance Initiative (DFI) is a program of UNC Chapel Hill's School of Government and collaborates with communities in NC to attract private investment for transformative projects by providing specialized finance and real estate development expertise.



DFI Pre-development Process



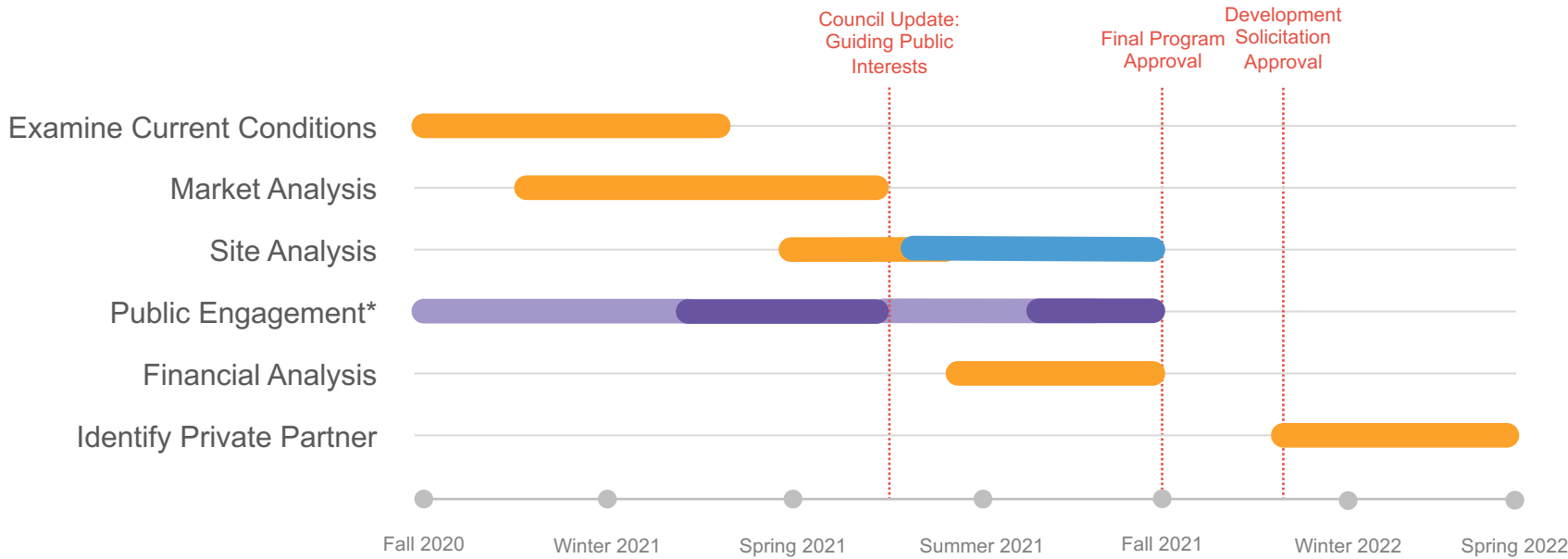
DFI Engagement

In December 2020, the City of Orangeburg engaged the Development Finance Initiative (DFI) to support the city in evaluating the redevelopment feasibility of the Railroad Corner.

The scope of work includes:

1. DFI pre-development process
2. Solicitation of private development partner
3. Assistance to city with negotiation of a development services agreement with selected partner

Pre-development Timeline



*The table above shows conservative estimates of the amount of time each phase will take.

