



## Leadership North Carolina Class 33 Duke Energy Economic Development Session

### Case Study Exercise Scenario #3: Removing Rubble Can Be Trouble

#### Learning Team Assignments

##### Learning Teams 7 - 9

- Beach Trail Dogs
- The Cardinals
- Team MM)

#### The Goal

To provide participants with real world (or close to real world) examples of the public discourse, execution, & impact of economic development projects of various types. Participants will gain a greater understanding of how they as stakeholders and/or private residents can become engaged in the evaluation of the projects through their ability to ask the right questions or state viable concerns. They will also learn about metrics used to define success for communities – both traditional metrics and those that may be non-traditional but emerging as important factors in how economic developments are viewed.

#### The Situation

15 acres wedged between a primarily residential neighborhood and a major corridor that is also a state highway. The 15 acres were strategically located between two of the State's major universities. At one time, the parcels within the 15 acres contained a nationally recognized grocery store, a major retail store, and several smaller retail stores. Since the national grocery store closed, the rest of the other stores died slow deaths until the area had very little activity and next to no life at all. What made the situation worse was the fact the area had high visibility because of its location next to the busy neighborhood and major highway corridor. It now had massive piles of rubble on the parcels, making it a serious eyesore.

An out of town developer, recognizing the great potential for area redevelopment, bought the 15 acres with the intent of creating a modern mixed-use complex with more than 100,000 square feet of retail in the form of small eclectic stops and regionally-known stores as well as 300,000 square feet of apartments in the form of 1 (one), 2 (two), and 3 (three) bedroom units. Mixed use developments are always challenging, but this one was made even more challenging by a few factors:

- The developer purchased the property in the midst of the Great Recession, bank financing was hard to come by;
- Local developers with ties to the City and County government officials, as well as key civic leaders had wanted to purchase the property but did not act fast enough. They wanted the new property owner to be unable to develop the property and to be forced to sell it;
- The first challenge caused the new property owners to seek economic development incentives to complete the project. Although City and County government officials were not generally averse to approving economic development incentives, it was rare for incentives to be approved for projects outside of downtown or urban neighborhoods.

### The Assignment

1. During the Economic Development session, have each member of your learning team pick from one of the roles below:

#### The Actors

- The Economic Development Director: a passionate believer in the project, but also pragmatic in the realization that this project was different from the norm for the City and County approval and that a strong case would be needed.
- The Out of Town Developer/Owner of the Property: experienced in developing similar types of projects in other areas, but this would be their biggest and it is mixed use residential and commercial, making it more complex.
- The In Town Developer – lives in the vicinity of the project; wishes she had a chance to re-develop the project with City help but does not own the property. Hates the fact that another entity may have beat her development company.
- Political Action Committee Leader 1: against incentives and feels like providing “subsidy” for the project would be “corporate welfare.”
- Political Action Committee Leader 2: wants jobs for the community and a project for the PAC group to rally behind supporting approval of incentives.

- Community College Student: retail job opportunity would be great to earn income so that tuition can be paid and the location is perfect to get there quickly from class
2. A script will be provided onsite for each role. You are strongly encouraged to ad lib and expand on that content, bringing in additional points and even outside research as long as they support your assigned perspective. During session your group will deliberate in a mock Public Hearing at your Learning Team table, to be convened by the Mayor (to be played by a planning committee member or external resource person) and perhaps 1 City Council member, with each class member having up to 4 minutes to speak from the perspective of their defined role.
  3. At the conclusion of the Public Hearing, the Mayor and Council member (if applicable) will cast a vote on whether to approve incentives from the local government for the project.
  4. In the large group session, you will report out on what you learned through the deliberation (the nature of the various perspectives presented, how they might be familiar or unfamiliar to you based upon what happens in your community, etc.). You will also be able to ask questions about how this process works in real life.