



Southside Hickory Area-Wide Plan

July 18, 2017



Life. Well Crafted.

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INTRODUCTION

The Southside Hickory Area-Wide Plan is a strategic plan for the redevelopment of multiple brownfield sites along the US-70 corridor in southwest Hickory. The plan also highlights opportunities and barriers that extend beyond individual properties, promoting area-wide revitalization through the cleanup and redevelopment of targeted brownfield sites. Recommendations include projects that can be initiated or facilitated by the City or affiliated agencies in the near term to promote future redevelopment activities by private developers and non-profit entities. The study has been funded through a grant from the US Environmental Protection Agency's (EPA) Brownfields Area-Wide Planning (BF AWP) Program, which assists communities in planning for the redevelopment and reuse of potentially contaminated properties known as brownfields.

BACKGROUND

The City of Hickory has been working for several years to identify contaminated properties and plan for environmental remediation and redevelopment throughout the city. Between 2007 and 2015, the City of Hickory received four grants through EPA's Community Wide Brownfields Assessment Grant Program. These funds have been used to conduct environmental site assessments, develop cleanup plans, and assist in the redevelopment of the suspect brownfield sites.

The focus area of the assessment grants was the city's Urban Revitalization Area (URA) as outlined in the *Hickory by Choice 2030 Comprehensive Plan* and approved by the Hickory City Council. The URA incorporates the city's rail corridor, surrounds

WHAT IS A BROWNFIELD?

The US Environmental Protection Agency (EPA) defines a brownfield as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant". Since the perception of contamination can hinder redevelopment, the actual presence of contaminants must be determined by a carefully planned investigation known as an environmental site assessment (ESA). Common examples of brownfields include abandoned or contaminated industrial sites, gas stations, and dry cleaners.

several disinvested roadway corridors, and incorporates several older and predominately minority neighborhoods.

Through the course of the assessment grants, such sites as the former Piedmont Wagon, Moretz Mill, Simmons Hosiery, Hollar Hosiery, Lyerly Mill sites were assessed, remediated and redeveloped through a strong public/private process. These newly redeveloped sites have expanded the city's tax base, created hundreds of jobs, and repurposed historic and architectural icons in the City of Hickory.

In May 2015, the City of Hickory was awarded a Brownfields Area-Wide Planning Grant by the US Environmental Protection Agency (EPA) for its Southside project area along the US-70

corridor in Southwest Hickory. EPA's Brownfields Area-Wide Planning (BF AWP) Program enables a local community to develop a plan for assessing, cleaning up and reusing high priority brownfield sites. The area-wide plan addresses local environmental and public health challenges related to brownfields and benefits underserved or economically disadvantaged communities.

STUDY AREA

The Southside Hickory Planning Area is centered on US-70 between US-321 and Hwy 127. (See Figure 1 - Study Area) The US-70 corridor includes older strip commercial centers with some office/institutional uses on the northwest and a cluster of car dealerships on the southeast. The current U-Haul storage facility was originally developed as a shopping mall in the 1960's. However, in the 1980's the new Valley Hills Mall was developed approximately 3 miles east of the old mall, drawing new commercial activity away from the Planning Area. Older shopping centers, such as Midland Plaza and Hickory Plaza have experienced increased vacancy.

The Planning Area was delineated based on the presence of a concentration of brownfield properties and vacant commercial buildings. Several contaminated former industrial properties are located along S. Center St and 4th St Drive SW. In addition, there are several properties within the Planning Area that were used as landfills or unofficial dumping grounds. The old Hickory landfill was located between 4th St SW and 6th St Drive SW. Land located off 4th St Drive SW was formerly used as a landfill for large appliances. Likewise, land off Southgate Corporate Park is suspected of being the site of unofficial dumping activity.

EPA BROWNFIELDS AREA-WIDE PLANNING PROCESS

The Brownfields Area-Wide Planning (BF AWP) was initiated in 2010 to assist communities in planning for brownfield assessment, cleanup, and reuse. The resulting area-wide plans are intended to protect public health and the environment; identify economically viable reuse strategies; and reflect the community's vision for the area.

Core elements of brownfield area-wide planning include:

- Community engagement to identify local issues, goals, and partnership opportunities
- Identification of priority brownfield sites and environmental conditions
- Evaluation of local market potential and infrastructure improvement needs
- Identification of potential catalyst projects and related brownfield cleanup needs
- Development of implementation strategies to leverage public investments and create partnerships

Residential uses within the Planning Area are located primarily north of US-70. The established neighborhoods of Green Park and Ridgeview extend into the study area, as do smaller portions of Westmont/West Hickory and Kenworth. (See Figure 2 - Neighborhoods) Residential areas include a mixture of single family and multi-family development, as well as scattered instances of manufactured housing. A concentration of public housing is located along S Center St.

FIGURE 1 - STUDY AREA

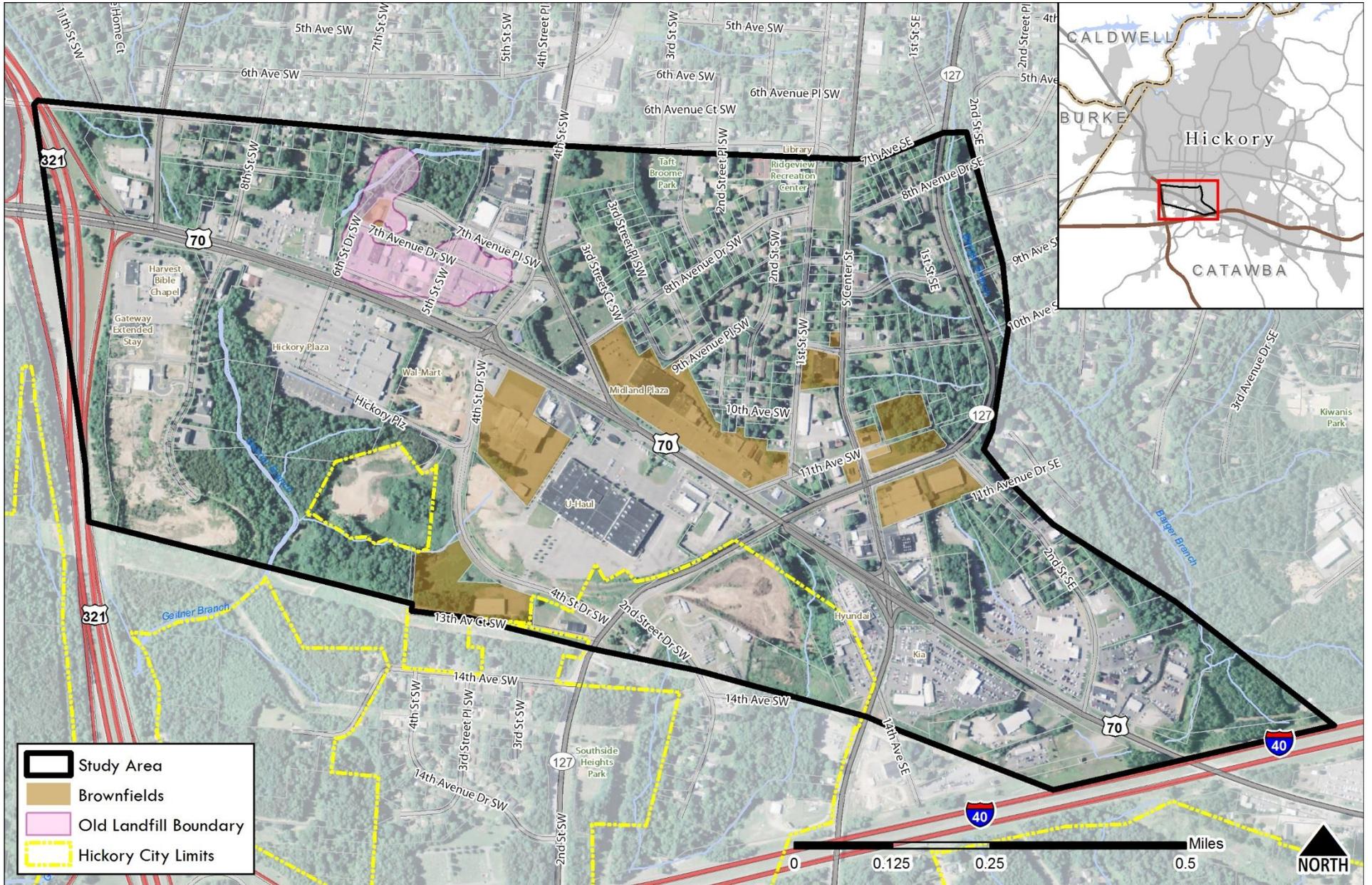
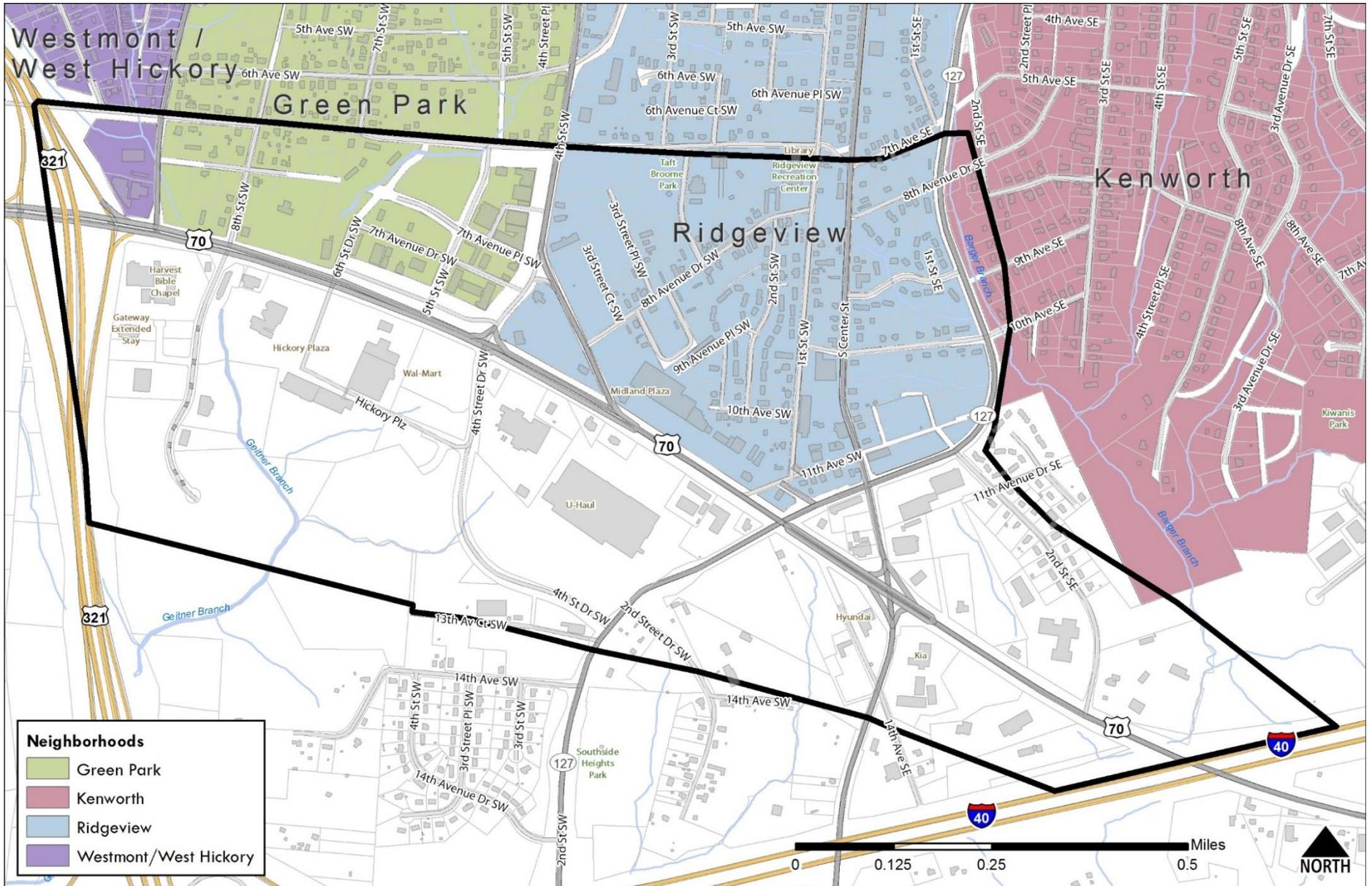


FIGURE 2 - NEIGHBORHOODS



COMMUNITY ENGAGEMENT

PLANNING PRINCIPLES

Throughout the development of the Area-Wide Plan several general planning principles were applied to ensure that the planning process and final product are representative of the needs and goals of the community.

INCLUSIVE COLLABORATION

The public outreach process has been designed to engage with a diverse set of citizens and stakeholders. In addition to community leaders, extra efforts have been included to gather input from low and moderate income residents. Planning workshops, focus groups, and advisory group meetings have been designed to encourage interaction and collaboration between participants. The planning team has provided multiple opportunities for comment and feedback on both the planning process and the final recommendations.

MARKET BASED STRATEGIES

While the planning process incorporates the aspirations of the community, recommended strategies and redevelopment concepts are based on a realistic market analysis. This ensures that the plan can be implemented and lead to positive change for the community.

LOCAL ECONOMIC DEVELOPMENT

Economic development strategies and future development concepts are intended to bring jobs that benefit the local community.

QUALITY OF LIFE

In addition to jobs, the plan seeks to identify key amenities that are necessary to enhance the quality of life within the community. Examples include walkability/connectivity, pedestrian safety and recreation opportunities.

ENVIRONMENTAL RESTORATION

As a study to address brownfield issues, the Southside Hickory Area-Wide Plan identifies issues and implementation steps needed to remediate, clean, and reuse contaminated properties. Furthermore, economic development initiatives identified favor clean industries over activity that may generate more pollution and contamination.

COMMUNITY REVITALIZATION

Future development strategies are intended to incrementally revitalize the community through the combination of public sector infrastructure investment and privately funded/financed development.

IMPLEMENTATION FOCUS

The plan is focused on concrete steps that can be undertaken to implement future development concepts. A short term work program has been included to identify planning actions, responsibilities, and anticipated costs. In addition, a long range vision for future redevelopment has been created to unify community goals and inspire change beyond the near term implementation tasks.

COMMUNITY ENGAGEMENT TECHNIQUES

Community-based involvement is an important element of the planning process. Public input has been used to identify community priorities for near and long-term cleanup and reuse of brownfield sites. A variety of outreach techniques have been employed to gather input from both stakeholders and residents of the Southside Hickory Planning Area.

At the outset of the planning process a Community Engagement Plan (see Appendix) was created to serve as a guide for public outreach efforts in the project study area. A flexible approach to public outreach was taken to allow for adjustments in engagement techniques. For example, additional stakeholder interviews were conducted to build trust in the planning process and allow for direct input outside of workshops. The following section describes public participation tools and techniques were used during the study process.

BROWNFIELD ADVISORY GROUP

Hickory's previous Brownfields Assessment Grants (awarded in 2007 and 2012) were guided by a Brownfields Advisory Group (BAG) made up of community and neighborhood leaders that were appointed by City Council. The BAG helped prioritize brownfields for assessment and redevelopment potential.

The BAG was reconvened for the Area-Wide Plan. Membership was adjusted to include representatives from local community associations, business and property owners, youth groups, the Chamber of Commerce, the Hickory Housing Authority, and other community partners in the project area. The following organizations are represented on the steering committee:

- Western Piedmont Council of Governments (WPCOG)
- Hickory Housing Authority
- Paramount of Hickory
- Moss Marlow Construction
- Hickory Board of Education
- City of Refuge Community Development Center
- Hickory Chamber of Commerce
- Exodus Homes
- Concerned Citizens of Ridgeview
- Friendship Baptist Church
- Local realtor/appraiser
- Centro Latino
- Green Park Neighborhood Association (GPNA)



The role of the Brownfield Advisory Group is to:

- obtain advice on the most effective and appropriate outreach methods,
- identify stakeholders and groups for participation,
- gain feedback on the process, and
- serve as project liaisons to the community

The BAG committee met five times during the AWP planning process at key milestones during the study process.

STAKEHOLDER INTERVIEWS

Stakeholder interviews and focus groups were used as one-on-one and small group discussions, respectively, with an individual or organization recognized as a community leader, elected or appointed official, agency staff member, or neighborhood activist to provide input on the issues and process of the study effort. The stakeholder interviews and focus groups were identified in concert with city staff and BAG to represent a variety of perspectives. Additional interviews and follow up discussions were conducted based on issues that arose during the planning process. The main purpose of the focus groups and interviews was to provide an early exchange of information on project goals, objectives, and the study process. Agencies and organizations interviewed include:

- Southside Heights Neighborhood Association
- West Hickory Neighborhood Association
- Concerned Citizens of Ridgeview
- Ward 4 Faith Leaders Group

- Hickory Branch NAACP
- Hickory School Board
- Youth groups
- Hmong community
- Habitat for Humanity
- Hickory and Catawba Home Builders Association Board of Realtors
- Major commercial realtors
- Owners of large properties in the study area



PUBLIC WORKSHOPS

The project included a multi-day charrette/design workshop, held at the Ridgeview Recreation Center on August 23, 24, and 25, 2016. Several community engagement activities were programmed throughout the workshop, including a kick-off community event, study area bus tour, open focus group meetings during the day, evening pin-up sessions, and community presentations.

This multiday time period allowed for the most efficient opportunity to meet with a large number of interest groups and citizens, gather their vision, and produce a detailed series of recommendations, plans and renderings that accurately reflect the vision of the community. Also, by setting up the workshop in the vicinity of the project area, it provided easier access to the businesses and the residents and allowed the team direct access to the catalyst brownfield sites during the design stage of the project. Another benefit of this method is that it captures and maintains the public's attention in a collapsed timeframe which generates quality input and feedback.

A final public meeting presented the preliminary results of the multi-day activities. The planning team summarized the following: local issues and opportunities identified by community members; an illustrative depiction of the workshop attendees' long-range vision for the area (see at right); and, short-term strategies that can encourage the incremental revitalization of the area.

Advertising for all workshops and meetings included a variety of media techniques including flyers, stakeholder notifications, e-mail, and website. Members of the BAG were also asked to assist in bringing awareness to scheduled events.



Conceptual Redevelopment Alternatives Illustration

COMMUNITY ISSUES AND OPPORTUNITIES

Through individual stakeholder discussions, Brownfield Advisory Group meetings and public meetings, several key themes were emphasized by members of the community. The highly-accessible location of Southside Hickory and rich history of its communities is a point of pride and emphasis. But numerous factors have contributed to the current state of decline, including high vacancy rates in housing and commercial, havens for criminal activity, lack of investment in commercial property, insufficient infrastructure to promote walkability and connectivity, few amenities and contaminated properties due to past industrial activity and illegal dumping. These and other issues and opportunities are documented in more detail in the appendix.

BROWNFIELD SITE PRIORITIZATION

The Brownfield Area-Wide Planning process is intended to identify high priority, or catalyst, brownfield sites for assessment, cleanup, and reuse. **Priority brownfields** can be identified based on a range of criteria, including community interest, owner interest, environmental or health concerns, development potential, and local economic conditions. For the purpose of this study, **catalyst brownfield sites** are properties with the greatest potential to stimulate additional revitalization within the project area or improve community health and quality of life.

SITE IDENTIFICATION CRITERIA

The City of Hickory received several EPA grants to identify and assess environmental contamination at suspected brownfield sites. Between 2007 and 2015, planning staff and environmental engineering consultants identified over 100 known or suspect brownfield sites within the city. The grants were then used to assess approximately 50 individual properties suspected of petroleum and/or hazardous material contamination.

As part of the Brownfields Assessment Grant process, a series of criteria were applied to score and rank the city’s brownfield sites. Table 1- Preliminary Criteria and Scoring Matrix provides a description of each scoring factor applied. These criteria were developed and refined through consultation with the Brownfield Advisory Group.

The Southside Hickory Planning Area was then identified based on a concentration of brownfield properties within a low income community that is experiencing disinvestment and economic decline. The initial list of Planning Area brownfields was then prioritized in the Area-Wide planning process through community

engagement and market analysis to identify potential catalyst projects that can spur revitalization and improve quality of life.

TABLE 1- PRELIMINARY CRITERIA AND SCORING MATRIX

Criteria	Scoring	Description
Proximity to Success Stories	Scale 1 to 10	1 = Adjacent to Greenspace 10 = Adjacent to Redevelopment
Environmental Concerns	Scale 0 to 10	0 = No Known Issues 5 = Suspected Contamination 10 = Known Contamination, Proximity to Water
Existing Buildings	Scale 0 to 10	0 = Substandard Building 5 = Re-adaptable Building 10 = Vacant lot
People Factor ¹	Scale 1 to 10	1 = Negative Impact 5 = No Impact 10 = Positive Impact
Development Potential ²	Scale 1 to 10	1 = Low development potential 10 = High development potential
Owner Interest	0, 5, or 10	0 = No owner contact or owner contacted but not interested 5 = Owner contacted and possibly interested 10 = Owner interested
Community Interest	0, 5, or 10	0 = No community interest or interest unknown 5 = Community contacted and possibly interested 10 = Community interested
Notes:		
¹ Impact defined as: public receptors, crime rate, public health concerns, proximity to residential		
² Potential defined as: located in corridor (rail, visibility), available infrastructure, traffic count		

Criteria	Raw Votes	Adjusted	Weighting Factor
Proximity to Success Stories	12	12	19.7
Environmental Concerns	9	9	14.8
Existing Buildings	0	1	1.6
People Factor	7	7	11.5
Development Potential	16	16	26.2
Owner Interest	3	3	4.9
Community Interest	13	13	21.3
Total	60	61	100.0

STUDY AREA BROWNFIELD SITES

Following the citywide inventory of brownfields, a cluster of potentially contaminated properties was identified along US-70 and S Center St. This concentration of brownfields was used as the basis for the Southside Hickory Planning Area.

Figure 3 - Study Area Brownfields shows the location of each of these properties. A brief synopsis of each property is provided in the following section.

1. Former Max Mexican Restaurant (Old Hickory Landfill)

Address: 535 7th Av PI SW
Parcel ID#: 370210267099
Acres: 0.55
Zoning: C-3
Land Value: \$32,300
Building Value: \$47,700
Total Value: \$80,000



2. Former Pet Dairy

Address: 461 Hwy 70 SW
Parcel ID#: 370214347658
Acres: 7.62
Zoning: C-3
Land Value: \$795,800
Building Value: \$182,000
Total Value: \$977,800



3. Midland Plaza

Address: 356 Hwy 70 SW
Parcel ID#: 370214447865
Acres: 11.62
Zoning: C-3
Land Value: \$1,466,400
Building Value: \$1,012,100
Total Value: \$2,478,500



4. Korean Baptist Church

Address: 934 S Center St
Parcel ID#: 370211558254
Acres: 0.17
Zoning: NC
Land Value: \$4,400
Building Value: \$38,700
Total Value: \$43,100



5. Former Cranford Woodcarving

Address: 1014 S Center St
Parcel ID#: 370211558034
Acres: 1.45
Zoning: IND
Land Value: \$37,900
Building Value: \$137,500
Total Value: \$175,400



6. Industrial Building - 1073 S Center St

Address: 1073 S Center St
Parcel ID#: 370215640587, 370215643703
Acres: 0.45, 1.83
Zoning: NC, R-4
Land Value: \$23,500; \$10,900
Building Value: \$16,300
Total Value: \$50,700



7. Former Gas Station

Address: 1110 S Center St
Parcel ID#: 370215549376
Acres: 0.37
Zoning: NC
Land Value: \$27,400
Building Value: \$51,200
Total Value: \$78,600



8. Auto Parts Warehouse

Address: 1103 S Center St
Parcel ID#: 370215641459, 370215643560
Acres: 0.19, 1.57
Zoning: NC
Land Value: \$9,900; \$95,700
Building Value: \$59,500
Total Value: \$165,100



9. Former Joan Fabrics (two parcels)

Address: 1125 S Center St	Address: 1152 2 nd St. SE
Parcel ID#: 370215644254	Parcel ID#: 370215646239
Acres: 2.33	Acres: 1.75
Zoning: IND	Zoning: IND
Land Value: \$88,200	Land Value: \$65,000
Building Value: \$26,900	Building Value: \$58,500
Total Value: \$115,100	Total Value: \$124,000

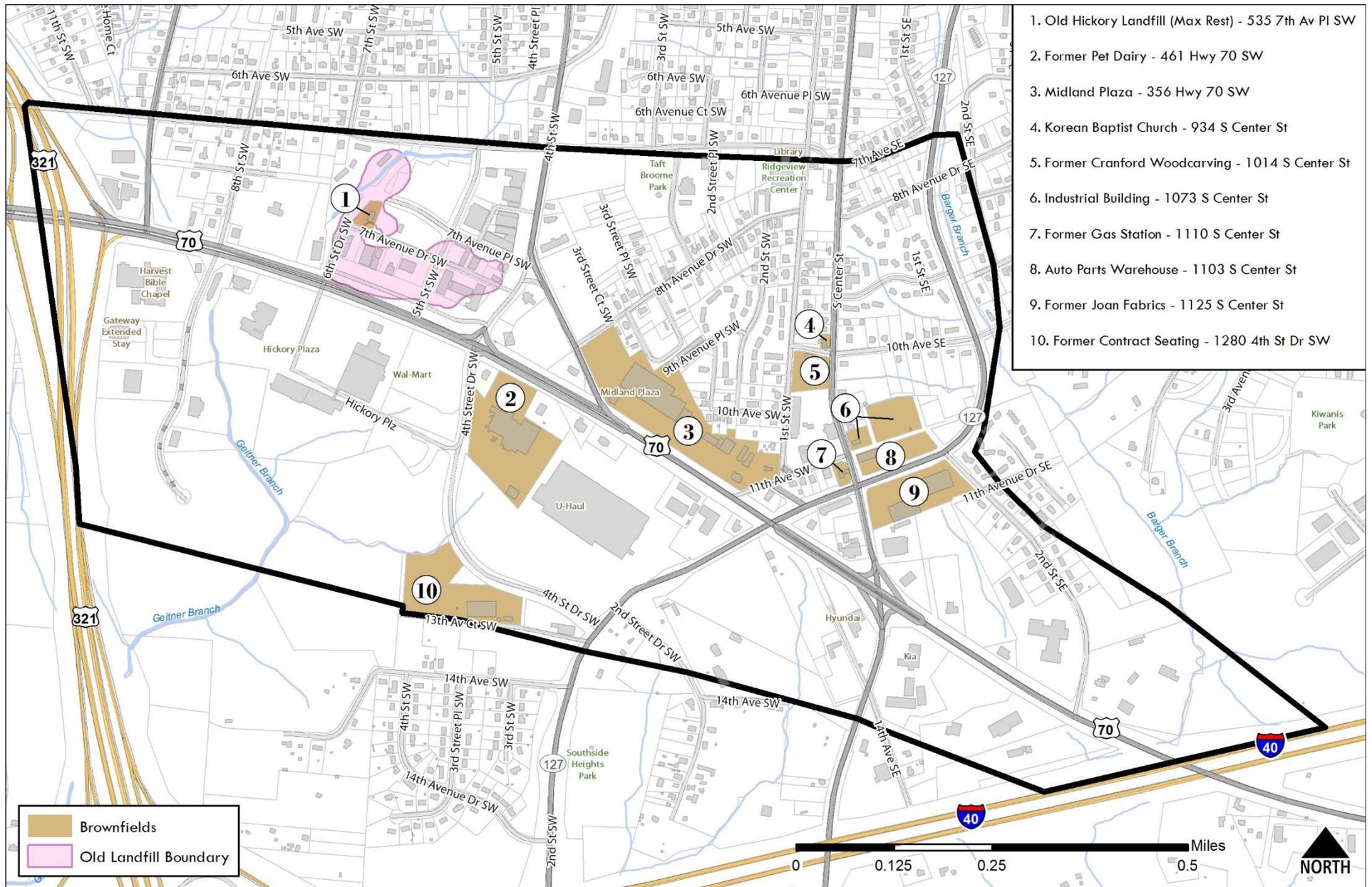


10. Former Contract Seating

Address: 1280 4th St Dr SW
Parcel ID#: 370214333509
Acres: 5.98
Zoning: C-3
Land Value: \$127,400
Building Value: \$208,700
Total Value: \$336,100



FIGURE 3 - STUDY AREA BROWNFIELDS



EXISTING CONDITIONS AND INFRASTRUCTURE ASSESSMENT

This section of the Area-Wide Plan examines the existing conditions and infrastructure within the study area in order to identify constraints and resources related to future development potential.

WATER RESOURCES

Sensitive natural resources within the study area include some water and drainage features. Figure 4 - Water Resources shows the streams and floodplains running through the study area. The Geitner Branch runs through the west side of the study area, and the Barger Branch along the east side of the study area. Both of these streams feed into the Henry's Fork tributary of the Catawba River. There are relatively few floodplains in the study area, with one notable flood prone area in the northwest corner of the study area at the Valley Rental Centers distribution warehouse.

No significant wetlands have been identified within the study area.

TOPOGRAPHY AND STEEP SLOPES

Topography and steep slopes present a challenge for development within some portions of the study area. Figure 5 - Topography and Steep Slopes shows contour lines and a calculation of slope by percentage grade within the study area. Some significant steep slopes are located around the Geitner Branch stream on the west side of the study area.

The elevation and slope data sets used to calculate slope were limited to the areas within the Hickory City Limits. Therefore, the unincorporated portions of the study area are not included within the slope calculation. The landfill behind the Wal-Mart Neighborhood Market (Parcel ID#: 370214246271) and the borrow pit off 2nd St SW/NC-127 (Parcel ID#: 370215532573) are both within these unincorporated areas. The borrow pit parcel currently owned by Exodus Outreach Ministries is currently being improved, with fill soil from a city sinkhole repair project being used to improve grades and construct an access road. Following these improvements the property will be more readily developable for appropriate uses.

