

AN ADVISORY SERVICES PANEL REPORT

Clemson University Clemson, South Carolina



**Urban Land
Institute**

Clemson University Clemson, South Carolina

A Management Strategy for University Properties

October 18-22, 2004
An Advisory Services Panel Report

ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007-5201

About ULI—the Urban Land Institute

ULI—the Urban Land Institute is a non-profit research and education organization that promotes responsible leadership in the use of land in order to enhance the total environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues and proposes creative solutions based on that research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has more than 26,000 members and associates from 80 countries, representing the entire spectrum of the land use and development disciplines. Professionals rep-

resented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

This Advisory Services panel report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan
President

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1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007-5201

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About ULI Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI panel teams are interdisciplinary and typically include several developers, a landscape architect, a planner, a market analyst, a finance expert, and others with the niche expertise needed to address a given project. ULI teams provide a holistic look at development problems. Each panel is chaired by a respected ULI member with previous panel experience.

The agenda for a panel assignment is intensive. It includes an in-depth briefing composed of a tour of the site and meetings with sponsor representatives, interviews of people within the community, and a day of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. At the request of the sponsors, a written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's panel assignments are able to

make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land in order to enhance the environment.

ULI Program Staff

Rachelle L. Levitt
Executive Vice President, Policy and Practice

Mary Beth Corrigan
Vice President, Advisory Services and Policy Programs

Nicholas Gabel
Associate, Advisory Services

Carmen McCormick
Panel Coordinator, Advisory Services

Yvonne Stanton
Administrative Assistant

Nancy H. Stewart
Director, Book Program

Laura Glassman, Publications Professionals LLC
Manuscript Editor

Betsy VanBuskirk
Art Director

Martha Loomis
Desktop Publishing Specialist/Graphics

Kim Rusch
Graphics

Diann Stanley-Austin
Director, Publishing Operations

Acknowledgments

The panel would like to extend its sincere appreciation to Clemson University and the Clemson University Foundation for their invitation to assist them as they address the difficult issue of maximizing land uses while fulfilling the university's core missions and reaching its goals. Specifically, President James Barker and his staff, Neill Cameron and his staff, and Jeff Martin and his staff deserve special thanks for making sure that the panel had all it needed to do its work. The staff of the James F. Marin Inn and the Madren Conference Center went beyond all expectations to ensure that the panel had all it needed to do its work.

The panel could not have made its solid recommendations without the input of more than 50 staff, students, and community members who took time from their busy schedules to meet with the panel and share their visions, hopes, and dreams for the university and its real estate. Their passion was inspirational to the panel.

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ULI Panel and Project Staff

Panel Chair

Marilyn J. Taylor
Partner, Skidmore, Owings & Merrill
New York, New York

Panel Members

Michael R. Buchanan
Atlanta, Georgia

Gary W. Fenchuk
President, East West Partners of Virginia, Inc.
Midlothian, Virginia

Helen D. Hatch
Vice President of Client Relations and
Development, TVS
Atlanta, Georgia

Todd W. Mansfield
Chief Executive Officer, Crosland
Charlotte, North Carolina

Peter Parrott
President, University Housing Group
Hilton Head, South Carolina

Tim R. Rose
Chief Executive Officer,
University of Virginia Foundation
Charlottesville, Virginia

ULI Project Director

Mary Beth Corrigan
Vice President, Advisory Services
and Policy Programs

Jennifer Green
Special Events Manager

Introduction

Founded in 1889, Clemson University opened in 1893 as a land grant college and military institution in the foothills of South Carolina. Clemson is close to the Greenville-Spartanburg metropolitan area, where more than 1 million people live and work. In addition, Atlanta is within driving distance. Named for Thomas Clemson, who deeded the original 814 acres to the state for an institution of higher learning, the school was originally called Clemson Agricultural College of South Carolina. It has since become a “civilian” institution and been renamed “Clemson University” in recognition of its expanding academic and research pursuits. Since its founding, Clemson has grown to become one of the country’s top public universities with diverse learning and research facilities and a student population of more than 16,000 who select from undergraduate and graduate degree programs in more than 70 fields of study.

In addition to its academic assets, Clemson has significant land assets that have been granted or donated to the university. The campus is adjacent to Lake Hartwell, and the university owns approximately 31,000 acres surrounding the lake. Not all of the land is easily accessible, but approximately 9,000 to 10,000 acres of land are not under restriction and can be accessed for appropriate development. Some land was granted to the university with restrictions regarding public access, particularly the “LU land” granted by the federal government, which requires that the land stay in public access.

The university has land in other parts of the state, as well, such as the 600 acres of undeveloped land along route U.S. 17 near Myrtle Beach that was deeded to the university. With highway access, 60 acres were sold to build a hospital, and the university retained the balance. Selling university property requires using the state’s land disposition process.



Above: Location map.
Left: Regional map.

Clemson University has a self-imposed student cap of 20,000 students, so it will most likely not need much land for campus expansion in the near future. In 2002, the university completed a campus master plan to address facility needs on the main campus and its immediate surroundings. However, the plan does not address additional lands owned by the university that are not in use currently.

The Clemson University Real Estate Foundation, Inc. (CUREF), which was organized in 1990, is an independent, nonprofit, tax-exempt corporation domiciled in South Carolina. An affiliate of the Clemson University Foundation, CUREF has its own independent board of directors and corporate officers. It seeks to accomplish three main goals for Clemson University: advancing the university through gifts of real estate and property; serving as the efficient conduit through which gifts of real estate and property are received and liquidated; and assisting and advising any college or department that includes a concentration in real estate as part of its academic offerings. CUREF does not accumulate cash that results from the sale of property. It distributes such proceeds to the university or the Clemson University Foundation depending on the donor's expressed gift intentions. In February 2004, CUREF acquired land now known as the Clemson University International Center for Automotive Research (ICAR) in Greenville, South Carolina. The Clemson University ICAR Division of CUREF is responsible for developing and managing the Clemson University ICAR real estate through comprehensive land planning and development activities for the benefit of Clemson University.

The Panel's Assignment

Clemson University and the Clemson University Foundation asked the ULI panel for advice and guidance on a process to better evaluate and manage their land assets and determine appropriate highest and best uses while being true to the university's mission "to excel in its core service areas

and to emphasize the role of research in the life of the institution." Currently, no process exists for evaluating land assets in terms of value to the university or for managing the nonacademic real estate assets. The university asked for guidance on an efficient, cost-effective, and replicable structure for real estate management, including determining highest and best use.

In addition, the university asked the panel to make specific recommendations on highest and best use for the Y Beach property and other west shore properties across Lake Hartwell from the campus. The university refers to these properties as 2A (Y Beach), 2B (the Ravenel site), and 2C (the Robinson property).