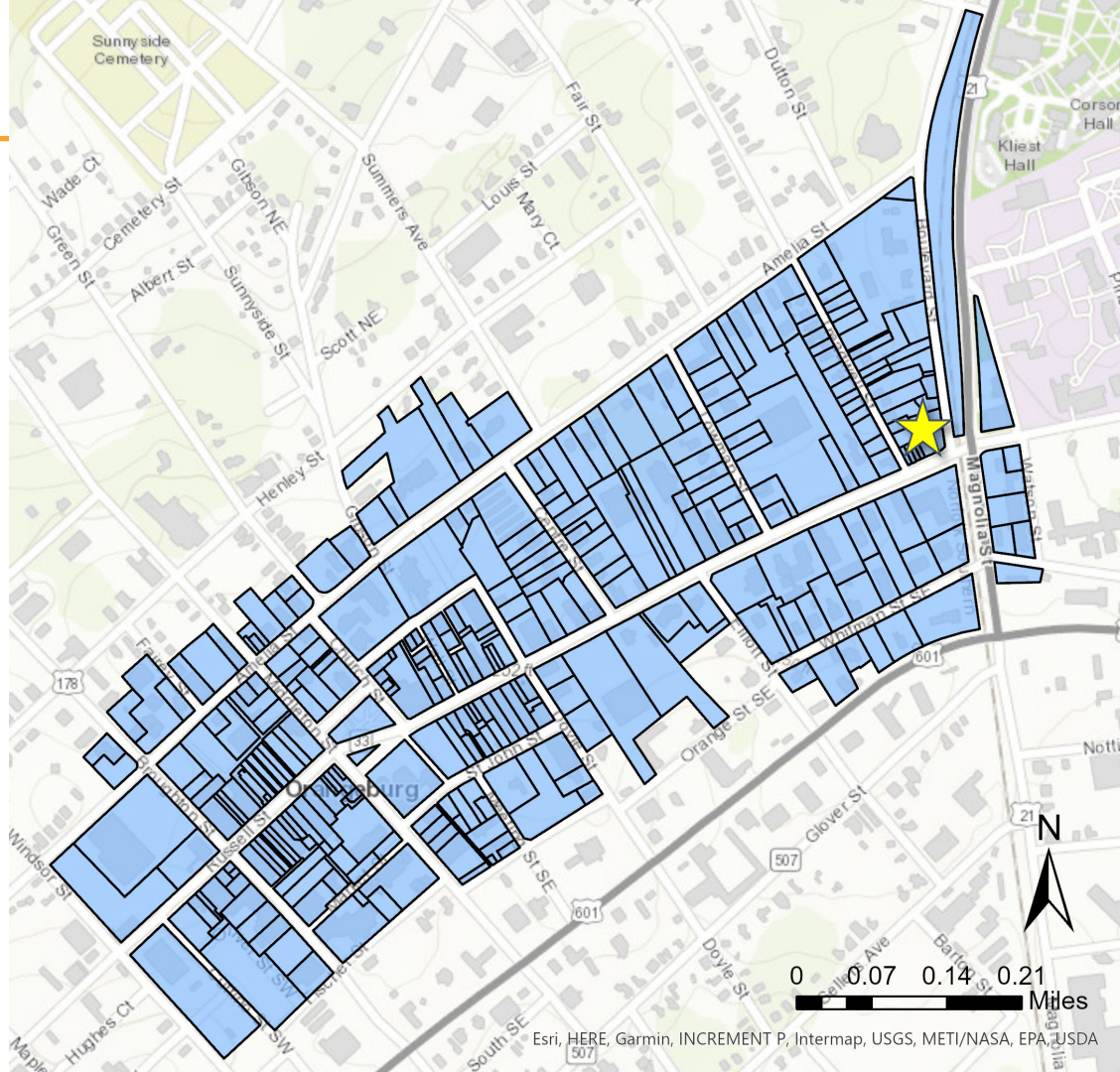
Railroad Corner

Total Parcels	13*
Total Acreage	1.43*
Total Tax Assessed Value	~\$315K
Built Square Feet (SF)	~17,000
Total Building Value	\$144K
Total Building Value / SF	\$8.60