FIGURE 4 - WATER RESOURCES

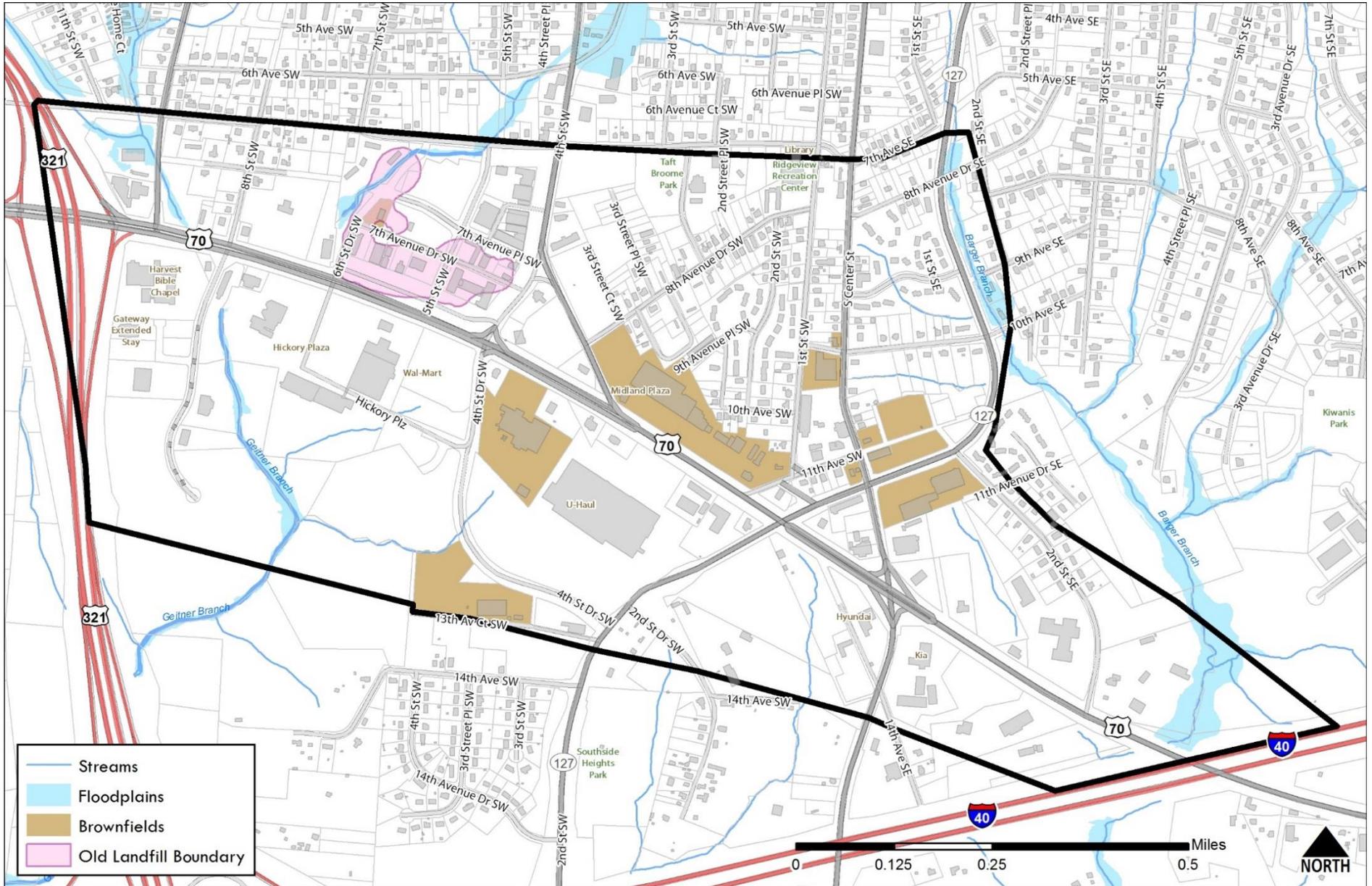
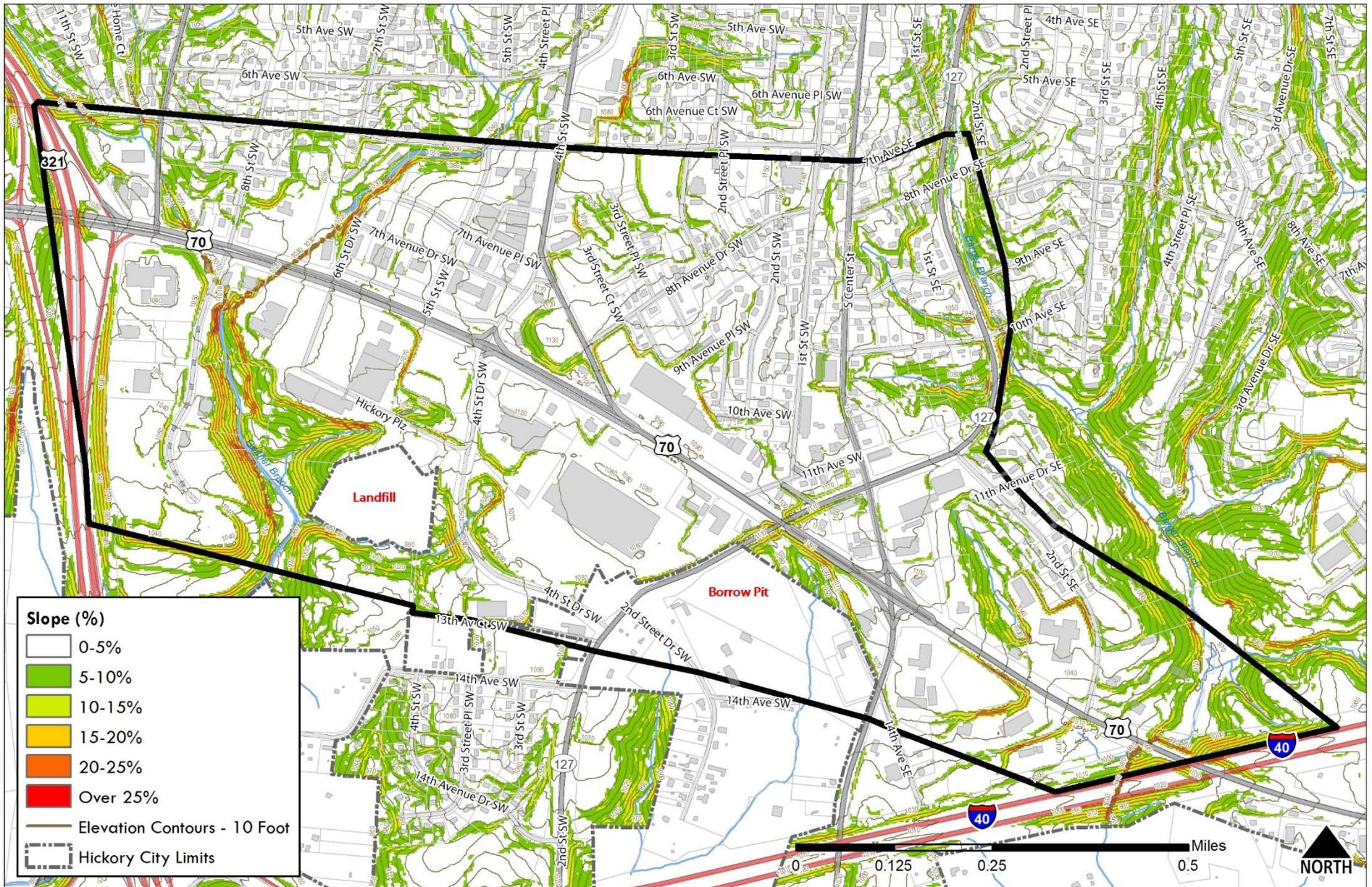


FIGURE 5 - TOPOGRAPHY AND STEEP SLOPES



COMMUNITY FACILITIES

Figure 6 - Community Facilities displays the public and civic facilities within the study area. Taft Broome Park, Ridgeview Library, Brown-Penn Senior Center, and the Hickory Ridgeview Recreation Center serve as a key recreation and public/institutional node on the northeast corner of the study area.

There are no schools within the study area. Students who live in the study area are bussed to schools throughout the city.

There is a concentration of public housing properties within the study area, with units located off S Center St and 2nd St SW. The presence of these properties has contributed to a concentration of low-moderate income residents in the study area.

Several small churches are located along S Center Street serving the local community. The Harvest Bible Chapel of Hickory is a large religious institution located off US-70 at US-321.

Some small nonprofit community development organizations are located in and around the study area, such as the Catawba County Partnership for Children at 738 4th St SW. Immigrant support organizations, such as the United Hmong Association office and Centro Latino office are located just outside the study area adjacent to Longview Elementary School.

WATER AND SEWER INFRASTRUCTURE

Figure 7 - Water and Sewer Infrastructure shows water and sewer lines within the study area. The City of Hickory provides both water and sewer service to the study area. Water and sewer capacity is sufficient for serving development in the area.

FIGURE 6 - COMMUNITY FACILITIES

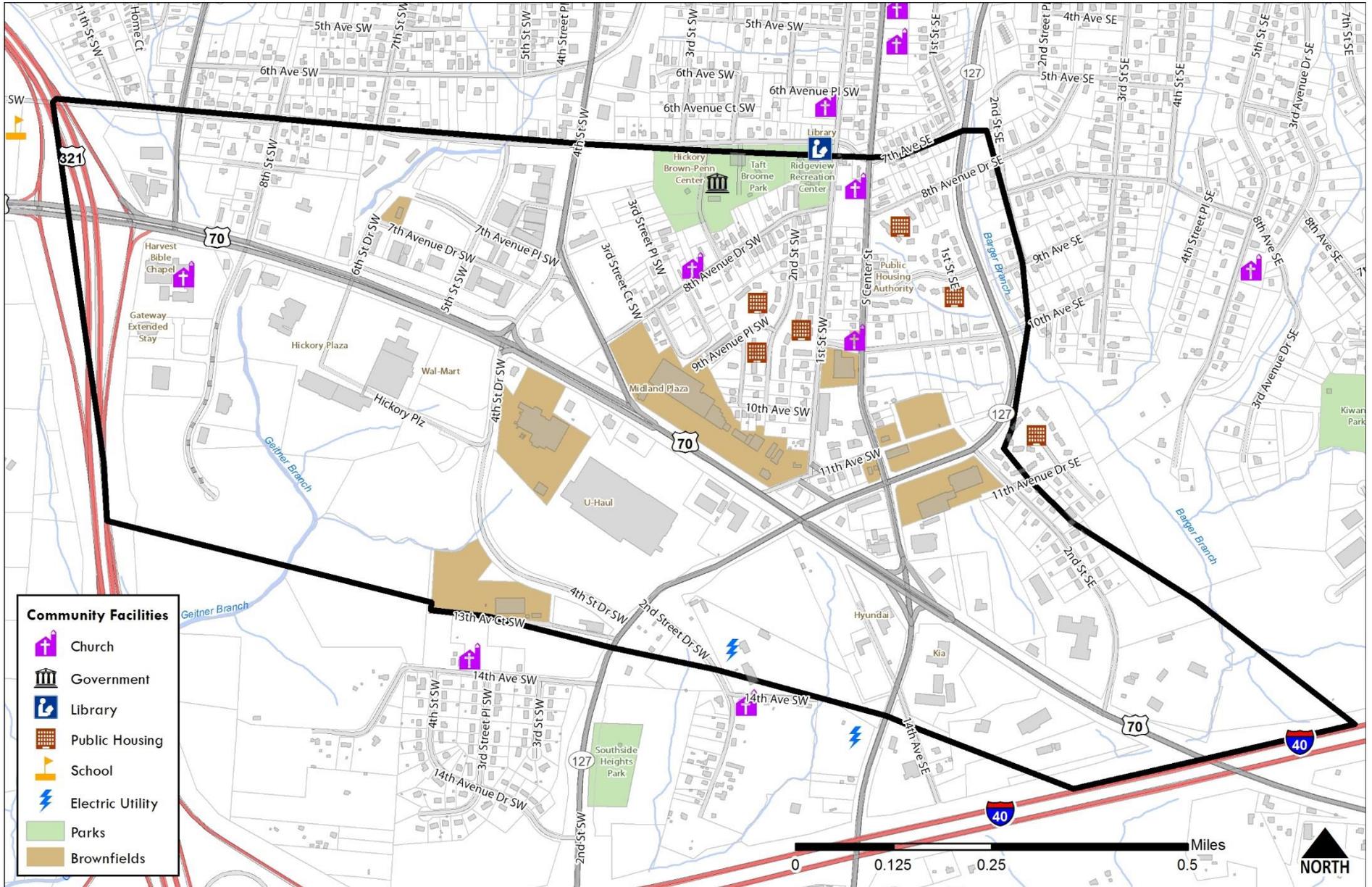
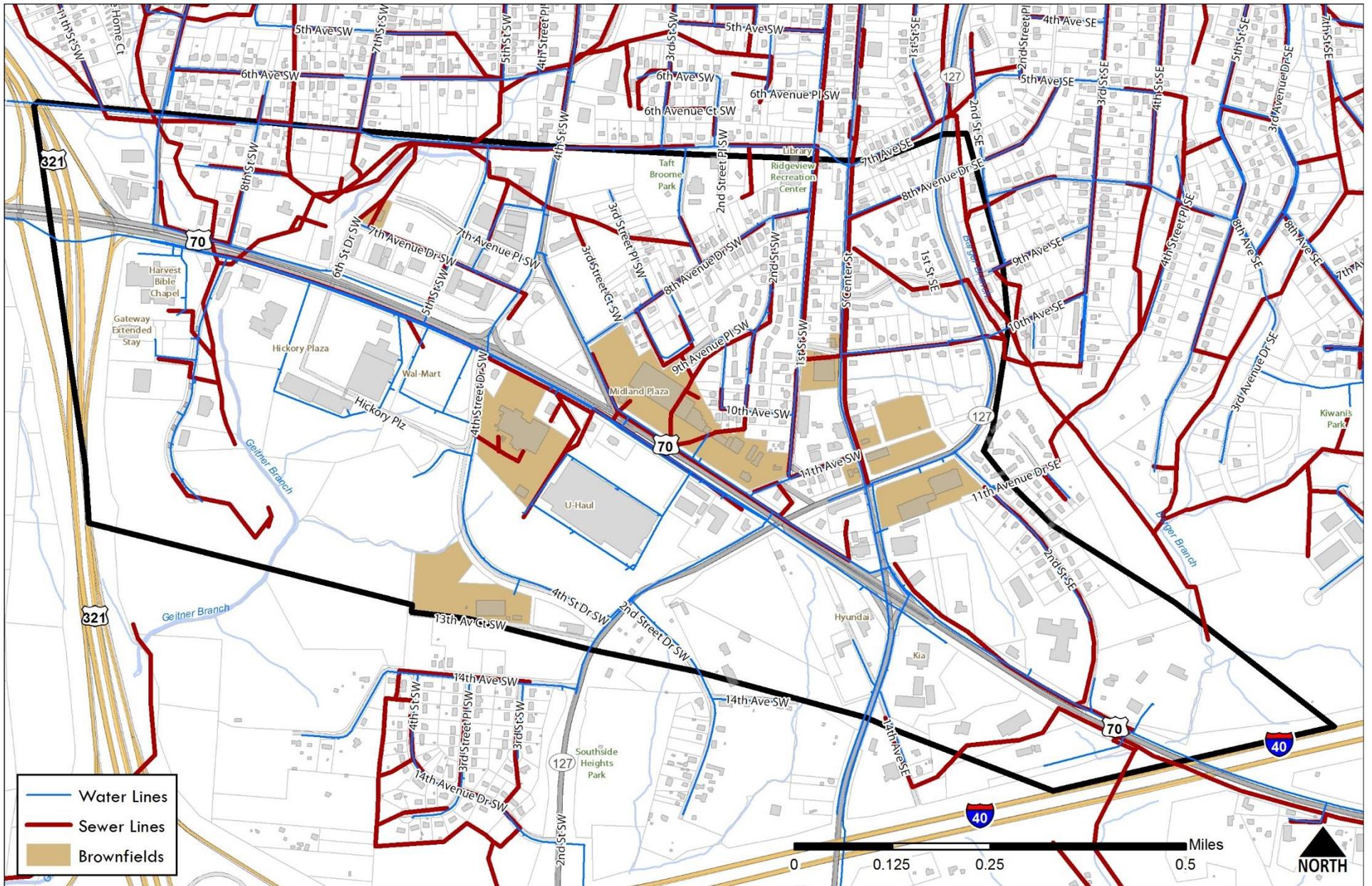


FIGURE 7 - WATER AND SEWER INFRASTRUCTURE



TRANSPORTATION INFRASTRUCTURE

Transportation infrastructure is both an important asset and challenge for the Southside Hickory Planning Area. The area has accessibility to several major regional transportation facilities. The Planning Area is adjacent to the interchange of two major expressways, Interstate 40 and US-321. This proximity to expressways provides the potential for regional logistics, warehousing, and office development. Likewise, as a major commercial thoroughfare, the US-70 corridor draws customers from regional traffic. However, the area also has relatively poor amenities for pedestrians and bicyclists. This auto-dominated landscape can negatively impact quality of life for residents and detract from the redevelopment potential of the area.

TRAFFIC

Interstate 40, forms the eastern boundary of the Planning Area and carries the greatest traffic volume, with an average of 67,000 trips daily. (See Figure 8 – Traffic) Similarly, US-321 forms the western boundary and carries approximately 39,000 daily trips. Both of these roads are developed as grade-separated limited-access expressways. Two major corridors running through the study area, US-70 and NC-127, are classified as principal arterials, under the NCDOT roadway functional classification. Roughly 17,000 cars pass through US-70 on a daily basis. US-70 is 4-5 lanes through the study area with a center turn lane or median. NC-127 is 4 lanes through the study area, but carries a lower traffic volume of 13,000-14,000 daily trips. It is currently operating under its design capacity.

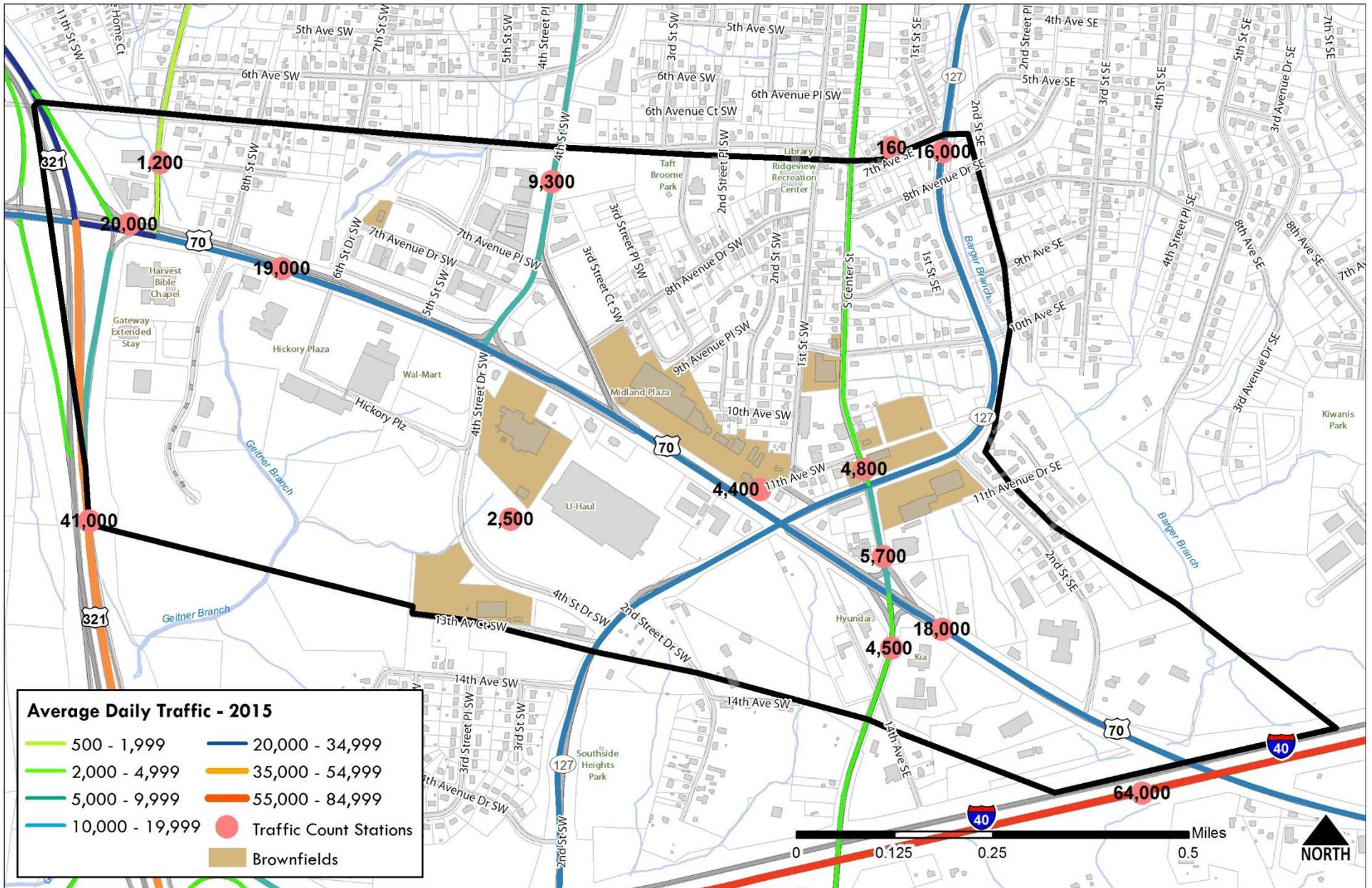


US-70 at US-321



NC-127 at S Center St

FIGURE 8 - TRAFFIC



PEDESTRIAN / BICYCLE INFRASTRUCTURE

Much of the Planning Area has limited or poor pedestrian and bicycle infrastructure. Despite the high traffic volume on US-70, there are only a few segments of sidewalks along the corridor. (See Figure 9 - Sidewalks) Furthermore, the lack of crosswalks and pedestrian signalization on US-70 contribute to potentially dangerous conditions for pedestrians and transit users. More continuous sidewalks are located along S Center St, NC-127, 1st St SW, and 4th St SW.

There are currently no bicycle facilities within the study area, such as on-street bicycle lanes or multi-use trails. However, bicycle lanes have been proposed on 7th Ave SW west of 4th St SW.

Figure 10 - Bicycle / Pedestrian Crashes shows traffic incidents within the study area involving bicycles and pedestrians between 2007 and 2013. During that time period there were several bicycle crashes along S Center St. In 2016 a pedestrian was killed while attempting to cross US-70.



Bus stop on US-70 with poor pedestrian connectivity



Bicyclists on S Center St at 11th Ave SW



Sidewalk and street trees on 4th St SW

FIGURE 9 - SIDEWALKS

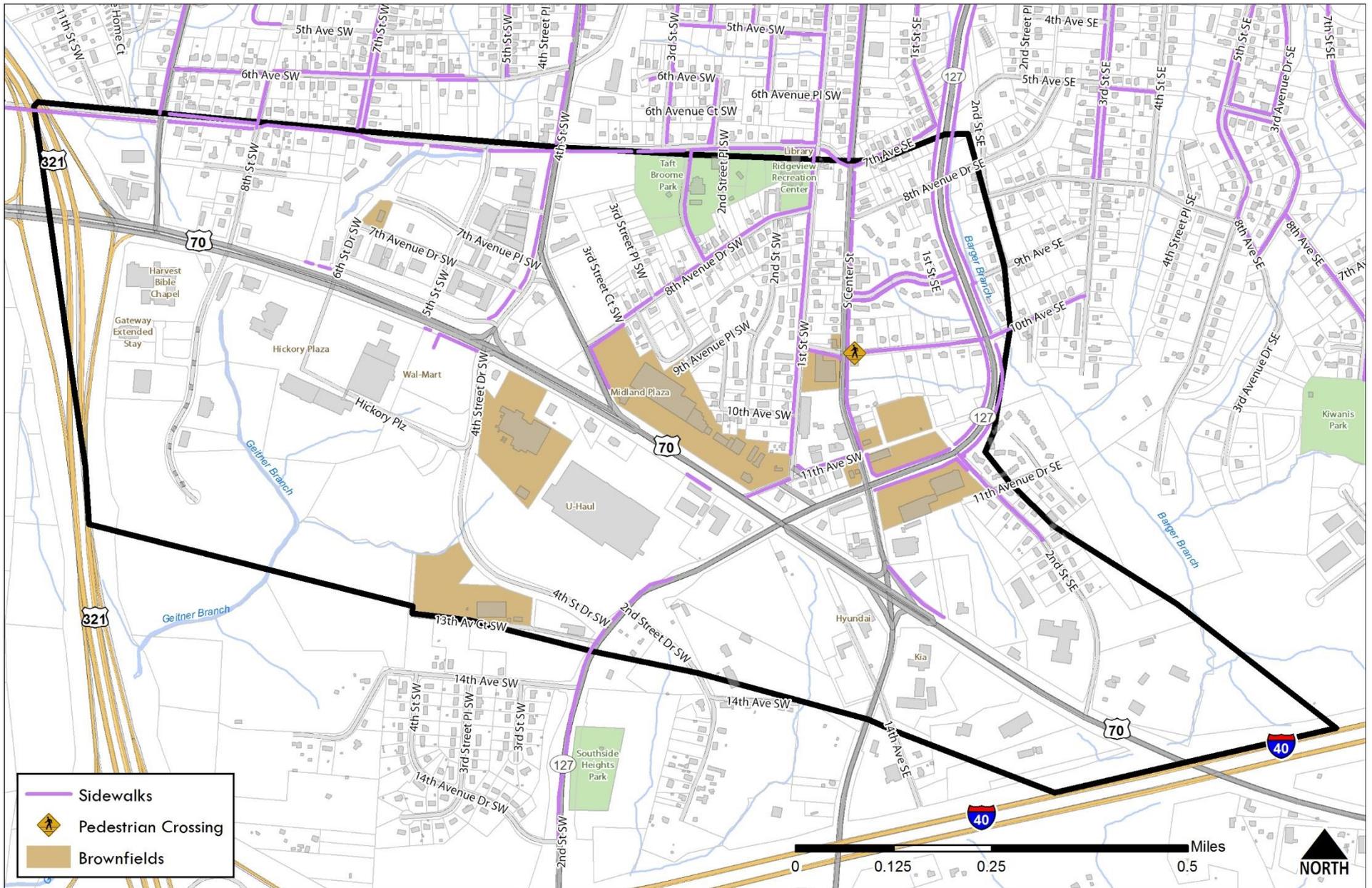
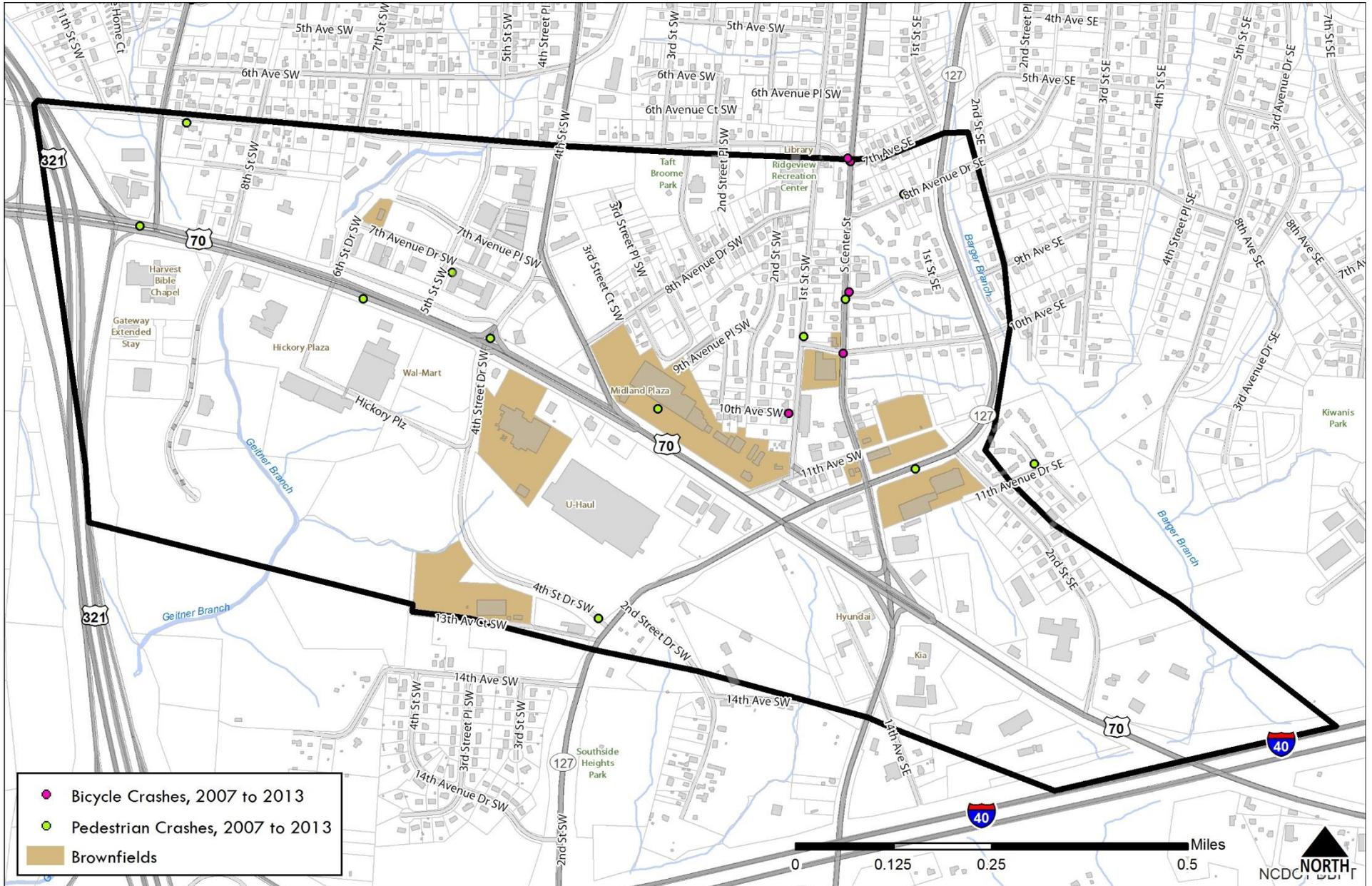


FIGURE 10 - BICYCLE / PEDESTRIAN CRASHES



LAND USE

The land use analysis focused on identifying developable land as well as potential redevelopment areas. Likewise, the zoning and currently adopted plans for the study area were reviewed to assess development potential and consistency with redevelopment concepts.

VACANT BUILDINGS AND UNDEVELOPED LAND

There are a significant number of vacant and underutilized buildings within the study area. (See Figure 11 - Vacant Buildings and Undeveloped Land) Several of the older strip shopping centers in the study area have experienced increased vacancies, including Midland Plaza and Hickory Plaza. These older shopping centers, including the former Mall site (currently U-Haul storage facility) also have significant amounts of large underutilized surface parking that could serve as a redevelopment opportunity. Several of the brownfield sites included in the Area-Wide Plan are vacant industrial sites, such as the former Pet Dairy, Contract Seating and Joan Fabrics properties.

ZONING

Zoning within the study area is primarily C-3 Regional Commercial along the US-70 corridor. (See Figure 12 - Zoning) Two smaller NC Neighborhood Commercial nodes are located along S Center St. Likewise, there are two nodes zoned for IND Industrial located along S Center St adjacent to the NC properties.

CURRENT PLANS

The Hickory by Choice 2030 Comprehensive Plan includes the city's currently adopted future land use map. Figure 13 - Future Land Use provides a close up version of this map focused on the study area. The US-70 corridor between US-321 and NC-127 is designated as a Revitalization Area. The intent of this designation is to promote redevelopment and increased economic activity by applying flexible standards and targeted incentive programs. In order to provide flexibility for redevelopment, this future land use category is potentially compatible with a range of zoning categories, including C-2, C-3, OI, R-4, and IND. The study area also includes Neighborhood Mixed Use along 4th St SW and at the intersection of S Center St and NC-127. This designation is generally compatible with small scale NC Neighborhood Commercial. The Ridgeview neighborhood is planned for High Density Residential, which can allow for R-4 High Density Residential and OI Office Institutional.

