

# Case Study: Strategic Development Scenarios for Casey Foundation's University Avenue Site in Atlanta

Positioning Your Neighborhood for Economic Development

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*HUD Choice Neighborhoods Grantee Conference  
March 17, 2016*



# Today's Workshop Goals

- Review the context for developing an underutilized property in Atlanta
  - Project goals
  - Regional and local market conditions
  - Site location and characteristics
- Understand different types of economic uses
- Evaluate factors/tradeoffs among uses
- Set the stage for applying approach in YOUR neighborhoods



# Agenda

1 Project Context: Goals & Economic Framing

2 Economic Opportunities and Site Background

3 Economic Uses and Tradeoffs

4 Project Outcomes and Status

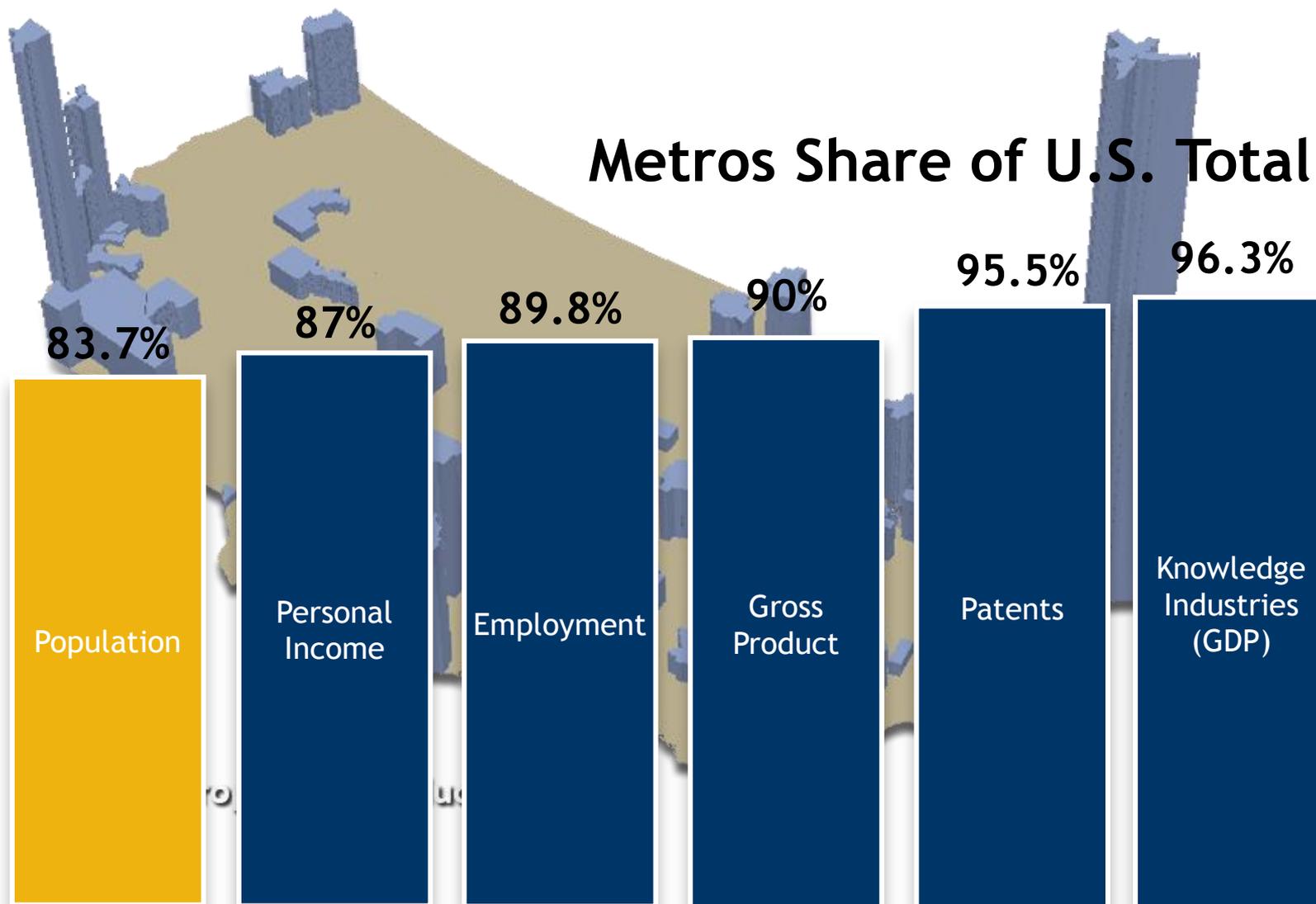
5 Discussion

# Atlanta Project Goals

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- Create economic opportunity for the surrounding community
  - Connect neighborhood assets to regional cluster opportunities
- 
- Promote other local benefits and amenities (e.g., healthy foods, green space, Beltline's bike paths and parks)
  - Plan for interim uses that will generate momentum

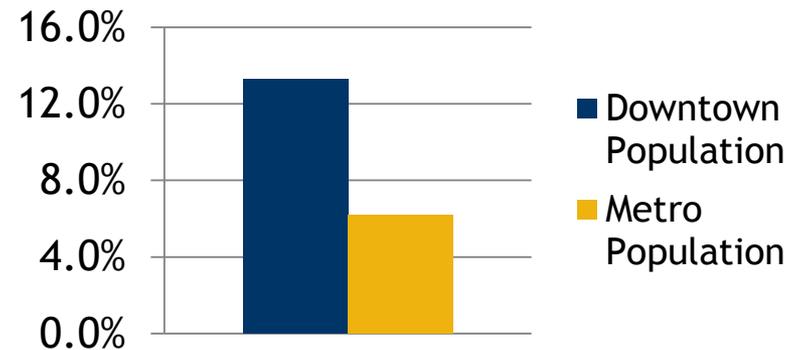
# Knowledge Economy Favors Metropolitan Areas



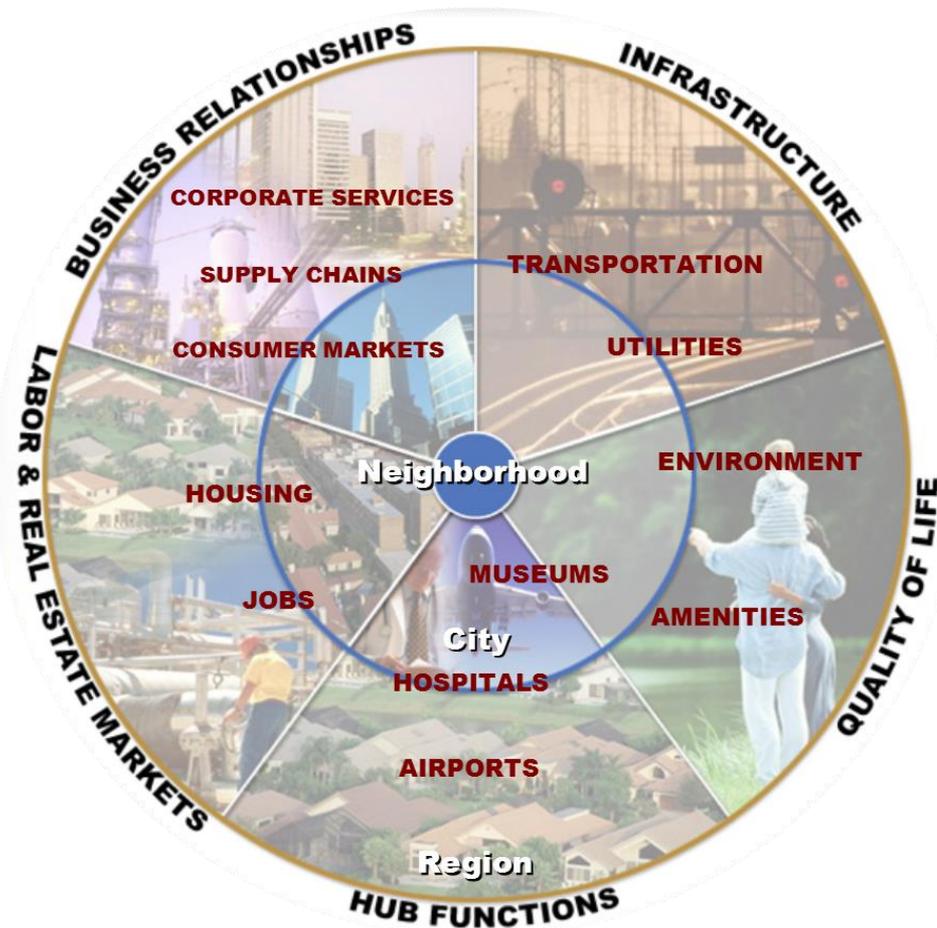
# And Creates New Opportunities for Neighborhoods