The panel spent four days in Clemson touring the campus and the west shore properties, meeting with university and city of Clemson representatives, and discussing and debating its recommendations. This report presents the panel's findings and recommendations. Specifically, it discusses the panel's three key recommendations:

- Instituting a more formal structure for managing the university's real estate assets;
- Developing a cutting-edge program at Clemson that will provide national recognition in research and real estate development; and
- Implementing a general development program for the west shore that takes advantage of the proximity to and affiliation with the university, with the understanding that the existing encumbrances on the property (limited use of LU lands and current use of Y Beach and its potential relocation) will be addressed.

Managing the Resource

This section of the report discusses the panel's recommendations regarding a management structure and process for all university-owned lands, not just those on the west shore of Lake Hartwell. Specifically, the panel recommends expanding CUREF's existing mission, addresses staffing needs and funding, and discusses CUREF's relationship with other university programs and the community.

Clemson University Real Estate Foundation

Clemson University seeks to establish itself among the top 20 public institutions in the United States. To do so, all assets of the university and its related foundations must be managed in a manner that ensures their current, and ultimate, use contributes value to the academic enterprise. The university should consider transferring certain real estate assets that may not be critical to its immediate academic mission to CUREF. Under the active management of CUREF, real estate expertise can be applied to the assets in an environment that lends itself to more efficient handling of real estate than can be found within the South Carolina state system. CUREF will be able to capitalize on the flexibility that a foundation has in order to optimize the value and use of these real estate assets in a timely and efficient manner.

CUREF should be capitalized with human and financial assets to ensure an orderly, professional, and modern process for the stewardship of these nonacademic real estate assets. This stewardship will include, among other things, the thoughtful management of property currently in inventory, a creative and collaborative approach to creating a vision for current and future real estate needs, the creation of long-term land use plans for properties, and the development of certain properties to meet university objectives regarding programmatic uses or financial returns.

CUREF's Mission

The current mission of CUREF is to accomplish the following goals:

- Advance the university through gifts of real estate and property;
- Serve as the efficient conduit through which gifts of real estate and property are received and liquidated; and
- Assist and advise any college or department that includes a concentration in real estate as part of its academic offerings.

The panel recommends that the mission be expanded to include the following activities:

- Stewardship of nonacademic real estate assets;
- Creation of long-term land use plans for those assets;
- Development of those assets as directed;
- Support of the university's capital campaign activities through the management of real estate gifts to the university or its related organizations (including the analysis of when and how to sell gifts);
- Assistance to the university in relations with local jurisdictions regarding land use matters;
- Provision of agreed upon financial returns on real estate assets;
- Support of university programming that might have a real estate component; and
- Active acquisition and disposition of property to serve the university's long-term real estate needs.

CUREF's Board of Directors

Clemson University Real Estate Foundation, a section 501(c)(3) corporation, is the appropriate vehicle to manage these real estate assets. A board consisting of a majority of real estate professionals and a minority of members from the university's leadership team (including members from the university's board of trustees) should guide and oversee the work of the organization. Because of the need to make quick decisions, the board should be limited in size (perhaps 10 to 12 directors) and have subcommittees that can be focused on specific projects and activities. Depending upon the types of projects taken on by CUREF in the future, subsidiary corporations that have for-profit status may be needed. For example, the University of Virginia Foundation holds its hotels in for-profit subsidiaries.

CUREF's Executive Director and Staff

CUREF should be managed by an executive director who is an experienced community development professional. The executive director should have an understanding of, or specific skills in, the following areas:

- Stewardship of real estate assets;
- Planning and design;
- Management of operating budgets;
- Financing;
- Marketing; and
- Development.

In addition, and just as important, this person must be able to move easily in the worlds of both real estate and higher education. Special care should be given to ensuring the executive director understands the decision-making process of these professions and is adept at managing in these two realms.

An initial staff for the executive director could include an assistant, with additional staff being added as projects warrant. Most technical work that would be performed by CUREF will be done by individuals under contract for specific projects

(for example, legal counsel or development project management). However, the panel envisions that at some future point the executive director will need the support of personnel in the following areas: real estate asset management, development management, financial management, and perhaps marketing.

The stature and amount of compensation attributed to the executive director should be similar to that of a vice president or dean at Clemson University, and the director should have the same access to university leadership and resources as those individuals. The executive director's compensation plan needs to be crafted to attract individuals with appropriate real estate experience. A professional consultant may be needed to assist in the creation of such a plan. Candidates with a special understanding of Clemson University may particularly be drawn to this position.

The executive director should report to the CUREF board of directors and have a dotted-line reporting relationship to a senior leadership position within the university. Such a relationship will ensure university goals are clearly communicated to CUREF staff and will assist the director by keeping him or her in conversations about important university matters, which may influence decisions regarding real estate planning on behalf of the university.

Investment in an executive director and appropriate staff and support resources will require a dedication of funds. However, this investment will pay off in both the short and long term. The organization can begin modestly and grow as opportunities dictate.

CUREF's Relationship to Clemson University and the Clemson University Foundation

Any activities undertaken by CUREF must be carried out in a manner that is consistent with the university's goals and leadership. CUREF's only customer is Clemson University, and CUREF must ensure that its work puts the university ahead of CUREF at all times.

An asset management agreement should be created between CUREF and the university to detail how assets transferred from the university to CUREF will be managed. The asset management agreement should detail a mechanism for charging fees against those properties, and against projects, in order to cover personnel and administrative costs. Furthermore, the agreement should spell out the manner in which financial investments and returns on properties will be handled.

CUREF's staff members should partner with the Clemson University Foundation's staff members to share expertise and ideas related to real estate. Such activity will help both staffs keep current with the marketplace's most up-to-date strategies of real estate planning, investment, and management. Similarly, CUREF should find ways to allow students and faculty in the Real Estate Development Program as well as other academic disciplines to participate in discussions about its work for the purposes of furthering the academic goals of that program.

University Design Intentions

Active participation in any development projects by CUREF should be sensitive to ensuring its work reflects well on the reputation of the university. Although CUREF is not a department of the university, because of the public nature of its work and the effect of the projects in which it will be involved, in many ways it can be a tremendous asset for the university. Conversely, projects and activities that are not performed in a thoughtful manner will create negative public opinion of the university.

CUREF will want to take guidance from the university's planning and design principles. It may elect to leverage the talents of university resources to assist with planning for the use and development of properties, particularly on those properties that are contiguous to campus. However, the panel recommends that CUREF select, contract with, and rely upon highly regarded professional talent outside the university community for its work. CUREF may determine that certain specific projects should not be held to the same

process of design control or review as would apply in the university.