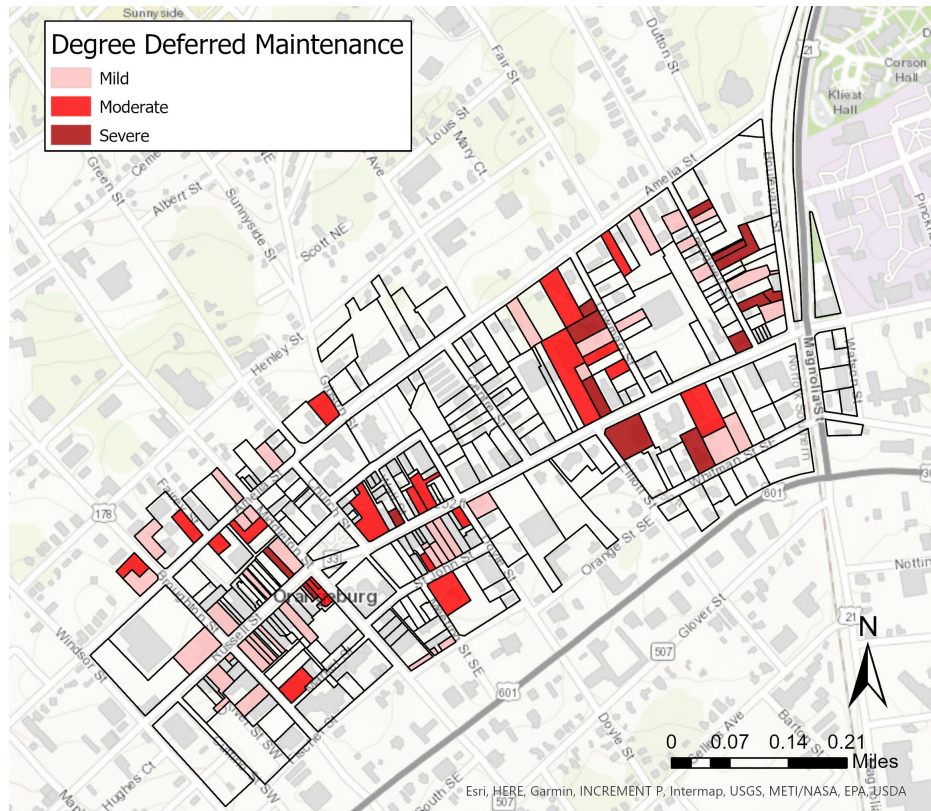
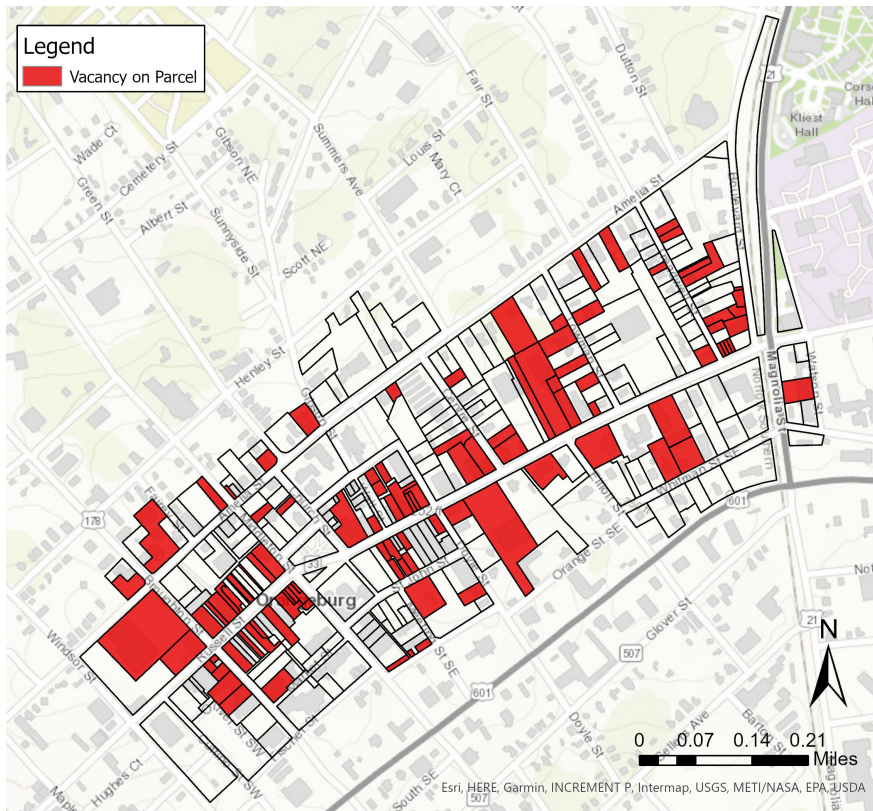


Study Area

Total Parcels	320
Total Acreage	118.6
Total Tax Assessed Value	\$36 Million
Built Square Feet (SF)	~1.5 Million
Total Building Value	\$10.3 Million
Total Building Value / SF	\$7