FIGURE 11 - VACANT BUILDINGS AND UNDEVELOPED LAND

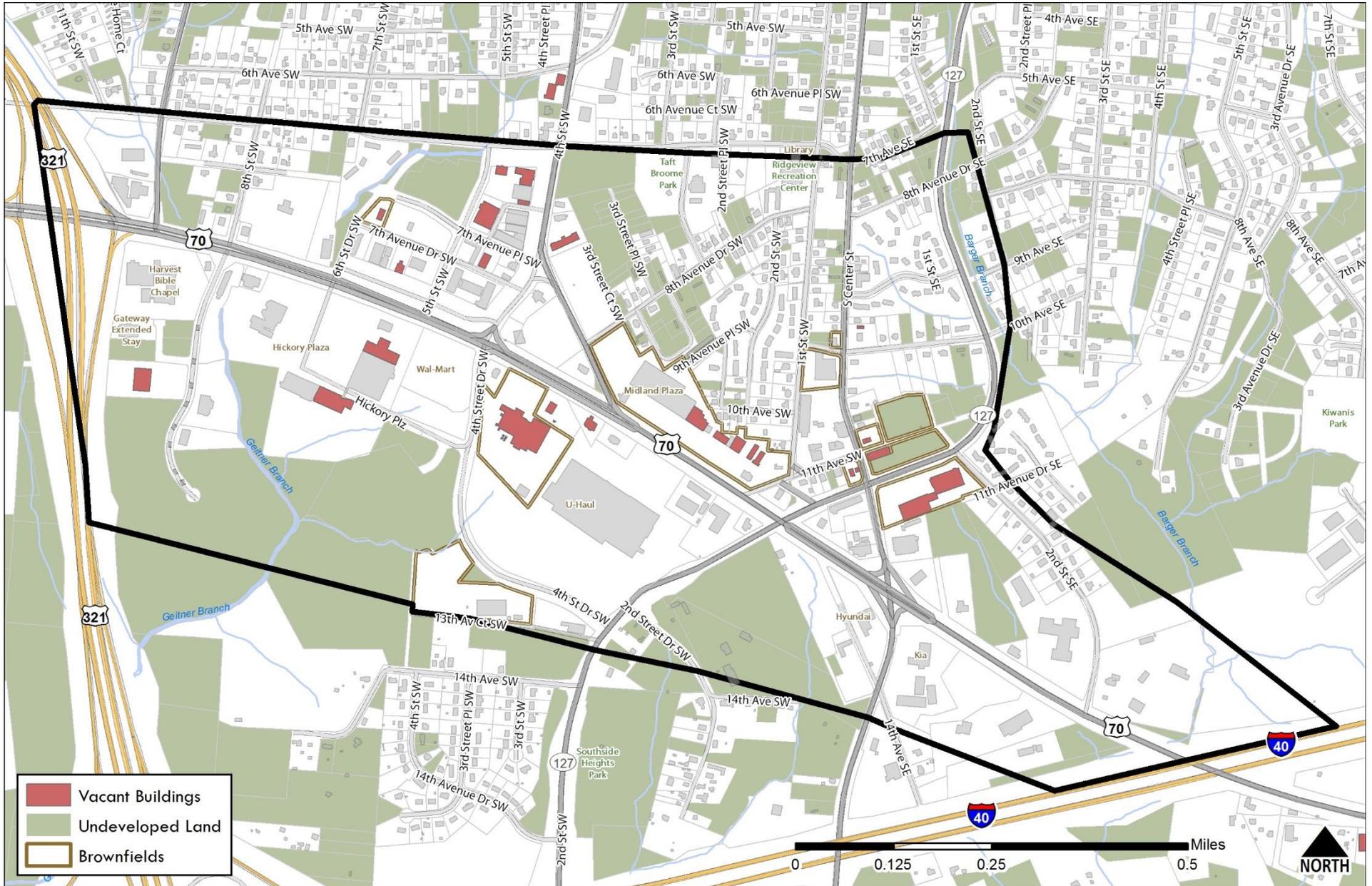


FIGURE 12 - ZONING

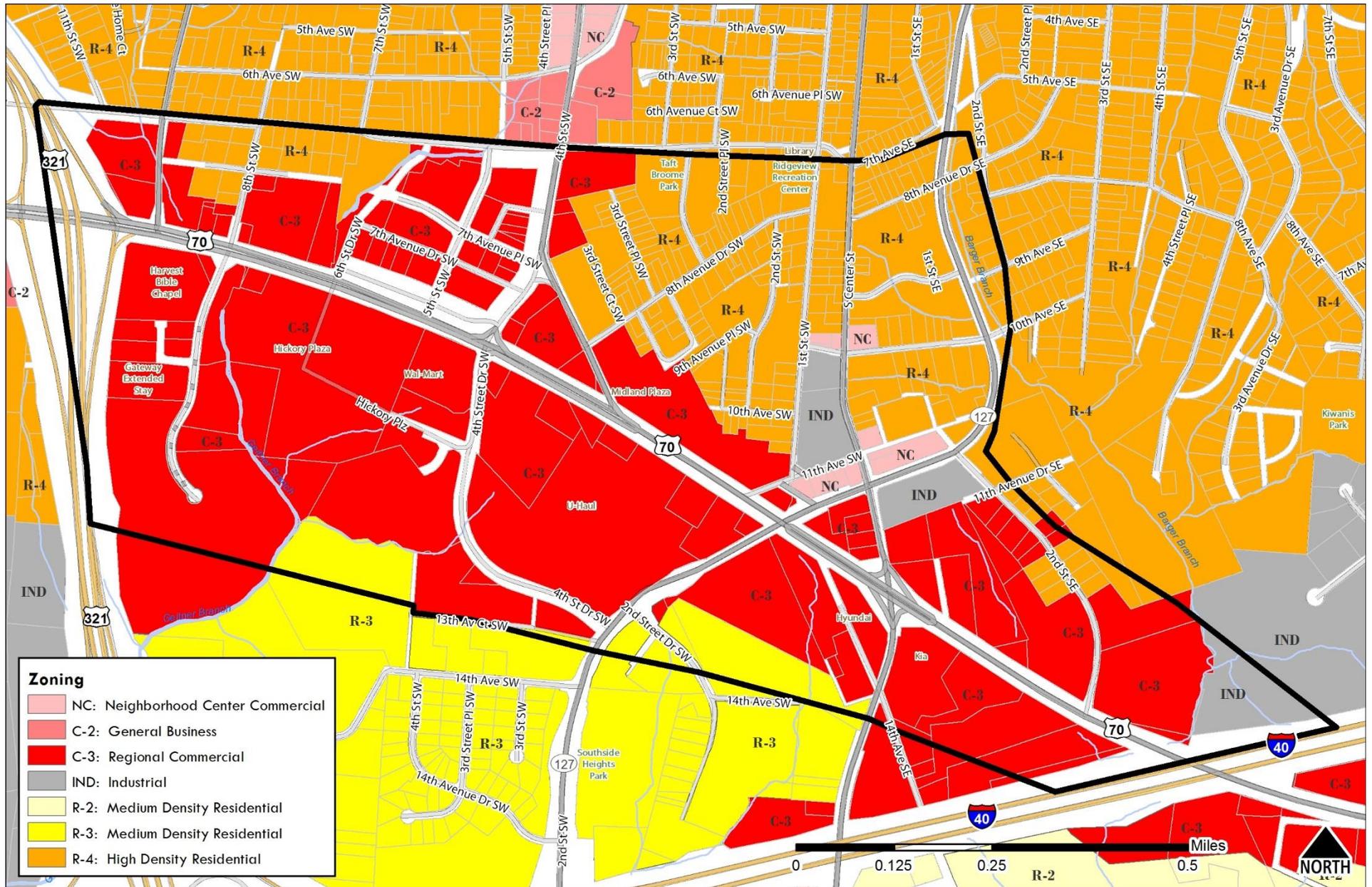
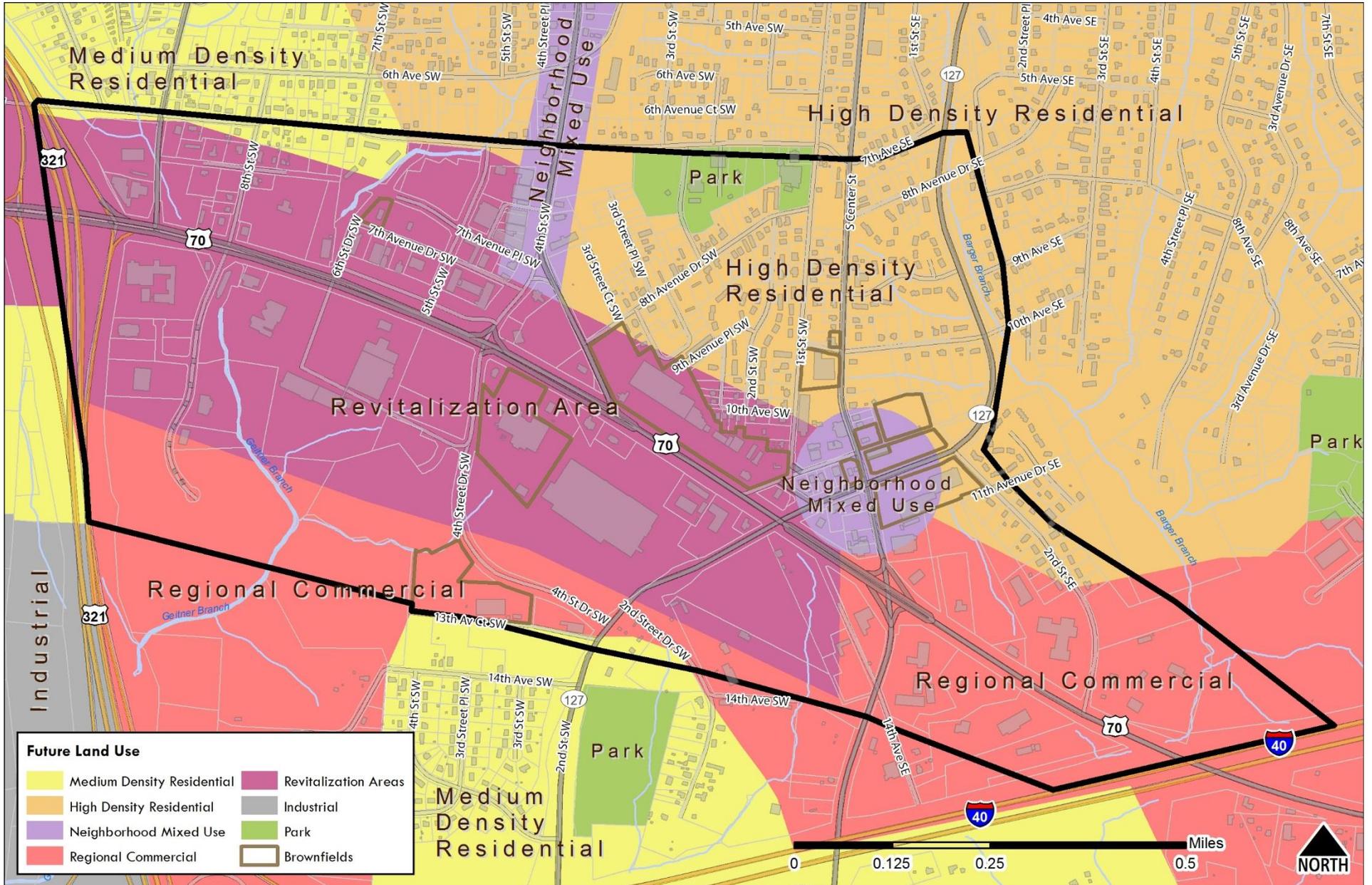


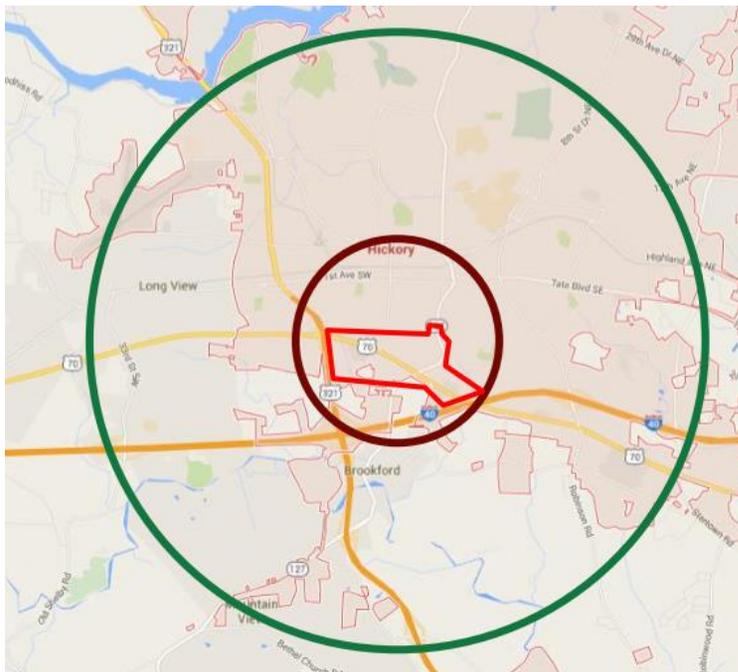
FIGURE 13 - FUTURE LAND USE



REAL ESTATE ANALYSIS SUMMARY

In order to determine the feasibility of various types of new development, a real estate market study was conducted. The primary market area for the study – the area from which the majority of real estate demand will emanate – included a 1 mile and 3 mile radius of the project area.

Based on local population, housing, and employment data as well as retail, office and industrial market conditions, the analysis identified potential future real estate demand over the next ten years. Key findings are presented here, with the full analysis presented in the Appendix.



DEMOGRAPHICS

Households in the local market area that surrounds the Southside Hickory Planning Area can be generalized as follows: slightly younger, more racially diverse and less affluent than households in other portions of Hickory. These characteristics will help to determine the future demand for real estate in the local area. However, given the proximity to major vehicular corridors, as well as a future greenway, demand for real estate in the Planning Area should also come from outside the local area to some extent.

HOUSING

Overall in Hickory there appears to be a potential lack of housing supply for the two growing age groups in the area: households age 25 to 34 and households age 65+. National trends show that these two age groups often seek similar housing options. Those options tend to include smaller (often attached) housing units in the form of townhomes and/or multifamily housing. Further, because these growing age groups are outside the typical highest-earning years for households, they often seek housing that is less expensive than they would during their late-30s, 40s and 50s. This home affordability is often found with smaller housing units, which fit the lifestyle of these groups, who generally have fewer children in the home. These groups are both increasingly seeking homes in walkable, higher density, locations. While the Planning Area is not characterized by its walkability in its current form, potential exists to insert higher-intensity housing in key locations. If executed properly, the Planning Area could attract housing that would be desirable to the growing age groups, creating a market opportunity in the area.

EMPLOYMENT

The Hickory economy has shown growth over the past five years, particularly in certain employment sectors. These higher-growth sectors include: Wholesale, Real Estate, and Professional/Technical Services, which are typically characterized by higher income jobs. The recent past and expected future growth in the Wholesale sector could create employment opportunities in the Southside Hickory Planning Area, as those jobs tend to locate in areas near interstates and other major transportation corridors. Currently, the Planning Area lacks modern buildings that would likely attract these types of jobs, but an opportunity likely exists to build new buildings on vacant land and/or to retro-fit existing structures in the area to meet the needs of Hickory's growing employment sectors.

MARKET OPPORTUNITIES

While the best market opportunities in the Study Area, as described above, are likely the development of higher-intensity housing and/or wholesaling operations, an additional opportunity may exist. A smaller-scale mixed-use/mixed-income development could likely find success north of US-70, specifically at the intersection with Hwy. 127, which is also the location of the highest concentration of brownfield sites. This type of development would likely need subsidies and/or the cooperation of the Hickory Housing Authority to fully succeed, but could fit into the plans for the redevelopment of public housing units in the Ridgeview neighborhood. This type of development could serve Ridgeview and the broader Southside Hickory area as a new walkable residential/commercial node.

While the opportunity for new retail in the area is likely very limited, new retail could find success if targeted properly to meet

the needs of the local consumers in, and near, the Planning Area. The development of the Walmart Neighborhood Market is an example of this type of "targeted" retail development. Future retail development in the area could come at a smaller-scale as part of the aforementioned mixed-use/mixed-income scenario.

STRATEGIES

In order to attract the attention of the development community to the market opportunities in the Southside Hickory Planning Area, three "big picture" strategies could be employed:

- a) Build-upon and highlight the unique/authentic/historical elements of the local area such as historic locations in Ridgeview, the mid-20th century architecture and "commercial hub" history of the US-70 corridor.
- b) Develop and enhance "active transportation" amenities in the area, such as bike/pedestrian linkages to downtown Hickory and the river, including solutions for crossing US-70 on foot and/or bike.
- c) Seek Brownfield redevelopment funding to act as a "market enhancer" for development. That is, there may be a gap between the actual financial returns achievable for development in the area and the type of returns developers would seek. Thus to attract private development, funding from a Brownfield revolving loan fund, or other funding or subsidy mechanism, may be necessary.

FUTURE DEVELOPMENT CONCEPT

The Future Development Concept for the Southside Hickory Area-Wide Plan includes a general vision for redevelopment as well as specific projects recommended to implement the plan. First, the Future Development Concept map outlines the overall, long-term vision for land uses and general development patterns within the Planning Area. (See Figure 14 - Future Development Concept). Next, specific short-term (five years or less) projects have been identified that are intended to catalyze redevelopment of brownfield sites and the surrounding community (see Figure 15 – Proposed Catalyst Infrastructure Projects).

FUTURE DEVELOPMENT GOALS

BOULEVARD THE HIGHWAY

- Change the character of US-70 from a uniquely auto oriented corridor to a “complete street” boulevard
 - Install streetscapes, including sidewalks and crosswalks at key intersections
 - Install street trees and a median along a key section of the US-70 corridor where mixed use redevelopment is recommended

CONNECT TO CITYWALK

- Plan for pedestrian and bicycle oriented streetscape improvements linked to the CityWalk greenway initiative
- Create a network of “Complete Streets” that accommodate multiple modes of transportation, including bicycles, pedestrians, cars, and transit

- Plan for traffic calming, such as roundabouts at key intersections

PLAN FOR PUBLIC HEALTH

- Counteract the perception of unhealthy conditions related to environmental contamination
- Create additional greenspace/parks in the area with fitness facilities and fitness related event programming
- Provide better bicycle/pedestrian connectivity among neighborhoods, parks and commercial/employment centers

CLEAN THE ENVIRONMENT

- Continue to pursue EPA grant funding for testing and cleanup of suspected brownfield properties
- Encourage environmentally friendly building design and construction with LEED certification for new development

CREATE A SENSE OF PLACE

- Improve the image of the community and create a sense of place.
 - Install gateway signage near US-70 @ US-321 and 4th St. DR SW @ Hwy.127
 - Create a rebranding campaign and specialized signage for the corridor
 - Install landscaping and street trees to improve aesthetics along the corridor

CREATE JOBS

- Encourage economic development in the study area that benefits the local community.

- Plan for industrial development opportunities, including the new warehousing and manufacturing uses
- Plan truck routes that would provide access to industrial sites without impacting neighborhoods or proposed mixed use redevelopment
- Attract new professional employment in the study area
 - Plan and zone for office / professional land uses
 - Work with the City of Refuge to develop headquarters office space in the study area
 - Stabilize existing office development and address potential sick building issues
 - Apply EPA grant funding to test sick buildings suspected of vapor intrusion issues related to past dumping activities

PROVIDE HOUSING OPTIONS

- Create a new housing options connected to or integrated with the mixed use redevelopment of older shopping centers
 - Encourage a blend of housing types, including single family residential, townhomes, condominiums, and apartments
 - Include higher density housing near mixed use commercial, with lower density townhomes and single family residential located adjacent to established neighborhoods
 - Encourage lifestyle housing concepts of active retirement and young singles
- Provide affordable housing options that can benefit the community

- Encourage mixed income redevelopment of public housing complexes
- Encourage the inclusion of an affordable housing component in new development, through tax credits
- Discourage concentration of public housing and Section 8 properties within any one neighborhood

RESTORE VILLAGE LIFE

- Provide land use, zoning and design flexibility that may encourage future redevelopment of older shopping centers into pedestrian oriented mixed use environments
 - Encourage the colocation of walkable “Main Street” retail with new high density condominiums and townhomes
 - Leverage public investments in streetscapes, parks, and plazas to encourage mixed use redevelopment
 - Plan for connectivity by breaking up large superblocks and reconnecting the urban grid
 - Encourage new buildings to be oriented close to the street with parking placed in the rear or side of the development
- Conduct community events and demonstration projects to build interest and support for redevelopment initiatives, proposed streetscapes, and new greenspace
 - Use large underutilized parking areas to hold events such as seasonal fairs and temporary park installations

- Install temporary streetscape elements to demonstrate and test potential reconfiguration of streets and intersections

FUTURE DEVELOPMENT PATTERNS

From a future land use and development planning standpoint, key emphasis should be placed on flexibility. The City land use plan and zoning regulations should be used to protect the Southside Hickory Planning Area from future uses and development that would be expected to negatively impact existing residents and the area as a whole. However, there is much to be gained by streamlining the process for approval of the wide variety of developments that would be considered compatible with the vision for revitalization. To this end, the core of the Planning Area is recommended for a “Mixed Use Center” future development pattern, with surrounding areas recommended for residential, commercial and office/industrial uses that are generally consistent with current uses.

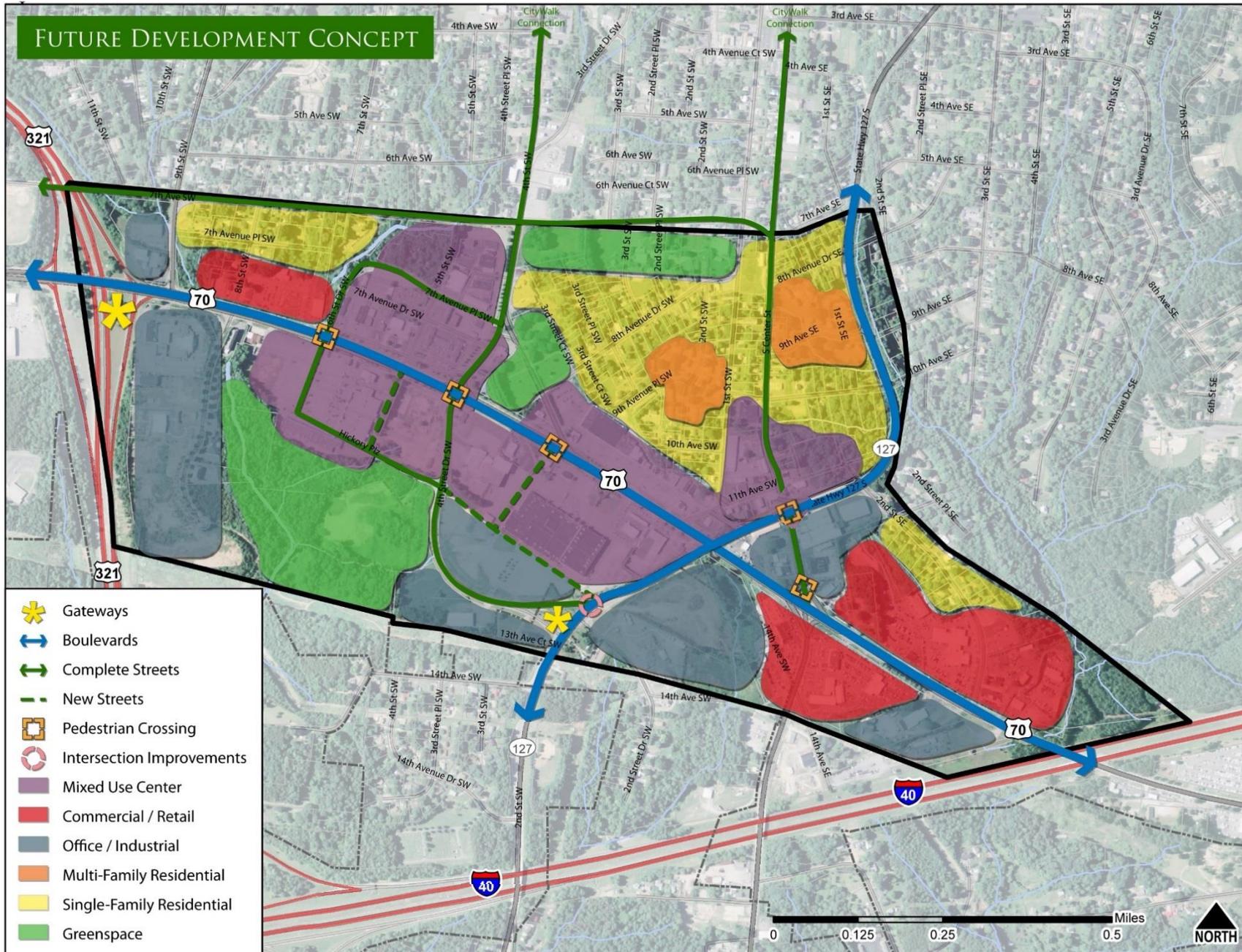
To achieve a true Mixed Use Center over time, as is envisioned for the US-70 corridor between approximately 4th Street Drive and the Highway 127 overpass, a significant amount of infill development and redevelopment will be required. The prevailing existing development pattern of commercial shopping centers with expansive surface parking lots lends to a variety of creative approaches to redevelopment. Existing buildings can be adaptively reused for different types of uses than traditional retail commercial, including recreation/entertainment uses, “back office” employment centers or even light manufacturing. Parking lots can be subdivided into blocks to support construction of infill residential or other uses. It is not expected that the market will drive a consistent type of redevelopment in this Mixed Use Center; rather there will be a wide variety of approaches to

redevelopment that should be supported by flexible planning and regulations.

On the north side of the US-70 corridor, beyond Mixed Use Center areas, the emphasis should be on neighborhood preservation, enhancement and residential infill development. Specific locations are identified for Multi-Family Residential either where higher density currently exists or where there is opportunity for compatible higher density housing, particularly at the neighborhood edge. A balance of many smaller (e.g. single-family parcel size) infill housing investments and a few major multi-family housing developments can result, over time, in a more dense and vibrant neighborhood environment.

To the east/southeast of the Highway 127 overpass, and also adjacent to the east of the US-321 interchange, recommended land uses are Commercial/Retail and Office/Industrial, generally consistent with existing conditions and uses. The automobile retail sales and service corridor that extends along US-70 from the Highway 127 overpass to well beyond I-40 is a true regional automotive commercial hub, important for the Hickory economy. And business park land along the east side of US-321 provides some employment and space for new job-creating businesses. These areas should be promoted for future economic development opportunities, and they will be bolstered by successful achievement of catalyst projects for infrastructure enhancement and brownfield redevelopment.

FIGURE 14 - FUTURE DEVELOPMENT CONCEPT



CATALYST INFRASTRUCTURE IMPROVEMENT PROJECTS

Public-funded infrastructure investments are one means to encourage private investment and revitalization. They are also important for general maintenance and upgrade of the systems and routes that serve the broader citywide population. Drawing from the previously described Southside Hickory Planning Area analyses and public input, several infrastructure improvement project recommendations are included in this Area-Wide plan. It is not intended or expected that these infrastructure project recommendations are comprehensive in addressing infrastructure needs in the Planning Area. It is intended that they serve as catalysts, providing visible evidence of community improvement and, in most cases, amenities to support and enhance quality of life in the Planning Area.

GATEWAY SIGNAGE

There is a major Southside Hickory (and city of Hickory) gateway location at the US-321 and US-70 interchange. A project is currently underway to complete design of gateway monument and associated landscape improvements oriented to traffic exiting US-321 onto US-70 eastbound. This planned improvement project is complementary to the objectives of the Southside Hickory Area-Wide Plan. Additionally, there is a gateway location at the intersection of Highway 127 and 4th Street Drive SW (south of the U-Haul facility). Future gateway signage, landscaping and monuments at this location should be compatible with the gateway design for US-321 at US-70.

CROSSWALK ENHANCEMENTS

A short range recommended project to improve walkability across the wide US-70 corridor is improvement to and/or addition of new crosswalks, including striping and pedestrian signals. Due to the width of the crossing distance, a design that includes pedestrian safety islands would be preferable. The most important factors are highly visible reflective striping, signage and user-friendly signals. Crosswalk enhancements are appropriate at the intersections of US-70 with 6th Street Drive, 4th Street Drive, and South Center Street, as well as the intersection of Highway 127 with South Center Street.



BICYCLE ROUTE

Bicycle route designation is recommended for a loop extending into the Southside Hickory and connecting north to downtown Hickory. Included streets are 3rd Street Drive, 4th Street, 8th Avenue Drive and 1st Street. The project would involve coordination for designation as a bicycle route, installation of signage, addition of “Sharrows” to pavement (where appropriate), and integration into coordinated streetscape and multi-use path plans.



BICYCLE LANES

Where adequate road width either exists or can be created through modification, the option of adding bicycle lanes enhances the environment for cyclists. Recommended streets for bicycle lane additions include 7th Avenue Place, South Center Street, Highway 127, 4th Street Drive, Hickory Plaza, 6th Street Drive, and 7th Avenue Place. In total approximately 4 miles of bicycle lanes are recommended within the Southside Hickory area, and should extend to connect northward into downtown Hickory via 4th Street and South Center Street.



Examples of Bike Route and Bike Lane signage and striping

STREETSCAPE DEMONSTRATION

As the key connection between Southside Hickory and downtown, 4th Street is recommended to receive an improvement project to establish a “Complete Street” environment, inclusive of travel lanes, bicycle lanes, sidewalks, landscaping and furnishings with associated signage. Notionally, a demonstration project would extend for approximately 0.25 miles, centered on 7th Avenue. Further project definition would be required to determine logical termini and specific complete street roadway section to be implemented.



SIDEWALKS

Where gaps exist, and in particular along US-70, sidewalks should be added to promote basic walkability in the Southside Hickory Planning Area. A total of approximately 2.5 miles of sidewalk construction is recommended for US-70 (north and south sides), South Center Street (between Highway 127 and US-70), and Highway 127 (across the bridge over US-70 and extending to the intersection with South Center Street).



Current end of sidewalk condition on Hwy 127 northbound at bridge

LANDSCAPED MEDIAN

To the extent possible, addition of a landscaped median to US-70 in Southside Hickory would greatly enhance the attractiveness and walkability of the area, including traffic calming and safety enhancement. Addition of medians is generally recommended for the stretch between 4th Street and the Highway 127 overpass. Design of median sections should be coordinated with plans for crosswalk improvements, and should be aesthetically coordinated with gateway design in terms of landscape planting.



MULTI-USE TRAILS

In conjunction with bicycle lanes and streetscape improvements, multi-use trails can provide enhanced pedestrian and bicycle infrastructure that extends from streets to parks/greenspaces and to adjacent neighborhoods. Multi-use paths range from 10 foot wide to 12 foot wide

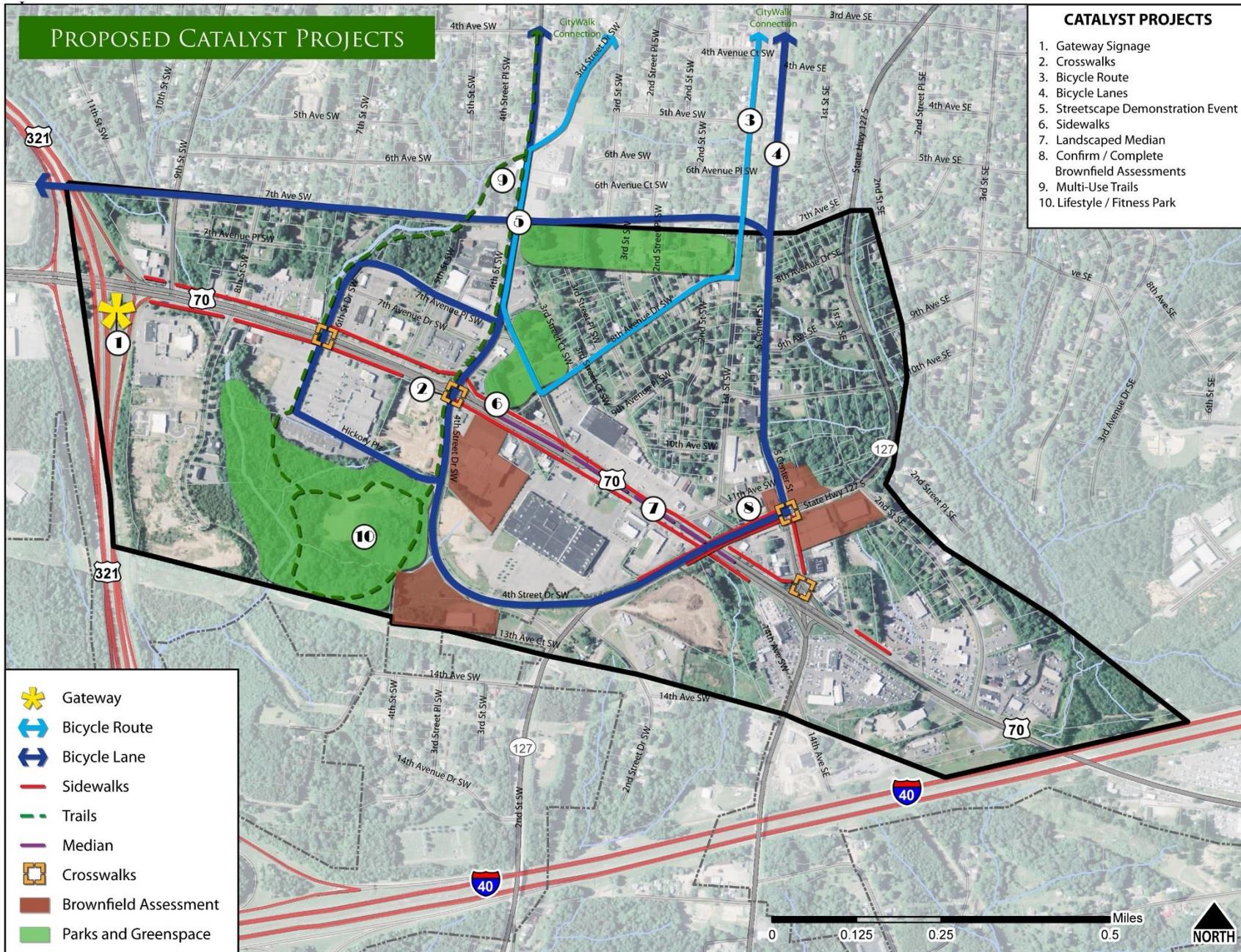
pavement sections, either concrete or asphalt, for 2-way bicycle and pedestrian traffic. Conceptually, an approximate 2 mile multi-use trail system is mapped for Southside Hickory, including trails within the proposed passive park in the southwest portion of the Planning Area to 4th Street at a point connecting to the 4th Street bicycle route.



PASSIVE PARK/GREENSPACE

The City of Hickory owns property in the southwest portion of the study area. With property acquisition and improvements, a passive park can be created on land that is, generally speaking, the least suitable for development in the Planning Area due to its topography and a creek/drainage corridor. In the long term, a passive park with multi-use trail connectivity to area commercial property and neighborhoods can be a key asset for the Southside Hickory area.

FIGURE 15 – PROPOSED CATALYST INFRASTRUCTURE PROJECTS



CATALYST BROWNFIELD SITES

The term “catalyst site” is used to describe specific property, or grouping of properties, perceived to have potential for redevelopment in the short term and, due to a variety of factors, added potential to inspire further redevelopment in the vicinity. Ten potential catalyst sites for brownfield redevelopment projects were identified through the Area-Wide Plan process (see Figure 3 - Study Area Brownfields). Of those ten, four have been studied further to determine feasibility as primary short-term opportunity catalyst sites. The following map shows location of all identified potential catalyst sites, and subsequent discussion presents additional detail about the four sites.

A financial feasibility analysis (see *Real Estate Market Study: Catalyst Sites Financial Feasibility Analysis* in the Appendix) considered a wide range of development and reuse alternatives for each of the four catalyst sites in the Southside Hickory Planning Area including:

- For-sale Residential
- Rental Apartments
- Senior Housing
- Retail
- Office
- Industrial

The analyses included creation of pro forma models for each site. Pro forma analysis includes the following factors:

- Evaluation of Costs vs. Revenues over time
- Testing of development scenarios

- Illustration of the financial feasibility of developing the suggested prototypes for a catalyst site
- Illustration of the impacts of market realities of development and the cost of the environmental cleanup on overall financial feasibility of the projects

Overall, the catalyst site financial feasibility analysis findings including a few key points. Overall, expected development costs make the proposed redevelopment concepts difficult to achieve given the revenue potential. Environmental clean-up costs makes the projects more difficult. Therefore, ways to mitigate costs through development incentive programs and other innovative strategies are likely to be needed for redevelopment of most sites.

Additionally, and of great importance to the potential for revitalization of the broader Planning Area, the potential to create jobs through redevelopment exists in two portions of the Planning Area. North of US-70 there is potential to create community-oriented jobs, possibly in partnership with outside philanthropic initiatives. South of US-70 there is potential to create larger-scale, regionally attractive jobs through redevelopment of larger sites for modern manufacturing, warehousing and distribution businesses. Successful brownfield redevelopment that results in job creation has the greatest catalyst potential in the Planning Area.

SITE A: SOUTH CENTER STREET @ HIGHWAY 127

Adjacent parcels on the north side of Highway 127 and on the east and west sides of South Center Street comprise Site A. Specifically, these properties can be described as the former gas station at 1110 S. Center Street, the industrial building at 1073 S. Center Street, and the auto parts warehouse at 1103 S. Center Street. The tested scenario is redevelopment for mixed-density residential use. Coordinated redevelopment of these properties would be expected to achieve multiple benefits, including correcting blight, addressing public safety concerns, adding quality affordable housing, and enhancing the adjacent community through designed compatibility. There is potential for phased development of a redevelopment concept, and potential for a partnership approach that helps meet public housing needs.



The illustrated redevelopment scenario results in 125 new mixed-income apartments on the total 4.4 acres of property, including amenities and a leasing office. Environmental clean-up requirements are estimated to be significant with removal of underground tank(s), removal of impacted soil, demolition of existing structures, and installation of vapor intrusion systems in new structures. Pro forma analysis



suggests that, if approached as a standard market-based redevelopment project, the internal rate of return would be in the range of 6% which is generally considered to be financially infeasible from an investment standpoint. A variety of incentives, including funding for environmental clean-up as well as tax credits associated with housing programs, would be required to achieve an internal rate of return adequately close to standards (approximately 15%).