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

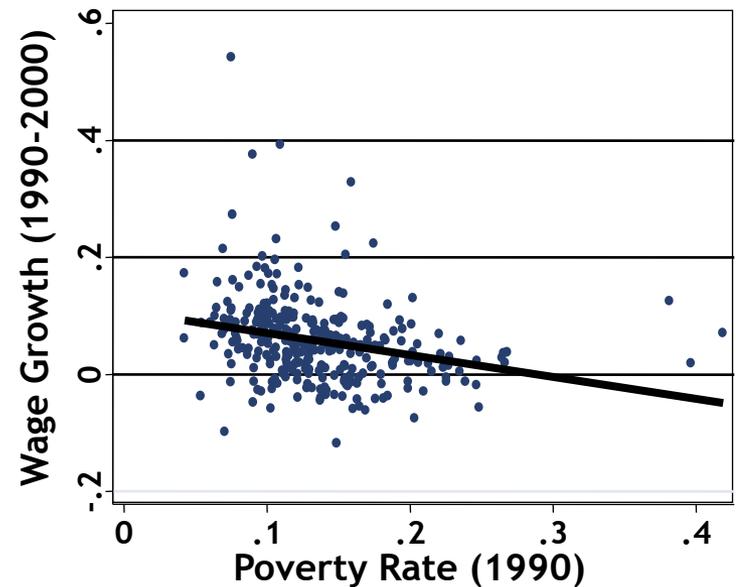
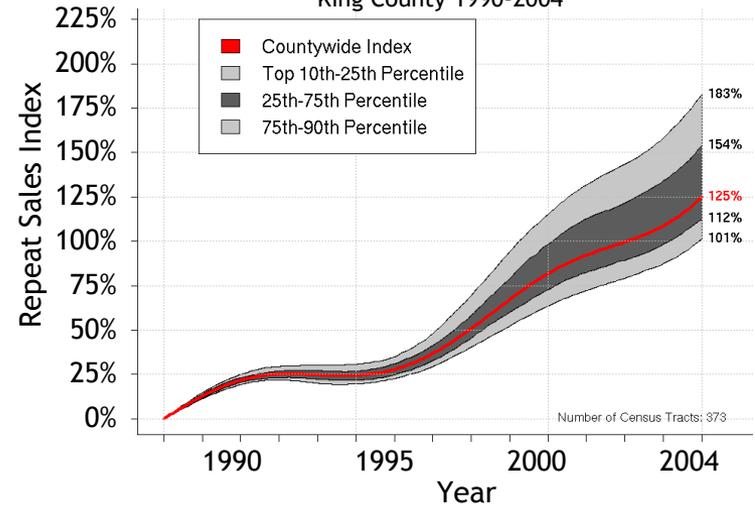
## Population Growth in Large Metros, 2000-2010