Understanding Current Conditions



Market Analysis

What We Have Learned: Market Analysis



Retail

66,900 SF

Projected market area demand
over next 5 yrs

3,500 – 6,700 SF

Likely supportable over next 5
yrs

\$9.21

Avg Asking Rents
(\$ per sqft per year)



Office*

1,500 SF

Projected market area demand
over next 5 yrs

No Demand

Likely supportable over next 5
yrs

\$8.25

Avg Asking Rents
(\$ per sqft per year)



Market-Rate Multifamily

No Demand

Projected market area demand
over next 5 yrs

No Demand

Likely supportable over next 5
yrs

\$740

Avg Asking Rents, 2-BR
(\$ per sqft per year)



Affordable

41%

Orangeburg County renters that
are cost-burdened

3,400 units

Current unmet market demand.
(Total family and senior units)

60%

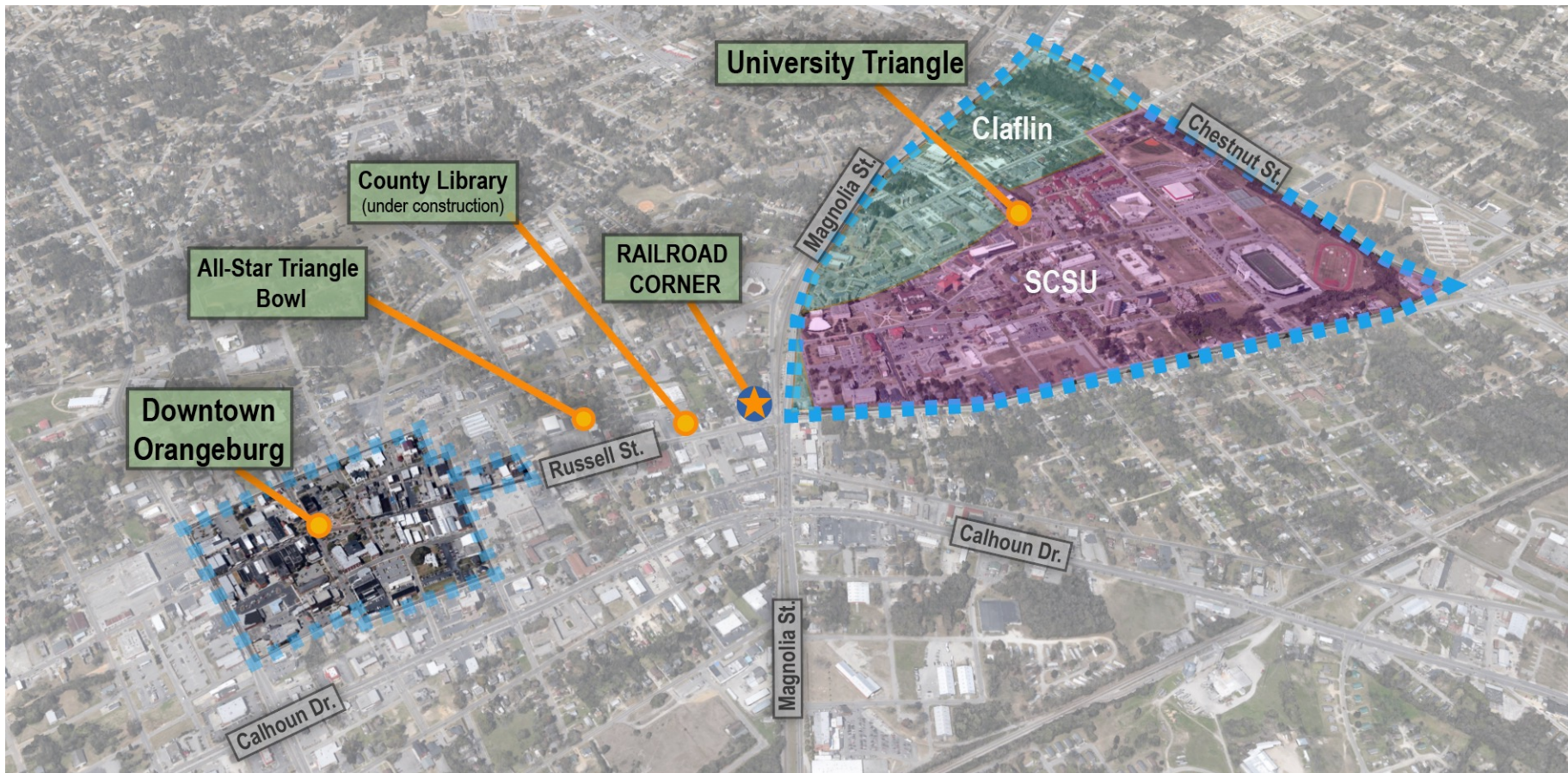
Affordable units occupied by
households outside of target
income bracket