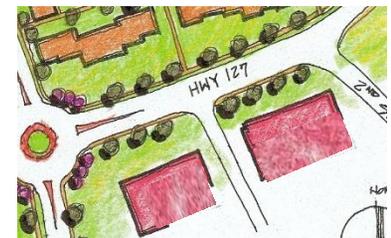
SITE B: FORMER JOAN FABRICS SITE

The Joan Fabrics site is a 4 acre parcel located along the south side of Highway 127, east of its intersection with South Center Street. There are existing industrial buildings on the property. The tested scenario is redevelopment for industrial use, including reuse of the existing building.



Successful industrial redevelopment of this property for the long-term (recognizing that there is current short-term use) would be expected to provide local jobs, enhance local market for wholesale business activity, and have minimal impacts or impediments due to good roadway access, existing use and zoning.

The illustrated redevelopment scenario results in over 40,000 square feet of renovated industrial building space appropriate for warehousing or light manufacturing. It is



estimated that environmental clean-up requirements would be limited to installation of a vapor intrusion depressurization system. Pro forma analysis suggests that reasonable rental rates would create a net operating income that would be adequate to cover estimated costs for a developer to acquire and renovate buildings and maintain a 15% internal rate of return. Thus the redevelopment scenario is estimated to be financially feasible.

SITE C: FORMER PET DAIRY

The Pet Dairy site is a 7.6 acre parcel located along the south side of US US-70 with address of 461 US-70 SW and frontage on 4th Street. There are existing industrial buildings on the property. The tested scenario is redevelopment for industrial use, including reuse of part of the existing building (high-bay portion). The site is highly visible, has strong access and potential for phased redevelopment. Successful redevelopment of this site can have the benefit of expanding local employment by helping to establish the area south of US-70 as a desirable location for distribution, warehousing and modern light manufacturing.



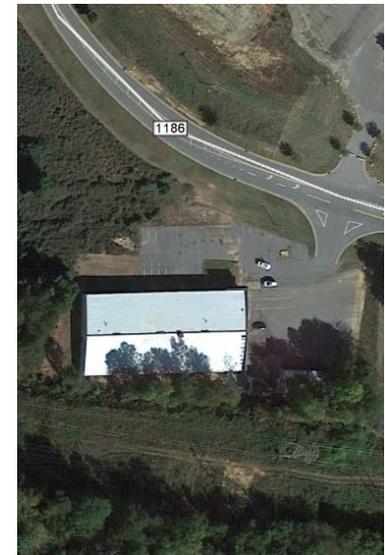
The redevelopment scenario results in over 130,000 square feet of warehouse/light manufacturing/flex space in a highly visible and accessible location. It is estimated that environmental clean-up requirements would be primarily associated with demolition

of portions of the existing structure (asbestos, hydraulic equipment, etc.) as well as vapor membrane barrier and vapor intrusion depressurization system installation. Pro forma analysis suggests that expected rental rates would not likely result in an internal rate of return that would be considered financially feasible, but achieving higher than anticipated rental rate or reducing redevelopment cost with incentives to reduce costs for acquisition, environmental clean-up, and construction cost could bring a project into financial feasibility range. Use of North Carolina Brownfields Program Tax Abatements program and other programs such as North Carolina Job Development Investment Grants would be critical to success.

SITE D: FORMER CONTRACT SEATING

The former Contract Seating site is an approximately 6 acre property on 4th St. Drive SW, to the south of the U-Haul facility on the former Hickory Mall site. The existing 23,000 square foot building is currently occupied by a light industrial/warehousing business. The tested scenario is redevelopment of the site with a larger industrial structure. The site has good access, appropriate zoning and is in an appropriate location to attract wholesale business development, or similar.

The redevelopment scenario results in a 70,000 square foot new warehouse/distribution facility on the 6 acre property. Though the existing 23,000 square foot structure is currently



in use and has potential for longer term use, the site is capable for a greater amount of development in the long term. A phased approach to redevelopment could maintain the existing building and add a second building, or maintain existing building to the end of its useful life then demolish and build a larger new structure. It is estimated that environmental clean-up costs would be very limited. As studied, the project is marginally feasible at rental rates assumed to be reasonable. Either higher than expected rental rates or incentives to offset development costs would be required to achieve industry standard internal rate of return levels.

IMPLEMENTING THE PLAN

INFRASTRUCTURE WORK PROGRAM

Programmatic level budgeting for infrastructure improvements is an appropriate first step to realize the opportunity of catalyst projects. Some recommended catalyst infrastructure projects are already planned or underway; this table captures those as well as recommended infrastructure enhancements that may not have been previously considered.

From a design standpoint, all recommended infrastructure enhancements should be viewed as highly visible projects, and a unifying design theme should be implemented.

Project Description	Year	Responsible Party	Estimated Cost	Funding Source
Gateway Signage (US 321 @ US 70, 4 th St. Dr. SW @ Hwy. 127)	2017-18	City	\$400,000	City Bond
Crosswalk Enhancements (US 70 @ 6 th St., 4 th St., S. Center St.; S. Center St. @ Hwy 127)	2017-18	City, NCDOT	\$250,000	City
Bicycle Route (3 rd St., 4 th St., 8 th , 1 st St.)	2018-20	City	\$25,000	City
Bicycle Lanes (7 th Ave., S. Center St., Hwy 127, 4 th St., Hickory Plaza, 6 th St., 7 th Ave. Pl. SW)	2018-20	City, NCDOT	\$100,000*	City
Streetscape Demonstration (4 th St.)	2018-20	City	\$1,000,000*	City/Grants
Sidewalks (US 70, Hwy 127, S. Center St.)	2018-20	City, NCDOT	\$750,000*	City/NCDOT
Landscaped Median (US 70 between 4 th St. and S. Center St.)	2018-20	City, NCDOT	\$500,000	City/NCDOT
Multi-Use Trail (4 th St., 6 th St., City-owned property south of Hickory Plaza)	2020	City	\$750,000*	City/Grants
Passive Park (City-owned property south of Hickory Plaza)	2022-25	City	\$2,000,000	City/Grants
Brownfield Assessments (Complete and/or Confirm – multiple sites)	2018-20	City	\$85,000	USEPA

*Note: Rough Order of Magnitude (ROM) Estimates are for planning level budgeting purposes, are not inclusive of potential right-of-way (ROW) acquisition requirements, and are not based on a design concept. Updated ROM estimates for each project should be developed following preparation of a detailed design concept and assessment of ROW requirements.

BROWNFIELD REDEVELOPMENT FINANCIAL PLANNING AND STRATEGY

The potential for successful redevelopment of key properties within the Southside Hickory Planning Area would be enhanced through supportive public-private partnerships. These partnerships could aid in several ways, from financing co-operation to regulatory assistance. There is a range of public agencies that could partner with private developers to enhance development opportunities including, but not limited to, the City of Hickory, the State of North Carolina, the federal government, the Catawba County Economic Development Corporation, the Catawba County Chamber of Commerce and the Western Piedmont Council of Governments.

Barriers to redevelopment in the Southside Hickory area are primarily market driven, secondarily cost driven. Regardless of brownfield impacts, in the current market the potential redevelopment projects in the Planning Area may not generate a return on investment adequately comparable to other areas. Achievable revenues for end products (rents or sale prices) are typically lower in the Southside Hickory Planning Area and trends suggest there is less potential for long-term appreciation. Financial assistance to address brownfield cleanup costs is important for specific sites, but will not necessarily improve the short term redevelopment prospects relative to the much broader market conditions that may discourage private investment in the area.

Layering on brownfield complications makes redevelopment in the area more difficult, but public-private partnerships can help to mitigate some of these challenges. It can be difficult for a developer to secure acquisition financing for a brownfield site until liability and the regulatory burdens are fully quantified.

From a developer's perspective, added uncertainty regarding remediation costs, the increased time required to address environmental impacts, and the inability of individual projects to change the market settings around them are key barriers to investing in smaller projects in a marginal market location, as is the current condition of sites under consideration in this study. If comparable investment alternatives exist in the local area that do not require the added time and risk associated with brownfield sites, investment capital will seek lower-risk alternatives first.

State tax incentives for brownfield cleanup are helpful, but in some cases they do not flow to the entity that is incurring the added cleanup costs. In any case, more and improved financial incentives are likely needed to attract private equity and investment for catalyst sites redevelopment. These incentives may include:

- Federal Grants, including Community Development Block Grants
- North Carolina Job Development Investment Grants
- Tax Increment Financing (TIF)
- New Markets Tax Credit (NMTC)
- Low Income Housing Tax Credits (LIHTC)

It may be necessary to create a well-capitalized development authority that can acquire sites, assume environmental liability from property owners, begin to change the market perceptions of the area and create the potential for developers to achieve adequate financial returns. Often TIFs provide opportunities to offset hard development costs and this strategy, among others,

could directly incentivize early catalyst redevelopment projects in the area.

A complicated and bureaucratic approval process can impact the redevelopment potential for a site, particularly if brownfield clean-up is necessary. To overcome these challenges a range of solutions should be explored. Expedited regulatory review process with fast track approval for particular sites or a larger area may spark interest from the private sector. Further, local governments that provide a clear outline of the existing policy framework regarding local entitlements and assistance with state and federal regulatory requirements can ease the bureaucratic burdens, real or perceived, for potential brownfield redevelopment.

Local leaders may consider the creation of a state and/or local government sanctioned agency that is charged with redevelopment of the Southside Hickory Planning Area. Such an agency, which may include both public and private sector members, could facilitate acquisition of property by state and local legislation, purchase of sites on the free market, the formation of a “land bank” through parcel assemblage, and/or parcel clean-up or a revolving loan fund for redevelopment. The redevelopment agency could assume environmental liability on brownfield properties with the goal to get sites to the point where existing structures are abated and/or demolished and soil remediation is complete.

Other possibilities include an overlay district and/or a Community Improvement District (CID) in which property owners in the area pay into a fund for public safety, lighting, public property cleanup and implementation of other community improvement programs that could in turn, help to attract additional private sector investments. Overall, a combination of

multiple strategies and “tools” will be required to accomplish redevelopment of brownfield sites in the Southside Hickory Planning Area, and the correct combination will differ according to site and market conditions at the time.

ONGOING COMMUNITY ENGAGEMENT

Continued outreach and communication by the City within the community is key to the future implementation and success of the Southside Hickory Area-Wide Plan. During the planning process, strong interest was shown by members of the community to have consistent engagement and opportunities to learn about and influence planning outcomes. Ongoing communication will instill a sense of stability and help members of the community maintain awareness and track progress of future plans. Following are community engagement recommendations for consideration.

- Expand the membership of the BAG committee to include broader perspectives that can inform planning outcomes. Many agencies, organizations and individuals have both a direct and indirect impact on the future of the Southside Hickory area and could assist with and benefit from being involved with the Advisory Committee. Additional resources could be leveraged by involving local, state and regional agencies as well as institutions in the future of the area. Recommendations for additional members should be coordinated with the City.
- Conduct quarterly BAG committee meetings with updates to the progress of Area-Wide Plan implementation. If possible, establish set dates and times for early coordination. Additionally, extend invitations to elected officials including local, state and

federal to learn more about the Brownfields program and redevelopment initiatives and, where possible, to assist with resources.

- Explore with active and interested community members the opportunities and benefits of establishing a non-profit community housing development organization (CHDO) that will enable local stakeholders to manage neighborhood level projects and programs. Such an organization will require extensive training and capacity building through possible resources from area institutions and agencies. Many examples of prototypes exist and can be initially coordinated with direction from the City.
- Conduct annual (or more frequent) community public meetings with updates to the progress of the Area-Wide Plan. If possible, establish set dates and times for early coordination. Additionally, extend invitations to elected and appointed representatives including local, state and federal to learn more about the Brownfields program and redevelopment initiatives.
- A communication database was established during the planning process and includes contact information residents and other stakeholders who participated. The database should be expanded as involvement grows. Additionally, add all elected and appointed officials from the local, state and federal levels to the list. This will ensure greater awareness with representatives who may not otherwise be engage

APPENDIX

1. COMMUNITY ENGAGEMENT DOCUMENTATION

COMMUNITY ENGAGEMENT PLAN

BROWNFIELD ADVISORY GROUP MEETING SUMMARIES

PUBLIC WORKSHOP INPUT

PROJECT WEB PAGE

PROJECT FLYER

2. SOUTHSIDE PLANNING AREA REAL ESTATE MARKET STUDY

3. CATALYST SITES FINANCIAL FEASIBILITY ANALYSIS

COMMUNITY ENGAGEMENT PLAN

PROJECT OVERVIEW

In May 2015, the City of Hickory was awarded a Brownfields Area-Wide Planning Grant by the US Environmental Protection Agency (EPA) for its Southside project area along the HWY 70 corridor in Southwest Hickory (see attached **Figure 1** for study area map). EPA's Brownfields Area-Wide Planning (BF AWP) Program enables a local community to develop a plan for assessing, cleaning up and reusing high priority brownfield sites. The area-wide plan addresses local environmental and public health challenges related to brownfields and benefits underserved or economically disadvantaged communities.

The Southside Hickory study area is a portion of the Urban Revitalization Area (URA) as approved by the Hickory City Council and outlined in the *Hickory by Choice 2030 Comprehensive Plan*. The URA incorporates the city's rail corridor, surrounds several disinvested roadway corridors, and incorporates several older and predominately minority neighborhoods. The URA contains the vast majority of Hickory's underutilized, abandoned, and/or idle buildings. The city's goals for the area include:

1. providing access to community services, education and health care options;
2. improving efficiency in resource consumption and service provision;
3. distributing services and costs equitably;
4. encouraging infill development and prioritization of infrastructure improvements within the central city, and
5. improving water quality through education and best management practices for surface water runoff.

COMMUNITY ENGAGEMENT

Community-based involvement is an important element of the planning process. Public awareness and input will help identify community priorities for near and long-term cleanup and reuse of brownfield sites. As such, outreach techniques that are employed will target broad participation by local stakeholders.

This Community Engagement Plan serves as a guide for community outreach efforts in the project study area. The following public participation tools and techniques will be used during the study process; however, it is important that this plan remain flexible for adjustments that may be needed to ensure the public is sufficiently informed and engaged.

BROWNFIELDS ADVISORY GROUP (BAG)

The re-convening of the existing Brownfields Advisory Group (BAG) is an important step toward informing and guiding the planning process. Hickory's previous Brownfields Assessment Grant (awarded in 2012) was governed by a Brownfields Advisory Group that contains many of the project partners for the Area-Wide Planning Grant. The BAG advised city staff regarding prioritization of brownfield funding during the assessment grant process, provided recommendations to the Hickory City Council on future funding for brownfield activities, and acts as leaders within the community to raise awareness about the issues brownfields pose in the community.

The committee is being re-configured to include representatives from local community associations, business and property owners, youth groups, the Chamber of Commerce, the Hickory Housing Authority, and other community partners in the project area. The reconvened BAG includes representatives from the following organizations:

- Western Piedmont Council of Governments (WPCOG)
- City of Refuge Community Development Center
- Concerned Citizens of Ridgeview
- Hickory Housing Authority Chamber of Commerce Friendship Baptist Church
- Paramount of Hickory Exodus Homes Local realtor/appraiser
- Moss Marlow Construction Green Park Neighborhood Centro Latino
- Hickory Board of Education

The role of the BAG committee is to:

- obtain advice on the most effective and appropriate outreach methods,
- to identify stakeholders and groups for participation,
- gain feedback on the process, and
- serve as project liaisons to the community.

The BAG committee will meet up to five times at key milestones during the study process. All meetings will be documented and posted to a project web page on the city web site.

STAKEHOLDER INTERVIEWS

Stakeholder interviews and focus groups will be used as one-on-one and small group discussions, respectively, with an individual or organization recognized as a community leader, elected or appointed official, agency staff member, or neighborhood activist to provide input on the issues and process of the study effort. The stakeholders and number of stakeholder interviews and focus groups to be conducted will be identified in concert with city staff and BAG, and will represent a variety of perspectives.

The main purpose of the focus groups and interviews is to provide an early exchange of information on project goals, objectives, and the study process. Recommended agencies and organizations to interview include, but are not limited to, the following:

- Southside Heights Neighborhood Association
- West Hickory Neighborhood Association
- Green Park Neighborhood
- Concerned Citizens of Ridgeview
- Ward 4 Faith Leaders Group
- Hickory Branch NAACP
- Hickory School Board
- Youth groups
- Hmong community
- Habitat for Humanity
- Hickory and Catawba Home Builders Association
- Board of Realtors
- Major commercial realtors
- Owners of large properties in the study area

PUBLIC WORKSHOPS

The project will include a multi-day charrette/design workshop, held within or near the project area. Several community engagement activities will occur throughout the workshop, including a kick-off community event, open focus group meetings during the day, evening pin-up sessions, and community presentations. This multiday time period allows for the most efficient opportunity to meet with a large number of interest groups and citizens, gather their vision, and produce a detailed series of high quality recommendations, plans and renderings that accurately reflect the vision of the community. Also, by setting up the workshop in the vicinity of the project area, it provides easier access to the businesses and the residents and allows the team direct access to the catalyst brownfield sites during the design stage of the project. Another benefit of this method is that it captures and maintains the public's attention in a collapsed timeframe which generates quality input and feedback.

A final public meeting introducing the design concept(s) will be conducted to confirm the support of the BAG and affected public. The final concept(s) will be placed on display at the local library and on the project web page. Advertising for all workshops and meetings will include a variety of techniques such as media, flyer distribution by hand to public locations, e-mail, direct mailings, door-to-door and social media where appropriate. All advertising will occur at least two weeks in advance. Members of the BAG will also assist with bringing awareness to scheduled events.

COMMUNITY EVENTS

Maximizing opportunities to receive input and feedback will occur throughout the process will include the team's participation in locally held events and activities. Early in the process, the team will seek out events sponsored and conducted by the community to share and distribute project information. These events may include festivals, school events, places of worship activities, and others. Specific examples include:

- Seasonal Farmer's Market
- Faith Based Services
- Meetings of Neighborhood Associations
- Hickory Young Professionals (part of the Chamber of Commerce)
- City of Hickory's Youth Council

NEWSLETTERS

Project newsletters will be prepared at key milestones in the process to share information about the project status. Newsletters will provide articles on the overall project process, information about the catalyst sites, project schedules, and other relevant information. These newsletters will be posted in community centers, libraries, businesses, places of worship and other civic buildings in or near the project area. Newsletters will also be posted on the official city website and placed at City Hall. Up to three newsletters will be produced for distribution during the process.

WEBSITE AND SOCIAL MEDIA

The project will take full advantage of the broad reach offered by the Internet and social media to ensure the public is informed and has meaningful opportunities to be involved, particularly with the youth in the study area. Public notices, maps, reports, and other relevant documents for public review will be posted on the City of Hickory website, and project announcements will be shared on the city's social media platforms. A project email address will be established to encourage on-going feedback with the community.

CONTACT DATABASE

As the process progresses, a database of contacts will be developed and maintained to assist with communications. This database will contain a mailing list and email distribution list including local and regional officials, local businesses and organizations, advocacy

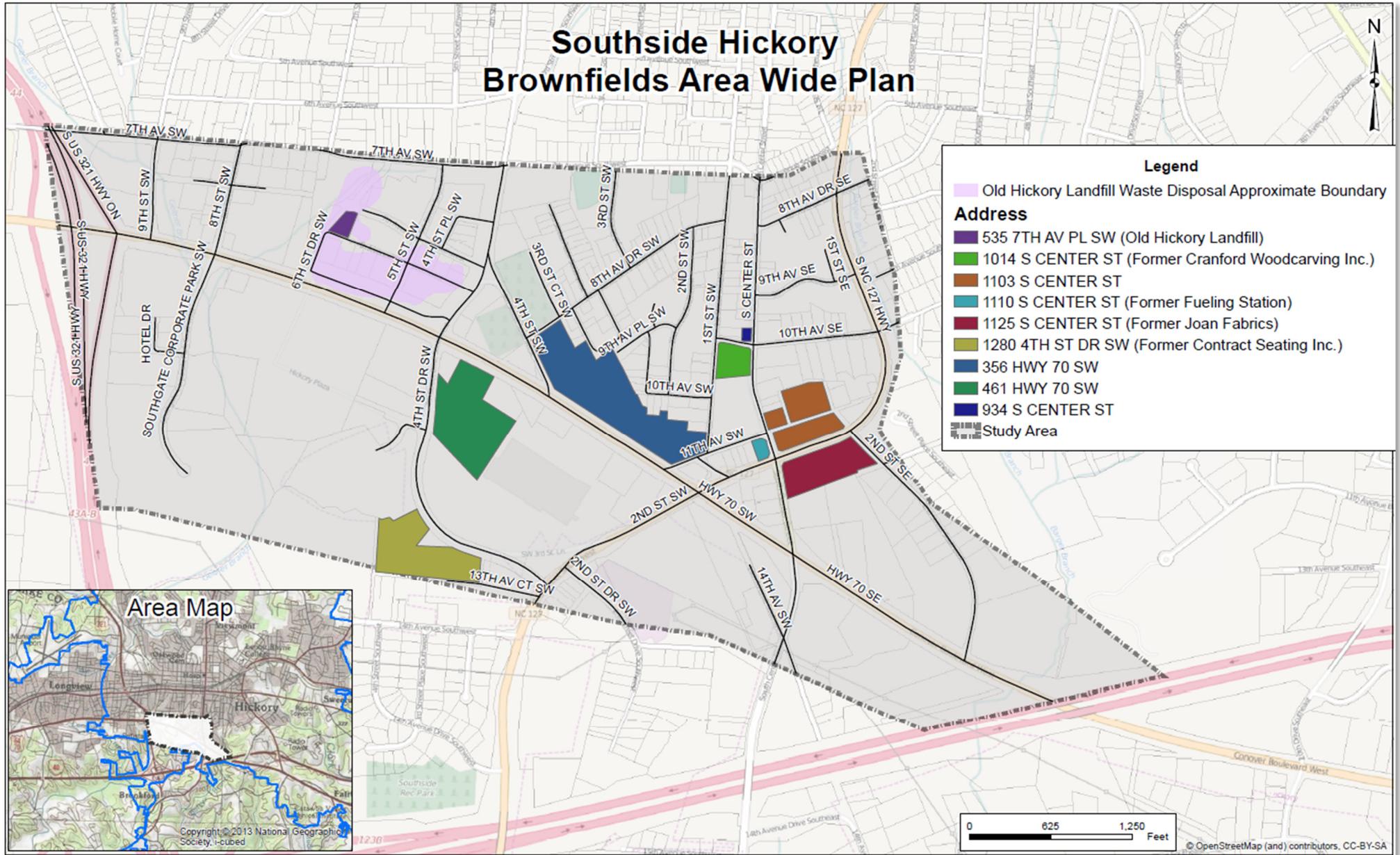
groups and the general public. The list will be updated during the course of the process with contact information provided by sign-in sheets from public meetings, phone calls, emails, and other correspondence.

DOCUMENTATION

Documenting all aspects of the community engagement process will help to maintain continuity in project decision-making. Outreach tasks will be documented to ensure the integrity of the project memory, and documents will be posted to the project web page on the city's website. The following deliverables will be included:

- Community Engagement Plan
- Brownfields Advisory Group Meeting Summaries
- Charrette and Workshop Summaries
- Presentations and Newsletters
- Website Content

FIGURE 1: STUDY AREA MAP



**Southside Brownfield Area-Wide
Planning Grant Project
Brownfields Advisory Group (BAG) Meeting 1
February 17, 2016**



MEETING SUMMARY

COMMITTEE ATTENDEES

John Wear, Western Piedmont Council of Governments (WPCOG)	Danny Jordan, Paramount of Hickory
Danny Hearn, Chamber of Commerce	Angela Heard, City of Refuge Community Development Center
Rev. Susan Walker, Exodus & Green Park Neighborhood	Ruth Trott, Centro Latino

HICKORY PLANNING STAFF AND CONSULTANT ATTENDEES

Brian Frazier, Hickory Planning and Development Services	Dave Leonetti, Hickory Planning and Development Services
Cal Overby, Hickory Planning and Development Services	Sarah Prencipe, Hickory Communications
Lee Walton, Amec Foster Wheeler	Harold Thurston, Amec Foster Wheeler
Paige Hatley, Amec Foster Wheeler	Inga Kennedy, PEQ

WELCOME AND MEETING PURPOSE

Brian Frazier, Director of Planning and Development Services for the City of Hickory, opened the meeting by welcoming the attendees and asking everyone to introduce themselves. He explained the purpose of the project, which is to identify redevelopment opportunities at specific brownfield locations in the study area, and discussed the grants received by the City to implement the process. Brian stressed the importance of the BAG's participation in the process and the various perspectives necessary to a successful process. He then introduced the Amec Foster Wheeler consulting team members and turned the meeting over to Harold Thurston, Project Manager with Amec Foster Wheeler.

PRESENTATION

Harold provided a historical overview of the brownfields program in Hickory and illustrated the targeted properties that will be analyzed in this study. The presentation was then turned over to Lee Walton with Amec Foster Wheeler who discussed the details of the planning and analysis component of the study process and how the information can be used to market the properties and the area. He also shared the project schedule and proposed meeting dates for the BAG.

Lee turned over the presentation to Paige Hatley with Amec Foster Wheeler who discussed the community engagement component of the study which includes the BAG. She emphasized the importance of having strong community input as a part of the planning process and the support needed from both the residential and business community to maximize the opportunities that exist within the study area. Paige also briefly described the preparation and content of the Community Engagement Plan that will document the primary methods and tools used to conduct outreach and that upon completion, will be shared with the BAG members. She asked Inga Kennedy with PEQ to discuss some of the methods that could be used to bring awareness of the project to the community and encourage local participation. Inga shared some methods that will be used, such as newsletters and workshops (including multi-day planning ‘charrettes’) and also gave examples of non-traditional outreach that has worked in similar communities.

DISCUSSION

BAG members were asked to suggest specific groups and individuals that should be engaged during the planning process. The following were suggested:

Groups to target for outreach:

- Southside Heights Neighborhood Assoc.
- West Hickory Neighborhood Assoc.
- Green Park Neighborhood
 - Pamela Atwood mentioned as a neighborhood leader
 - Rev. Susan Walker is on BAG, representing Exodus / Green Park Neighborhood
- Concerned Citizens of Ridgeview
 - Monthly neighborhood meetings
- Hickory Branch NAACP
 - Meets monthly at 3 p.m. on Sundays; rotates among Ridgeview community churches
 - Also has a youth group
- Ward 4 faith leaders group
 - Ward 4 Councilman
- Hmong community
- Youth groups
 - NAACP
 - City of Refuge Afterschool Program
 - Dave is liaison to the city’s Youth Council
 - School Board
 - 100-member Young Professionals’ Group (Chamber of Commerce)
 - Catawba Valley Community College

- Environmental clubs

Others for possible stakeholder interviews (predominant crossover with market analysis interview needs):

- Habitat for Humanity
- Hickory and Catawba Home Builders Association
- Board of Realtors
- Major commercial realtors
 - ACRES
 - Boyd and Hassell Industrial and Commercial Properties
 - Commercial First
 - Prism
 - Weichert
- Property owner list could include Benny Youndt (Kia and other properties)

Methods of outreach:

- City's FB, Twitter, Instagram
- Monthly E-newsletter
- Farmers Market begins in April, 1st Sat. of each month

Other notes:

- Need to build a relationship/trust with the Ridgeview community
- Difficult to get business owners engaged
 - Chamber meeting can be a conduit
 - Land Use Development Board can add this as an agenda item
 - 4th St. business owners
 - Auto Master should be encouraged to attend
- Van tour opportunity for BAG

Next steps were discussed, including completion of the Community Engagement Plan, conducting the research and analysis phase of the study, and initiating community engagement through stakeholder interviews.

**Southside Brownfield Area-Wide
Planning Grant Project
Brownfields Advisory Group (BAG) Meeting 2
June 15, 2016**



MEETING SUMMARY

COMMITTEE ATTENDEES

Anthony Starr, Western Piedmont Council of Governments (WPCOG)	Danny Jordan, Paramount of Hickory
Danny Hearn, Chamber of Commerce	Angela Heard, City of Refuge Community Development Center
Rev. Susan Walker, Exodus & Green Park Neighborhood	Ruth Trott, Centro Latino
Bradley Newton, Hickory Housing Authority	Alanda Richardson, Hickory Housing Authority
Danny Hearn, Catawba Chamber of Commerce	Helen Jones, Hickory Housing Authority
Ittiely Carson, Hickory Board of Education	

HICKORY PLANNING STAFF AND CONSULTANT ATTENDEES

Brian Frazier, Hickory Planning and Development Services	Dave Leonetti, Hickory Planning and Development Services
Lee Walton, Amec Foster Wheeler	Harold Thurston, Amec Foster Wheeler
Paige Hatley, Amec Foster Wheeler	Inga Kennedy, PEQ
Geoff Koski, Bleakley Advisory Group	

WELCOME AND MEETING PURPOSE

Brian Frazier, Director of Planning and Development Services for the City of Hickory, opened the meeting by welcoming the attendees with individual introductions. He turned the meeting over to Harold Thurston with Amec Foster Wheeler who provided an overview of the meeting's agenda and initiated the presentation.

PRESENTATION

Harold provided a brief summary of the environmental review of the properties being evaluated under this study. He turned the presentation over to Lee Walton from Amec Foster Wheeler who provided a summary of land use analysis in the study area. Lee turned over the presentation to Paige Hatley with Amec Foster Wheeler who discussed the community engagement component of the study and discussed the goals and content of the August public charrette week which starts with a BAG meeting. She also shared how the charrette would be advertised and encouraged the BAG members to participate and assist in encouraging residents and other stakeholders to participate. Paige asked Inga Kennedy with PEQ to provide an update of outreach conducted to date including stakeholder interviews. Inga confirmed that she had completed a number of stakeholder interviews with local residents and community leaders. She also summarized some of the common themes being shared during the interviews. The presentation was turned over to Geoff Koski with Bleakly Advisory Group who provided baseline conditions of the real estate market element of the study. He shared demographics, real estate, housing and jobs analysis for the study area and surrounding areas.

DISCUSSION

BAG members were asked to provide feedback and ask questions based on the presentation. The following comments were shared.

- Jobs are available in the Catawba region however, companies are experiencing challenges filling positions. The jobs exist primarily in manufacturing.
- There is limited outreach within the study area to connect residents with existing jobs. Limited skill sets also prevent residents from accessing jobs.
- Schools should play a greater role in working with local companies to ensure skill match available job needs.
- Ensure connectivity between the Ridgeview community and other parts of the City. Also provide accessibility across Hwy 70. Crossing the highway is very unsafe. A pedestrian bridge would be ideal.
- Along Hwy 70 north of 321 is a planned road widening to six lanes by NCDOT. There is good accessibility to the study area from all over the region.
- Improve 127 to Southside bridge to improve connectivity. There is good potential with improving the bridge over Hwy 70.
- There is an 18% housing vacancy in the City of Hickory. A large majority of new housing is outside the City and primarily includes single family housing.
- Identify conflicts between the State and City with regulations.

Next steps were discussed and included the charrette week activities in August and continued outreach to stakeholders to bring awareness to the study.

**Southside Brownfield Area-Wide
Planning Grant Project
Brownfields Advisory Group (BAG) Meeting 4
March 29, 2017**



MEETING SUMMARY

COMMITTEE ATTENDEES

David Deal, Moss Marlow Building Company
Helen Jones, Hickory Housing Authority
Ittiely Carson, Hickory Board of Education
Ruth Trott, Centro Latino

Alanda Richardson, Hickory Housing Authority
Angela Heard, City of Refuge Community Development Center
Anthony Starr, WPCOG

HICKORY PLANNING STAFF AND CONSULTANT ATTENDEES

Councilmember Hank Guess, City of Hickory
Lee Walton, Amec Foster Wheeler
Paige Hatley, Amec Foster Wheeler
Geoff Koski, Bleakly Advisory Group

Brian Frazier, Hickory Planning and Development Services
Dave Leonetti, Hickory Planning and Development Services
Harold Thurston, Amec Foster Wheeler
Inga Kennedy, PEQ

WELCOME AND MEETING PURPOSE

Brian Frazier, Director of Planning and Development Services for the City of Hickory, opened the meeting by welcoming the attendees with individual introductions. He acknowledged the attendance of Councilmember Hank Guess and thanked him for participating. Brian reminded the BAG members that this was a study process and provides an opportunity for long range revitalization and redevelopment of the catalyst sites and surrounding areas. He turned the meeting over to Harold Thurston with Amec Foster Wheeler who provided an overview of the meeting's agenda. Harold then turned it over to Lee Walton with Amec Foster Wheeler to initiate the presentation.

PRESENTATION

Lee gave an update on the advancements made to date and since the last BAG meeting. He reiterated the concept plans and catalyst sites included in the study. Geoff Koski with Bleakly Advisory Group identified four of the catalyst sites and gave a financial feasibility

for each property including marketability. Lee then summarized possible uses of the catalyst sites. Harold participated in the presentation to describe how some of the environmental issues would be addressed at the catalyst sites.

Inga Kennedy with PEQ described recent outreach activities including the creation and distribution of a project status fact sheet. She encouraged BAG members to assist in distributing the fact sheet to their organizations. Inga also identified the locations where fact sheets had been distributed in the study area.

DISCUSSION

BAG members were asked to provide feedback and ask questions based on the presentation. The following comments were shared. A question was asked to explain the details of how income tax credits would work and how they are applied.

A request was made to have the fact sheet translated to Spanish.

BAG members wanted an assurance that the environmental issues at each site would be appropriately handled to avoid exposure.