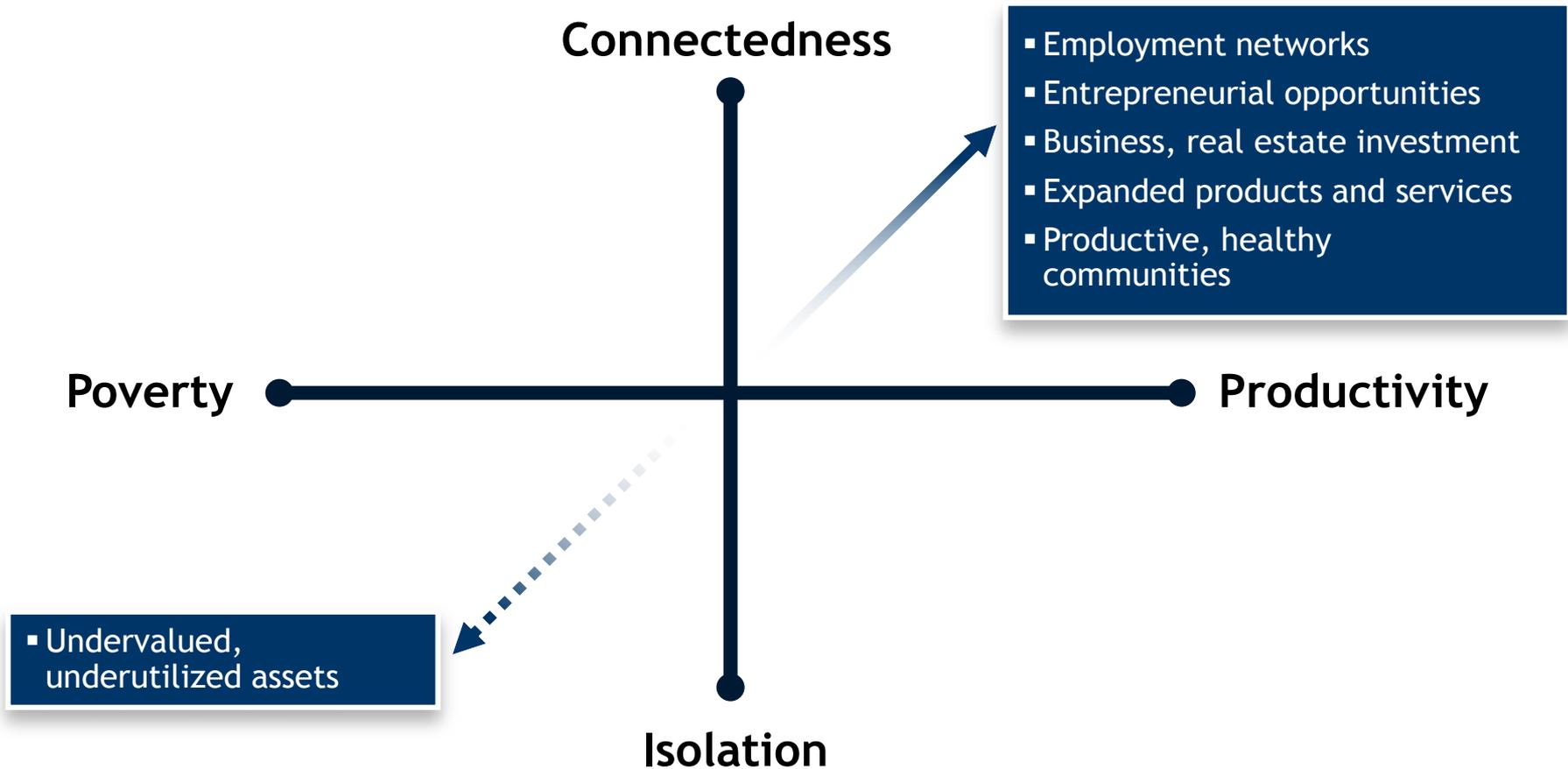
# Regions Need Neighborhoods



Variation of appreciation across Neighborhoods  
King County 1990-2004

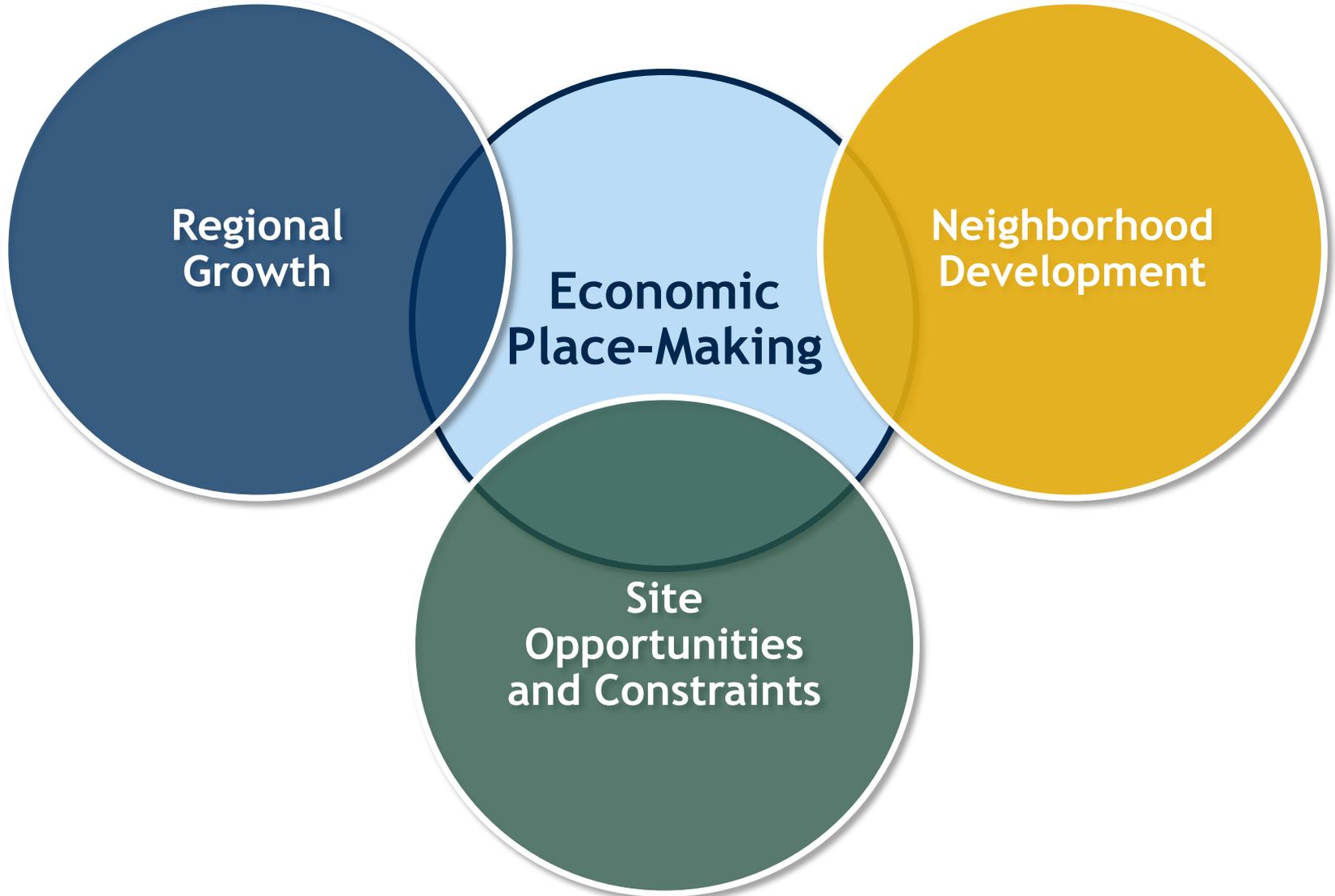


# Neighborhoods Need Regions



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

# Application to the Atlanta Project



# Project Logic



# National, Multi-Disciplinary Team

- Metropolitan and neighborhood economic growth
- Cluster analysis
- Retail market and feasibility analysis
- Site planning, landscape architecture
- Real estate development (private & public processes)
- Community engagement

mass | economics



Noell Consulting Group

# Agenda

1

Project Context: Goals & Economic Framing

2

Economic Opportunities and Site Background

3

Economic Uses and Tradeoffs

4

Project Outcomes and Status

5

Discussion

# Economic Context



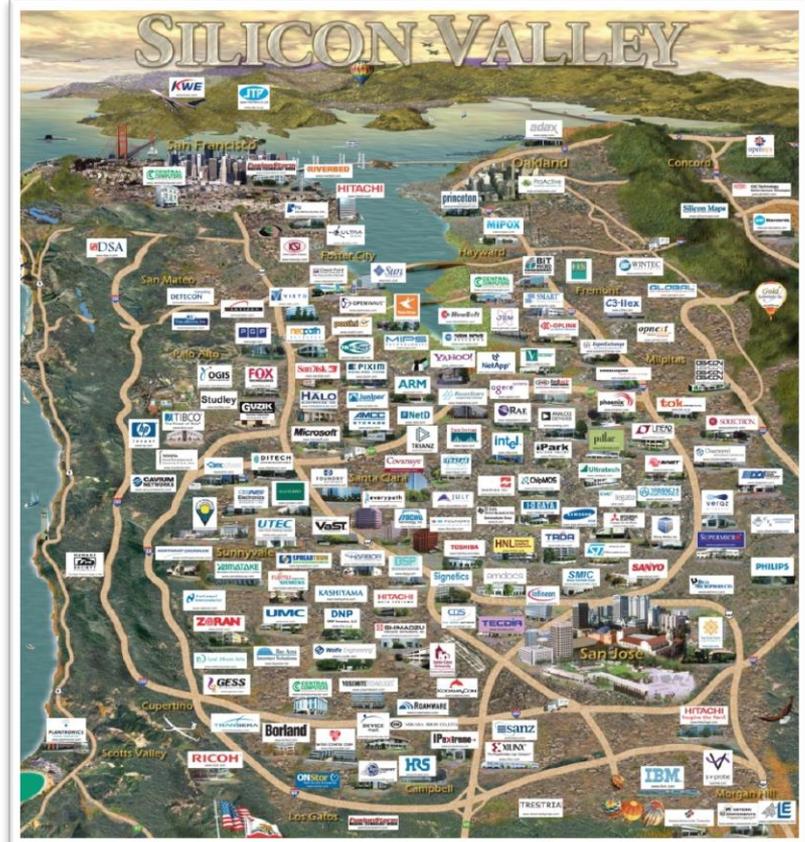
Metric	Atlanta Region	Pittsburgh Neighborhood
Employment Growth (2002-12)	2%, +52K	-21%, -155
Population Growth (2000-10)	24%, +1M	-11%, -600
Poverty Rate (2008-12)	14%	52%
Unemployment Rate (2008-12)*	9%	24%
Per Capita GRP Growth (2001-12)**	(-7%)	N/A
Upward Mobility	96 <sup>th</sup> out of 100 MSAs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

