



**Urban Land  
Institute**

**Advisory Services Program**

# Fayetteville Street Corridor

**DURHAM, NC**

**ULI ADVISORY SERVICES**

**MAY 15-20, 2022**

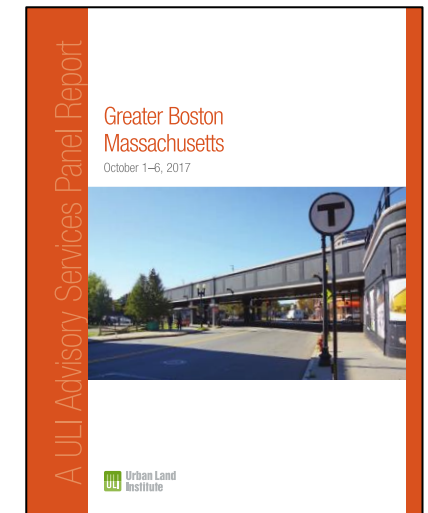
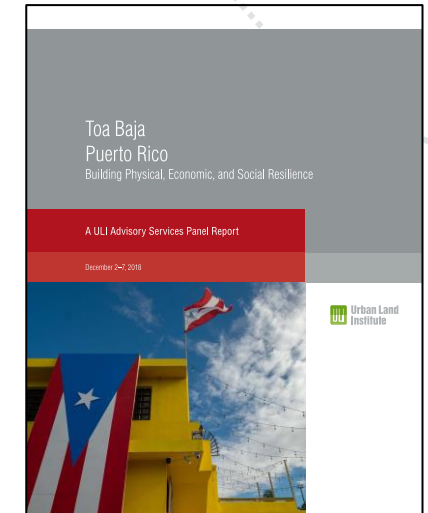
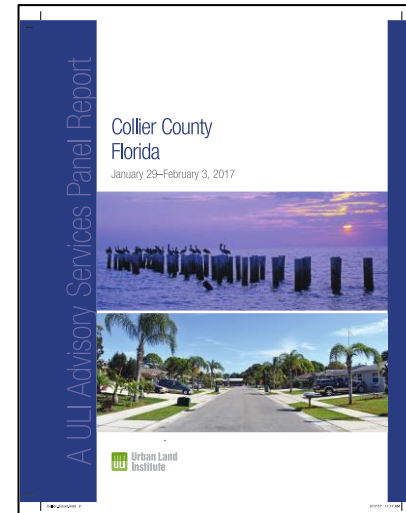


Credit: DSG

# About the Urban Land Institute

**ULI Mission:** to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide

- A multi-disciplinary membership organization with more than 45,000 members in private enterprise and public service
- What the Urban Land Institute does:
  - Conducts Research
  - Provides a forum for sharing of **best practices**
  - Writes, edits, and publishes **books** and **magazines**
  - Organizes and conducts **meetings**
  - Directs outreach programs
  - Conducts **Advisory Service Panels**



## ADVISORY SERVICE PANELS

Since 1947, ULI's Advisory Services Program have helped more than 700 communities find independent, strategic, and practical solutions for the most challenging land use issues.

# Thank you to our sponsors!

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# ULI Panelists and Staff

Selected for their subject matter expertise to provide **objective, volunteer** recommendations

## **Lyneir Richardson**

The Chicago TREND Corporation  
Center for Urban Entrepreneurship &  
Economic Development, Rutgers Business  
School  
Newark, New Jersey

## **Erika Brice**

The Kresge Foundation  
Troy, Michigan

## **Juanita Hardy**

Tiger Management Consulting Group, LLC  
Silver Spring, Maryland

## **William G Lashbrook III**

PNC Real Estate (retired)  
Hopewell, New Jersey

## **Bayé Muhammad**

Rochester Economic Development  
Corporation (REDCO)  
Rochester, New York

## **Tom Murphy**

ULI – the Urban Land Institute  
Washington, DC

## **Julia Stevenson**

Langdon Park Capital  
Washington, DC

## **ULI Staff**

### **Rebecca Hill**

Senior Associate, Meetings and  
Events

### **Deborah L. Myerson, AICP**

Project Manager  
Myerson Consulting

# Panel Assignment

*The fundamental question posed to the Advisory Services Panel:*

How can the Fayetteville Street corridor be redeveloped with a community center mindset, ensuring the community is involved in both planning and economic participation?



Credit: Deborah Myerson

# Panel Assignment

## Specific Questions to the Panel:

1. What are the current land economics of the Fayetteville Street Corridor (eg. library, health center, schools, etc.)?
2. How can the community (residential, business owners and land owners) in the Fayetteville Street corridor take advantage of existing land uses?
3. What can the community do now to take advantage of the existing land use?
4. What are the future land economics of Fayetteville Street (e.g., grocery/healthy food options, affordable housing, etc.)?
5. How can local organizations like Durham CAN, Durham Community Land Trustees, Hayti Heritage Center, and others start help to make neighborhoods adjoining Fayetteville Street affordable?
6. How do we properly develop Fayetteville street while maintaining its rich history of Black Wall Street and its cultural impact?
7. How do we reconnect the Hayti District and Downtown Durham?
8. What opportunities are available to the community now and in the future to participate, economically, in the development of the Fayetteville Street Corridor as a whole?
9. What are the strategic action steps to make the development of Fayetteville Street a success economically viable and community centric?