Next steps were discussed including the schedule to present to the Hickory Planning Commission in April and the City Council in May. BAG members were encouraged to attend these meetings and support the study. The project web page will be updated with recent information. The study is expected to be finalized by the end of June.

PUBLIC WORKSHOP INPUT

The following public comments (identifying local issues and/or opportunities) were received during the 3-day planning workshop in August, 2016:

- Location of study area is a strength – once was a major crossroads in the region
- Need to focus on historic significance of the Ridgeview community as an African-American neighborhood (historic buildings)
- South Center Street was once black “Main Street”
- Loss of neighborhood/community businesses (restaurants, grocers, personal services, retail, etc)
- Disinvestment by the City
- Additional code enforcement needed
- Address infrastructure needs
- Connect community with retail along US-70 (covered bus stops, safe crosswalks, sidewalks, lighting)
- Need more pedestrian amenities
- Trim and maintain street trees / bushes to prevent safety issues and improve visibility
- Trails and bicycle amenities could draw visitors and new residents to area
- Vacant properties allowed to exist for long periods of time – leads to blight
- Decrease in home ownership negatively affects the community
- Increase in crime (drugs and prostitution on South Center Street near housing projects and NC-127)
- Older motels have issues with crime
- Police enforcement needed

PLANNING WORKSHOPS

Southside Brownfields Area-Wide Plan Project

What is a Brownfield?
An industrial or commercial property that is vacant or underused because of real or perceived environmental pollution.



Help us plan for the beneficial reuse of brownfield sites along the Hwy 70 corridor and in surrounding neighborhoods.

AUG 23 6:00 PM	KICK-OFF AND INPUT SESSION
AUG 24 11 AM - 7 PM	OPEN STUDIO DROP IN ANY TIME TO SHARE YOUR IDEAS
AUG 25 6:00 PM	PRESENTATION REVIEW REDEVELOPMENT ALTERNATIVES

Light refreshments will be provided.

LOCATION Ridgeview Recreation Center
700 1st St. SW.

QUESTIONS Hickory Planning Department
(828)-323-7422

COMMENTS Contact@peqatl.com

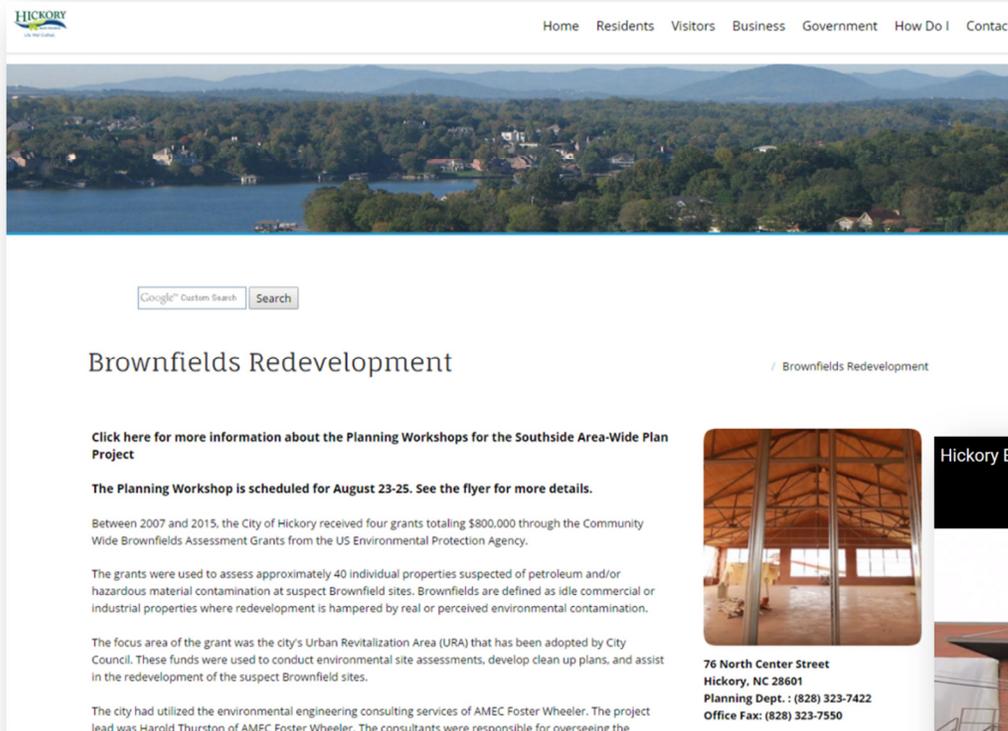


This project is funded by a grant from the U.S. Environmental Protection Agency

- Loss of jobs and disconnection from existing job opportunities (led to loss of middle class residents)
- Concentration of public housing has created concentration of poverty
- Need for job training and workforce development
- Connect young people with existing jobs
- Concern of future gentrification in Ridgeview and surrounding neighborhoods
- More cohesiveness and greater involvement needed from community institutions and places of worship in community issues
- History of dumping and contamination has caused problems with new office development
- Land around old landfill has sunk and caused uneven terrain
- Large underutilized parking areas create dead zones and barrier to pedestrian activity
- Excavated areas off 2nd St SW are a challenge for redevelopment
- Ridgeview residents don't feel welcome at downtown events
- Speed of traffic on NC-127 causes safety issues
- Wide right-of-way at 4th St may provide opportunity for trail/streetscape improvements

PROJECT WEB PAGE

A web page was created on the City of Hickory website for brownfields redevelopment planning. This web page served as an information resource for materials related to the Southside Hickory Area-Wide Plan as well as the city's ongoing brownfield redevelopment activities. Meeting announcements were included on the website, along with electronic flyers, brochures, and promotional videos.



The screenshot shows the City of Hickory website's "Brownfields Redevelopment" page. At the top, there is a navigation menu with links for Home, Residents, Visitors, Business, Government, How Do I, and Contact. Below the menu is a large banner image of a scenic view of Hickory, North Carolina, featuring a lake and mountains. A search bar with the text "Google Custom Search" and a "Search" button is located below the banner. The main heading is "Brownfields Redevelopment" with a breadcrumb trail "/ Brownfields Redevelopment".

Click here for more information about the Planning Workshops for the Southside Area-Wide Plan Project

The Planning Workshop is scheduled for August 23-25. See the flyer for more details.

Between 2007 and 2015, the City of Hickory received four grants totaling \$800,000 through the Community Wide Brownfields Assessment Grants from the US Environmental Protection Agency.

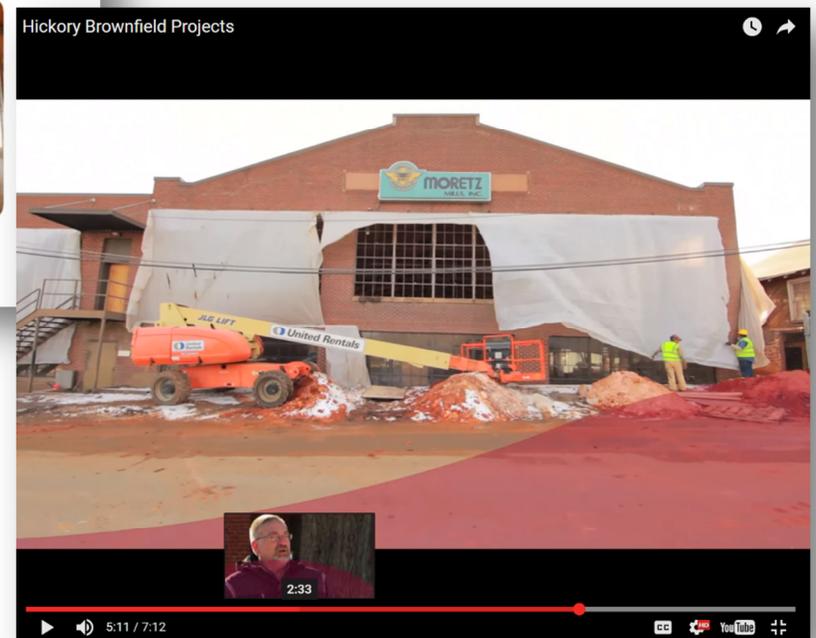
The grants were used to assess approximately 40 individual properties suspected of petroleum and/or hazardous material contamination at suspect Brownfield sites. Brownfields are defined as idle commercial or industrial properties where redevelopment is hampered by real or perceived environmental contamination.

The focus area of the grant was the city's Urban Revitalization Area (URA) that has been adopted by City Council. These funds were used to conduct environmental site assessments, develop clean up plans, and assist in the redevelopment of the suspect Brownfield sites.

The city had utilized the environmental engineering consulting services of AMEC Foster Wheeler. The project lead was Harold Thurston of AMEC Foster Wheeler. The consultants were responsible for overseeing the



**76 North Center Street
Hickory, NC 28601
Planning Dept.: (828) 323-7422
Office Fax: (828) 323-7550**



The screenshot shows a video player with the title "Hickory Brownfield Projects". The video content depicts a large brick industrial building under renovation. A large white tarp is draped over the front of the building. In the foreground, there are piles of red mulch and a yellow scissor lift from "United Rentals". A person in a yellow safety vest is visible near the building. The video player interface includes a play button, a progress bar showing 5:11 / 7:12, and social media sharing icons for YouTube and other platforms.

INFORMATIONAL FLYER

In addition to the promotional flyer for the planning workshops (see under “Public Workshop Input” page of the Appendix), a two-sided informational flyer was distributed in early 2017 to provide a status of the project and to highlight City initiatives in the Southside Hickory Planning Area.



March 2017

SOUTHSIDE HICKORY BROWNFIELDS PLANNING PROJECT

HICKORY MAKES STRIDES TOWARD SOUTHSIDE BROWNFIELDS PLAN

The City of Hickory was awarded an Environmental Protection Agency (EPA) Brownfields Area Wide Planning Grant for its Southside project area along the Highway 70 corridor in Southwest Hickory. EPA's Brownfields Area-Wide Planning Program is designed to help communities confront challenges related to brownfields, and benefit underserved or economically disadvantaged communities.



Community-based involvement has been an important element of the planning process. Public input was used to identify community priorities for near and long-term reuse of brownfield sites in the area. To ensure strong public input, a variety of outreach techniques were used to gather input. Close to 75 residents and business owners have participated in the process and provided invaluable knowledge, feedback and input.



FUTURE DEVELOPMENT CONCEPT

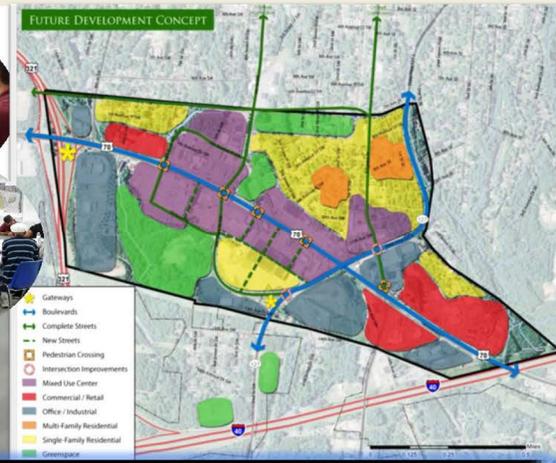
The future development of Southside Hickory provides opportunities for new and redeveloped properties. With public input and technical analysis, a future concept was prepared that recommends a mix of uses intended to revitalize the area in the short and long-term. The concept includes opportunities for improved residential development, commercial and light industrial uses. Also important to the overall quality of life in the area are sidewalks, lighting, and intersections/crossings improvements for walkability and pedestrian safety. Greenspace was also identified as an important element for future development in the area. The final plan will be completed in June 2017. [Learn more about the full process at www.hickorync.gov/brownfields.](http://www.hickorync.gov/brownfields)

WHAT'S HAPPENING NOW!

- 34 street lights in the Ridgeview neighborhood have been repaired! Report burned out street lights by calling the City's Public Services Department at **(828) 323-7500**.
- Construction of sidewalks on S Center Street from Highway 127 to Highway 70 **beginning Spring 2017**
- Gateway construction at Highway 321 and Highway 70 **beginning Fall 2017**

FUTURE DEVELOPMENT CONCEPT



STAY INFORMED AND ENGAGED! YOUR PARTICIPATION MATTERS!

STAY UP TO DATE ON THIS AND OTHER PROJECTS FOR THE SOUTHSIDE HICKORY AREA. FIND PRESENTATIONS, ILLUSTRATIONS, PHOTOS AND MUCH MORE AT:

WWW.HICKORYNC.GOV/BROWNFIELDS

Contact Dave Leonetti, Community Development Manager
dleonetti@hickorync.gov
City of Hickory (828) 323-7422

The draft plan will be presented to the Hickory Planning Commission on **April 26, 2017 at 6:00 p.m.** The public is encouraged to attend and provide comments.

To learn more about the Streetscape and Gateways projects, visit:
<http://www.hickorync.gov/content/streetscapedevelopment-information>



HICKORY SOUTHSIDE BROWNFIELD AREA WIDE PLANNING PROJECT

Real Estate Market Study

PRESENTED BY:



Bleakly Advisory Group

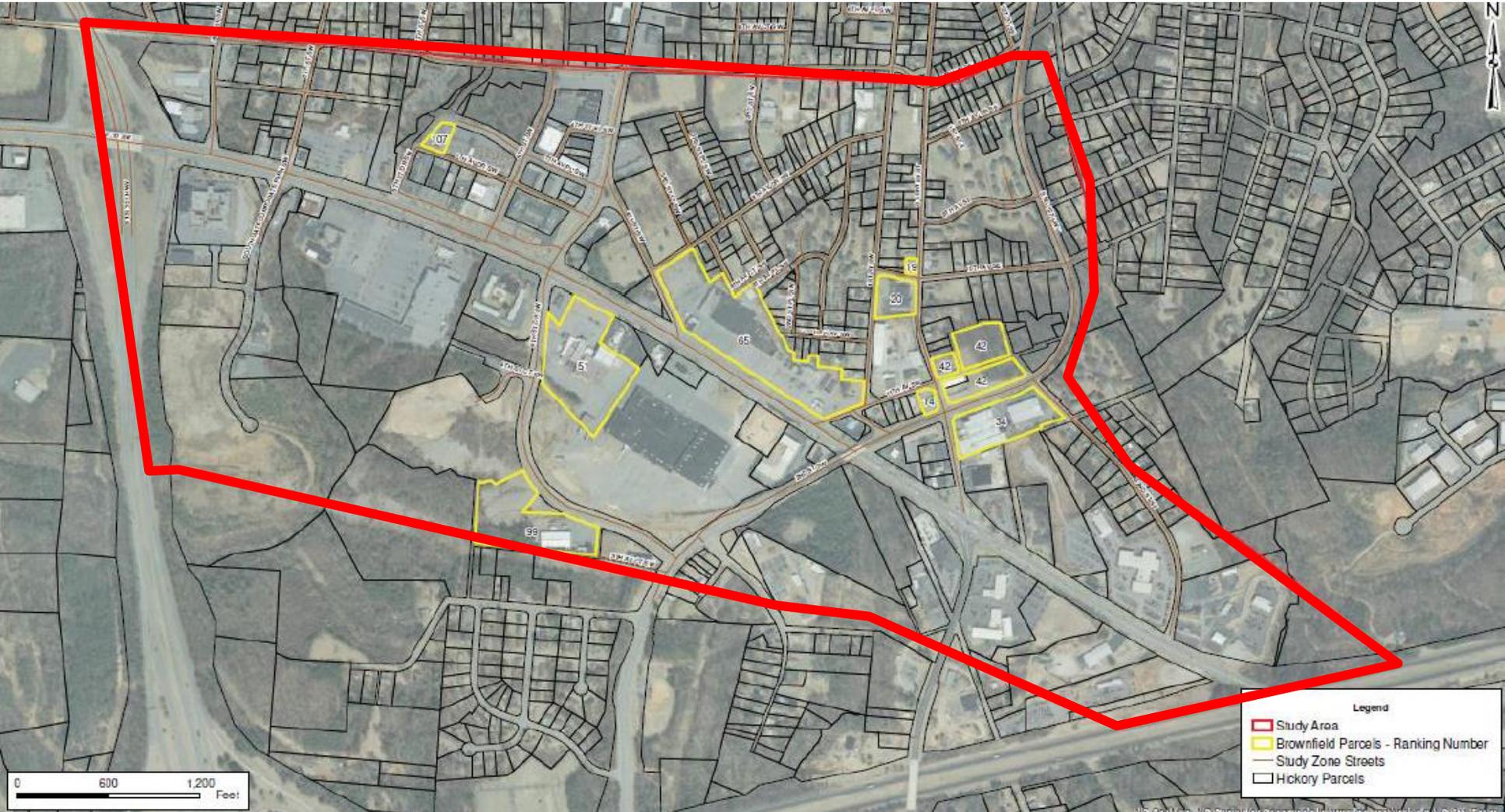


PRESENTED FOR:



JUNE 2016

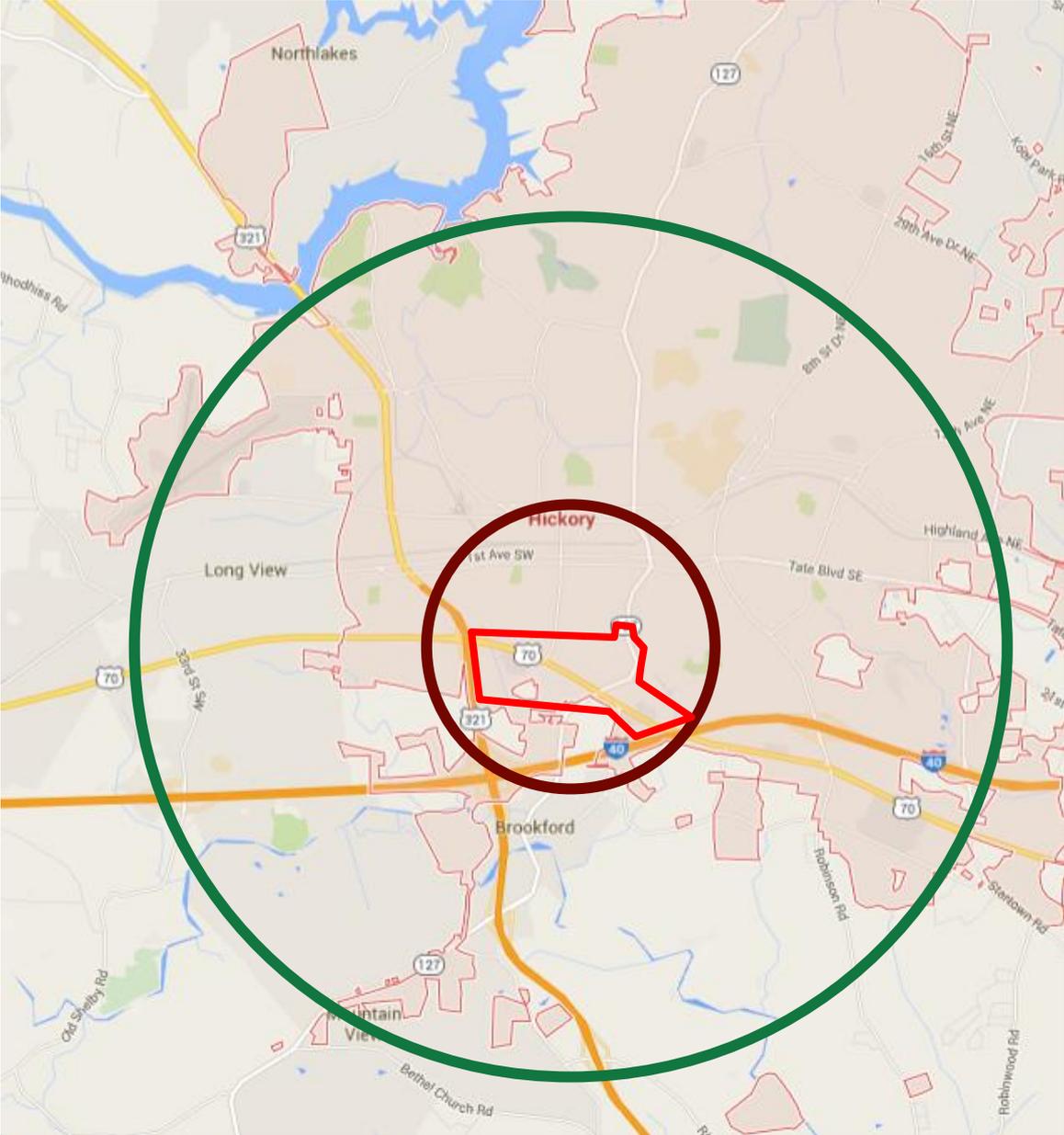
SOUTHSIDE BROWNFIELD STUDY AREA



LOCAL MARKET AREA(S)

- The **primary market area:** from which the majority of real estate demand will emanate for the Brownfield Study Area.

-  Hickory City Limits
-  Radius 1 Mile
-  Radius 3 Mile
-  Brownfield Planning Area



DEMOGRAPHIC ASSESSMENT

POPULATION AND HOUSEHOLD GROWTH



Population	1-Mile Radius	3-mile Radius	City of Hickory
2016 Estimate	3,868	30,085	40,155
2021 Projection	3,832	30,298	40,735
Annual Growth (Fcst) 2016-2021	-0.2%	0.1%	0.3%

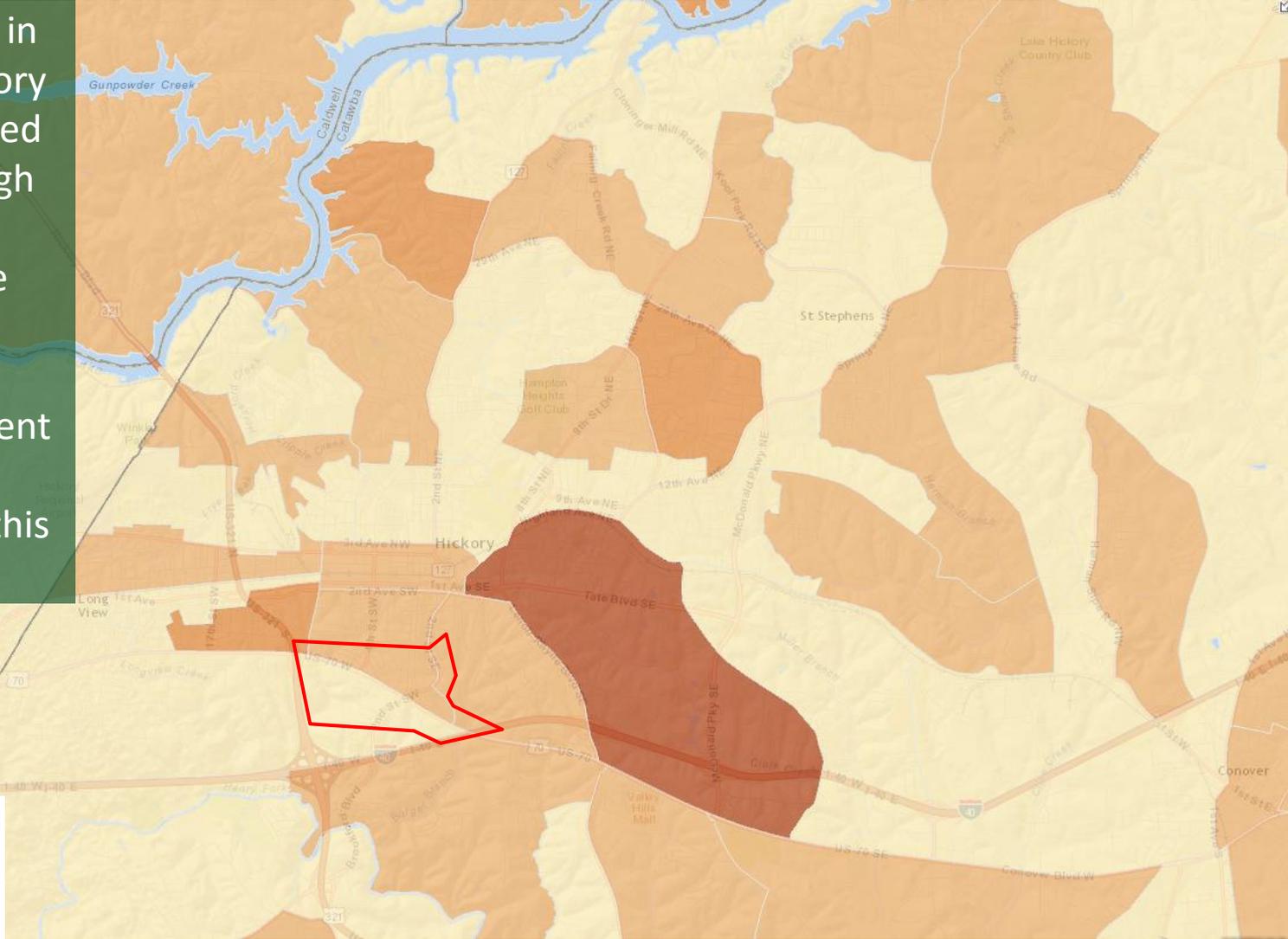
Households	1-Mile Radius	3-mile Radius	City of Hickory
2016 Estimate	1,589	12,589	16,880
2021 Projection	1,597	12,754	17,253
Annual Growth (Fcst) 2016-2021	0.1%	0.3%	0.4%
New Households (Fcst) 2016-2021	8	166	373

Source: Nielsen, Inc.

FUTURE POPULATION GROWTH RATE BY BLOCK GROUP

Population growth in some areas of Hickory is expected to exceed 1% annually through 2020, including portions near the Study Area.

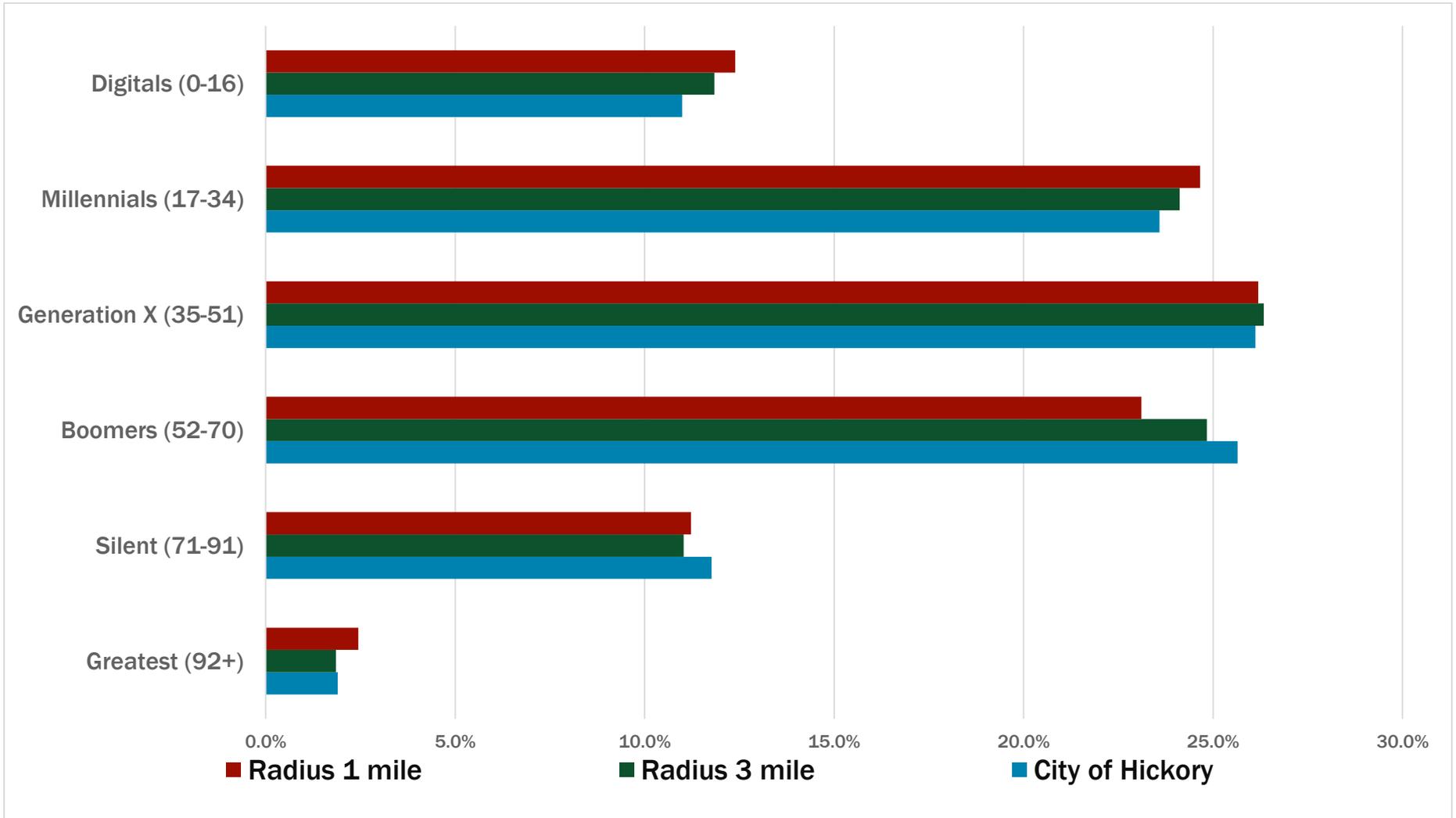
Future redevelopment initiatives can potentially impact this trajectory.



Source: ESRI

DEMOGRAPHIC ASSESSMENT

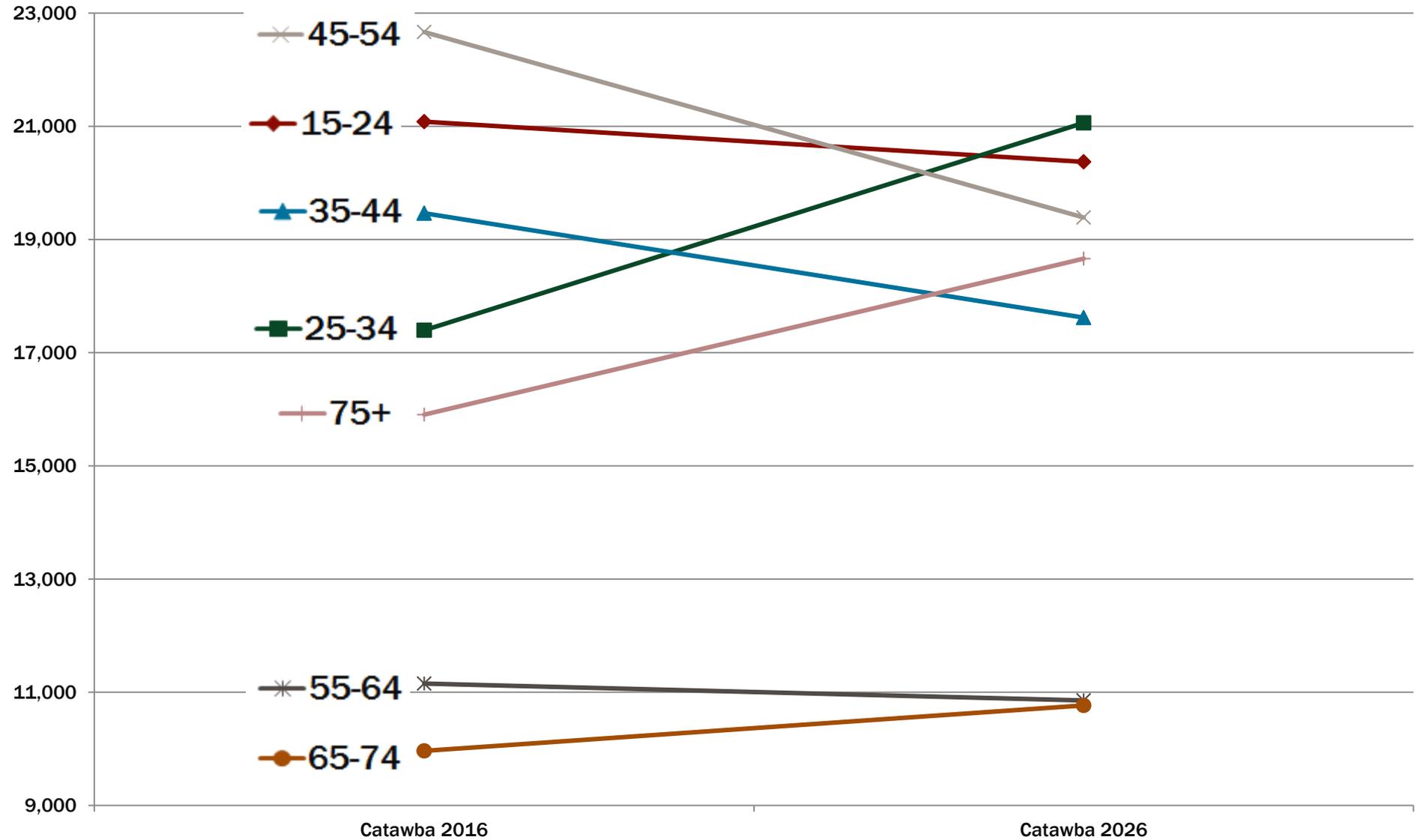
AGE & GENERATIONAL COHORT



Source: Nielsen, Inc.

DEMOGRAPHIC ASSESSMENT

PROJECTED CATAWBA COUNTY TOTALS - STANDARD AGE GROUPS

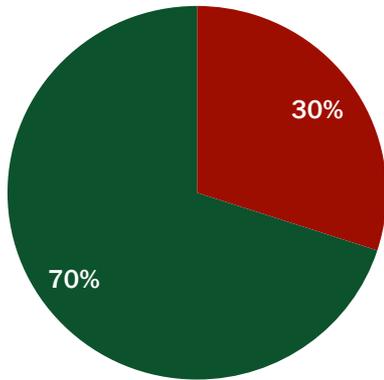


Source: Nielsen, Inc.