Note: \* Unemployment Rate for 25 to 64 year olds. \*\* The Atlanta Region's per capita GDP decreased by 7% from 2001 to 2012, compared to an increase of 6% for the US as a whole.

Source: QCEW, QWI, LEHD-OTM, BEA, American Community Survey, <http://www.equality-of-opportunity.org/>

# Clusters = A Primary Driver of Regional Economic Growth

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



# Example - Cluster Growth and Neighborhood Assets

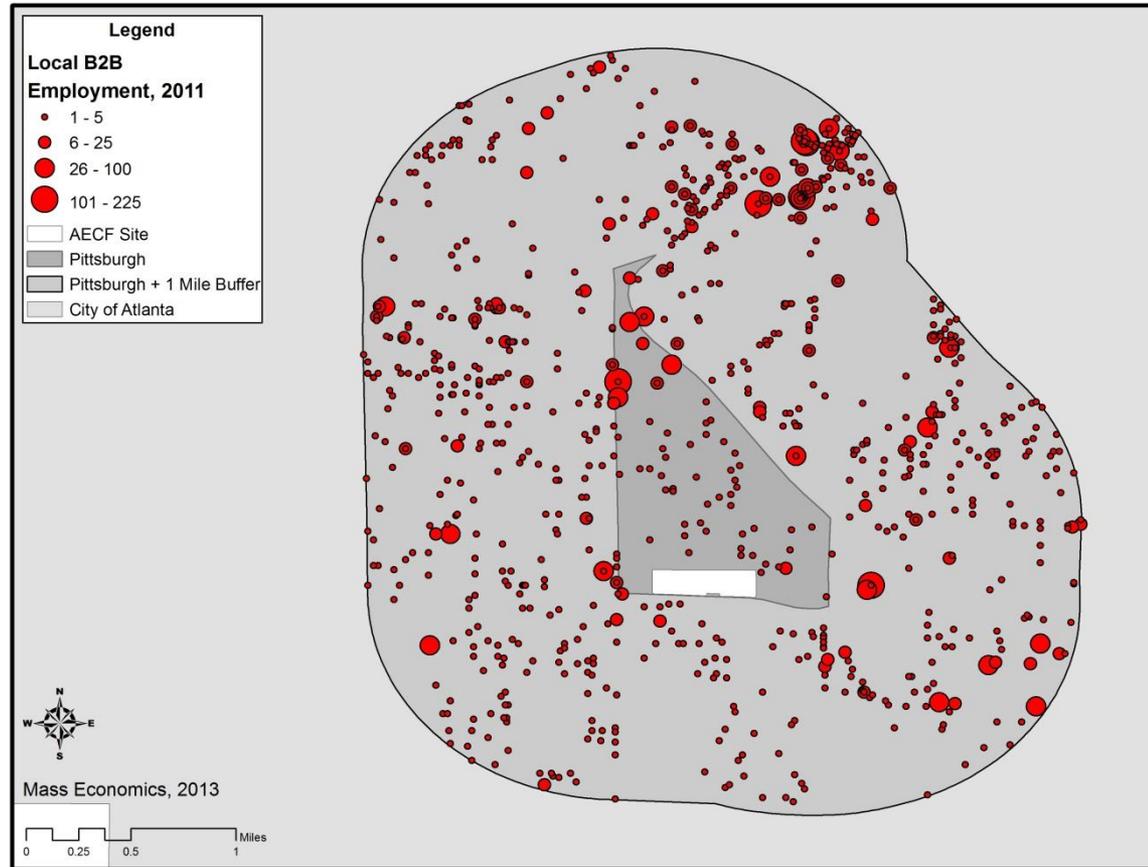
## Local B2B Firms by Employment, 2011

Workforce

Land

Supply Chains

Markets



# Regional Opportunity Criteria: Cluster Strength & Growth Potential

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

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

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

# Summary: Regional & Neighborhood Economic Opportunities

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

# Summary: Regional & Neighborhood Economic Opportunities

- 70% of Employment is in Local Clusters
- Local Business-to-Business (B2B) Services:
  - Facilities management
  - Local transportation and logistics
  - Local trucking
  - Equipment repair & maintenance
  - Rental & leasing
  - Warehousing & storage
  - Waste services
  - Wholesale
- Retail:
  - Only as an ancillary or complementary use
  - NOT as a primary use of the site