CUREF's Relationship to the Community

CUREF will need to have the same positive relationship with the community that the university has. In fact, CUREF should focus on enhancing relationships with the community by creating formal mechanisms for sharing information with local governmental leadership regarding CUREF plans for the stewardship of real estate. The acquisition of real estate needs to be managed in a confidential manner. Nonetheless, general plans about future university expansion and CUREF development projects should be shared with local governmental officials so as to improve coordination efforts between the university and the community.

Tax Issues

Consideration should be given to how real estate taxes are handled for CUREF properties. CUREF may decide to agree to pay taxes on properties that are held for land-banking purposes. However, properties that are in current use for academic purposes should not pay taxes.

Funding CUREF

Although funding is not an insignificant consideration, the panel believes that avenues exist to obtain this funding. The panel would distinguish between the investment in CUREF staff and its related administrative costs, and the capital to be invested in individual projects.

The panel recommends that the limited staff investment be funded initially by the Clemson University Foundation. As project development is initiated, arm's-length management fees should be received from individual projects to compensate CUREF for its oversight. These fees will offset a meaningful portion of the staff investment. Additionally, real estate assets donated to the university may potentially be sold to further defray costs. Project revenues are anticipated to cover all costs within a few years.

Specific project investment capital could be obtained through multiple sources. The ability to en-

cumber development lands with traditional institutional debt would provide meaningful capital to cover infrastructure, planning, and administrative costs. Initially, these loans will likely be collateralized with the property. With success over time and the buildup of net worth within CUREF, such collateralization might not be necessary. Debt levels need to remain low in relation to the market value of the land.

Additionally, other special assessment financing or public/private mechanisms could be used to fund the development of infrastructure. Specifically, it may be possible to arrange for a local municipality to provide the utility and some road infrastructure in return for the utility revenue stream or other tax revenues. The city apparently has a reimbursement program to refund part of these infrastructure costs over time.

Special assessment financing may be possible for road, utility, earthwork, and recreational costs associated with a project. In 1998 and 1999, the South Carolina General Assembly amended existing laws to provide a very flexible means of creating special assessment districts by either cities or counties. The statutes pursuant to which these districts are created are very similar. Both statutes have been in the South Carolina code for a number of years and have been used, although not extensively. The new changes were designed to facilitate large-scale mixed-used residential and commercial development by assisting the financing of

roads, water and sewer, and other utilities as well as all kinds of community facilities, such as recreation and other amenities for use by members of the community. Assessment districts result in additional assessment on the property of the benefited property owners.

The panel believes that a talented real estate professional would be able to undertake development of the subject parcels either directly or in conjunction with partners without the requirement of material investment by the university. The Clemson University Foundation would need to provide capitalization equivalent to a few years of overhead costs for CUREF, and, ideally, the land would need to be available free and clear of debt.

The panel encourages CUREF to search for “low-hanging fruit”—an early success in a sale of easily developed or parceled land. Quickly becoming self-funding would deflect some potential criticism of CUREF’s expanded mission.

In addition, the panel would be remiss in not reminding the university and the foundation of the liability and responsibility inherent in participating in leveraged real estate development. The presence of third-party debt to service reduces the flexibility and self-direction often most beneficial in land development.

Market Potential for the West Shore Properties

The panel was asked to look at the “highest and best use” of several properties on the west shore of Lake Hartwell—specifically, those sites known as 2A (Y Beach), 2B (the Ravenel site), and 2C (the Robinson Property). Although on their own under their current uses, these properties have great market potential, the panel believes that considering them as the university properties they are is important and that the plan and program for them needs to consider uses that are consistent with the university’s mission of becoming a top-20 public institution. Thus, the panel considered the market potential for the area and provided a creative cutting-edge program for meeting that market. The panel hopes that in meeting this market potential, the area will become an example of the high-quality development that is possible not just for the university but also for the Clemson region at large.

For the purposes of discussion, the panel has named the west shore area “Stonegate” to evoke Clemson’s tradition of building stone gates at its entrances. This working name is just for the panel’s purposes, and the university may decide that a different name would be better suited for the area.

The Potential

The panel’s perception from interviews was that the greater Clemson community has enjoyed—and at times resented—a very strong real estate market over the past several years. In the city and surrounding communities, sales of existing property have been very strong, as have sales of new properties. In every interview the panel had with local people, they expressed concern that new apartments and for-sale product seemed to be sprouting up every six months. Existing buildings are being purchased and razed to facilitate new development. Sales are at a record pace, and newer rental properties are bleeding the occupan-

cies and operating incomes of older rental properties. However, the panel noted that not all new development in the community is aesthetically appealing and that an opportunity exists to raise the bar on the quality of development. Clemson University can help by making sure its development on the west shore of Lake Hartwell achieves a higher standard than much of the development currently underway in the region.

External to the Clemson market, resort-related communities on nearby Lake Keowee are recording sales at record prices and volumes. Often, property is sold at auction because more buyers exist than available lots in some lake-oriented community property releases. Purchasers are permanent homebuyers, second homebuyers, and investors. Prices on resale properties are appreciating. Large-scale developers, such as Crescent and the Cliffs, spend large amounts marketing their communities regionally and nationally, creating demand from a wide geographic area.

The success of the Lake Keowee resort properties makes it tempting to emulate their plan on the three parcels the panel evaluated. The panel proposes not to do that. It envisions a community that has strong lake views but not private docks on the water. Stonegate lakefront properties will be set back from the lake, leaving access and use for all residents and the public. Stonegate will not have to use land to build golf courses and tennis courts—it will be part of the university and many of the university’s facilities will be available to Stonegate residents. The Stonegate planning will leave undeveloped spaces and create facilities that invite the community in, as well as the public. The property will be part of the Clemson University campus and part of its mission. Those purchasers that buy into Stonegate will do so because it is a wonderfully planned and located place to live and because it is part of Clemson University.

The three Stonegate parcels the panel evaluated are all lake oriented with varying slopes, but uniform in their excellent lake views and proximity (visual and physical) to the university. None of the topographical features will severely limit the excellent development opportunities or excellent product variety. Most important, anecdotal evidence from several conversations with local realtors, developers, and potential customers explicitly indicates no lakefront property is available in the immediate Clemson area. All agree that lakefront land can be found far away from Clemson, but a significant portion of the local market wants to be close to the university and the town. All of these sites strongly satisfy the market's selection criteria. The panel believes that the product created on these three sites, using the concepts of the proposed master plan, will be met with a strong demand.