Case for Investment

- Surrounding investments
- Potential for University Collaboration
- Interest at Local and State level
- Case studies of similar projects done successfully
- Positive public engagement



Case for Investment: Railroad Corner



Case for Investment: Claflin and SCSU Universities

Claflin Univ

2,070

Student Enrollment

2020-2021 School Year

\$79M

**Regional Economic
Impact***

835

**Regional
Employment Impact***

SC State Univ

2,479

Student Enrollment

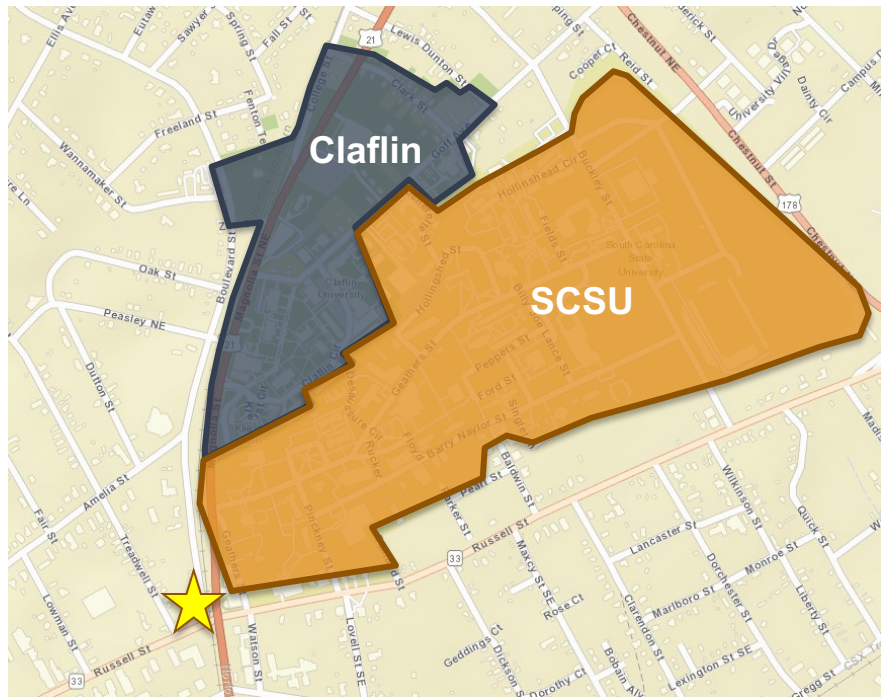
2020-2021 School Year

\$145M

**Regional Economic
Impact***

1,546

**Regional
Employment Impact***



~5,000

**Total Undergraduate and Graduate
Student Population**

Case for Investment: Local, State, and Investor Interest

Local Interest:

- Demonstrated interest from potential local tenants:
 - Novelty store, flower shop and potential museum

State Interest:

- Department of Commerce
- Congressional

Investor Interest:

- New Market Tax Credit (NMTC) investors
- Opportunity Zone (OZ) Funds



Student-Focused Development: Case Study

Morehouse College School of Medicine; Atlanta, GA
Entra West End Apartments; Anticipated completion June 2020



Student/Faculty Population	College Type	Project Scope	Project Size	Project Cost	Financing Strategies
2,200 students/ < 200 faculty	Private Institution	187 apartments, fitness center, retail space, and ambulatory health facility	~64K SF	\$52 million	JV between MSM, Carter and Oakwood Development and Campus Life Fund