# Neighborhood Development/Impact Criteria: Alignment of Cluster's Needs with Neighborhood Assets

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

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

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

# Illustration: Neighborhood Impacts

## Food

## Business Services

- **Presents opportunities for neighborhood assets:**
  - Demand for workers
  - Location/land/site suitability
  - Supply chain opportunities

- **Current presence in neighborhood:**
  - Firms and jobs
  - Residents as owners/managers

- **Employment opportunities that:**
  - Are accessible to neighborhood residents
  - Provide living wages, job ladders, other benefits

- ~ 250 food firms (5% of city total) w/in 1 mile of neighborhood
- Nearly 50 firms are in food manufacturing or distribution → typically provide living wages
- Many neighborhood residents currently employed in food-related activities
- Average new food manufacturing facilities require ~9 acres of land

- 325+ business services firms (3% of city total) w/in 1 mile of neighborhood
- Neighborhood residents have occupational experience in key cluster activities
- Business services jobs typically provide living wages
- Small firms and self-employed are well-represented, esp. in “local B2B”
- Nationally, many segments have significant minority business ownership
- Business services/local B2B can utilize wide range of site sizes and types

# Labor Force Characteristics



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

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



- Access & Connectivity to Surrounding Neighborhood

- Site Access
  - Vehicular
  - Pedestrian
- Visibility

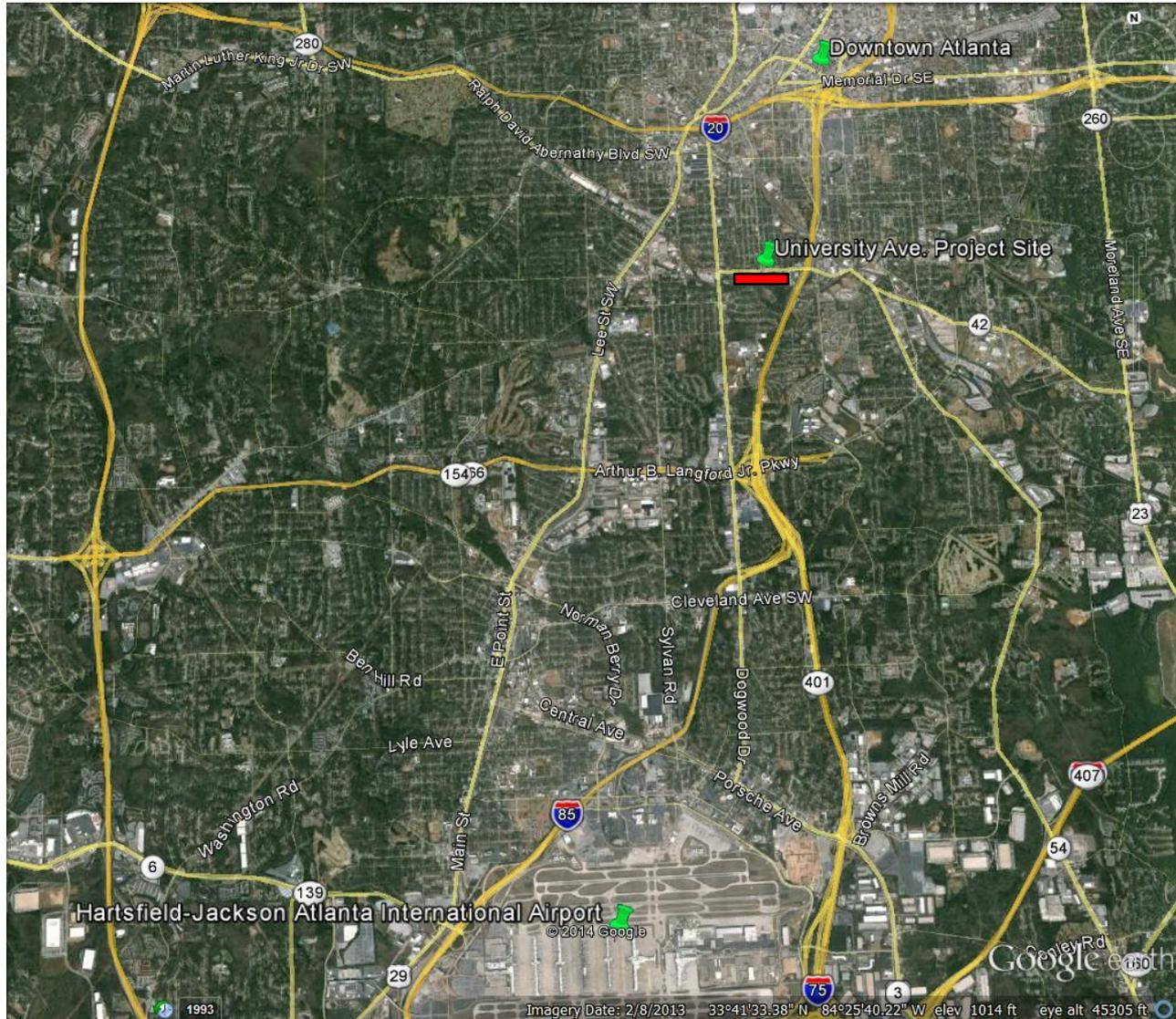
- Site Characteristics

- Topography
- Contamination
- Hydrology
- Utilities

- Assets

- Site Structures

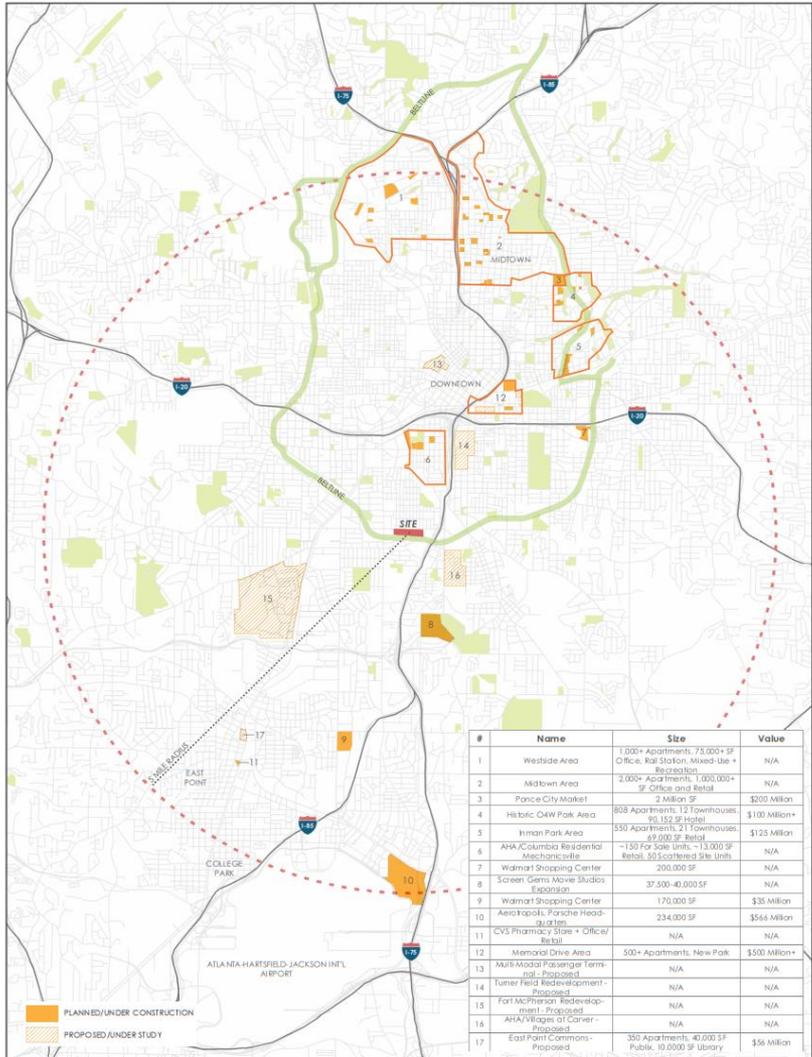
# Context: Site Location



# Context: Site Location (cont'd)



# Context: Site Location (cont'd)

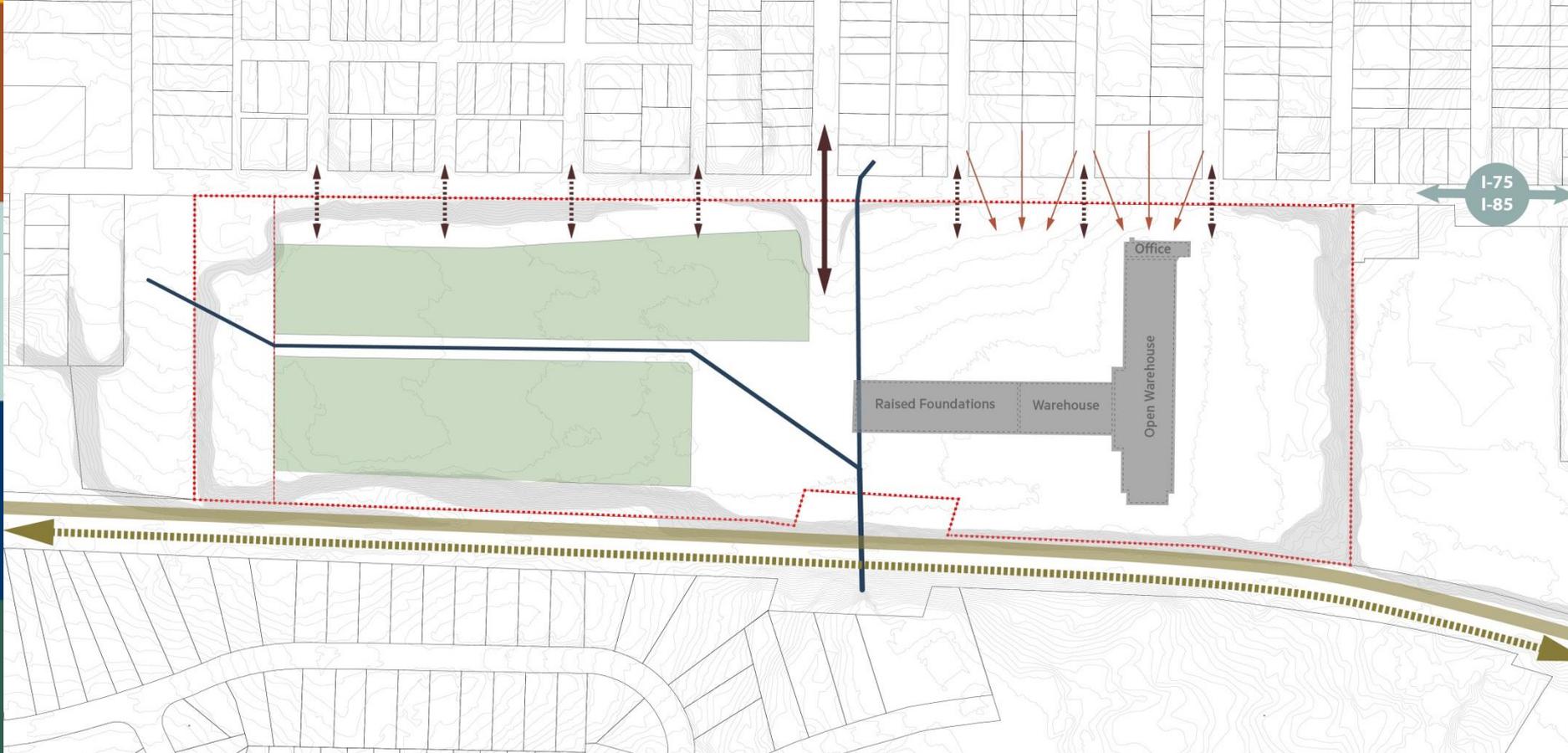