The timing of development, the phasing of the project, and the delineation of the market sectors are a best-guess effort at this early stage. *No substitute exists for thorough market research as this project comes closer to execution, and nothing in this report should be assumed to be anything more than a starting point based on the input gathered at this time.* Nevertheless, it seems clear that the demand for this property will come from five major sectors:

- Retirees who are looking for a permanent home, primarily—but not exclusively—Clemson alumni.
- Second homebuyers who are looking for a quality community in a lakefront environment close to Clemson.
- New faculty and graduate students coming to Clemson University. Clemson estimates that between 2006 and 2016, it will need 1,000 more graduate students, 400 to 500 faculty members to replace retirees, and 150 to 200 new faculty members to keep up with the university's academic growth. Retiring faculty members frequently remain in the area; replacement faculty housing demand is not diminished by the number of retiring faculty.

- Existing members of the university faculty, staff, and greater Clemson community who want to relocate to a newer, well-planned, lake-oriented community; who want to move out of a current community with character they feel has changed; and who want to resize their living environment to reflect the requirements imposed by the changes in their physical, family, and employment status.
- Keowee Lake community “rebounds” who decide that the available options to purchase anew or continue to live in the Keowee Lake communities do not fit their lifestyles, price range, or expectations of social interaction.

Two market segments that are currently major portions of the buying phenomenon—investor/speculator buyers and undergraduate student buyers—are purposely not targeted. The goal of this community is to have occupancy during a significant portion of the year with healthy social interaction with one another, the city of Clemson, and the university. This goal can be accomplished by policies or restrictions that discourage speculative purchasing and, in the single-family home areas, discourage short-term rentals.

In the context of Stonegate, the panel defined the Clemson family as faculty, staff, and alumni. One of the overarching goals of this development opportunity is for Clemson University to be able to present to the members of the Clemson family the occasion to purchase property in this unique community as a priority purchaser. The panel suggests that some type of allocation process be established to ensure favorable treatment of this group, which can be accomplished in a variety of ways, including the following:

- A defined proportion of each property type could be held off the market by Clemson University for six months past the general public sales release date to ensure that the Clemson family has a special purchasing opportunity.
- Clemson University could purchase specific product so that it retains an inventory for the long range that it can offer to those it chooses, when needed.

- Clemson University could use its financial clout to create favorable end-user financing that would be available to the Clemson family.

In those situations where Clemson University feels that high-quality housing in a well-planned community and in a premier location is important to its recruiting efforts, the university may elect to build product on specific home sites (or purchase prebuilt cottages or townhouses) and offer them (for ownership or rental) as part of an incentive package to those it is attempting to recruit.

Solutions Needed for Smart Growth

For a research-oriented institution such as Clemson University, the decision to build an exemplary, sustainable community comes at an interesting and opportune time. Presently, a debate is raging throughout the real estate industry—indeed throughout society at large—about what policies and strategies should be employed to accommodate the inevitable and inexorable growth our country faces in the coming years.

This controversy has become one of the most politically explosive social issues, which literally (and singularly) results in entire boards and councils of local governments being voted in or out of office dependent on their positions and votes related to growth management. As a result, a multitude of coalitions and special interest groups are being formed to weigh in on this matter. Likewise, the Urban Land Institute identified the issue of growth management as the real estate industry's major challenge several years ago when it launched its Smart Growth Initiative.

After countless seminars, conferences, studies, and blue ribbon committees, some progress has been made in framing the issue and identifying potential principles and best practices. However, the management of growth remains a problem unsolved: no definitive characterizations exist of what constitutes optimal development, nor do any certifiable real-world examples of ideal communities. In fact, a consensus remains elusive. Opinions and emotions are disparate, and polarization seems to be growing between the (sometimes extreme) views of the developers and environmentalists/activists. However, to paraphrase Aristotle,

the answer often lies in the golden mean between the two extremes.

A “Living Laboratory Research Project”—Stonegate; A Balanced Community

Given this pervasive struggle against sprawl—both locally at Clemson and nationwide—an acute need exists for real-world solutions. Considering the advantageous location and characteristics of the subject property and Clemson's desire to develop the site in an exemplary and superior manner, this research-minded university has an extraordinary opportunity to create a “Living Laboratory Research Project” (Stonegate), which would tackle the national issue of optimal growth management. Predicated upon extensive research, analysis, and market testing, the project would permit Clemson students and faculty to fully participate in the process of planning, engineering, preparing architectural drawings, financing, horizontal development, vertical construction, marketing, sales, leasing, and property management involved in the development of this carefully designed community.

Over a multiyear period of development, Clemson will be able to provide a unique, invaluable “real time” research and educational opportunity. Its goal will be identifying the optimal solutions to the challenges of growth. To be successful in this mission, the students and faculty in the living laboratory must employ the necessary critical thinking and creativity to ascertain the proper trade-offs to achieve the optimal balance that resolves all the conflicting viewpoints. Specifically, the students and faculty, in collaboration with the employed professional managers, must objectively devise a win-win-win solution that satisfies the objectives of three major constituents: residents, environmentalists and community activists, and developers and builders.

The expectations of these groups include the following:

- Residents (owners, renters, and visitors)
 - Sufficient quantity of new housing to satisfy population growth;
 - Superior lifestyle;

- Diversity of housing, including large lots and product affordable to the Clemson market;
- Convenience of services;
- Quality design;
- True community with mix of uses;
- Diversity of recreation facilities with a wellness emphasis; and
- Opportunity for ongoing learning.
- Environmentalists and community activists
 - Environmental sensitivity and preservation of open space and natural resources;
 - Walkable communities, alternative transportation opportunities, or both;
 - More-efficient infrastructure; and
 - Having growth pay for itself—no tax increases or overcrowding.
- Developers and landowners
 - A reasonable profit, commensurate with the risk; and
 - A successful, quality development.

This incredibly ambitious endeavor would reward the institution in a multitude of ways, as described below.

Rewards for the University

The educational value to students from virtually every discipline would be truly incomparable and superior to that of any other school in the nation. Moreover, this long-term program would both significantly enhance the ability to recruit top

students and equip graduating students with bona fide “experience” that will aid them in the job market.

The potential recognition and respect emanating from this unique program is unlimited. Such a significant research program on a major national issue could become one of the most visible and credible examples of Clemson’s worthiness to rank among the top 20 public universities in the United States.

Such a concerted and focused effort to build a quality project will ensure the development of an extraordinary community at one of the entrances to the campus. It will reflect favorably on the image of the university and will speak volumes about its commitment to quality.

Through the successful development of a financially feasible project, the university will unlock the land value and be able to apply such monies toward the institution’s mission of ascending into the nation’s top 20 public universities. By going to such great lengths to develop the property in a highly responsible and sensitive manner, the university will continue to be a good neighbor and will avoid the backlash against opposition to bad development.

To the extent that the university’s efforts result in any success in reconciling some of the conflicting and competing goals and objectives of the various stakeholders embroiled in the smart growth controversy, Stonegate’s techniques and practices could be emulated by developers and governmental officials throughout the country.

