Dorothea Dix Hospital
Raleigh, NC

ULI Advisory Services Panel
October 24-27, 2006
The Urban Land Institute

• ULI—the Urban Land Institute is a nonprofit research and education organization

• The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.
Acknowledgments

• Sen. Vernon Malone
• Rep. Jennifer Weiss

• Sen. Janet Cowell
• Rep. Deborah Ross
• Ms. Barbara Goodmon
• Rep. Verla Insko
• Rep. Rick Eddins
• Mayor Charles Meeker
• Mr. Joseph Huberman
Acknowledgments

- Jim Klingler
- Kory Goldsmith
- Denise Huntley
- Bonnie McNeil

- Trish Healy

- Also, the more than 40 people who provided their input during the stakeholder interviews
The Panel

- Leigh Ferguson, Chair
- Ralph Nunez
- Bill Lashbrook
- Dennis Carmichael
- Logan McClintic-Smith
- Tom Murphy
Today’s Agenda

• History and Context
• Planning and Design
• Implementation
• Finance
• Questions and Answers
Why

Three day assignment, the process normally includes:

- Preparation of a briefing book by the sponsor
- 3 to 4 ULI member/experts
- Onsite tour and briefing by sponsor
- 3 roundtable sessions with 3-5 participants at each session
- One day work session by panelists
- Presentation, sometimes in private, followed by a written report
Unusual Features of this Panel Assignment

This assignment, at the request of the sponsor, provided for significantly more public participation as noted:

• Larger Group of Panelists (6 vs 3-4)
• Public Reception
• More Round Table Topics (5 vs 3)
• More Round Table Participants (8-9 vs 3-5)
• Invitation for Broader Public Input
• Advertised Public Events
• Open presentation with public comment opportunity
Previous Work

• A substantial amount of planning work has been done on this property
Major Issues

- Parks
- Mental Health Community
- Business Community
- Historic Preservation Community
- Municipal and Educational Institutions
- Neighborhoods
- Government
History and Context
History

- Dorothea L. Dix, social activist
- Place History
- Historic Building Inventory
- Alexander Jackson Davis, prominent architect
History

• Preservation of a Historic Core
• Maintenance of Comprehensive Campus Design
• Identifying Prominent Architectural Elements
• Provision for the needs of the Department of Health and Human Services
Adaptive Reuse of Comparable Mental Health Institutions and State Hospitals
<table>
<thead>
<tr>
<th>Land Use</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park</td>
<td>215</td>
</tr>
<tr>
<td>Medium-Low Residential</td>
<td>35</td>
</tr>
<tr>
<td>Medium-High Residential</td>
<td>65</td>
</tr>
<tr>
<td>Historic Core (adaptive reuse)</td>
<td>80</td>
</tr>
<tr>
<td>Town Center (includes Farmer's Market)</td>
<td>43</td>
</tr>
<tr>
<td>Open Space/Recreation/Town Green</td>
<td>25</td>
</tr>
</tbody>
</table>
• Adaptive reuse of the Harvey Building to accommodate congregate housing for the mentally ill on site
How

• Value
  – Legacy
  – Connection
  – Revenue
  – Great City Park
How

• Issues
  – Everyone is talking; no one is listening
  – No one is in charge
  – Money demands
  – DHHS usage
  – Hierarchy of stakeholders
How

• Challenges
  – Communications
  – Focus
  – Structure
  – Money
How

• Solutions
  – Clear Ownership
  – Clear Authority and Responsibility in one place
  – Maximize community values
  – Maximize revenue potential
How

City Buys It!
How

Source

• The City Pays the State $40 million
• Two vehicles used to raise the money:
  – Dix Campus Development Corporation (DCDC)
    • $ 30 Million from TIF
  – Dix Park Conservancy
    • $ 10 Million Private Sector
• Overall Structure
  – Dix Campus Development Corporation (DCDC)
    • Board Composition
  – Dix Park Conservancy
  – The Dorothea Dix Foundation
    • Board Composition
  – Development Partnerships
Suggested Boards Composition

- Dix Campus Development Corporation (DCDC)
  - Board Composition
    - 7 members chosen by the Mayor
      » NC State, Wake County and the state each nominate 3 people from which the mayor picks one each.
      » the Conservancy nominate six people from which the mayor picks two.
      » Two seats are chosen by the City.

