UNC SCHOOL OF GOVERNMENT

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
SCHOOL OF GOVERNMENT
Development Finance Initiative

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The Development Finance Initiative (DFI) is pleased to provide redevelopment feasibility services for sites in Western Carolina, under NC DEQ's Hurricane Helene Relief Brownfields program. DFI is a program of the UNC-Chapel Hill School of Government. Since 2011, DFI has partnered with clients across North Carolina to attract private investment into transformative real estate development projects, having now assisted with over 250 projects resulting in over a billion dollars in private investment. DFI's team brings specialized real estate finance and development expertise that has a proven track record of finding solutions to complex development projects.

Areas of Expertise

The DFI team has significant experience in private real estate development, complex financing tools, and public-private partnerships, including for Brownfields sites. The DFI team has expertise and project experience related to a variety of uses and contexts, including but not limited to:

- Master development planning
- Historic preservation
- Mixed-use development
- Downtown revitalization
- Neighborhood redevelopment
- Affordable housing
- Hospitality
- Disaster recovery

Services Provided

DFI's technical assistance aligns with eligible activities under an EPA Brownfields grant:

- Visioning and equitable development activities including stakeholder engagement, community interviews, design charrettes, and goal setting
- Brownfields area-wide planning, i.e., identifying high-priority catalyst sites
- Site reuse and land use assessments to provide realistic, market-driven reuse options
- Market study and evaluation of market viability
- Site disposition strategy, including public-private partnerships
- Fiscal impact analysis

Proposed Scope of Services

The following Scope of Services outlines the pre-development feasibility analysis activities that DFI would conduct to support NC DEQ in evaluating the redevelopment potential of a Brownfields site, herein referred to as the "Project", and its ability to attract private investment:

1. Conduct a community scan, which is an analysis of market-relevant demographic and socioeconomic data, as well as a review of current and historic plans, visioning

documents, studies, research, development proposals, conceptual renderings, notes from public input sessions, and other materials relevant to the Project;
2. Establish priorities to inform potential strategies for reuse of the Project in collaboration with NC DEQ and local community stakeholders;
3. Collect and analyze relevant data for a parcel analysis to understand current conditions (sales trends, vacancy, land use, ownership, and underutilization) and changes over time in the area immediately surrounding the Project;
4. Conduct market research, including case studies for markets where available market data may not be sufficient, and a market analysis to assess the demand for development, to include an evaluation of market feasibility and demand drivers for different uses for the Project including commercial and residential;
5. Conduct a high-level site analysis, examining infrastructure, building layouts, etc., to gain an understanding of development opportunities and constraints of the Project;
6. Conduct a high-level financial analysis to determine the feasibility of attracting private investment to the Project, including analysis of development finance tools (federal and state tax credits, district designations, etc.); and
7. Based on this analysis, evaluate the general redevelopment potential of the Project and make recommendations to NC DEQ regarding next steps.

This Scope of Services does not include services that require a licensed broker, a licensed real estate appraiser, or licensed attorney to perform.

Timeline

The timeline for completing the Scope of Services for each Project is typically 5 to 7 months, depending on the individual Project's scale and complexity.

Clients Served by DFI

DFI is able to provide technical assistance to local government clients for sites they own or that have a clear path to site control (donation, acquisition, lease, etc.). DFI is able to provide services for privately-owned sites with the written support of the relevant unit(s) of local government.

Potential Future Phase 2 Services: Identification of a Private Development Partner

Pending the outcome of this analysis and the client's interest, DFI is able to provide additional pre-development services for the Project, including the identification of a private development partner and advising support in negotiating a development agreement with that partner. Phase 2 services would require a separate contract and fee, but pricing would reflect efficiencies gained from work already performed so long as DFI is engaged within one year following the completion of this Scope of Services.