Planning, Design, and Development

With the introduction of the living laboratory, the panel believes that responsibility for a strong planning, design, and development component accompanies the ultimate buildout of Stonegate. This section of the report discusses what the panel believes is a potential way of meeting its envisioned market demand that is environmentally sensitive, sits on the cutting edge, and meets the university's core mission and goal of becoming a top-20 public institution.

Design for Reduced Impact on the Land

Clemson has the extraordinary cultural and environmental resources of a rural campus with a rolling topography, Lake Hartwell, and the surrounding Clemson Forest. This environment should be respected and managed in an appropriate way to be true to the university's vision "to excel in its core service areas and to emphasize the role of research in the life of the institution."

The use of certain university real estate holdings, which the panel has been asked to analyze and provide recommendations and a vision for their optimal use, must be approached with this mission at the forefront. Because of the sensitive environment of the land holdings, an added responsibility exists to approach its use in a way that will reduce the environmental impact.

The principles of best practices in development are high priorities when considering any land use and development of university lands—in particular, the three parcels the panel was asked to consider. In addition, the land uses should be compatible with the university's mission of teaching, research, and public service.

The panel recommends that environmental impact studies be completed on the subject parcels as a part of the land-planning process. Tree surveys and identification of native vegetation should be completed as master plans are developed.

For all sites, use of site development criteria that extend the LEED, or Leadership in Energy and Environmental Design, approach to master planning and multiple building development is encouraged. The LEED Green Building Rating System® is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. The best practices of sustainable development and quality growth are recommended when evaluating all site development plans. Stonegate affords an important international opportunity for Clemson University to play a role in determining appropriate criteria for a LEED's certification related to community land development (which regrettably does not currently exist). This expansion of the LEED program can be part of using Stonegate as a living laboratory.

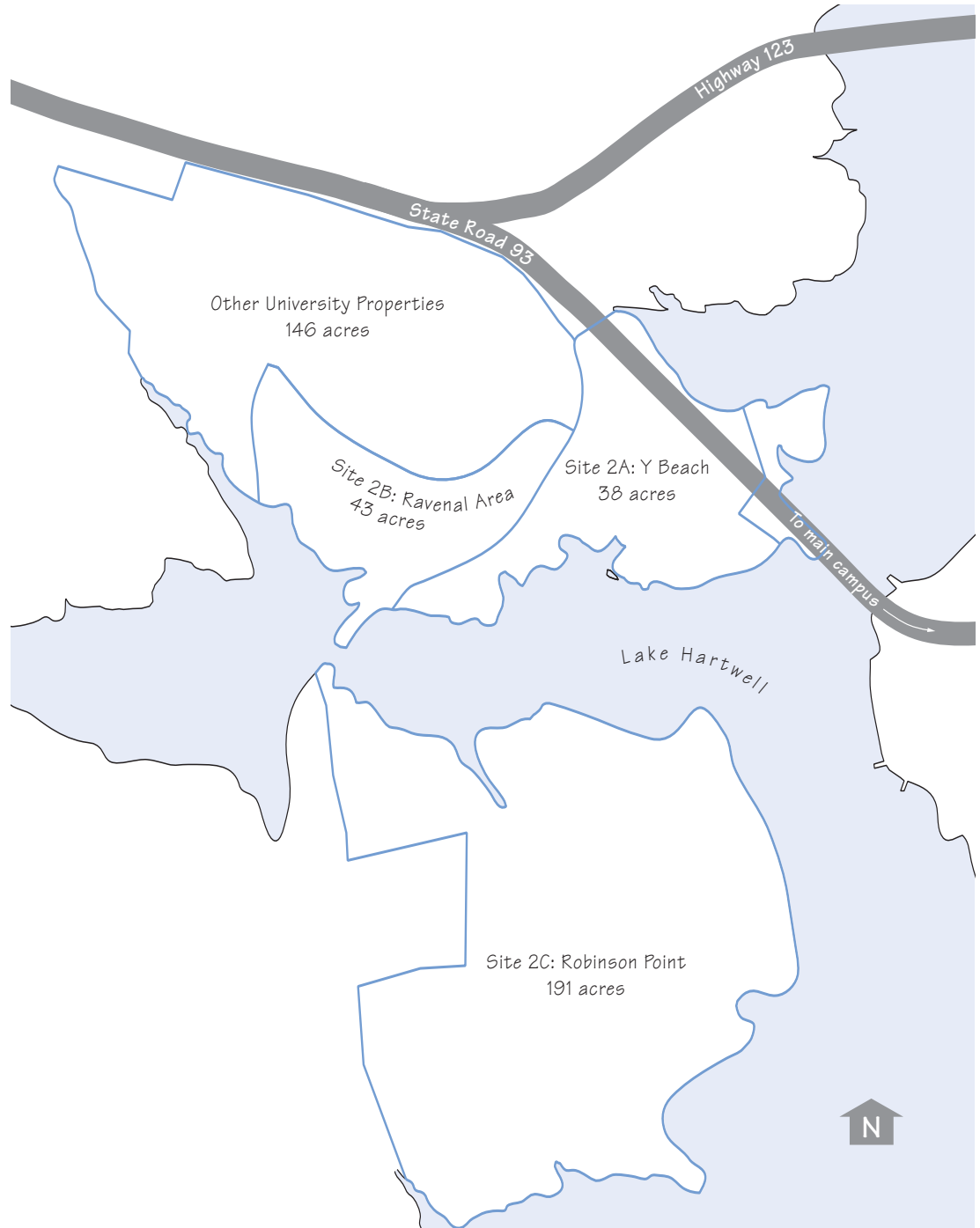
The panel strongly recommends that design guidelines and protective covenants be created for all landscape and building projects. These guidelines will help ensure that the development ultimately implemented not only will maintain the planning objectives of the university but also will encourage the highest level of design creativity and quality construction that the university expects and deserves.

Connections to the University Community

In addition to providing for future academic facilities on the Ravenel site (discussed later) and using the Stonegate project as a teaching laboratory, the public amenities and services within the Village Center are designed to be beneficial to members of the university and city communities. Reciprocally, university "benefits" could be associated with Stonegate residency that will reinforce connectivity.

These benefits provide a method of differentiating this land and Stonegate from any other communities in the area. The benefits may also contribute

Clemson has four key sites on which it can build its living laboratory.