- Well-positioned between downtown (< 2 miles) & Atlanta Hartsfield International Airport (< 5 miles)
- Adjacent to I-75/85 & near intersection of other major highways
- Connected to nearby Metropolitan Parkway (major north-south artery) via University Avenue
- Adjacent to the future BeltLine - mass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

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

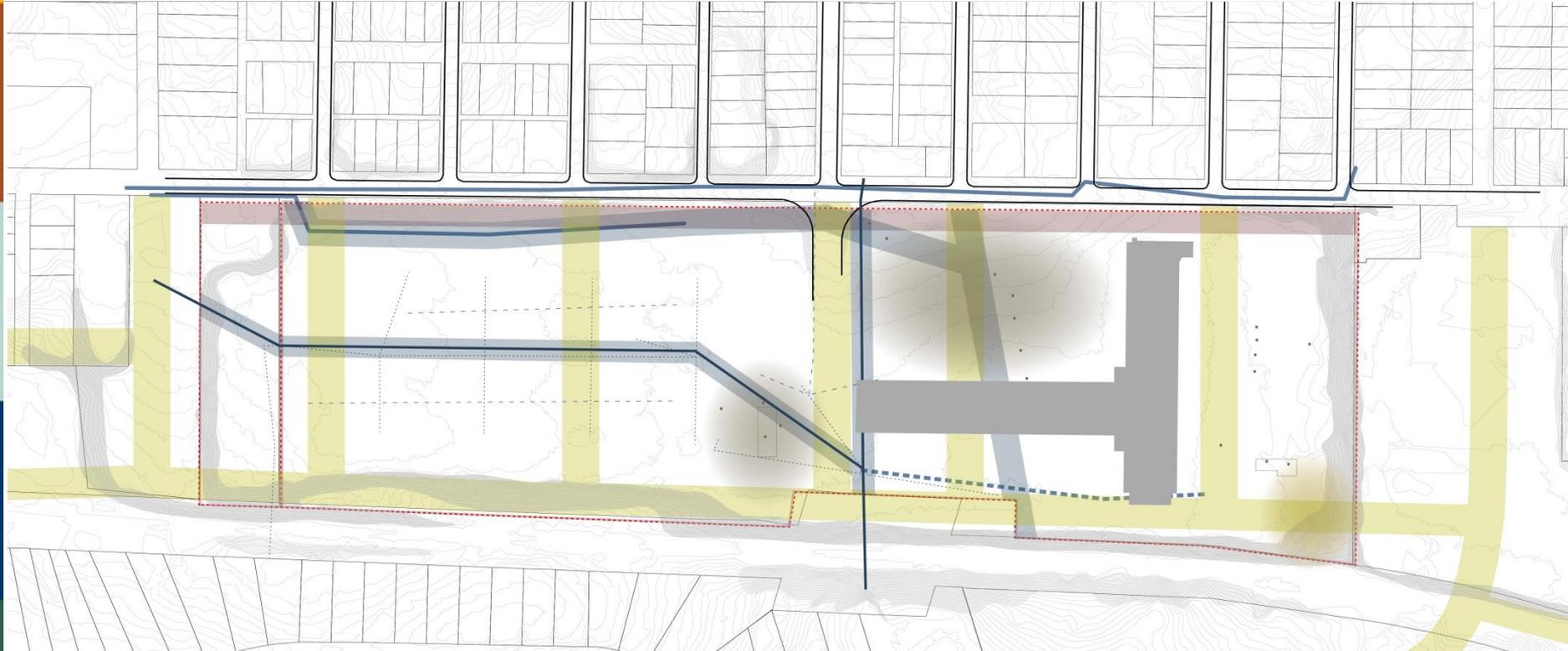


# Site Assets



- |  |                          |                                    |
|--|--------------------------|------------------------------------|
| Historic Existing Structures for Potential Reuse | Beltline Rail Connection | Potential Vehicular Access to Site |
| Ready For Development                            | Storm Water Resource     | Regional Access                    |
| Topographic Variation                            | Visual Access to Site    | Existing Vehicular Access to Site  |
| Beltline Trail                                   |                          |                                    |

# Site Constraints



Constraint Difficulty							
Easy	Difficult						
— Separated Sewer Line		..... Storm Water RCP (2')		■ Extreme Slope		■ 5' Property Setback Line	
— Storm Water Culvert (4'-12')		■ Existing Structures		■ 40' University Ave Setback Line		• Contamination Boring Locations	
■ Temporary and Permanent Construction Sewer Easements		■ 70' Proposed Roadway		■ Contaminated Debris Pile		□ Former Tank Pit Location	
■ PCE/TCE Plume (Extents Unknown)		..... Secondary Drainage (1')		--- Possible Sewer Line			

# Agenda

1 Project Context: Goals & Economic Framing

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**3 Economic Uses and Tradeoffs**

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5 Discussion

# Types of Economic Uses

Industrial



Traditional Manufacturing  
-Single user  
-Multi-use



Urban Manufacturing  
-Low Impact  
-Location Adv.