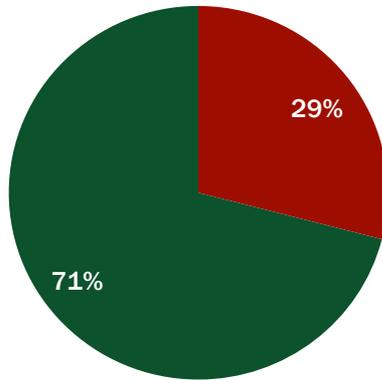
DEMOGRAPHIC TRENDS

HOUSEHOLDS: PRESENCE OF CHILDREN

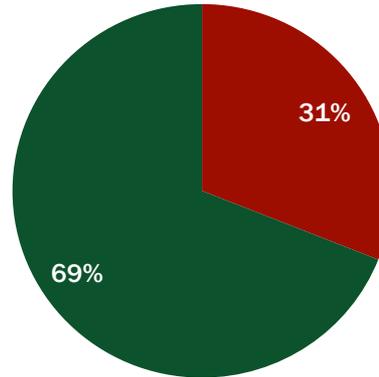
City of Hickory



Radius 3 mile



Radius 1 mile



■ Households with Children

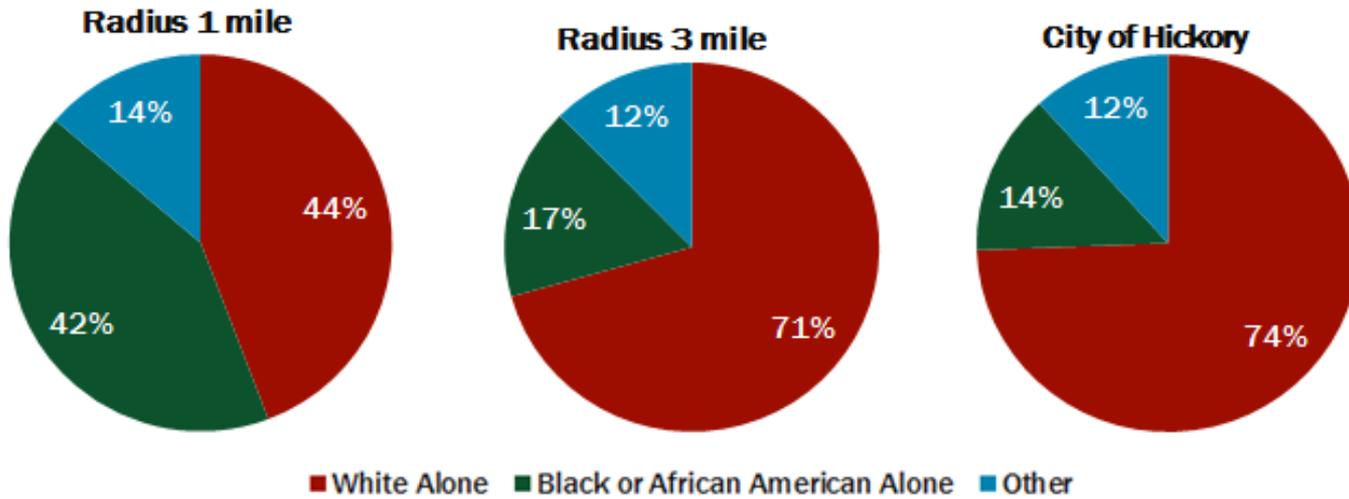
■ Households without Children

Source: Nielsen, Inc.



DEMOGRAPHIC ASSESSMENT

RACE & ETHNICITY



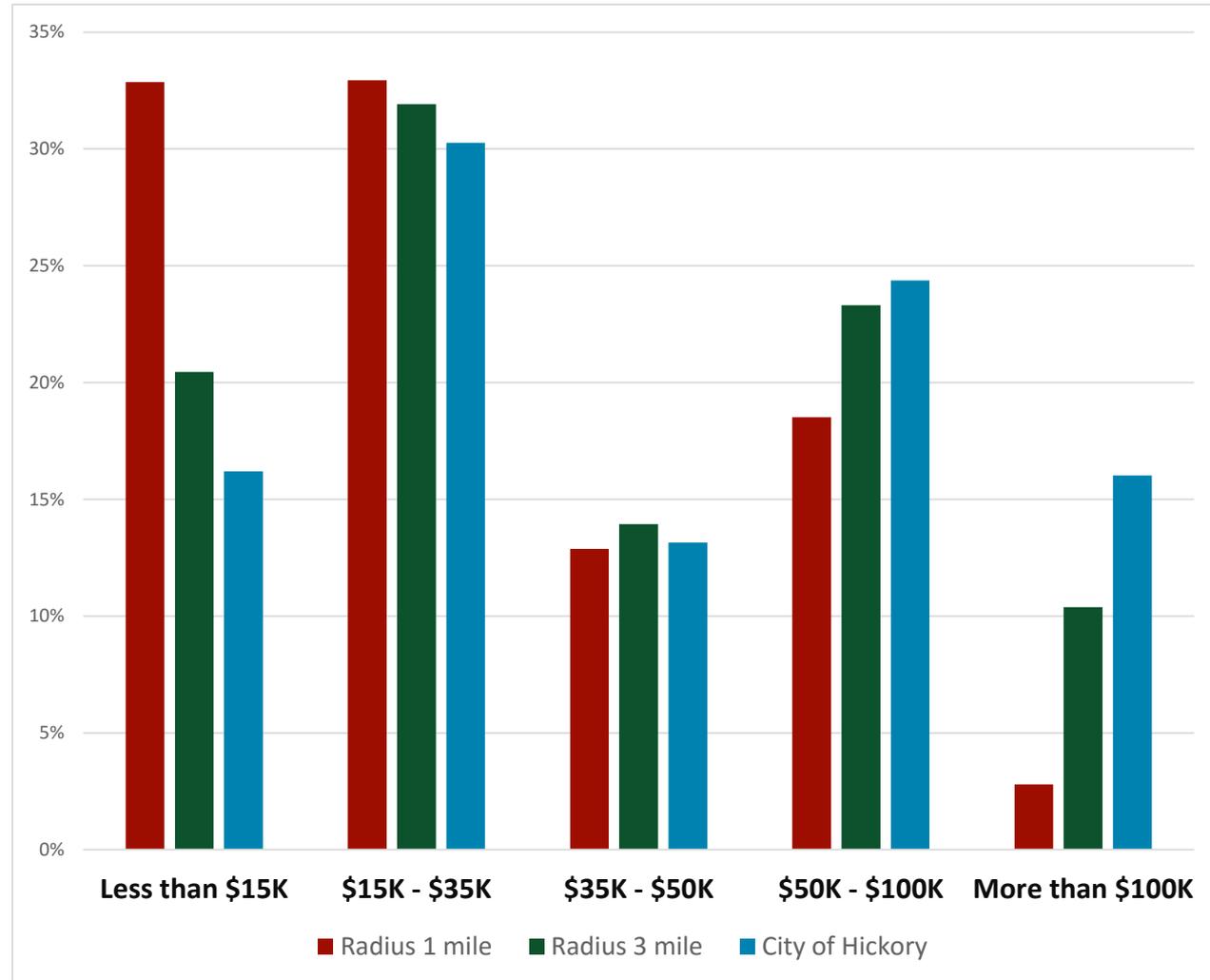
Source: Nielsen, Inc.



DEMOGRAPHIC ASSESSMENT

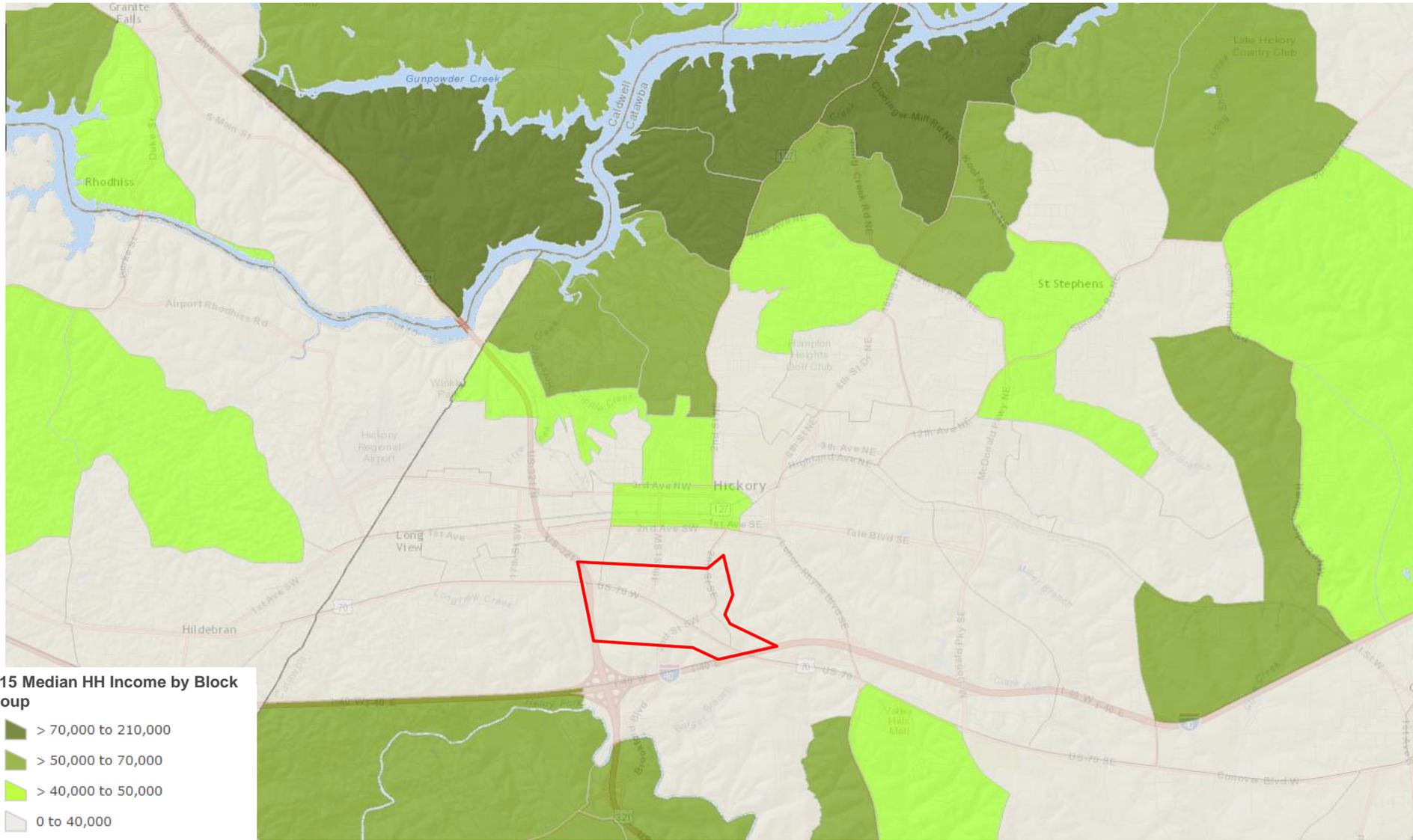
HOUSEHOLD INCOME LEVEL

- The 1 mile radius market area median income: \$27,000
- **69%** of the city



Source: Nielsen, Inc.

MEDIAN HOUSEHOLD INCOME BY BLOCK GROUP



Source: ESRI

DEMOGRAPHIC ASSESSMENT

CONSUMER SPENDING 3-MILE MARKET AREA

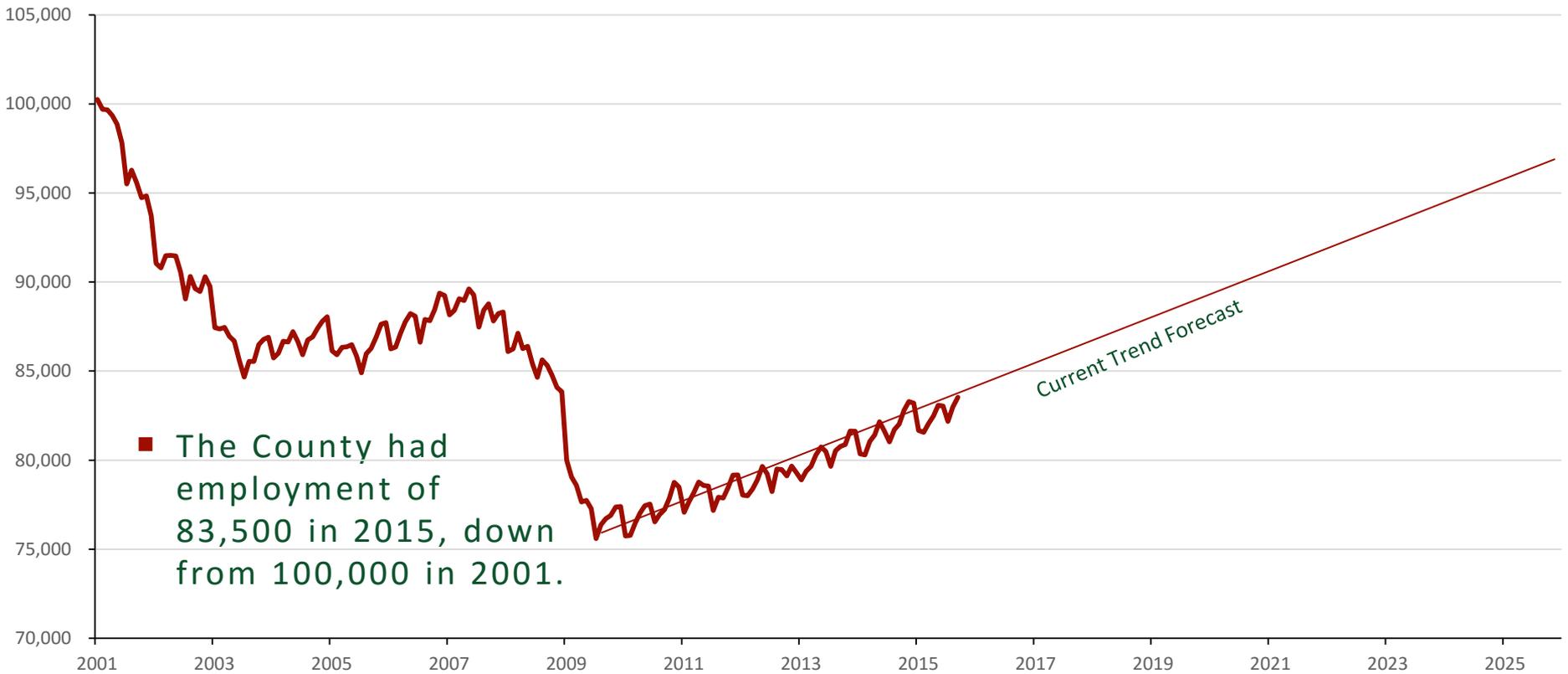


Source: Nielsen, Inc.

EMPLOYMENT & LABOR ASSESSMENT

CATAWBA COUNTY EMPLOYMENT HISTORY & TRENDS: 2001-2025

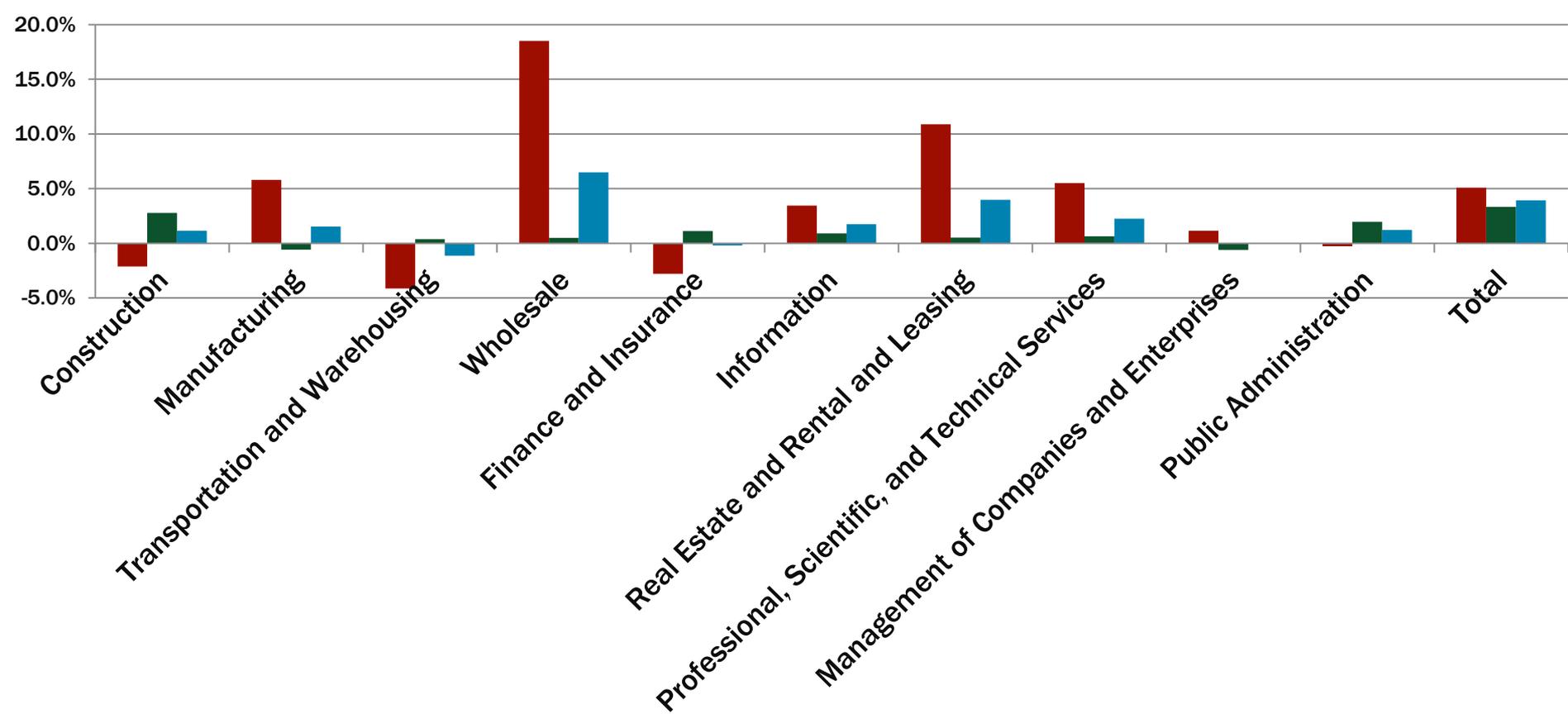
Total Employment



Source: Bureau of Labor Statistics

EMPLOYMENT FORECAST

CITY OF HICKORY: ANNUAL GROWTH RATE BY SECTOR



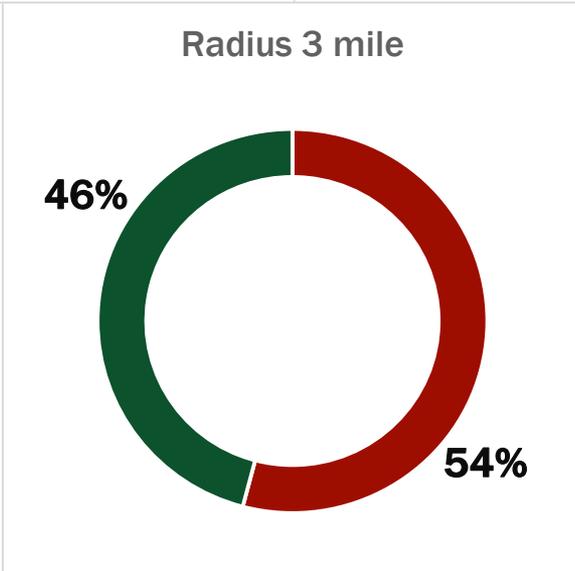
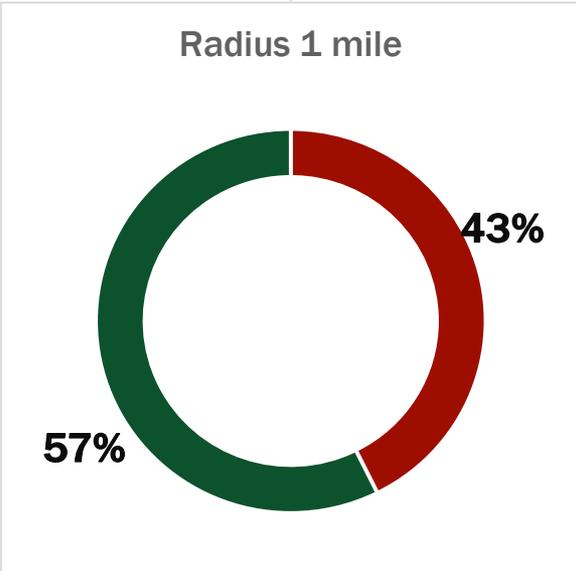
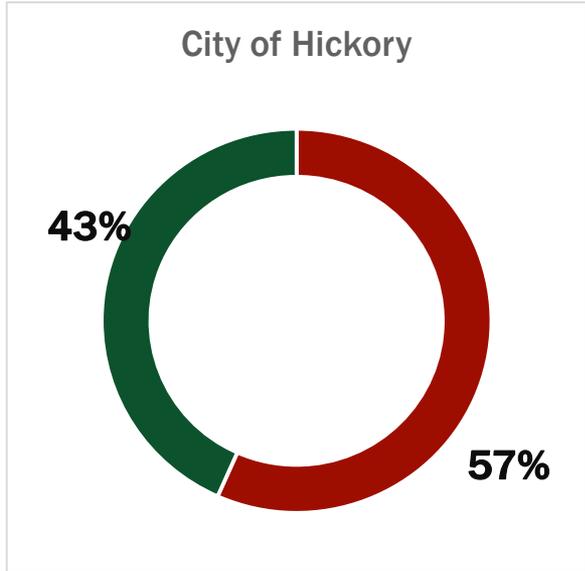
- Actual Annual Growth 2010-2014
- Proj. Annual Growth 2012-2022 (NC Dept. of Commerce)*
- Bleakly Ann. Growth Forecast (2016-2026)

* Based on Catawba Co. Projections

Sources: US Census, N.C. Department of Commerce, Bleakly Advisory Group

HOUSING TRENDS

HOUSING TENURE



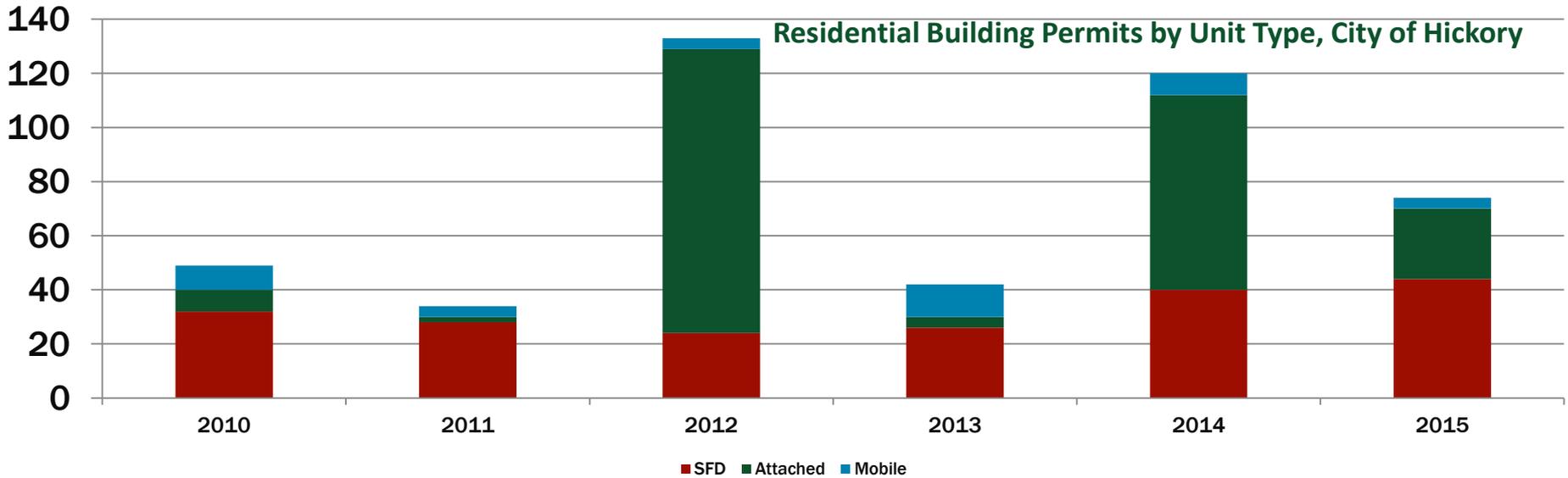
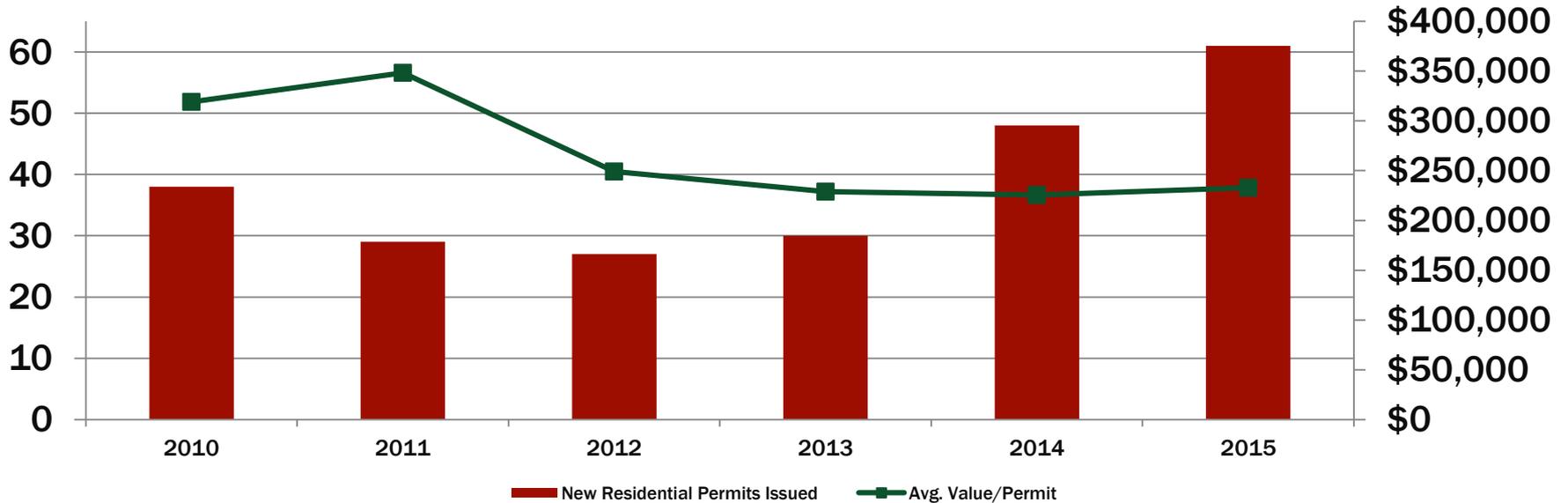
■ Owner Occupied ■ Renter Occupied

Source: Nielsen, Inc.

HOUSING TRENDS

BUILDING PERMIT HISTORY

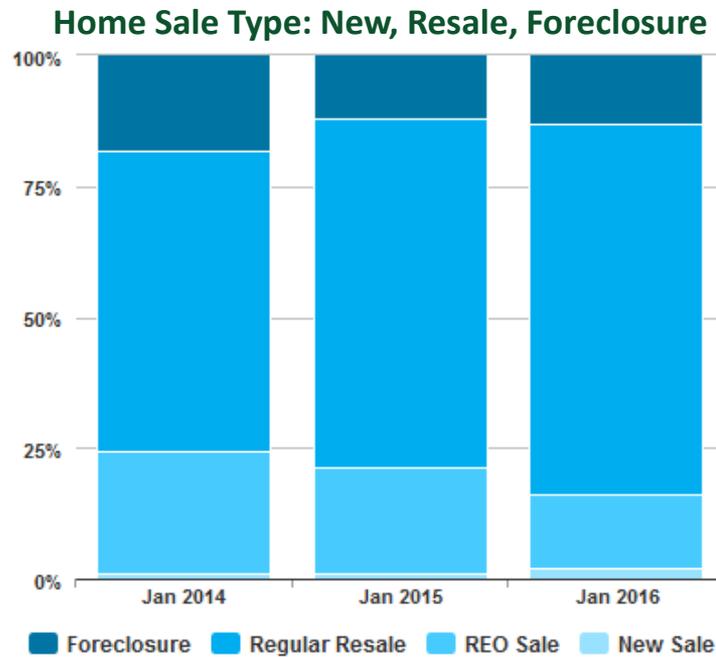
New Residential Building Permits, City of Hickory



HOME SALES TRENDS

MARKET SHARE BY HOUSING TYPE

■ Share of new home sales: **2%**



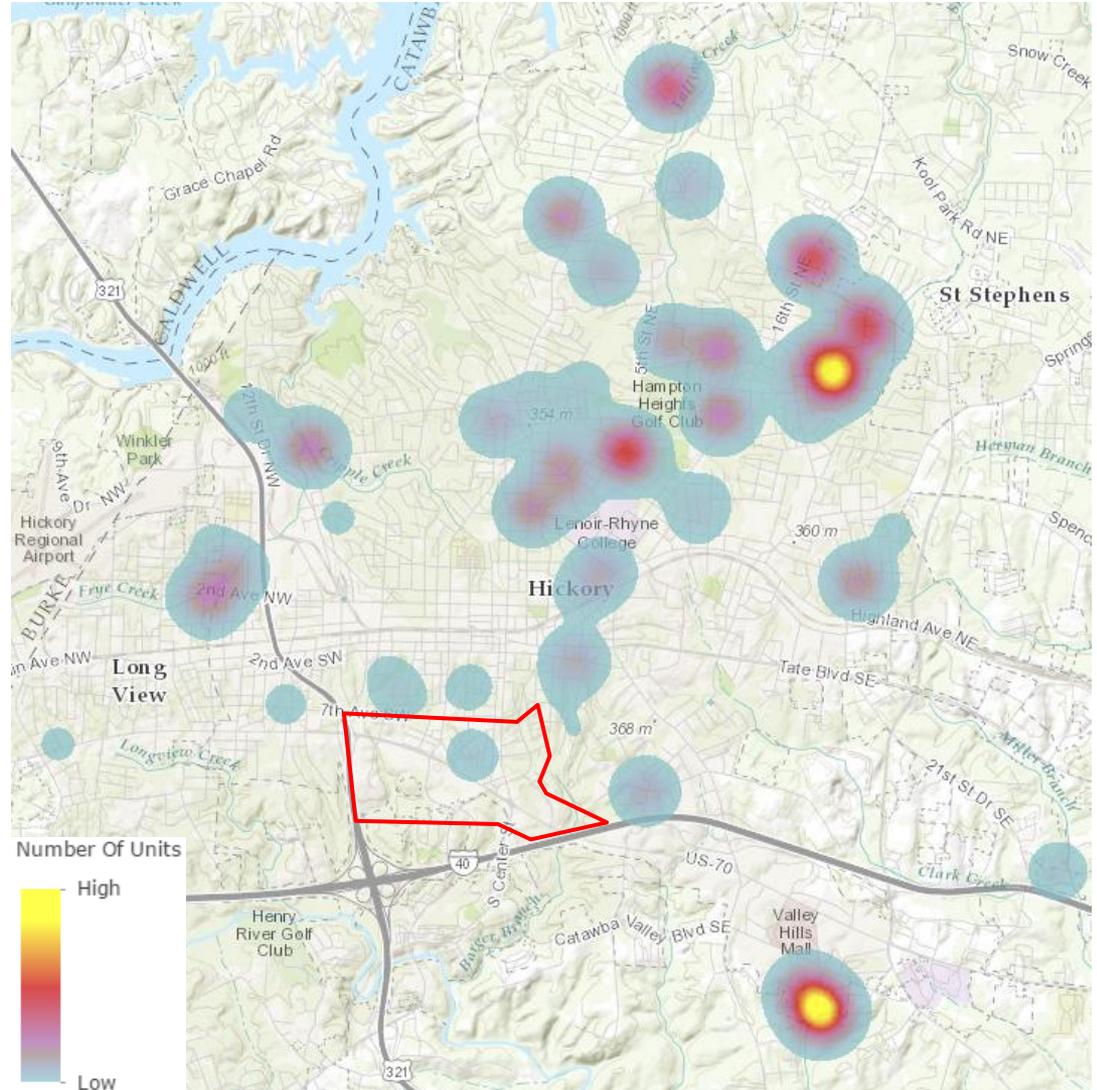
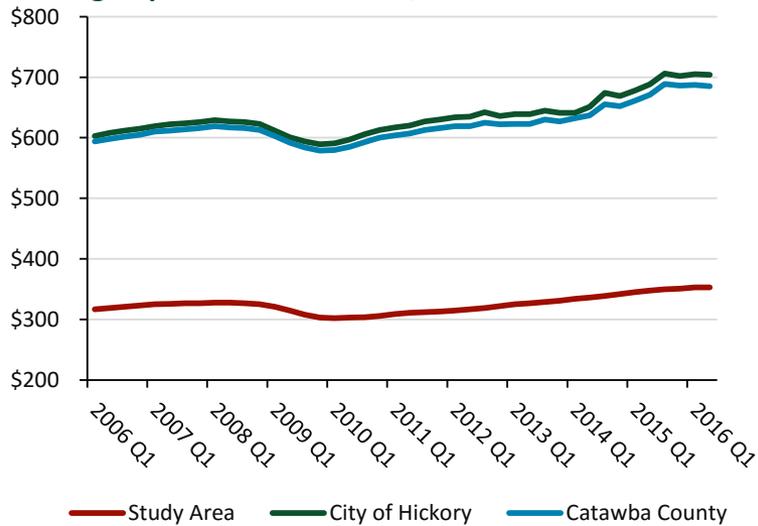
Source: Hanley Wood



APARTMENT MARKET SUMMARY

	Study Area	City of Hickory	Catawba County
Existing Units	16	3,657	4,467
Vacant %	6.3%	3.3%	3.4%
Avg. SF/Unit	672	971	951
Avg. Rent/SF	\$ 0.53	\$ 0.73	\$ 0.73
Avg. Rent/Units	\$ 353	\$ 704	\$ 685

Average Apartment Rent Rate, 2006-2016

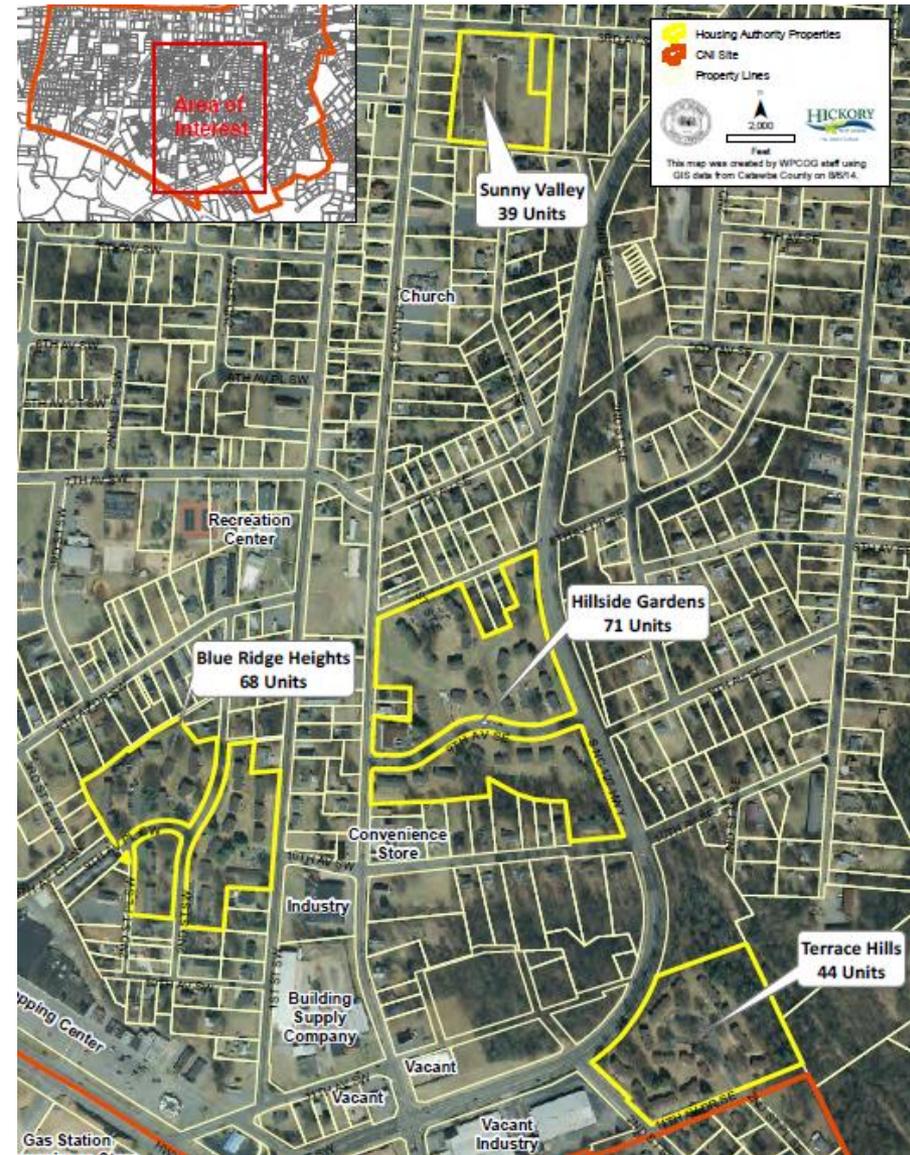


Source: Bleakly Advisory Group, based on data from CoStar Inc.