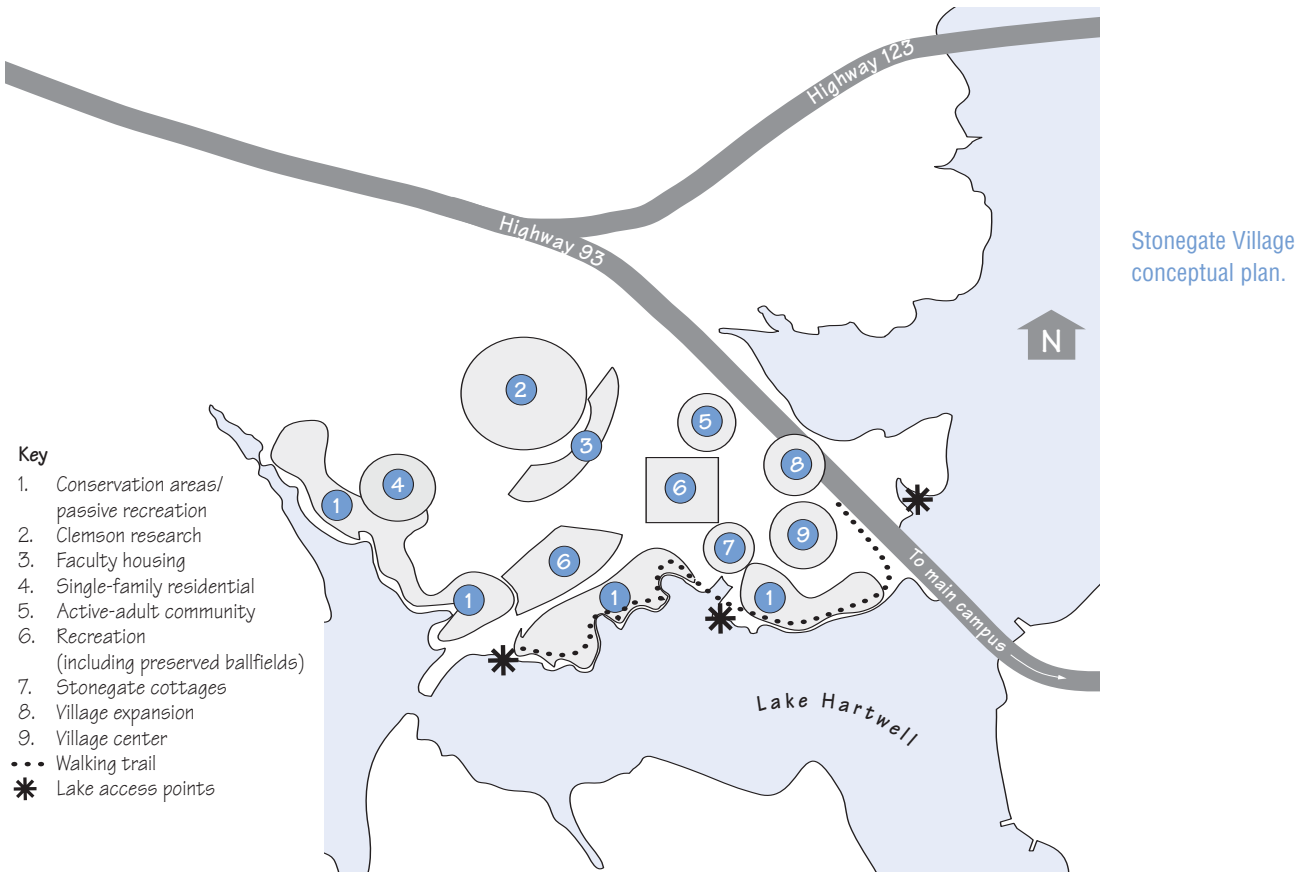
to some degree of self-selection, wherein individuals with ties and affinity to the university will be most desirous of Stonegate residency.

Connection to the university will offer intellectual stimulation for residents who have an interest in lifelong learning. Affording opportunities for residents to volunteer service to the university will be of mutual benefit. Campus privileges could be extended that might include access to sports and performing arts events, libraries, research facilities, museums, and perhaps classes. Being connected to

the university community will be highly valued by residents and would establish the unique positioning of Stonegate.

Four Sites Enable a Broad Range of Land Uses

The panel looked at each of the specific areas on the west shore of Lake Hartwell for its development potential. These suggestions are made with the assumption that the area will become the living laboratory described in the Market Potential



section. Each of the areas can be developed with this concept in mind.

Site 2A: Stonegate Village

Site 2A has the visibility, access, and proximity to the main campus to enable creation of a residential and mixed-use village at Clemson’s west entry. This mixed-use village could provide a range of services, products, and benefits to the village residents and the larger Clemson community.

As illustrated in the conceptual figure, the panel proposes three future precincts for site 2A. A mixed-use center and public park should be considered adjacent to Y Beach where the current YMCA building is located. An active-adult community, targeted to members of the Clemson family, would be located in the northwest quadrant. The lakefront would be preserved as community open space with residential cottages parallel to the water’s edge. Playing fields would be located between the mixed-use center and the active-adult community.

Mixed-Use Center. The program for the mixed-use component of Stonegate Village should be composed of a variety of land uses. Of critical importance is the provision of accessible uses necessary to the larger Clemson community.

The center would be anchored by public uses including the following:

- Y Beach area (with facilities upgraded);
- Sailing club;
- Informal amphitheater;
- Trailhead for biking and walking;
- Playing fields (within potential flood zone area);
- Boat docks for temporary visitors; and
- Boat-launching ramps (both sailing club and corporate locations).

These uses are intended to ensure that this property remains accessible to the community by making Stonegate a vibrant activity center and public amenity. An additional public space of approximately 1.5 acres on the west side of Highway 93 would be accessible to the public, with the existing boat launch ramp remaining.

Two-story mixed-use buildings would offer a variety of services on the first level. The primary focus is providing services that would be needed by Stonegate residents. These uses should be targeted to complement, not compete with, the College Avenue business district.

A summary of possible commercial uses to be incorporated into the mixed-use center includes the following:

- Clemson visitor center;
- Daycare;
- Medical offices;
- Market, deli, and general store;
- Health and fitness center;
- Restaurant;
- Real estate office; and
- Service retail such as banking, dry cleaning, coffee bar, ice cream store, and recreation rentals.

As discussed earlier, a market study will need to be conducted, but the first-floor uses could approach 50,000 square feet. The commercial portion could be anchored by a Clemson visitor center, wellness and fitness center, medical offices, daycare, and a restaurant envisioned to be located near the edge of the lake.

The Clemson visitor center would be the initial welcome point, offering hospitality and information to the visitor. The visitor center could also be an environmental center, where history, maps, and other information about the Experimental Forest could be disseminated. The YMCA or the university might operate a membership-based wellness and fitness center. These services would be attractive amenities for the community. Land adjacent to the mixed-use center should be reserved in the event that additional community facilities, such as a senior center or a library, are identified in the future.