Mixed Use (w/  
Industrial)



Doer/Maker Space  
-Incubator  
-Creative/Arts



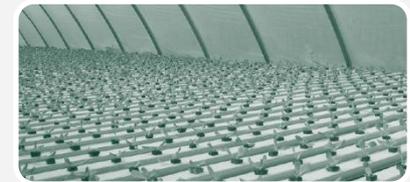
B2B  
-Blue Collar  
-White Collar



Retail



Social Enterprise



Urban Agriculture

Non-Industrial

# Types of Economic Uses - Site Scenarios

Industrial



Traditional Manufacturing  
- Downstream Metal Products



Urban Manufacturing  
- Bikes



Mixed Use (w/ Industrial)  
- Food



Doer/Maker Space  
- Green Tech  
- Film



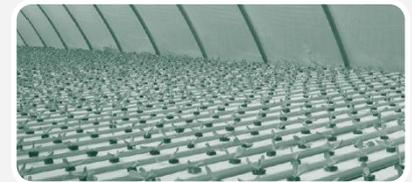
B2B  
- Integrated Service Center for Hospitals  
- "Hands-on Back Office"



Retail  
- Grocery+ Local Retail



Social Enterprise



Urban Agriculture

Non-Industrial

# Tradeoffs/Factors

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

# Four Scenarios

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## 1) TD&L: “Last Mile”

*Regional distribution hub/sorting facility + service center for local medical facilities*

## 2) B2B: Mixed White/Blue Collar

*Back-office services for regional HQs & anchor institutions*

## 3) B2B: Blue-Collar Innovation Hub

*Co-located doer/maker businesses with shared resources (storage, labs, consulting services, etc.)*

## 4) Mixed-Use: Food

*Multiple small/medium processors + ancillary retail, restaurants & agriculture*

# YOUR TURN!

- Four detailed scenarios
  - Uses
  - Building & site characteristics
  - Estimated jobs impact
  - Preliminary site plan
  - Observations & tradeoffs
- Discuss & evaluate all 4 scenarios as a team, using the blank matrix
- Identify outstanding questions/information needs
- Determine “best” scenario for developing the site

## Scenario 1 - TD&L: “Last Mile”

### USES

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

### BUILDING & SITE CHARACTERISTICS

- Last-mile distribution hub: 1-storv. 250,000-SF building on 12.6 acres
- Integrated Ser
- Apx. 1,200 par

### ESTIMATED JOBS

- Last-mile hub:
- Integrated Ser

## TD&L: “Last Mile” - Illustrative Design



## TD&L: “Last Mile” - Observations & Tradeoffs

### Economics

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

### Summary of Tradeoffs

Metric	(1) TD&L: "Last Mile"	(2) S2B: Mixed White/Blue Collar	(3) S2B: Blue-Collar Innovation Hub	(4) Mixed-Use Food
Market Opportunity				
Job Creation				
Job Accessibility				
Job Quality				
Positive Externalities				
Negative Externalities				
Neighborhood Integration				
Compatibility with Site Constraints				
Utilization of Site Assets				
Cost of Development				
Time to Development				
Remediation Effort				
Compatibility with Zoning/Regulations				
Interim Use				

# Questions to Consider

- Which scenarios best achieve the Atlanta project's goals (see slide 4)?
- Which positive factors warrant the heaviest weighting?
- Which negative factors warrant the heaviest weighting?

Each team should select its preferred scenario and choose a spokesperson to (briefly!) explain the rationale for selecting it.

# Agenda

1 Project Context: Goals & Economic Framing

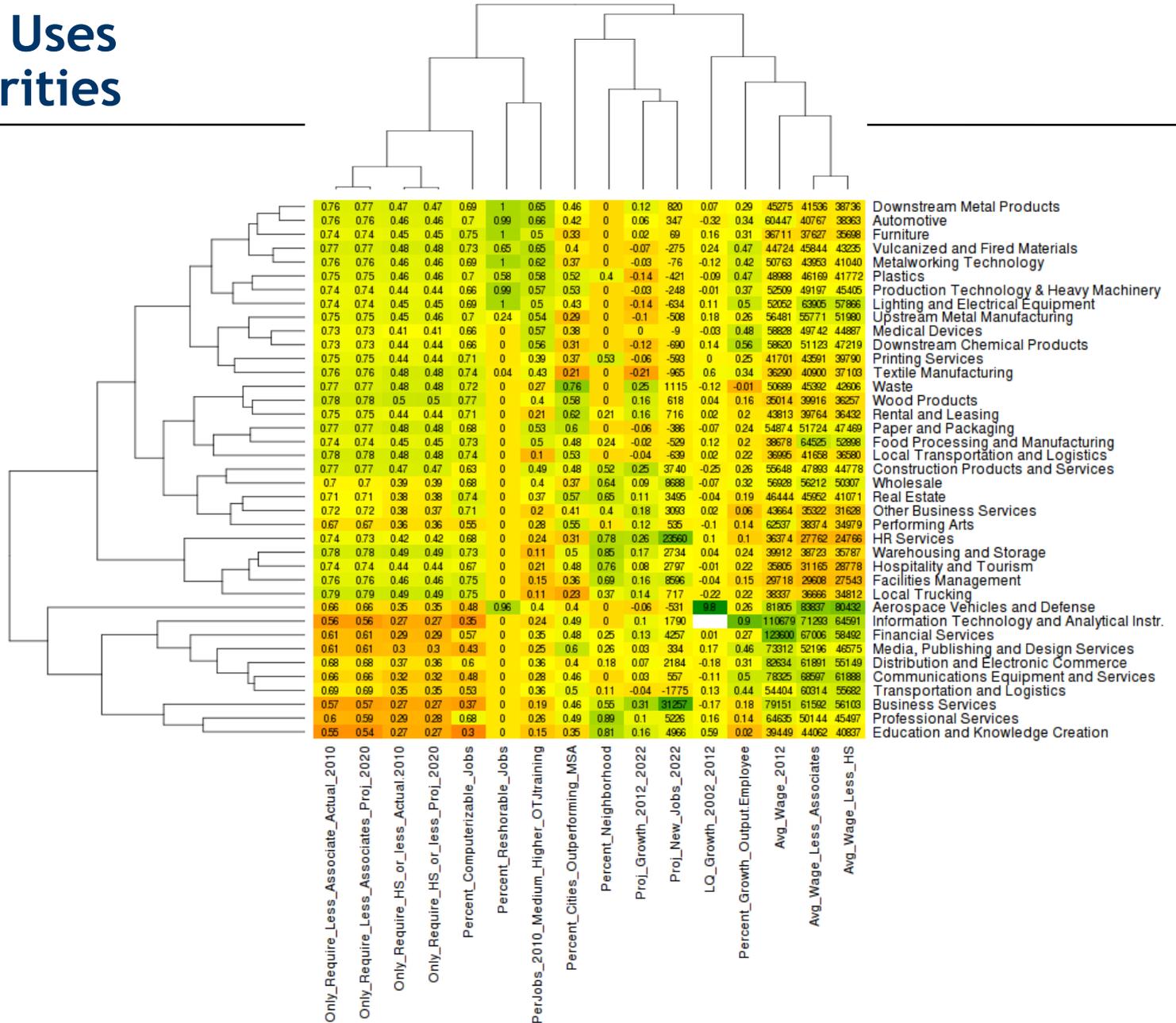
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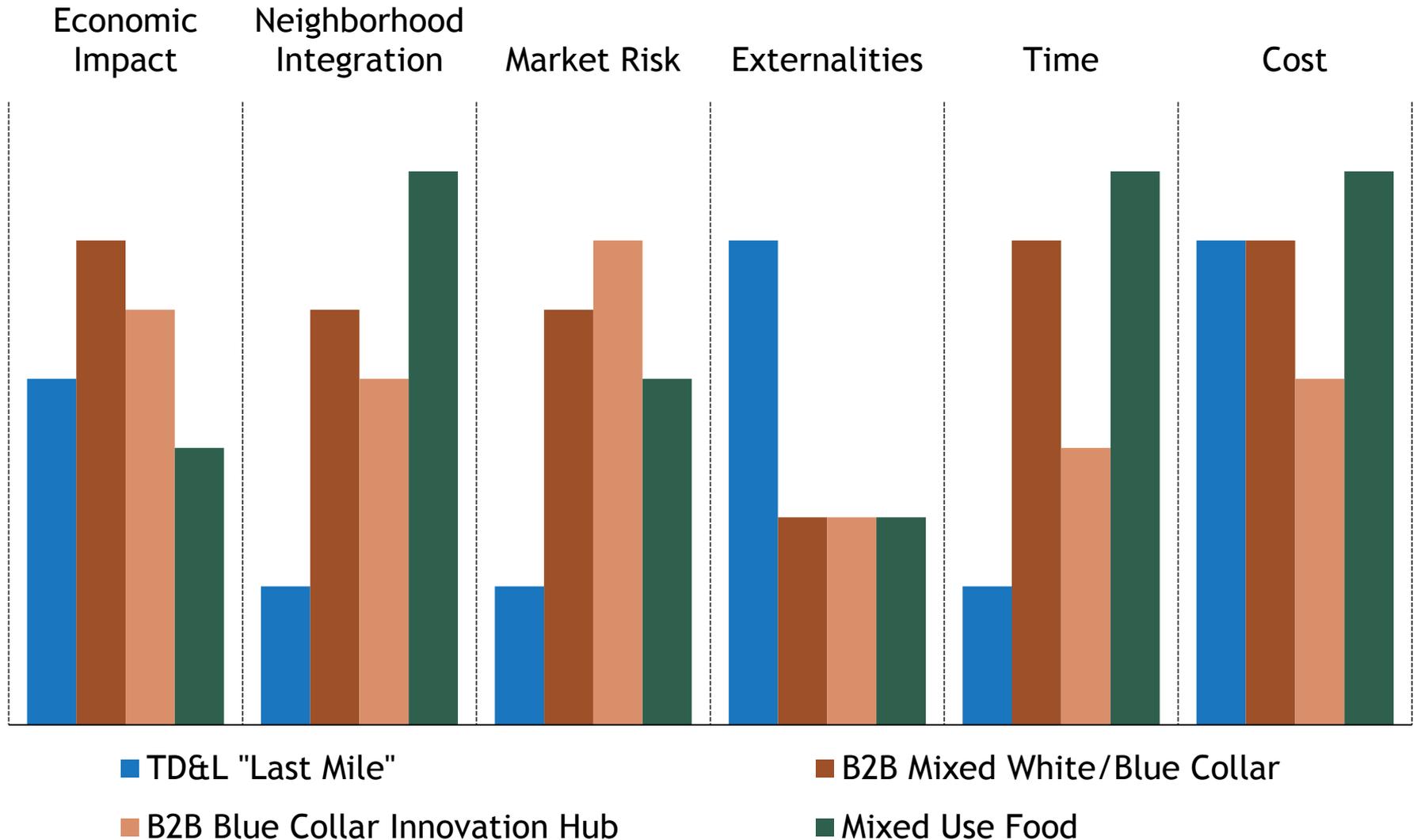
# Relating Uses and Priorities