- The Dorothea Dix Foundation
  - Board Composition
    - 9 members
      » Governor appoints 3,
      » Legislature appoints 3
      » Mental Health Community appoints 3
How

• Assumptions
  – DHHS Agrees to a long term lease on rehabilitated buildings
  – Farmers Market expands into a larger retail town center
  – NCSU agrees to cooperate with DCDC and development of new neighborhood
• The economic potential of Dix Hill is sufficient to support the goals of the state, county, city, the citizenry and local groups concerned with the environment, open space and especially those concerned with mental health.
## Tax Increment Financing Projection

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Amount:</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Rate:</td>
<td>5.00%</td>
</tr>
<tr>
<td>Amortization:</td>
<td>25 years</td>
</tr>
<tr>
<td>Annual Payment:</td>
<td>$1,452,558</td>
</tr>
<tr>
<td>Cushion for Issuance:</td>
<td>60%</td>
</tr>
<tr>
<td>Required Tax Payments:</td>
<td>$2,420,930</td>
</tr>
<tr>
<td>Required Taxable Value @ .01069:</td>
<td>$226,466,791</td>
</tr>
</tbody>
</table>
## Potential Tax Revenues

<table>
<thead>
<tr>
<th>DCDC</th>
<th>Tax Value</th>
<th>Revenue Potential @0.01069</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office Space @$200:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>800,000 DHHS Space</td>
<td>$160,000,000</td>
<td>$1,710,400</td>
</tr>
<tr>
<td>400,000 Other Office/Retail</td>
<td>$80,000,000</td>
<td>$855,200</td>
</tr>
<tr>
<td><strong>Total Office Estimated Tax Value</strong></td>
<td>$240,000,000</td>
<td>$2,565,600</td>
</tr>
<tr>
<td><strong>Residential:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multifamily 750 units @$100,000</td>
<td>$75,000,000</td>
<td>$801,750</td>
</tr>
<tr>
<td>Single Family 250 units @$200,000</td>
<td>$50,000,000</td>
<td>$534,500</td>
</tr>
<tr>
<td><strong>Total Residential</strong></td>
<td>$125,000,000</td>
<td>$1,336,250</td>
</tr>
<tr>
<td><strong>Total DCDC Value</strong></td>
<td>$365,000,000</td>
<td>$3,901,850</td>
</tr>
<tr>
<td><strong>Other Residential (Centennial)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multifamily 150 @$100,000</td>
<td>$75,000,000</td>
<td>$801,750</td>
</tr>
<tr>
<td>Single Family 250 @$200,000</td>
<td>$50,000,000</td>
<td>$534,500</td>
</tr>
<tr>
<td><strong>Other Retail</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$490,000,000</td>
<td>$5,238,100</td>
</tr>
</tbody>
</table>
### Possible Additional Revenue

<table>
<thead>
<tr>
<th>DCDC Property Only</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mulifamily 750 units</td>
<td>$1,875,000</td>
</tr>
<tr>
<td>Single Family 250</td>
<td>$625,000</td>
</tr>
<tr>
<td>Total DCDC</td>
<td>$2,500,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other (Centennial)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mulifamily 750 units</td>
<td>$1,875,000</td>
</tr>
<tr>
<td>Single Family 250</td>
<td>$625,000</td>
</tr>
<tr>
<td>Total Other</td>
<td>$2,500,000</td>
</tr>
</tbody>
</table>

| Total Residential One Time Payments | $5,000,000 |
Constituent Goals

- State
- County
- City
- DHHS
- NCSU
- Citizen
- Mental Health Community
Guiding Principles

• Create a fitting memorial to Dorothea Dix
• Promote LEED (Leadership in Energy and Environmental Design) Silver Rating for new neighborhood and for all buildings
• Create a retail center around farmer’s market
• Maximize access to adjacent neighborhoods of Boylan Heights, Fuller Heights, Caraleigh, Centennial Campus and Pullen Park Terrace.
Guiding Principles

• Seek a balance between park and neighborhood creation that builds upon prior studies
• Create a residential neighborhood around the historic core to create a vibrant park
• Accommodate DHHS campus
• Create mixed use neighborhood on Centennial Campus/Farmers market
Guiding Principles

• Create New Greenway linkages
• Preserve existing oak trees
• Accommodate passive recreation, amphitheatre and possibly botanical gardens
• Accommodate congregate housing for the mentally ill on site