Case Study: Pittsburg State University, Pittsburg, KS

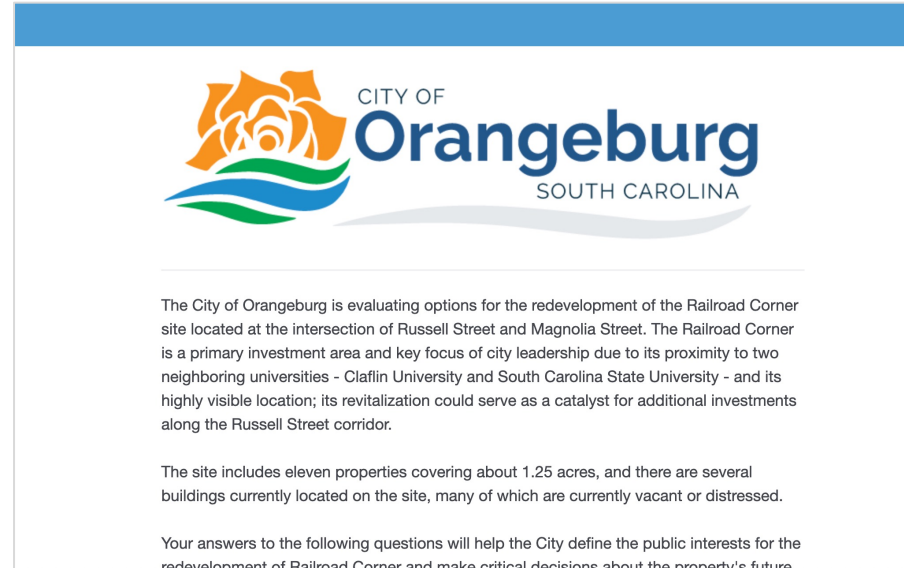
Block 22 Regional Innovation Hub; Completed 2018



Student/Faculty Population	College Type	Project Scope	Project Size	Project Cost	Financing Strategies
6,645 students/ >1,000 faculty	Public University	97 apartments, co-working/office space, maker's space, retail	~64K SF	\$18.8 million	P3, loans, fundraising, federal historic and New Market tax credits

Public Engagement – Online Survey

- The City and DFI released an online survey to collect public input for the redevelopment of the Railroad Corner on Friday, February 26, 2021.
- As of April 30, 2021, there were **342** survey responses.



What We Have Heard – Online Survey

“This site has been an eyesore for many years... As one of the most heavily traveled intersections in the City, it will be nice to have it be a more inviting entrance to downtown.”

78% of respondents said that the Railroad Corner **site was important or extremely important** to the future of Orangeburg.

dfi

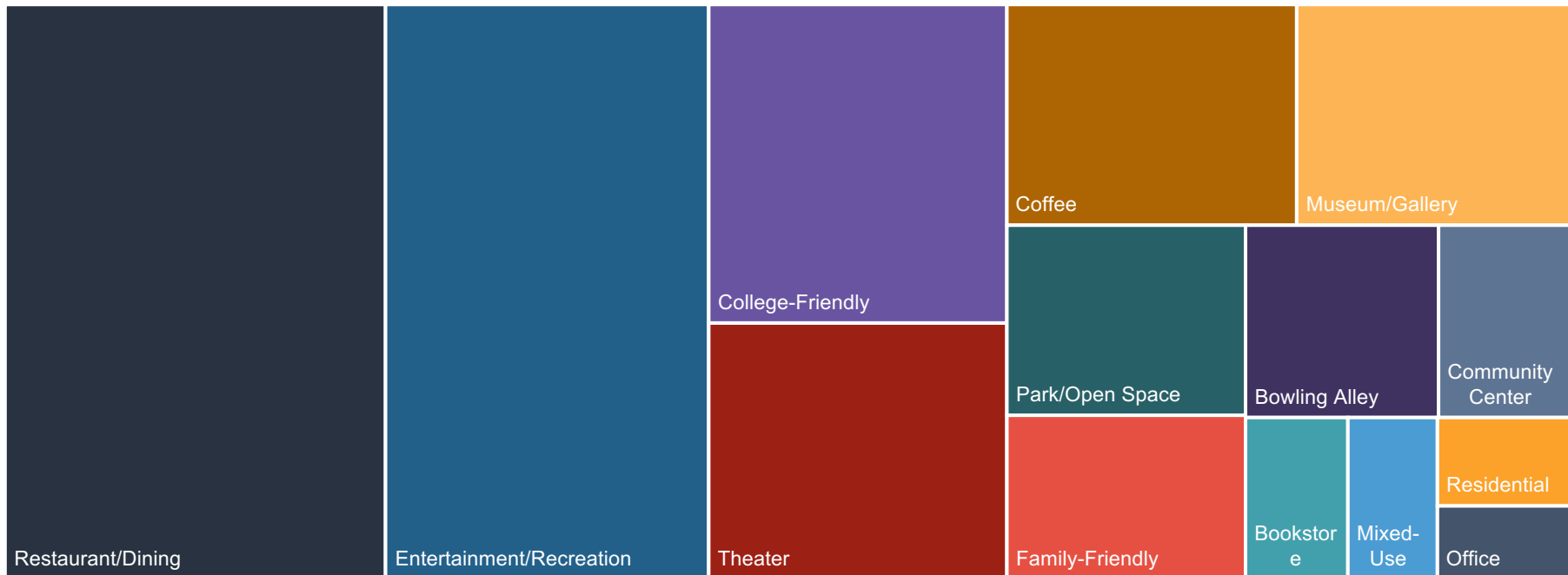
“History does not have to be forgotten [and] should not be forgotten... it can be incorporated into progress that benefits everyone!”