STUDY AREA AFFORDABLE HOUSING

PUBLIC HOUSING

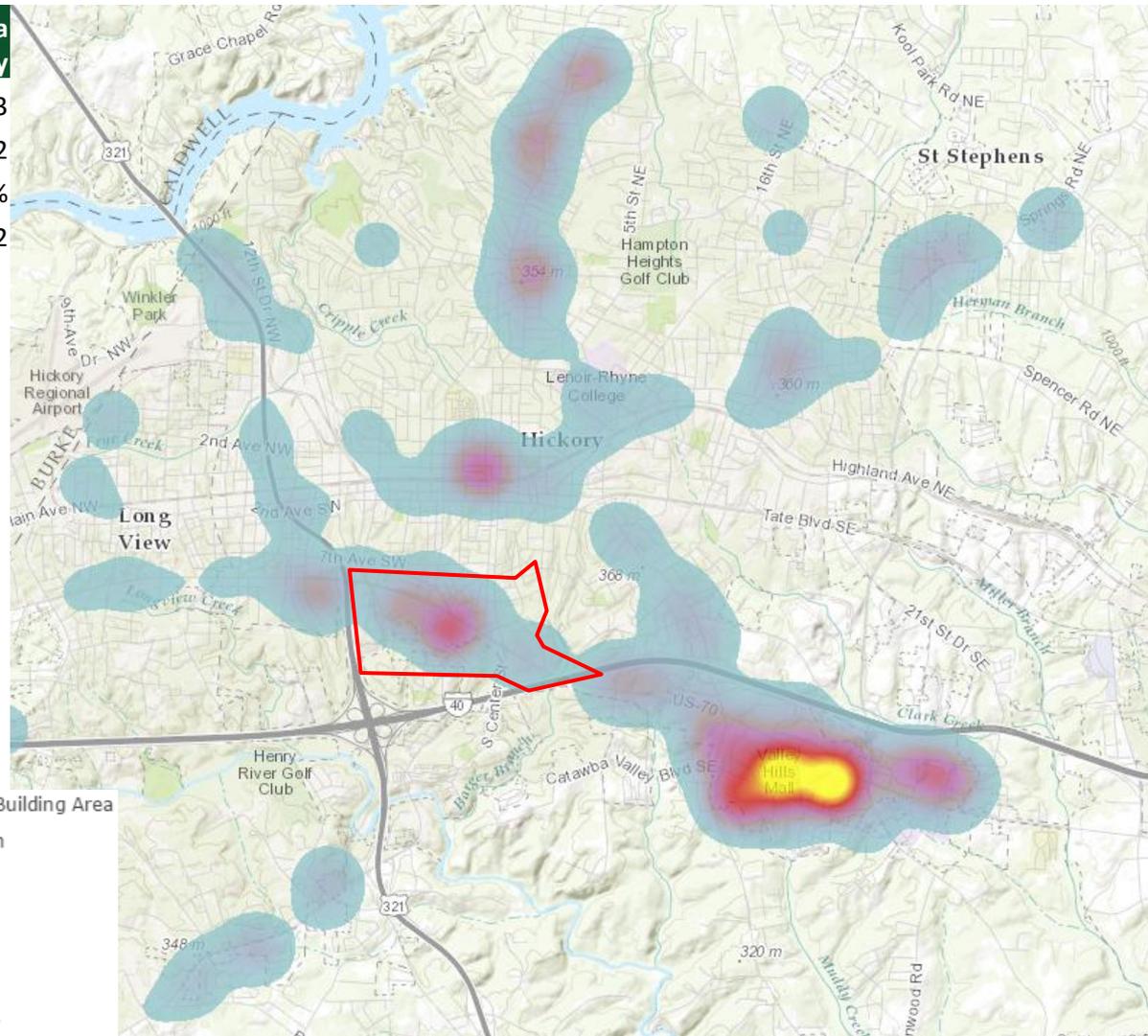
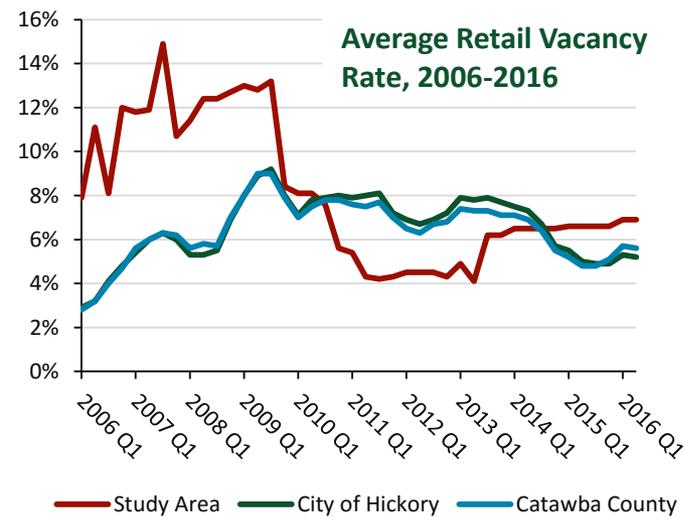
- Three Hickory Housing Authority developments owned and operated within or directly adjacent to the study area.
 - Hillside Gardens: 71 units
 - Blue Ridge Heights: 68 units
 - Terrace Hills: 44 units
- Sunny Valley: 39 units just north of the Study Area.



Source: City of Hickory

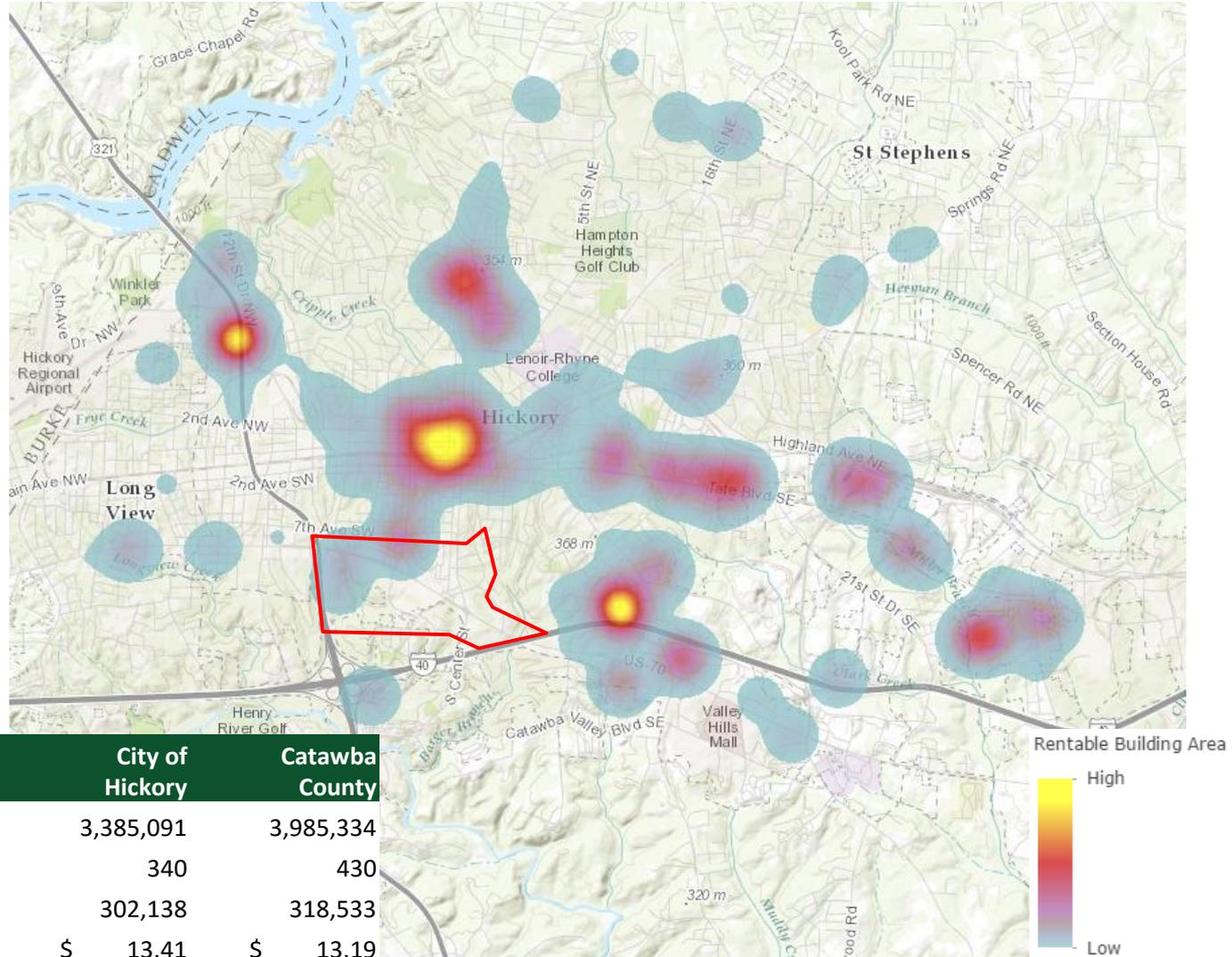
RETAIL MARKET SUMMARY

	Study Area	City of Hickory	Catawba County
Inventory (SF)	830,349	9,752,902	12,757,333
Vacant (SF)	57,223	502,855	712,502
Vacant %	6.9%	5.2%	5.6%
Avg. Rent	\$ 7.67	\$ 9.72	\$ 9.32



Source: Bleakly Advisory Group, based on data from CoStar Inc.

OFFICE MARKET SUMMARY

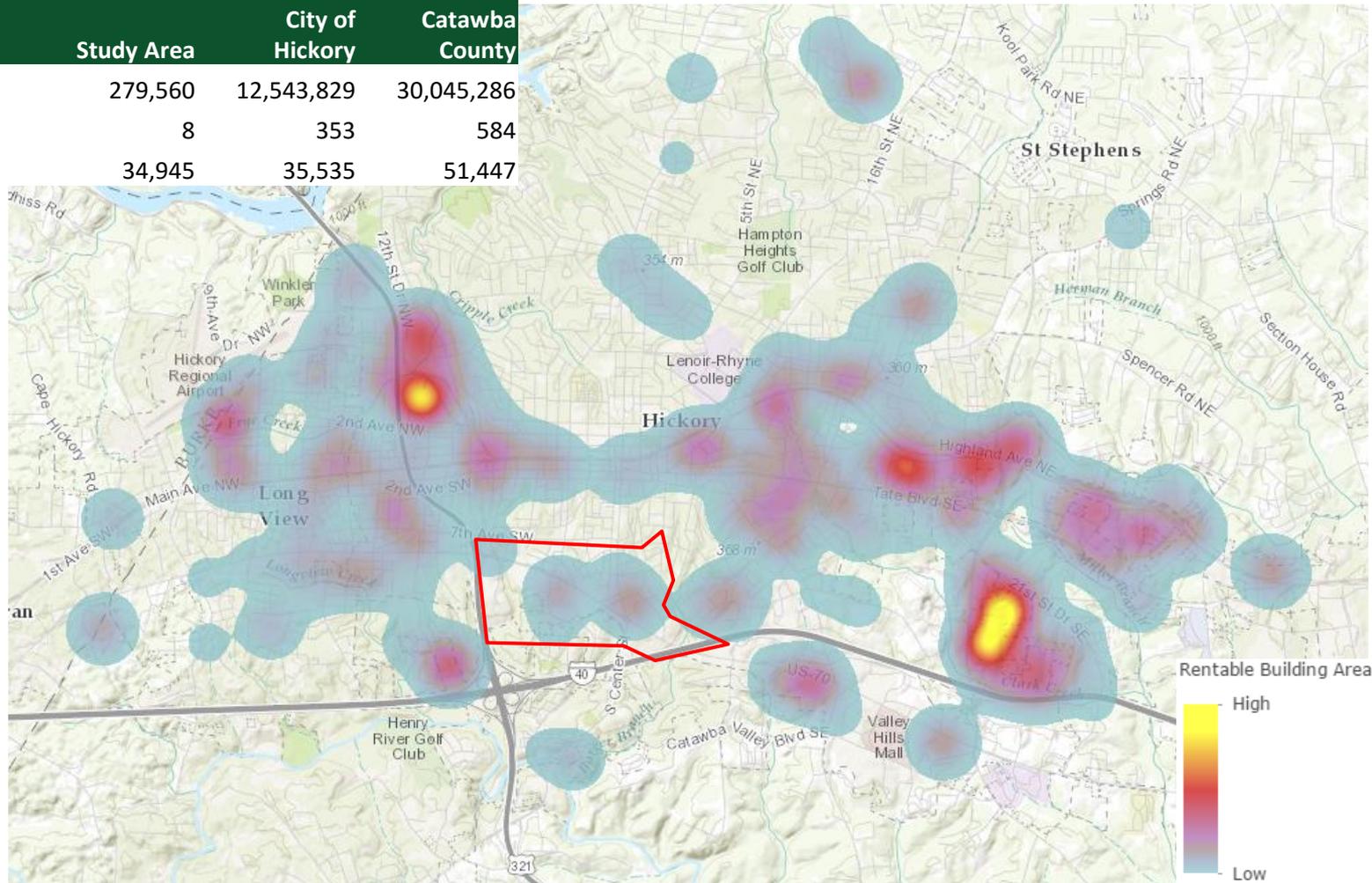


	Study Area	City of Hickory	Catawba County
Inventory (SF)	93,720	3,385,091	3,985,334
Inventory (Buildings)	9	340	430
Vacant (SF)	25,928	302,138	318,533
Avg. Rent	\$ 8.61	\$ 13.41	\$ 13.19

Source: Bleakly Advisory Group, based on data from CoStar Inc.

INDUSTRIAL MARKET SUMMARY

	Study Area	City of Hickory	Catawba County
Inventory (SF)	279,560	12,543,829	30,045,286
Inventory (Buildings)	8	353	584
SF/Building	34,945	35,535	51,447



Source: Bleakly Advisory Group, based on data from CoStar Inc.

FUTURE REAL ESTATE POTENTIAL

BROWNFIELD STUDY AREA

Summary of Potential Future Demand 2016-2026		
	Annual	Total
Residential (Units)		
Owner-Occupied	3	30
Renter-Occupied (Income > \$35K)	50	498
Renter-Occupied (Income < \$35K)	70	705
Retail (S.F.)	900	8,880
Office (S.F.)	1,262	12,624
Industrial (S.F.)	81,221	812,212

Source: Bleakly Advisory Group

MARKET ANALYSIS CONCLUSIONS

Wholesale Trade Sector Opportunity

- Recent Local Dynamic Growth Sector
- “. . . tends to generate high wages . . . \$47,152/year . . . 134% of the regional average.
- Notable sub-sectors:
 - Grocery Product Merchant Wholesaler
 - Apparel and Piece Goods
- Mega Trend – “Death of Distance”
 - 20-mile ring of major cities handle fast-moving, high-cost and time-sensitive products like mobile phones and **groceries**
 - 75 miles outside of those areas tend to be “big box” distribution or fulfillment centers that handle slower moving, lower cost, less time sensitive products like **furniture and discount apparel**

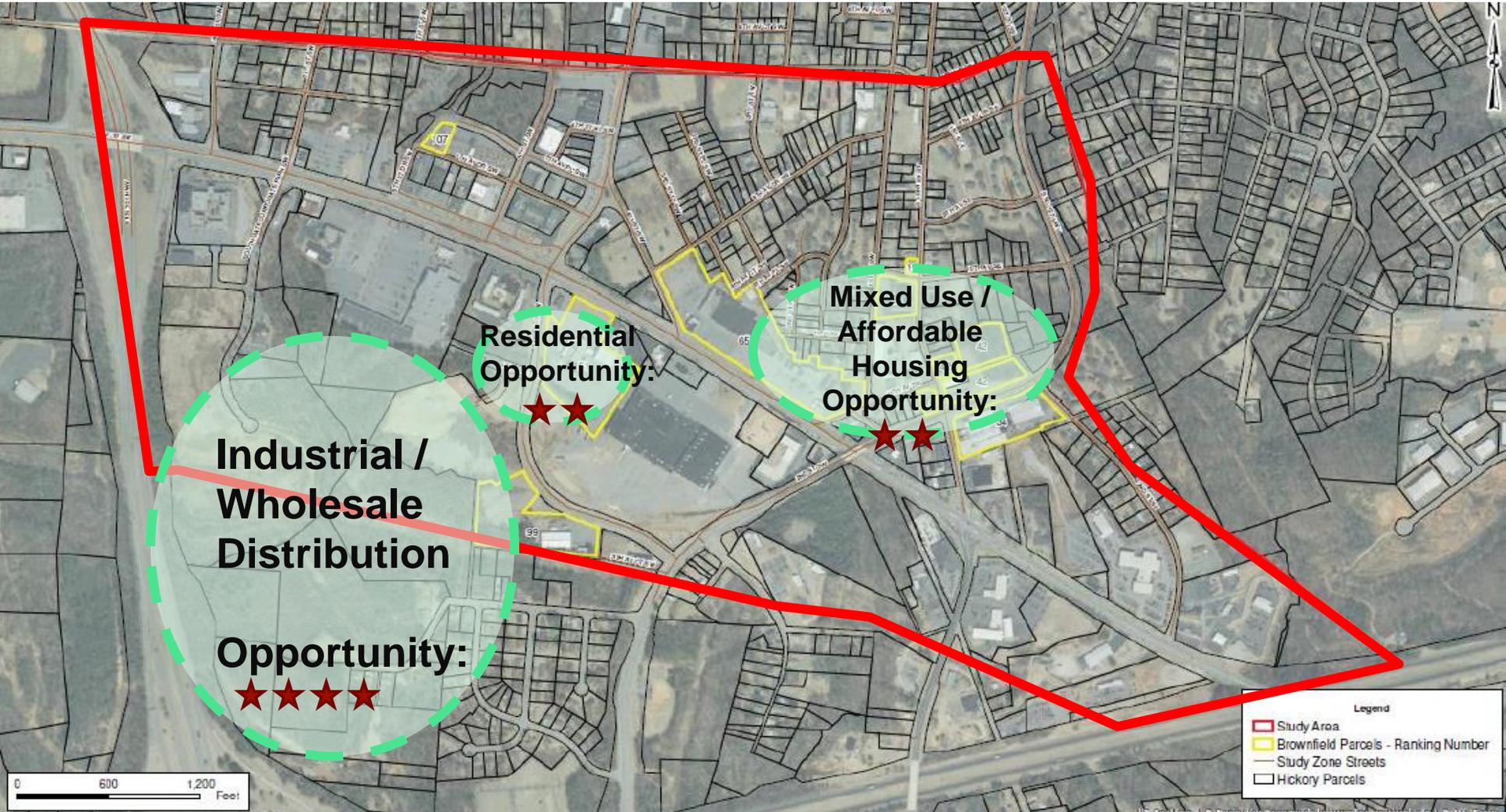


- Challenges/Threats:
 - Lack of sites/buildings
 - Workforce availability/training

From: “Five Trends That Will Shape the Industrial Sector in 2016”



MARKET ANALYSIS CONCLUSIONS: POSSIBLE DEVELOPMENT AREAS



Map data © OpenStreetMap contributors, Imagery © Mapbox

MARKET ANALYSIS

CONCLUSIONS: KEYS TO CATALYZING DEMAND

- Preserve unique character:
 - Historic Ridgeview
 - Mid-century architecture
 - Other?
- Develop / Enhance Amenities
 - Bike infrastructure / Connection to Downtown and other trails
 - Pedestrian Solutions to Hwy. 70
- Maximize Brownfield Solutions
 - “Market Enhancer”
- Other Ideas?



HICKORY SOUTHSIDE BROWNFIELD AREA WIDE PLANNING PROJECT

Real Estate Market Study:
Catalyst Sites
Financial Feasibility Analysis

PRESENTED BY:



Bleakly Advisory Group



PRESENTED FOR:



MARCH 2017

MARKET ANALYSIS REVIEW

■ Southside Brownfield Areawide Real Estate Market Analysis

- Completed in 2016
- Analyzed the performance of key real estate sectors in the market area as a basis for determining the scale of opportunity for the future.

Opportunities

■ Limited New Residential and Retail

- Key strategic initiatives could help to advance the quality of life in the area and help to improve the future residential development opportunities.

■ New Employment Opportunities

- With support from both the private and public sectors.

CATALYST SITES FINANCIAL FEASIBILITY ANALYSIS

- This analysis considered a wide range of development and reuse alternatives for each of the catalyst sites in the study area including:
 - For-sale Residential
 - Rental Apartments
 - Senior Housing
 - Retail
 - Office
 - Industrial

CATALYST SITES FINANCIAL FEASIBILITY ANALYSIS

■ Pro forma models

- Costs vs. Revenues over time
- Test development scenarios for four catalyst sites.
- Goal: illustrate the financial feasibility of developing the suggested prototypes for the catalyst sites.
- Illustrate impacts of:
 - market realities of development
 - impact of the cost of the environmental cleanup

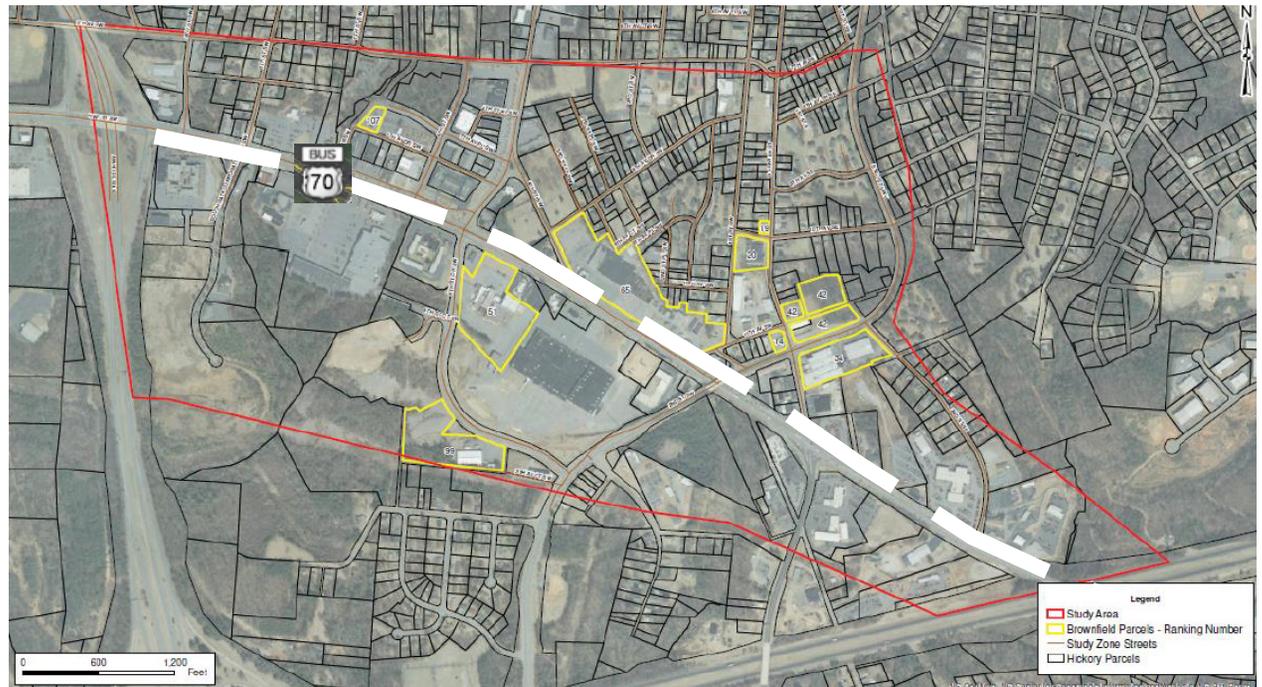
On overall financial feasibility of the projects.

■ Hickory Southside Findings

- Overall development costs make the proposed land uses difficult to develop given the revenue potential.
 - Environmental clean up costs makes the projects more difficult.
- Thus, means to mitigate costs through development incentive programs, and other strategies, are needed for all but one site (Former Joan Fabrics).

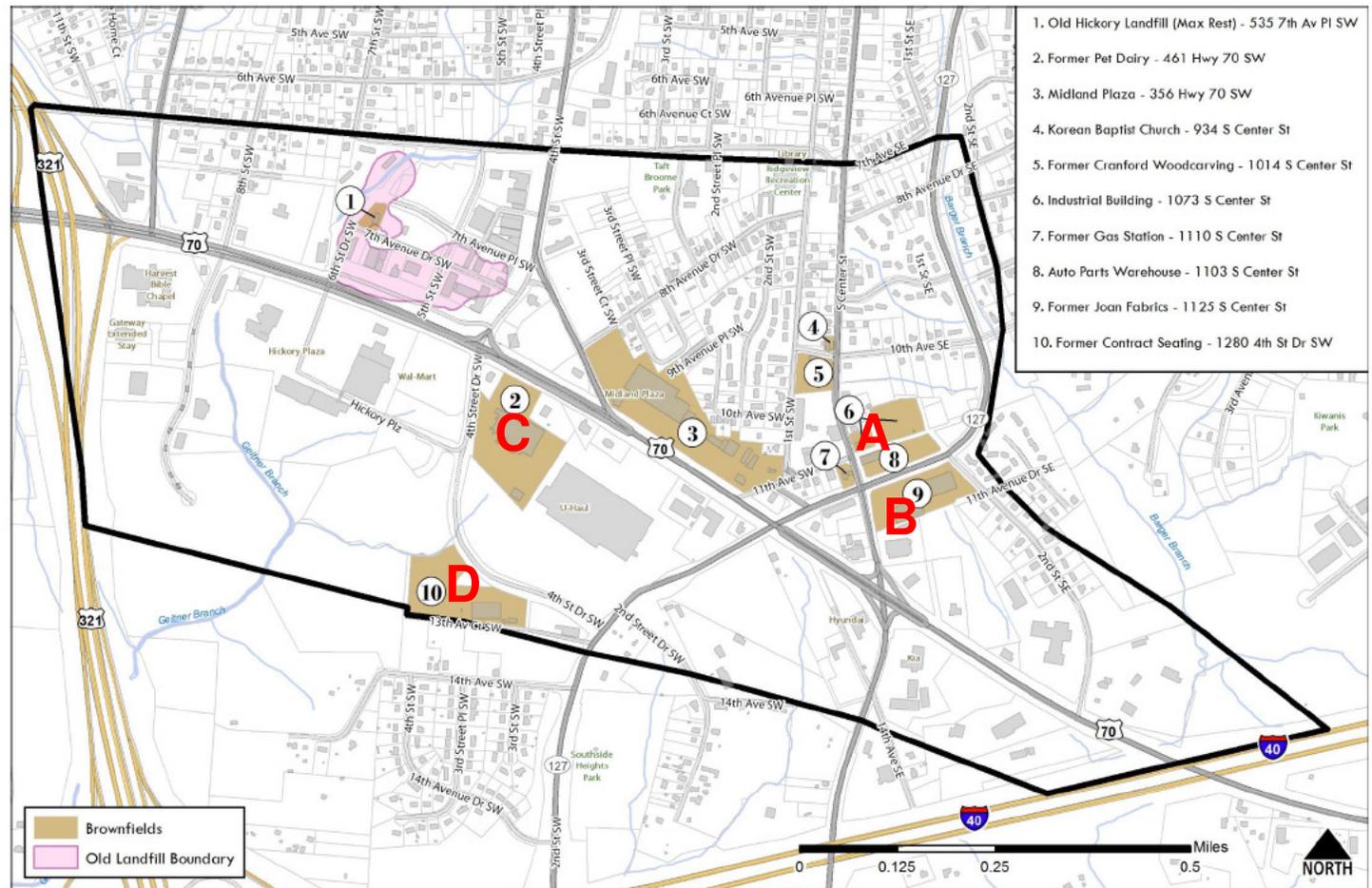
SOUTHSIDE BROWNFIELD STUDY AREA

- The potential to create jobs through redevelopment exists in two portions of the study area:
 - North of Hwy 70 – **community-oriented jobs** in possibly in partnership with outside philanthropic initiatives.
 - South of Hwy 70 – **larger-scale regionally attractive jobs** at larger sites for modern manufacturing, warehousing and distribution.