Residential apartments, targeted to graduate and married students, would be located on the second level of the mixed-use center. The apartments can provide cost-effective housing for the students, animate the center, and provide scale to create a more appealing public space. An estimated 25 to 30 apartments, with a mix of one- and two-bedroom units, could be accommodated.

Active-Adult Community. An active-adult community would fill an articulated community need.

Members of the Clemson family would likely find such a community attractive as an opportunity to return to or remain in Clemson. The broad array of services, including medical offices and a fitness center, in the adjacent Village Center would be appealing to seniors. Approximately 125 residential units in a two-story community would be possible.

Lake Cottages. Cottages are suggested along the perimeter of site 2A. The cottages should be set back from the lake's edge to allow full public access along the water. They should be architecturally controlled to ensure a cohesive expression. If the cottages are assumed to average 1,500 square feet each, the site would accommodate 25 to 35 cottages and would best serve the area if they were clustered.

It is critical that this area be developed in a way that is pedestrian friendly and provides pedestrian and bike links across the lake to the campus. By encouraging walking and biking, the village can truly incorporate smart growth principles.

Site 2B: Lakefront Residential Development

Site 2B offers the university the ability to provide lakefront residential opportunities to a broad base of faculty, retired faculty, alumni and alumnae, and friends of the university. Current topographical information indicates that approximately half of the about 43-acre parcel could be developed, with 50 percent preserved as open space. Careful siting, planning, and clustering of development are essential to minimally affect the landform and natural setting. The panel believes a low-density plan with 20 to 25 clustered single-family units would be appropriate.

Site 2C: The Robinson Property

This 191-acre property is extraordinary because of its lake frontage, proximity to campus, and topographic features. Commensurate with this potential are significant responsibilities to ensure appropriate use of the land. At higher elevations, the site affords dramatic views of the football stadium and the Tillman clock tower. Similarly, it enjoys high visibility from the campus and the highway, which will necessitate particular design sensitivity. A residential land use program is proposed.

In addition to thorough architectural guidelines, planning guidelines should be established to require that houses are built below the hilltops and that the tree canopy is used to buffer views from the campus. While lake views from homes would be maximized, the lake edge should be devoted to public access with development setbacks to limit visibility from the campus.

A range of product types would be responsive to the university and market needs and the varying topographic conditions found on the site. These product types include cottages, clustered attached townhomes and condominiums, clustered single-family homes, and single-family homes on somewhat larger lots. Objectives should include achieving a mixed-income and multigenerational community. Planning for a higher level of density than typically found in the Clemson community will facilitate the latter objective as well as preserve open space on portions of the site that have more challenging topography.

A market study and detailed topographic and engineering analysis are required to define the specific product positioning and potential densities. The site could accommodate an estimated 125 to 150 homes, which is appropriate given the desire to preserve the pristine lakefront, ridge lines, and other important natural resources.

A large outparcel exists on the western edge of the property. Obtaining control of that parcel would be desirable to create a complete development site.

Ravenel Site: Research, Connection, and Interaction

The Ravenel site should be integrated with the other west shore properties through careful master planning in order to enrich the entire development and to ensure connectivity and interaction with other areas.

The panel believes that this property is currently being underused for limited university research. With the emphasis areas of the university established, the opportunity exists to take advantage of this parcel to provide research facilities for one of those areas, consistent with the 2002 Campus Master Plan, which currently recommends expanding research laboratories on the Ravenel Center site. The panel recommends that the university consider relocating to the Ravenel site the research buildings proposed in the 2002 Master Plan for the existing married students' housing site on the north side of Highway 93. This relocation would enable uses around Clemson House that would be more consistent with the scale and landscape features of the core campus. The educational use of the Ravenel site for research that is directly linked to the emphasis areas of the university is an appropriate land use that extends the university into the greater Clemson community.

In addition, a very limited number of townhome units is proposed to take advantage of that portion of the Ravenel site that overlooks site 2A and the lake beyond. These units may appeal to faculty or graduate students working in the research facilities.

Conclusion

The panel believes that Clemson University has an incredible opportunity—one of which similar institutions would be envious. Not only does the university have valuable land resources, but it also has an opportunity to develop a cutting-edge program in land use management and real estate development. This living laboratory has the potential to advance the body of knowledge on smart growth and best practices for sustainable development. In addition, by develop-

ing the property in an exciting and environmentally sensitive manner, Clemson University can provide a model for new development regionwide and set a new standard for development.

The panel looks forward to coming back to Clemson to see its progress and to learn from its experiences in promoting smart growth and responsible development.

About the Panel

Marilyn J. Taylor

Panel Chair
New York, New York

Architect and urban designer Marilyn Jordan Taylor is known for her passionate involvement in the design of urban projects and civic initiatives, as well as for her exceptional leadership on some of the most complex public and institutional projects around the world.

An expert in using public space and infrastructure to shape urban districts and civic places, Taylor leads SOM's Urban Design & Planning practice, including such projects as Columbia University's Manhattanville Master Plan, the East River Waterfront Master Plan, the reclamation of Con Ed's East River sites for mixed-use development, the new research building at Memorial Sloan-Kettering, and the new urban campus for John Jay College. She also founded and leads SOM Airports, with projects ranging from Terminal 4 at JFK to Continental Airlines at Newark, and from Sky City Hong Kong to the new Ben Gurion Airport in Tel Aviv. Her transit work includes the award-winning Changi Airport Station in Singapore as well as the *Transit-Friendly Land Use Handbook* for New Jersey Transit. Together with her colleague David Childs, she is leading SOM's team to create the new landmark Moynihan Station in New York City.

Taylor is deeply engaged in civic leadership. In 2002 and 2003, she served as chair of the New York Building Congress, and she currently serves on the boards and steering committees of the Association for a Better New York, the Downtown Alliance, the Women's Transportation Seminar, and the Institute for Urban Design. She also serves as vice chair for policy and practice and as an Executive Committee member for the Urban Land Institute. Taylor is a past president of the New York Chapter of the American Institute of

Architects and a past chair of the national AIA Regional and Urban Design Committee. In addition, after being named a David Rockefeller Fellow of the New York City Partnership in 1995, she now serves on the Fellows Advisory Committee. In 2001, Taylor was a founding member of New York New Visions and the co-chair of the New York City Partnership's Infrastructure Task Force, formed to galvanize the support of the business and professional communities for the restoration and rebuilding of Lower Manhattan.

Michael R. Buchanan

Atlanta, Georgia

Mike Buchanan's career has spanned more than 30 years in real estate banking and finance with Bank of America and its predecessor banks. He retired in 2002 with Bank of America as managing director of the Real Estate Banking Group with responsibility of coast-to-coast real estate banking offices involved in construction, acquisition, development, and bridge financing for the commercial and residential real estate industry.