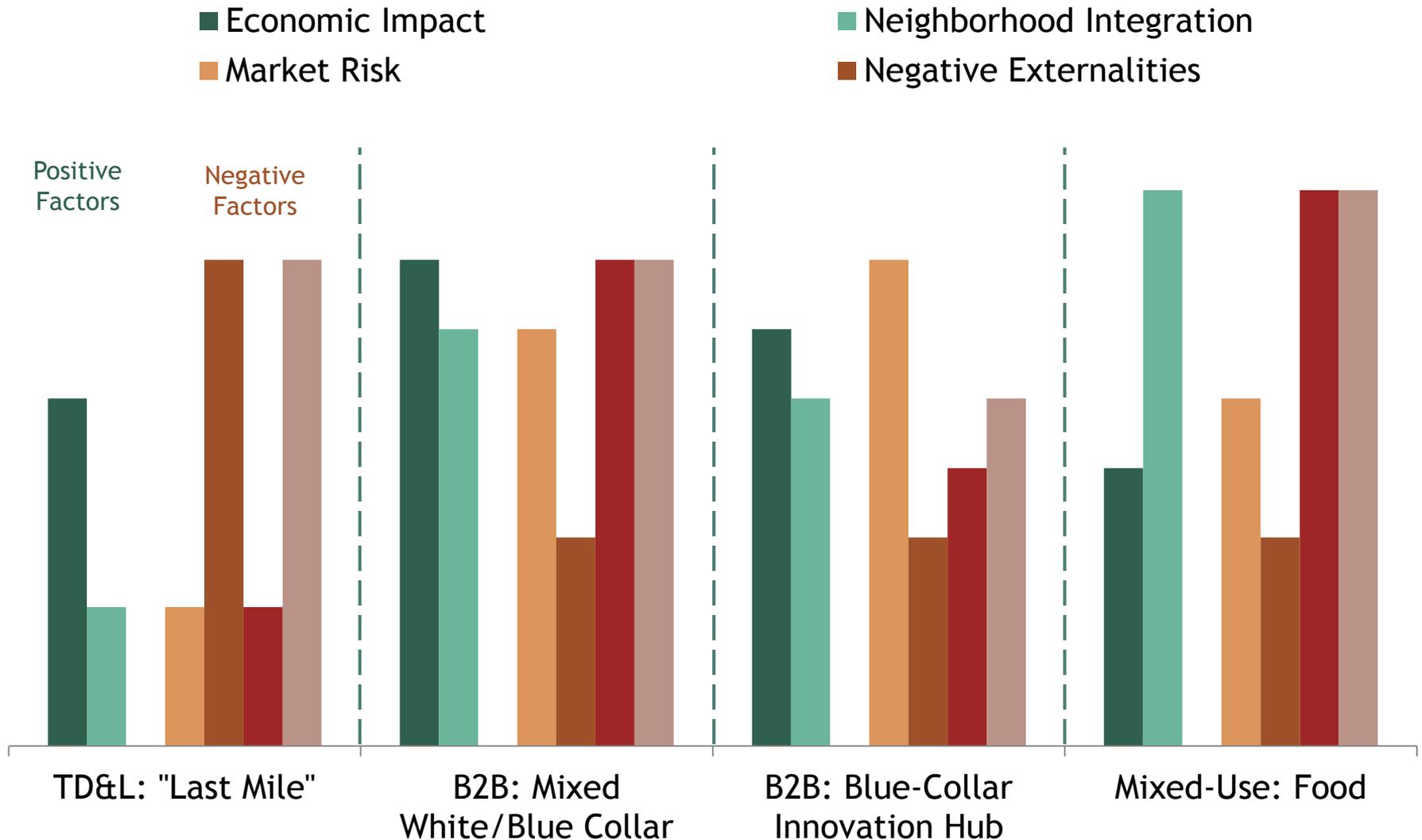
# Relating Uses and Priorities

	Job Opportunity					Job Quality			Job Accessibility			Urbanization					
Type 1a: Low growth/highly reshorable jobs, medium job quality, medium-to-high job accessibility, low urbanization	0.12	820	0.07	1	0.69	0.29	45275	38736	41536	0.65	0.47	0.76	0.47	0.77	0	0.46	Downstream Metal Products
	0.06	347	-0.32	0.99	0.7	0.34	80447	38363	40767	0.66	0.46	0.76	0.46	0.76	0	0.42	Automotive
	0.02	89	0.16	1	0.75	0.31	36711	36698	37627	0.5	0.45	0.74	0.45	0.74	0	0.33	Furniture
	-0.07	-275	0.24	0.65	0.73	0.47	44724	43235	45844	0.65	0.48	0.77	0.48	0.77	0	0.4	Vulcanized and Fired Materials
	-0.09	-76	-0.12	1	0.69	0.42	50763	41040	43963	0.62	0.46	0.76	0.46	0.76	0	0.37	Metalworking Technology
	-0.14	-421	-0.09	0.58	0.7	0.47	49888	41772	46199	0.58	0.46	0.75	0.46	0.75	0.4	0.52	Plastics
	-0.03	-248	-0.01	0.99	0.66	0.37	32509	45405	49197	0.57	0.44	0.74	0.44	0.74	0	0.53	Production Technology & Heavy Machinery
	-0.14	-634	0.11	1	0.69	0.5	52062	57866	63905	0.5	0.45	0.74	0.45	0.74	0	0.43	Lighting and Electrical Equipment
Type 1b: Low growth/minimally reshorable jobs, medium job quality, medium-to-high job accessibility, low urbanization	-0.1	-508	0.18	0.24	0.7	0.26	56481	51980	55771	0.54	0.45	0.75	0.46	0.75	0	0.29	Upstream Metal Manufacturing
	0	-9	-0.03	0	0.66	0.48	58828	44887	49742	0.57	0.41	0.73	0.41	0.73	0	0.38	Medical Devices
	-0.12	-690	0.14	0	0.66	0.56	58620	47219	51123	0.56	0.44	0.73	0.44	0.73	0	0.31	Downstream Chemical Products
	-0.06	-593	0	0	0.71	0.25	41701	39790	43591	0.39	0.44	0.75	0.44	0.75	0.53	0.37	Printing Services
	-0.21	-965	0.6	0.04	0.74	0.34	36290	37103	40900	0.43	0.48	0.76	0.48	0.76	0	0.21	Textile Manufacturing
Type 2: Medium growth, low-to-medium quality, medium-to-high job accessibility, low-to-mid urbanization	0.25	1115	-0.12	0	0.72	-0.01	50689	42606	45392	0.27	0.48	0.77	0.48	0.77	0	0.76	Waste
	0.16	618	0.04	0	0.77	0.16	35014	36257	39916	0.4	0.5	0.78	0.5	0.78	0	0.58	Wood Products
	0.16	716	0.02	0	0.71	0.2	43813	36432	39764	0.21	0.44	0.75	0.44	0.75	0.21	0.62	Rental and Leasing
	-0.06	-396	-0.07	0	0.68	0.24	54874	47469	51724	0.53	0.48	0.77	0.48	0.77	0	0.6	Paper and Packaging
	-0.02	-529	0.12	0	0.73	0.2	38678	52898	64825	0.5	0.45	0.74	0.45	0.74	0.24	0.48	Food Processing and Manufacturing
	-0.04	-639	0.02	0	0.74	0.22	36965	36580	41658	0.1	0.48	0.78	0.48	0.78	0	0.53	Local Transportation and Logistics
Type 3: Low-to-medium growth, low-to-medium job quality, low-to-medium job accessibility, high urbanization	0.25	3740	-0.25	0	0.83	0.26	55648	44778	47883	0.49	0.47	0.77	0.47	0.77	0.52	0.48	Construction Products and Services
	0.09	8688	-0.07	0	0.68	0.32	56928	50007	56212	0.4	0.39	0.77	0.39	0.77	0	0.64	Wholesale
	0.11	3496	-0.04	0	0.74	0.19	46444	41071	45662	0.37	0.38	0.71	0.38	0.71	0.65	0.57	Real Estate
	0.18	3093	0.02	0	0.71	0.06	43664	31628	35322	0.2	0.38	0.72	0.37	0.72	0.4	0.41	Other Business Services
	0.12	535	-0.1	0	0.55	0.14	62537	34579	38374	0.28	0.36	0.67	0.36	0.67	0.1	0.55	Performing Arts
Type 4: Low-to-medium growth, low job quality, medium job accessibility, high urbanization	0.25	23660	0.1	0	0.68	0.1	93374	24766	27762	0.24	0.42	0.74	0.42	0.73	0.78	0.31	HR Services
	0.17	2734	0.04	0	0.73	0.24	39912	35787	38723	0.11	0.49	0.78	0.49	0.78	0.85	0.5	Warehousing and Storage
	0.08	2797	-0.01	0	0.67	0.22	35805	28778	31165	0.21	0.44	0.74	0.44	0.74	0.76	0.48	Hospitality and Tourism
	0.16	8596	-0.04	0	0.75	0.15	29718	27543	29608	0.15	0.46	0.76	0.46	0.76	0.69	0.36	Facilities Management
	0.14	717	-0.22	0	0.75	0.22	38337	34812	36666	0.11	0.49	0.79	0.49	0.79	0.37	0.23	Local Trucking
Type 5a: Varied growth, high job quality, low job accessibility, low urbanization	-0.06	-531	0.6	0.96	0.48	0.26	81805	80432	83837	0.4	0.35	0.66	0.35	0.66	0	0.4	Aerospace Vehicles and Defense
	0.1	1790			0.35	0.9	110679	64591	71293	0.24	0.27	0.56	0.27	0.56	0	0.49	Information Technology and Analytical Instr.
	0.13	4257	0.01	0	0.57	0.27	128900	58492	67006	0.35	0.29	0.61	0.29	0.61	0.25	0.48	Financial Services
	0.03	334	0.17	0	0.43	0.46	73312	46575	52196	0.25	0.3	0.61	0.3	0.61	0.26	0.6	Media, Publishing and Design Services
	0.07	2184	-0.18	0	0.6	0.31	82634	55149	61891	0.36	0.37	0.68	0.36	0.68	0.18	0.4	Distribution and Electronic Commerce
	0.03	557	-0.11	0	0.48	0.5	78325	61888	68597	0.28	0.32	0.66	0.32	0.66	0	0.46	Communications Equipment and Services
	-0.04	-1775	0.13	0	0.53	0.44	54404	55682	60314	0.36	0.35	0.69	0.35	0.69	0.11	0.5	Transportation and Logistics
Type 5b: Varied growth, medium job quality, low job accessibility, high urbanization	0.31	91257	-0.17	0	0.37	0.18	79151	56103	61592	0.19	0.27	0.57	0.27	0.57	0.55	0.46	Business Services
	0.1	5226	0.16	0	0.68	0.14	64635	45497	50144	0.26	0.29	0.6	0.28	0.59	0.89	0.49	Professional Services
	0.16	4966	0.59	0	0.3	0.02	39449	40837	44062	0.15	0.27	0.55	0.27	0.54	0.81	0.36	Education and Knowledge Creation
	Proj_Growth_2012_2022	Proj_New_Jobs_2022	LQ_Growth_2002_2012	Percent_Reshorable_Jobs	Percent_Computerizable_Jobs	Percent_Growth_Output_Employee	Avg_Wage_2012	Avg_Wage_Less_HS	Avg_Wage_Less_Associates	PerJobs_2010_Medium_Higher_OTJtraining	Only_Require_HS_or_less_Actual_2010	Only_Require_Less_Associate_Actual_2010	Only_Require_HS_or_less_Proj_2020	Only_Require_Less_Associates_Proj_2020	Percent_Neighborhood	Percent_Cities_Outperforming_MSA	

# Strategic Redevelopment Scenarios - Illustrative Summary of Tradeoffs



# Strategic Redevelopment Scenarios - Illustrative Summary of Tradeoffs



# Key Dimensions → Decisions

- Jobs: number, quality and accessibility
- Likely sustainability/viability - over time - of uses and their impact
- Increase Connectivity
  - To surrounding neighborhoods and regional economy
  - To future Beltline
- Viable and market-based, but aspirational and catalytic - lead the market

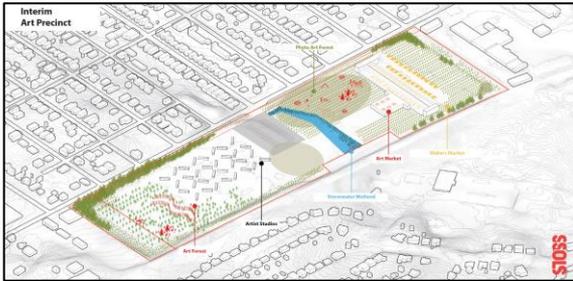
**Vision extends beyond the neighborhood - leverage site as a transformative connector to regional opportunity**

# Results and Status

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- Narrowed to three priority scenarios:
  - B2B: Mixed Blue/White Collar
  - B2B: Blue-Collar Innovation Hub
  - Mixed-Use: Food
- Released RFQ/P and selected developer
- Working with developer to create a final development scheme

# Potential Interim Uses for Consideration



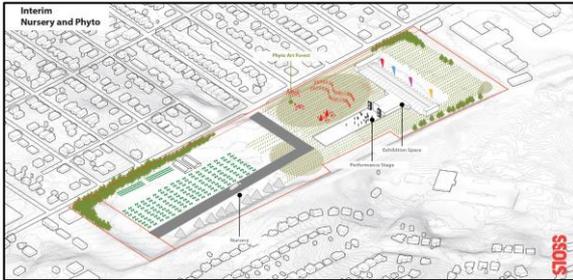
Art Precinct



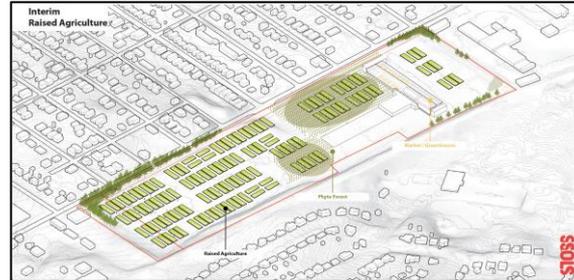
Festival Space



Recreational Amenities



Nursery



Raised-Bed Agriculture



Bamboo Forest

# Agenda

1 Project Context: Goals & Economic Framing

2 Economic Opportunities and Site Background

3 Economic Uses and Tradeoffs

4 Project Outcomes and Status

**5 Discussion**

# DISCUSSION

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- How has today's session made you think differently about economic development opportunities - and the tradeoffs among them - in your neighborhood?
- Are there new partners you plan to engage in economic development projects?
- What idea(s) will you take home to inform a specific project you are currently working on?
- Other thoughts or questions?

# Case Study: Strategic Development Scenarios for Casey Foundation's University Avenue Site

Positioning Your Neighborhood for Economic Development

Robert Weissbourd

*HUD Choice Neighborhoods Grantee Conference  
March 17, 2016*