SOUTHSIDE HICKORY AREA WIDE PLAN: IDENTIFIED BROWNFIELDS

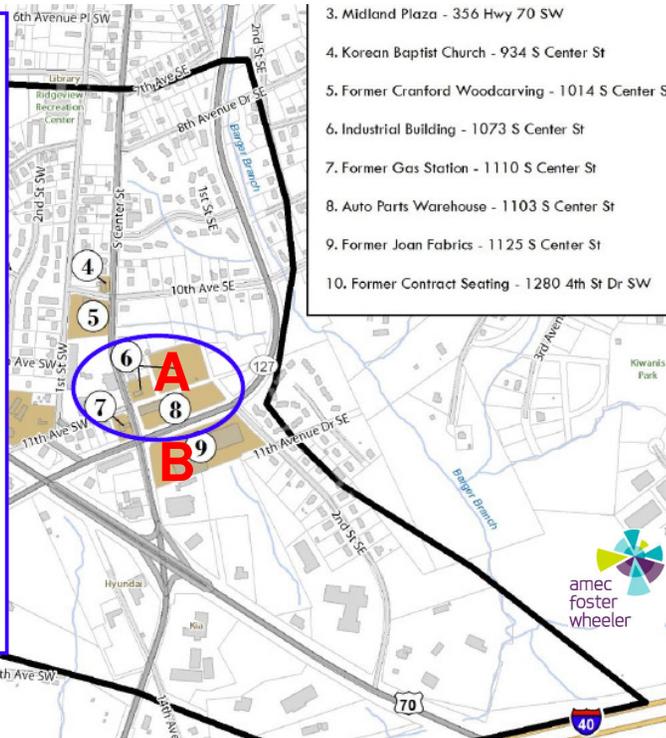
- AMEC identified ten parcels for analysis in the Brownfield Study, as seen in the map at right.
- In coordination with AMEC, four catalyst locations for feasibility analysis were selected:
 - **Site A:** S. Center @ 127 (#6, 7, 8)
 - **Site B:** Former Joan Fabrics (#9)
 - **Site C:** Former Pet Dairy (#2)
 - **Site D:** Former Contract Seating (#10)



SITE A: S. CENTER @ 127 RESIDENTIAL/MULTI-USE REDEVELOPMENT

Redevelopment Objectives:

- ✓ Corrects blight
- ✓ Addresses public safety issues in the area
- ✓ Market support for multi-family housing, with potential for smaller-scale mixed use
- ✓ Potential for collaboration with the Housing Authority
- ✓ Can be small or large project / can be phased
- ✓ New residential development here is consistent with surrounding properties N. of 127



7. Former Gas Station

Address: 1110 S Center St
 Parcel ID#: 370215549376
 Owner: R J Shell & Son inc
 Acres: 0.37
 Zoning: NC
 Land Value: \$27,400
 Building Value: \$51,200
 Total Value: \$78,600



6. Industrial Building - 1073 S Center St

Address: 1073 S Center St
 Parcel ID#: 370215640587, 370215643703
 Owner: Lingle, Charles Russell
 Acres: 0.45, 1.83
 Zoning: NC, R-4
 Land Value: \$23,500, \$10,900
 Building Value: \$16,300
 Total Value: \$50,700



8. Auto Parts Warehouse

Address: 1103 S Center St
 Parcel ID#: 370215641459, 370215643560
 Owner: Lingle, Charles Russell
 Acres: 0.19, 1.57
 Zoning: NC
 Land Value: \$9,900, \$95,700
 Building Value: \$59,500
 Total Value: \$165,100



SITE A: S. CENTER @ 127

MULTIFAMILY RESIDENTIAL/MULTI-USE REDEVELOPMENT

■ Redevelopment Scenario:

- Demolish Current Buildings #6 & #8 (9,073 SF)
- Environmental Clean-up Requirements:
 - Remove Underground Storage Tank
 - Install Vapor Membrane Barrier
 - Install Vapor Intrusion Depressurization System
 - Remove 6,900 tons of Impacted Soil

Three Site (#6, 7, 8) Total:

- Acres: 4.4
- Current Fair Market Value (Tax Assessor): \$262,200
- Current Property Taxes: \$1,850



■ NEW: 125 Mixed-income Apartments

- 2-3 Story
- Stick-built
- Surface Parking
- Avg. Unit Size: 975 SF
- Anticipated Avg. Rent: \$1,025/Month (\$1.05/SF)
- Redevelop Former Gas Station (#7) as Community Center/Leasing Office

SITE A: S. CENTER @ 127

MULTIFAMILY RESIDENTIAL /MULTI-USE REDEVELOPMENT

Development Proforma Summary

	ASSUMP- TIONS	TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Number of Apartments	125	31	du/a	125	125	125	125	125
Occupancy				65.0%	85.0%	92.0%	92.0%	92.0%
Occupied Units				81	106	115	115	115
Average Unit Size	975							
Net Square Feet:		121,875						
Gross Square Feet:		128,289						
Rent Revenues	\$1.05/sf			\$1,008,138	\$1,331,517	\$1,455,583	\$1,470,139	\$1,484,841
Gross Rent per Unit	\$1,024							
Total Collections				\$1,008,138	\$1,331,517	\$1,455,583	\$1,470,139	\$1,484,841
Direct Construction Costs								
Hard Costs (per gross s.f.)	\$100	\$12,828,947	\$12,828,947					
Former Gas Station Redevelopment	\$40		\$51,840					
Environment Clean Up								
UST Removal		\$30,000	\$30,000					
Membrane Barrier	\$3/sf	\$128,289	\$128,289					
Depressurization System		\$20,000	\$20,000					
Soil Removal (4,600 cubic yards)		\$600,000	\$600,000					
Demolition (9,073 SF)	\$4/sf	\$36,292	\$36,292					
Contingency	2.0%	\$273,907	\$273,907					
Total Hard Costs		\$13,969,276	\$13,969,276					
Total Soft Costs	7%	\$977,849	\$977,849	\$0	\$0	\$0	\$0	\$0
Expenses	\$4,000	per Unit		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Land Costs			\$262,200					
Taxes			\$1,850	\$30,879	\$30,879	\$30,879	\$30,879	\$30,879
TOTAL COSTS		\$17,865,573	\$15,211,176	\$530,879	\$530,879	\$530,879	\$530,879	\$530,879
NET OPERATING INCOME		\$4,095,822		\$477,258	\$800,638	\$924,704	\$939,260	\$953,961
Property Sale	6%	cap rate						\$15,899,356
NET CASH FLOW (unleveraged)		\$4,784,001	-\$15,211,176	\$477,258	\$800,638	\$924,704	\$939,260	\$16,853,317
NPV (10%)		-\$2,104,000						
IRR		6%						

SITE A: S. CENTER @ 127

MULTIFAMILY RESIDENTIAL /MULTI-USE REDEVELOPMENT

NEW: 125 Mixed-income Apartments

- Total Direct Construction Costs (Hard & Soft): \$14.4 Million
- Environmental Clean-up Costs: \$815,000
- Stabilized Net Operating Income: \$925,000
- Est. Taxes after Redevelopment: \$30,900
- Project Value @ 6% Cap Rate: \$16 Million
- Internal Rate of Return: 6% (Financially Infeasible)



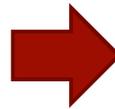
Example of Mixed-Income Housing in North Carolina

SITE A: S. CENTER @ 127

MULTIFAMILY RESIDENTIAL /MULTI-USE REDEVELOPMENT

■ Necessary Incentives to achieve a 15% Return:

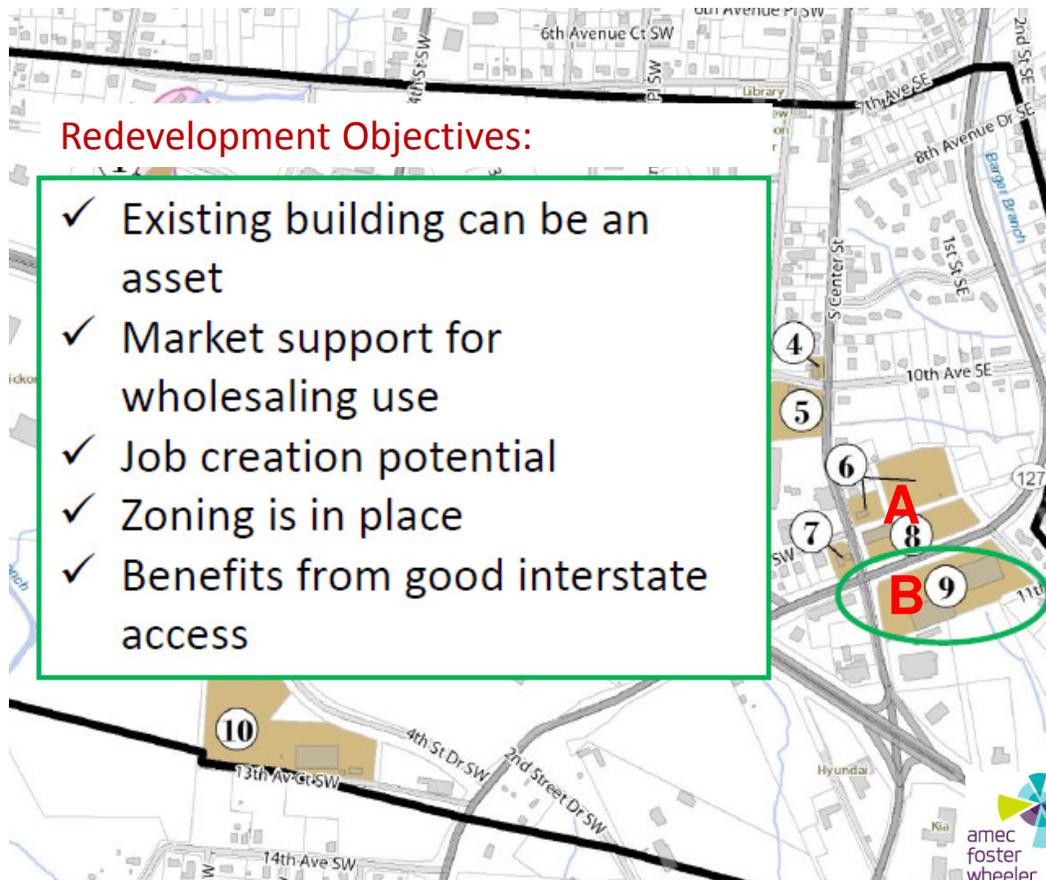
- Reduce Ongoing Property Taxes to \$0
- Reduce Environmental Clean-up Costs to \$0
- Reduce Land Purchase Price to \$0
- Direct Housing Development Subsidy: \$3 Million



■ Potential Incentives:

- North Carolina Brownfields Program Tax Abatements
- Federal Grants, including Community Development Block Grants
- New Markets Tax Credit (NMTC)
- Low Income Housing Tax Credits (LIHTC)
- Tax Increment Financing (TIF)

SITE B: FORMER JOAN FABRICS INDUSTRIAL REDEVELOPMENT



9. Former Joan Fabrics

Address: 1125 S Center St
 Parcel ID#: 370215644254
 Owner: 1125 S Center St LLC
 Acres: 4.0
 Zoning: IND
 Land Value: \$213,000
 Building Value: \$218,500
 Total Value: \$431,500



SITE B: FORMER JOAN FABRICS

INDUSTRIAL REDEVELOPMENT

■ Redevelopment Scenario:

Renovate two buildings (15,200 SF & 24,000 SF) into Warehouse/Light Manufacturing facilities

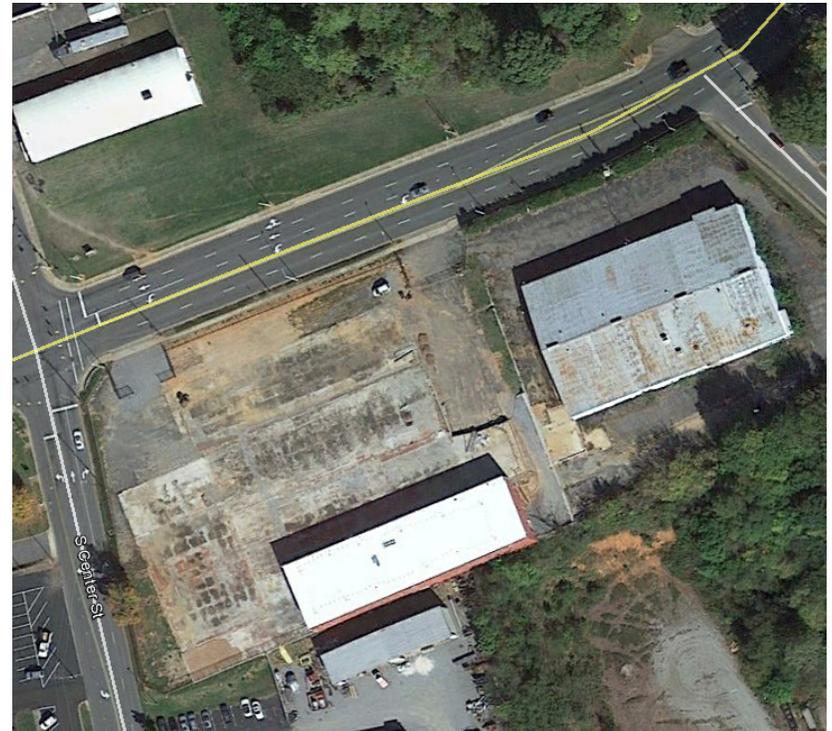
■ Operating Assumptions:

- Anticipated Avg. Rent: \$3.50/SF/Year

■ Environmental Clean-up Requirements:

- Install Vapor Intrusion Depressurization System

- Acres: 4
- Current Fair Market Value (Tax Assessor): \$239,500
- Current Property Taxes: \$2,734



SITE B: FORMER JOAN FABRICS INDUSTRIAL REDEVELOPMENT

Development Proforma Summary – Industrial Building Redevelopment

	ASSUMP- TIONS	TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Acres		4.08						
Net Square Feet		39,200		39,200	39,200	39,200	39,200	39,200
Occupancy Rate				39%	39%	100%	100%	100%
Occupied Square Feet				15,200	15,200	39,200	39,200	39,200
Rent	\$3.50/sf	\$518,000		\$53,200	\$53,200	\$137,200	\$137,200	\$137,200
Total Collections		\$518,000		\$53,200	\$53,200	\$137,200	\$137,200	\$137,200
Redevelopment Hard Costs								
Hard Costs (per gross s.f.)	\$13/sf	\$499,800	\$499,800					
Environment Clean Up								
Depressurization System		\$20,000	\$20,000					
Contingency	2.0%	\$10,396	\$10,396					
Total Hard Costs		\$530,196	\$530,196					
Redevelopment Soft Costs								
General Administrative (% of costs)	3.0%	\$15,906	\$15,906					
Engineering, etc. (% of costs)	2.0%	\$10,604	\$10,604					
Legal Fees (% of costs)	2.0%	\$10,604	\$10,604					
Total Soft Costs	7.0%	\$37,114	\$37,114					
Land Costs			\$239,500					
Expenses (% of Revenue)	10%	\$46,480		\$5,320	\$5,320	\$13,720	\$13,720	\$13,720
Taxes			\$2,734	\$10,936	\$10,936	\$10,936	\$10,936	\$10,936
TOTAL COSTS		\$916,021	\$809,544	\$16,256	\$16,256	\$24,656	\$24,656	\$24,656
NET OPERATING INCOME		\$411,522		\$36,944	\$36,944	\$112,544	\$112,544	\$112,544
Property Sale	10.0% cap rate							\$1,125,444
NET CASH FLOW (unleveraged)		\$727,423	-\$809,544	\$36,944	\$36,944	\$112,544	\$112,544	\$1,237,989
NPV (10%)	\$168,000							
IRR	15%							

SITE B: FORMER JOAN FABRICS

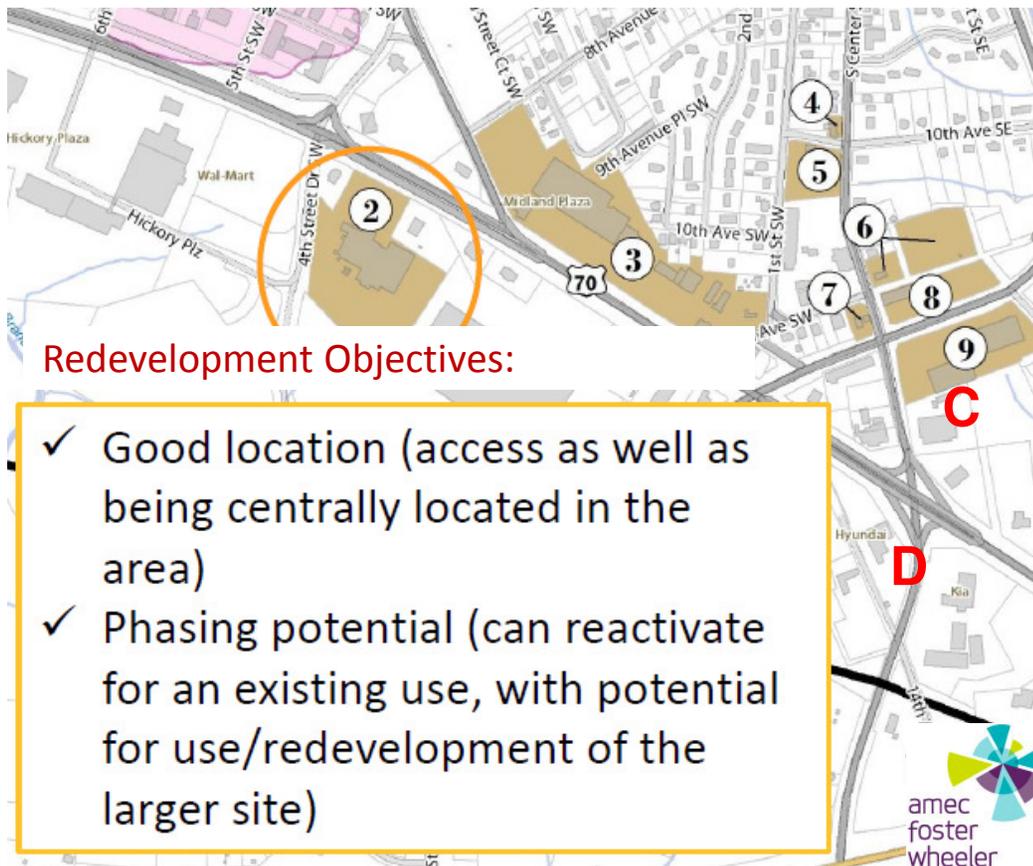
INDUSTRIAL REDEVELOPMENT

Redevelopment Scenario:

Renovate two buildings (15,200 SF & 24,000 SF) into Warehouse/Light Manufacturing Facilities

- Acquisition Costs: \$239,500
- Total Direct Construction Costs (Hard & Soft): \$500,000
- Environmental Clean-up Costs: \$20,000
- Stabilized Net Operating Income: \$112,544
- Est. Taxes after Re-development: \$11,000
- Project Value @ 10% Cap Rate: \$1.1 million
- Internal Rate of Return: 15% (Financially Feasible)

SITE C: FORMER PET DAIRY INDUSTRIAL REDEVELOPMENT

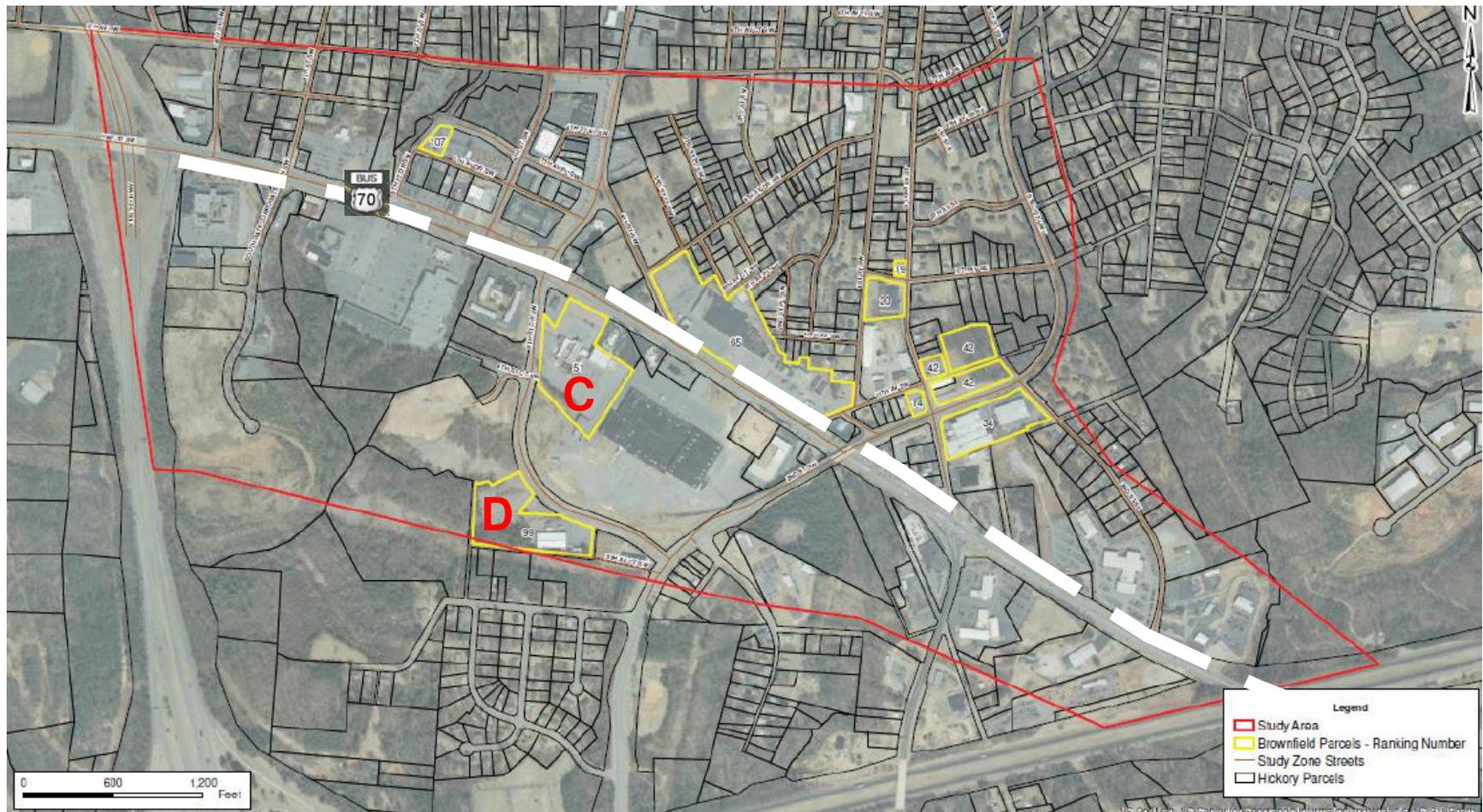


2. Former Pet Dairy

Address: 461 Hwy 70 SW
Parcel ID#: 370214347658
Owner: LNBC LLC
Acres: 7.62
Zoning: C-3
Land Value: \$795,800
Building Value: \$182,000
Total Value: \$977,800

SOUTHSIDE BROWNFIELD STUDY AREA

Catalyst sites C & D can help to establish the area south of Hwy 70 as a desirable location for distribution, warehousing and modern light manufacturing.



SITE C: FORMER PET DAIRY INDUSTRIAL REDEVELOPMENT

Site C Redevelopment Scenario:

- Demolish 32,760 SF of least viable portion of building
- Preserve/re-use 55,750 SF most viable building (due to high ceilings)
- Add New 75,000 SF of Warehouse/Light Manufacturing/Flex Facility
- **Total Rentable SF: 130,750**
- **Operating Assumptions:**
 - Anticipated Avg. Rent: \$4/SF/Year
- **Environmental Clean-up Requirements:**
 - Remove Hydraulic Lift (x3)
 - Install Vapor Membrane Barrier
 - Install Vapor Intrusion Depressurization System
 - Asbestos Survey and Removal

Acres: 7.62
Current Fair
Market
Value (Tax
Assessor):
\$965,500
Current
Property
Taxes:
\$11,021



SITE C: FORMER PET DAIRY INDUSTRIAL REDEVELOPMENT

Development Proforma Summary – Industrial Redevelopment

	ASSUMP- TIONS	TOTAL	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Acres		8						
Occupied Square Feet				130,750	130,750	130,750	130,750	130,750
Rent	\$4.00/sf	\$2,615,000		\$523,000	\$523,000	\$523,000	\$523,000	\$523,000
Total Collections		\$2,615,000		\$523,000	\$523,000	\$523,000	\$523,000	\$523,000
Redevelopment Hard Costs								
Renovation (55,750 SF)	\$13	\$710,813	\$710,813					
New Construction (75,000 SF)	\$40	\$3,000,000	\$3,000,000					
Environment Clean Up								
Hydraulic Lift Removal (x3)	\$6,500	\$19,500	\$19,500					
Membrane Barrier/Depressurization System		\$20,000	\$20,000					
Asbestos Survey		\$34,000	\$34,000					
Demolition (32,760 SF)	\$5.00/sf	\$163,800	\$163,800					
Contingency	2.0%	\$61,470	\$61,470					
Total Hard Costs		\$4,009,583	\$4,009,583					
Redevelopment Soft Costs								
General Administrative (% of costs)	3%	\$120,287	\$120,287					
Engineering, etc. (% of costs)	2%	\$80,192	\$80,192					
Legal Fees (% of costs)	2%	\$80,192	\$80,192					
Total Soft Costs	7%	\$280,671	\$280,671					
Land		\$965,500	\$965,500					
Expenses (% of Revenue)	5%	\$130,750		\$26,150	\$26,150	\$26,150	\$26,150	\$26,150
Taxes		\$92,424	\$11,021	\$16,281	\$16,281	\$16,281	\$16,281	\$16,281
TOTAL COSTS		\$5,478,927	\$5,266,774	\$42,431	\$42,431	\$42,431	\$42,431	\$42,431
NET OPERATING INCOME		\$2,391,826	-\$11,021	\$480,569	\$480,569	\$480,569	\$480,569	\$480,569
Property Sale	10% cap rate							\$4,805,694
NET CASH FLOW (unleveraged)		\$1,941,767	-\$5,266,774	\$480,569	\$480,569	\$480,569	\$480,569	\$5,286,263
	NPV (10%)	-\$419,000						
	IRR	8%						

SITE C: FORMER PET DAIRY

INDUSTRIAL REDEVELOPMENT

Total Rentable SF: 130,750

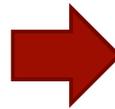
- Acquisition Cost: \$965,500
- Direct Redevelopment & Construction Costs (Hard & Soft): \$4.3 Million
- Environmental Clean-up Costs: \$237,300 Stabilized Net Operating Income: \$450,000
- Taxes after Re-development: \$16,281
- Project Value @ 10% Cap Rate: \$4.5 Million
- Internal Rate of Return: 6% (Financially Infeasible)



SITE C: FORMER PET DAIRY

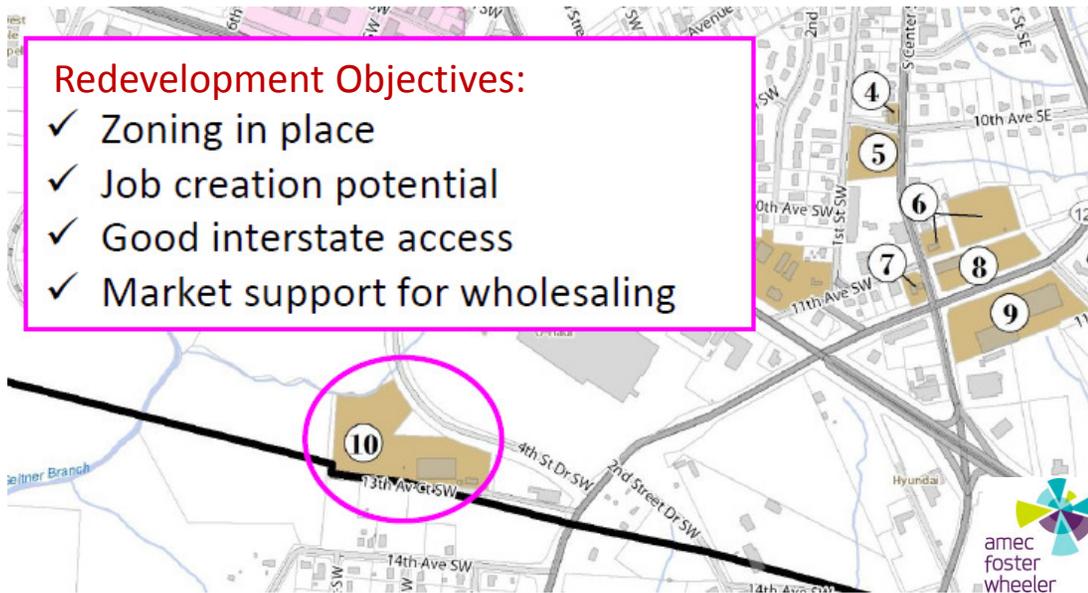
INDUSTRIAL REDEVELOPMENT

- Necessary Incentives to achieve a 15% Return:
 - Reduce Acquisition Cost to \$0
 - Reduce Environmental Clean-up Costs to \$0
 - Reduce Ongoing Property Taxes to \$0
 - Direct Development Subsidy: \$420,000
- OR
- Increase Rents to \$5/SF/Year



- In order to attract private investment in the study area, the City of Hickory will need to consider using:
 - North Carolina Brownfields Program Tax Abatements
 - Federal Grants, including Community Development Block Grants
 - North Carolina Job Development Investment Grants
 - Tax Increment Financing (TIF)

SITE D: FORMER CONTRACT SEATING INDUSTRIAL REDEVELOPMENT



10. Former Contract Seating

Address: 1280 4th St Dr SW
Parcel ID#: 370214333509
Owner: Bank of Granite
Acres: 5.98
Zoning: C-3
Land Value: \$127,400
Building Value: \$208,700
Total Value: \$336,100



SITE D: FORMER CONTRACT SEATING INDUSTRIAL REDEVELOPMENT

■ Redevelopment Scenario

- Demolish current buildings on site (23,000 SF)
 - While the building is likely suitable for re-use, the site is capable of a greater amount of development.
 - An alternative scenario may exist to retain current building and develop an additional new building on the western portion of the site.
- Develop 70,000 new SF of Warehouse/Distribution Facility
- **Operating Assumptions:**
 - Anticipated Avg. Rent: \$3.75/SF/Year
- No Environmental Clean-up Required

Acres: 5.98
Current Fair Market Value (Tax Assessor): \$273,300
Current Property Taxes: \$2,734



SITE D: FORMER CONTRACT SEATING INDUSTRIAL REDEVELOPMENT

Development Proforma Summary – New Industrial Development

	ASSUMP- TIONS	TOTAL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Occupied Square Feet				70,000	70,000	70,000	70,000	70,000
Rent	\$3.75/sf	\$1,312,500		\$262,500	\$262,500	\$262,500	\$262,500	\$262,500
Total Collections		\$1,312,500		\$262,500	\$262,500	\$262,500	\$262,500	\$262,500
Construction Hard Costs								
Demolition (per gross s.f.)	\$3	\$69,147	\$69,147					
Environment Clean Up	\$0							
New Construction (70,000 SF)	\$30	\$2,100,000	\$2,100,000					
Contingency	2%	\$42,000	\$42,000					
Total Hard Costs		\$2,211,147	\$2,211,147					
Soft Costs								
General Administrative (% of costs)	3%	\$66,334	\$66,334					
Engineering, etc. (% of costs)	2%	\$44,223	\$44,223					
Legal Fees (% of costs)	2%	\$44,223	\$44,223					
Total Soft Costs	7%	\$154,780	\$154,780					
Land		\$273,300	\$273,300					
Expenses (% of Revenue)	5%	\$65,625		\$13,125	\$13,125	\$13,125	\$13,125	\$13,125
Taxes			\$2,067	\$6,278	\$6,278	\$6,278	\$6,278	\$6,278
TOTAL COSTS		\$2,738,311	\$2,641,295	\$19,403	\$19,403	\$19,403	\$19,403	\$19,403
NET OPERATING INCOME		\$1,215,484		\$243,097	\$243,097	\$243,097	\$243,097	\$243,097
Property Sale	10% cap rate							\$2,430,967
NET CASH FLOW (unleveraged)		\$908,140	-\$2,641,295	\$223,693	\$223,693	\$223,693	\$223,693	\$2,654,661
NPV (10%)		-\$258,000						
IRR		7%						

SITE D: FORMER CONTRACT SEATING INDUSTRIAL REDEVELOPMENT

New 70,000 SF of Warehouse/Distribution Facility

- Acquisition Cost: \$273,500
- Direct Redevelopment & Construction Costs (Hard & Soft): \$2.4 million
- Environmental Clean-up Costs: Not necessary
- Stabilized Net Operating Income: \$243,000
- Est. Taxes after Re-development: \$6,278
- Project Value @ 10% Cap Rate: \$2.4 Million
- Internal Rate of Return: 9% (Financially Infeasible)
- Necessary Incentives to achieve a 15% Return:
 - Increase rents to \$5/SF/Year
 - Reduce Acquisition Cost to \$0
 - Reduce Ongoing Property Taxes to \$0

CATALYST SITES FINANCIAL FEASIBILITY ANALYSIS SUMMARY

- In this analysis we tested the financial feasibility of potential catalyst sites in the Hickory Southside Brownfield study area. Three of the four potential redevelopments were deemed infeasible because the anticipated achievable market rents are not sufficient to support the level of development/ redevelopment required to generate necessary returns to attract investment.

Development Proforma Results Summary

	Site A	Site B	Site C	Site D
	Center and 127	Former Joan Fabrics	Former Pet Dairy	Former Contract Seating
	New Apartments	Industrial Redevelopment	Industrial Redevelopment	New Industrial
Total Investment	\$15,211,176	\$809,544	\$5,266,774	\$2,641,295
Achievable Rents	\$1.05/sf	\$3.50/sf	\$4.00/sf	\$3.75/sf
Internal Rate of Return (IRR)	6%	15%	8%	7%
Incentive Required for Feasibility	\$3,476,781	\$0	\$656,730	\$273,300
% of Development Costs	23%	N/A	12%	10%

- Environmental clean-up costs were modeled ranging from \$0 to \$815,000.
- The market dynamics, however, of the infeasible catalyst sites cannot carry the developments, even if environmental clean-up costs were reduced or eliminated.

CATALYST SITES FINANCIAL FEASIBILITY ANALYSIS SUMMARY

- Triggering redevelopment of the analyzed sites will require significant public subsidies/incentives to:
 - Write down the cost of the site (acquisition, demolition, etc.)
 - Defray environmental clean-up costs
 - Pay a portion of the development costs, estimated to be between 10% and 25% of the infeasible projects
- Despite the challenges, the opportunity at the catalyst sites include:
 - \$24 million in new investment
 - Creation/reposition of new gateway employment center for Hickory
 - New housing for over 100 households