He is a trustee of the Urban Land Institute and a former trustee of both the Georgia Conservancy and the Real Estate Advisory Board of The Nature Conservancy. Buchanan is a member of the board of directors of DR Horton, Inc.; Pasquelli Builders, Inc.; Opus South Corporation; and Wells Real Estate Investment Trust.

Buchanan has been a member of the Cherokee Town and Country Club of Atlanta, Georgia, for 22 years and has been active most recently as a member of the Swim and Fitness Committee. He is currently a member of the board of directors of the Cullasaja Club in Highlands, North Carolina.

His educational background includes a master of business administration and a bachelor of economics from the University of Kentucky. He also com-

pleted the Graduate Program for Management Development at Harvard University.

Gary W. Fenchuk

Midlothian, Virginia

Gary W. Fenchuk is president of East West Partners of Virginia, Inc. Presently, the company has eight communities under active development in Florida and Virginia. The Florida communities are Windsong (Winter Park) and Eagle Landing and Eagle Harbor (Jacksonville). Virginia communities include Hampton Park and Riverwatch in Richmond and The Riverfront, Eagle Harbor, and Founders Pointe in Hampton Roads. In addition, four developments are in the startup phase. Notable previous developments in Richmond include Woodlake (selected for ULI's Excellence Award in 1990) and Brandermill (named the best Planned Community in America by NAHB in 1976).

Fenchuk's career in real estate began in 1973 with the Sea Pines Company, where he last served as vice president of finance. He holds an undergraduate degree from Alma College in Michigan and is an MBA graduate of the University of Pennsylvania's Wharton School of Finance.

Fenchuk currently serves as a member of the Community Development Council and Finance Committee of the Urban Land Institute where he is a Trustee. He is past president of the Circle of Excellence of the Virginia Commonwealth University Real Estate and Urban Land Development Program and a member of the board of trustees of Alma College. Fenchuk is also founder of the East West Foundation for charitable giving and has authored the book *Timeless Wisdom*.

Helen D. Hatch

Atlanta, Georgia

Helen Hatch first joined TVS in 1973 and has had a distinguished career specializing in the design of hotels, convention centers, and conference facilities. Having served as president of her own firm, Hatch is now vice president of client relations and development of TVS. She is considered the ambassador of the firm's civic responsibility in de-

signing spaces into better places, particularly in urban contexts.

Hatch has been involved with some 30 design projects, including the initial Georgia World Congress Center's pioneering design, which forever changed how the nation viewed places of public assembly. Her work has been recognized nationally, and she has been featured in the American Institute of Architects (AIA) traveling exhibit "Women in Architecture."

Hatch is a trustee of ULI, serves as immediate past chair of ULI Atlanta, is chair of the ULI Global Exchange Council, and serves on that organization's Program Committee. She is also a member of the American Institute of Architects, CoreNet, and CREW.

Through her leadership and that of her colleagues at TVS, the firm was awarded the highest recognition in the field of architecture, the AIA 2002 Architecture Firm Award. It is the first time a firm based in the Southeast has won the prestigious honor.

After earning a bachelor of arts in mathematics from Agnes Scott College, Hatch went on to Harvard University Graduate School of Design, where she received the master of architecture degree.

Todd W. Mansfield

Charlotte, North Carolina

Todd Mansfield brings skill and considerable experience to his leadership role at Crosland. From 1997 to 1999, he was managing director of Security Capital Group (NYSE: SCZB) in London, where he launched and operated a private equity investment fund with a \$1.5 billion equity capitalization. The fund acquired seven real estate operating companies in the parking, self-storage, office, and residential sectors in Europe and Australia. Mansfield was a member of Security Capital's five-person operating committee, which oversaw investments in 19 private and publicly held operating companies with a combined capitalization in excess of \$20 billion.

From 1986 to 1997, he served with the Walt Disney Company as executive vice president/general

manager of the Disney Development Company. There, he had operating responsibility for Disney's resort development and corporate real estate activities worldwide. In this role Mansfield supervised more than \$3 billion in commercial and residential development, including 16,000 resort hotel rooms, 2.5 million square feet of office and industrial space, 500,000 square feet of convention space, 500,000 square feet of retail and entertainment entities, sports facilities, and 54 holes of golf.

As president of Disney's Celebration Company, he led the team that planned and initiated development of the 5,000-acre Town of Celebration. The town has been recognized as a leading example of traditional neighborhood development planning. In addition, Mansfield oversaw operations of the Disney Vacation Club, a vacation ownership company. He takes great pride in having spearheaded the Disney Wilderness Preserve. This environmental mitigation project was undertaken in collaboration with The Nature Conservancy and the Florida Audubon Society. The effort involved the \$40 million acquisition, restoration, preservation, and long-term management of 8,500 acres in central Florida and became a national model for environmental planning.

Prior to joining Disney, Mansfield was a project manager with Hines, where he was responsible for suburban office developments in New England. He was also a management consultant with Booz Allen & Hamilton, Inc., in New York.

Mansfield received a BA from Claremont McKenna College and an MBA from Harvard University.

Peter Parrott

Hilton Head, South Carolina

Peter Parrott is the president and founder of the University Housing Group, a developer of high-end stick-built rental apartments designed for the college student from an affluent background. Developments have been completed generally in the southern United States from Raleigh, North Carolina, to Florida.

Prior to this venture, Parrott was in partnership with Ron Terwilliger and Trammell Crow to de-

velop, construct, and manage high-end residential rental apartments. Later, this venture became a subsidiary of Trammell Crow Residential. The development products were generally in infill locations and built up to three stories. Locations included Columbus, Cincinnati, Dallas, Indianapolis, Memphis, and Nashville.

Parrott received a BA from Davidson College and an MS from Clemson University.

Tim R. Rose

Charlottesville, Virginia

Tim Rose is chief executive officer of the University of Virginia Foundation, which manages approximately 5,000 acres (valued in excess of \$200 million) for the University of Virginia, including the Boar's Head Inn and Birdwood Golf course, Morven Farms, and the Historic Renovation Corporation. In addition to these real estate projects, the foundation provides financial management assistance to the university's Capital Campaign and develops and manages two research parks—the Fontaine Research Park and the University of Virginia Research Park.

Rose formerly served as an assistant vice president at the University of Virginia and has held teaching positions at two other universities in addition to working in student affairs early in his career.

Rose received his undergraduate and master's degrees from Miami University and his PhD from the University of Virginia.

He has served in various leadership positions with the Urban Land Institute, Albemarle County Police Foundation, County of Albemarle Chamber of Commerce, County of Albemarle Airport Authority, Rivanna Water & Sewer Authority, North Charlottesville Business Council, Leadership Charlottesville, Thomas Jefferson Planning District Sustainability Council, Trinity Presbyterian Church, and Love Inc.