66% of respondents said that the **history of the site was important or extremely important.**

- The most common suggestions were to preserve the State Theater and include a monument or museum.

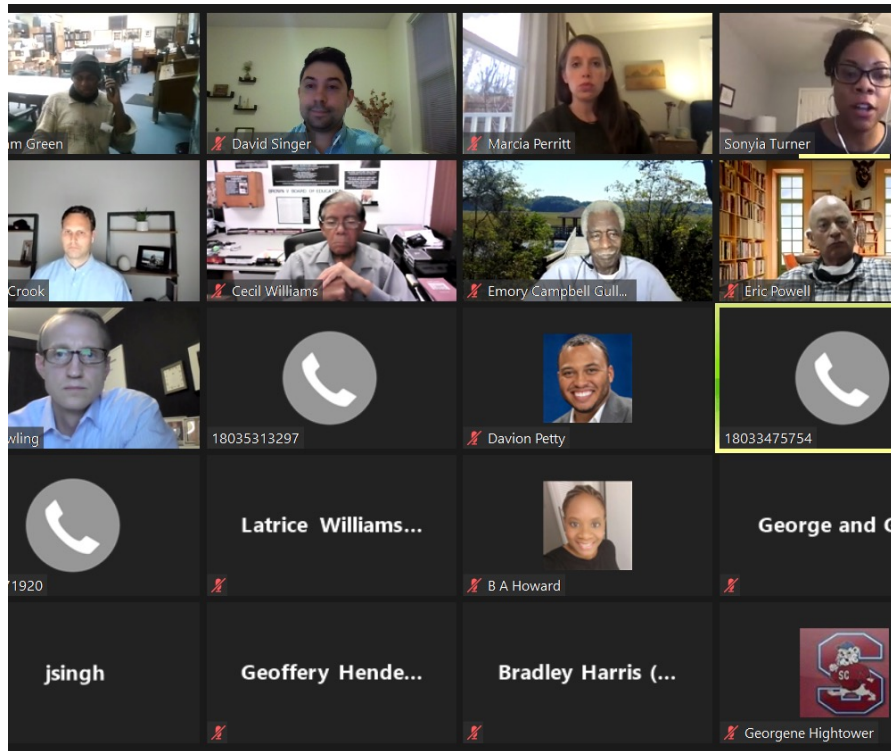
What We Have Heard – Online Survey

Activities residents would like to see on Railroad Corner



Public Engagement – Input Sessions

- DFI hosted three input sessions (March 13, March 18, and April 29).
- 32 community members participated across both sessions by telephone or videoconference via Zoom.



What We Have Heard – Input Sessions

What activities would you like to see?	How important is the history?	Any foreseeable challenges?
<ul style="list-style-type: none">• College-Friendly• Museum• Entertainment/ Recreation• Dining	<ul style="list-style-type: none">• Very Important -• The most common theme: restore existing buildings, namely, the State Theater	<ul style="list-style-type: none">• Railroad Tracks• Pedestrian Safety• Parking
<p><i>“Has to be something that demands attention from the younger generation...”</i></p> <p><i>“[A] museum is much needed in the community...”</i></p>	<p><i>“Preserve the state theater, [and] repurpose at least a portion of the building into a museum...”</i></p> <p><i>“There needs to be a balance - something for folks interested in history, and something for the younger folks...”</i></p>	<p><i>“A pedestrian bridge could help mitigate challenges...”</i></p> <p><i>“Make sure Universities and school districts are at the table...”</i></p>

What We Have Heard – Input Sessions

In 10 years, residents hope
the Railroad Corner will be
known for...



Market Summary

- Low to no market demand across retail, office, and market rate multifamily uses; Considerable demand for affordable housing.
- There is a case for investment at the Railroad Corner:
 - Surrounding investments
 - Potential for university collaboration
 - Local, State and investor Interest
 - Case studies of similar projects
 - Positive public engagement
 - A desire for recreation / entertainment use on the site
 - A desire to preserve the history of the site

Guiding Public Interests

Path Forward: What are Guiding Public Interests?

What public interests are....	What they are not....
Values	Specific
Broad	Defined
Relevant	For example, the plan may include:
Reflect tradeoffs	<ul style="list-style-type: none">• # of parking spaces• # and mix of units at each level of affordability• Total commercial and public space, etc.
Input for criteria to select development partner	Public investment scenarios

Path Forward: How are Guiding Public Interests Informed?

Guiding public interests are based on:

- City staff input
- Review of current strategic plans
- Public statements
- Local stakeholder conversations (ongoing)
- Survey, input sessions and focus group meetings



Draft Guiding Public Interests

The Railroad Corner Redevelopment should...

- Provide a catalytic mixed-use development that connects downtown to the universities and serve as a gateway to downtown.
- Respect the historical significance and context of the site and integrate this history into the development.
- Consider options for preserving the State Theater building.
- Incorporate engaging street level uses attractive for students and the community.
- Enhance walkability to increase pedestrian activity from the universities to the Railroad Corner and along Russell St.
- Optimize public investment and maximize private investment

Next Steps

Orangeburg Next Steps

- Council to vote on Guiding Public Interests
- Site Analysis and Architect Engagement



UNC
SCHOOL OF GOVERNMENT



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Site Analysis and Architect Selection



- DFI performs a site analysis to determine what the site can support given current conditions and other limitations, and to test fit potential development programs for the project.
- **Perkins and Will** Architecture firm will perform the predevelopment site planning and conceptual design services for the Railroad Corner Redevelopment.

Architecture Team: Perkins and Will



**Zena Howard, FAIA, LEED
AP, BD+C**
Managing Principal, Perkins and Will



**Malcolm Allen, AIA, LEED AP,
BD+C**
Project Manager, Perkins and Will



**Kenneth Luker, AIA, LEED
AP**
Design Architect, Perkins and Will

International Civil Rights Center & Museum Greensboro, NC

International Civil Rights Center & Museum

Greensboro, North Carolina

Client: International Civil Rights Center

Size: 45,000 square feet

Completion Date: 2010

Awards

Tower Award for historic preservation and adaptive reuse in renovation, restoration or rehabilitation of a historic structure, 2010 AIA North Carolina, 2010

— WHAT IT IS

A memorial to the courageous stand of the Greensboro Four and a celebration of the Civil Rights Movement at large.



The design team worked with the North Carolina State Historic Preservation Office to identify the significant building elements that would be restored in the new museum. The lunch counter, the art deco staircase that leads to the gallery space and lecture hall on the lower level, the plaster-colored ceiling and the former floors were all restored and incorporated into the design. Newly constructed elements of the project, while clearly differentiated from the existing architecture, complement and support the historic structures.

Historic Emancipation Park

Houston, Texas

Historic Emancipation Park

→
The park connects
people to one another
and the history of the
neighborhood.



←

The new recreation center
is clad in colored composite
panels on the east and
west facades. The rust and
earth-tone colors of the
panels represent a modern-
day interpretation of the
traditional metal roofs and
brick masonry found in the
neighborhood.



Shown: People of all ages
and backgrounds flock
to the Emancipation Park
and cherish its renewed
role as a community hub.