# Fayetteville Street Corridor

## Study Area Map



- Hayti was the historical location of many of Durham's Black businesses and the hub of economic activity.
- Fayetteville Street Corridor in particular is an important North-South thoroughfare through Durham County and connects Durham to the Research Triangle area.
- This gateway remains vital to the economic development of Durham and preservation of Black history and culture.

# Urgency of the Current Moment

# Urgency of the Moment

## Land Economics

- Unprecedented market demand for property
- Existing homes are rapidly selling and/or renting a record levels
- Residential and commercial development are on the drawing board today – “Thousands and Millions”
- Continued densification is on the horizon
- Impending change that will impact the historic neighborhood is palpable



# Urgency of the Moment

## Strategic Action

- Community residents, Black business owners and Black-led organizations and stakeholders
- Organization, collaboration, communication, compromise must be accelerated
- Shared vision required right now or economic participation opportunity will be squandered
- Racial equity arguments can be made
- Resources are available



# Urgency of the Moment

## Bold Investment

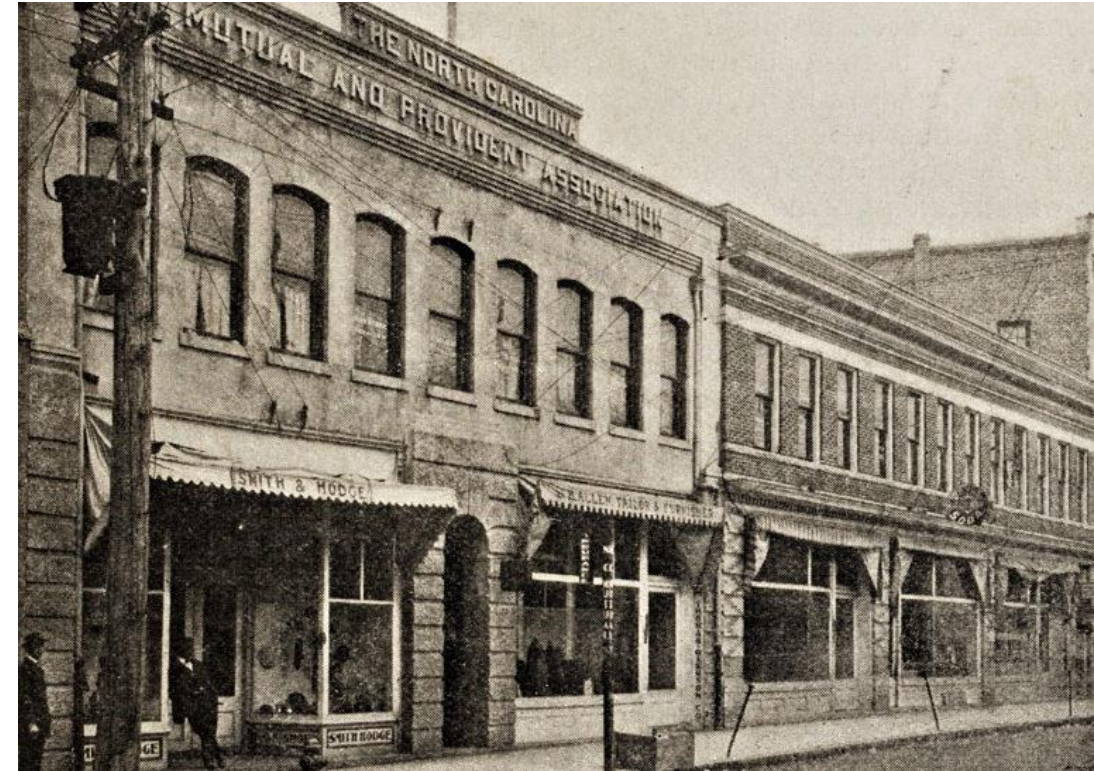
- All levels of government, the UNC system, philanthropy and private sector
- \$63,000,000 to drive forward recommendations to:
  - Improve Fayetteville Street
  - Strengthen North Carolina Central University
  - Invest in the Hayti Heritage Center
  - Subsidize Property Upkeep and Taxes for Legacy Home Owners , and
  - Launch a Flexible Capital Fund (targeted for local Black entrepreneurship, real estate development and commercial property ownership)



# Recognize and Respect

## Proud History

- Study Area
  - Black Business success
  - Black home ownership
  - Black educational achievement
  - Black arts and culture and entertainment
- Woven into the fabric and folklore of this community.
- Significance of Durham's Black Wall Street, contribution of religious institutions and individual sacrifices
- Community trauma and wealth destruction from the Durham Freeway construction and urban renewal



# Hayti: Historical Context



# Historical Context

## The Houses of the Leaders



Source: reddit.com



# Historical Context

## Houses of Worship

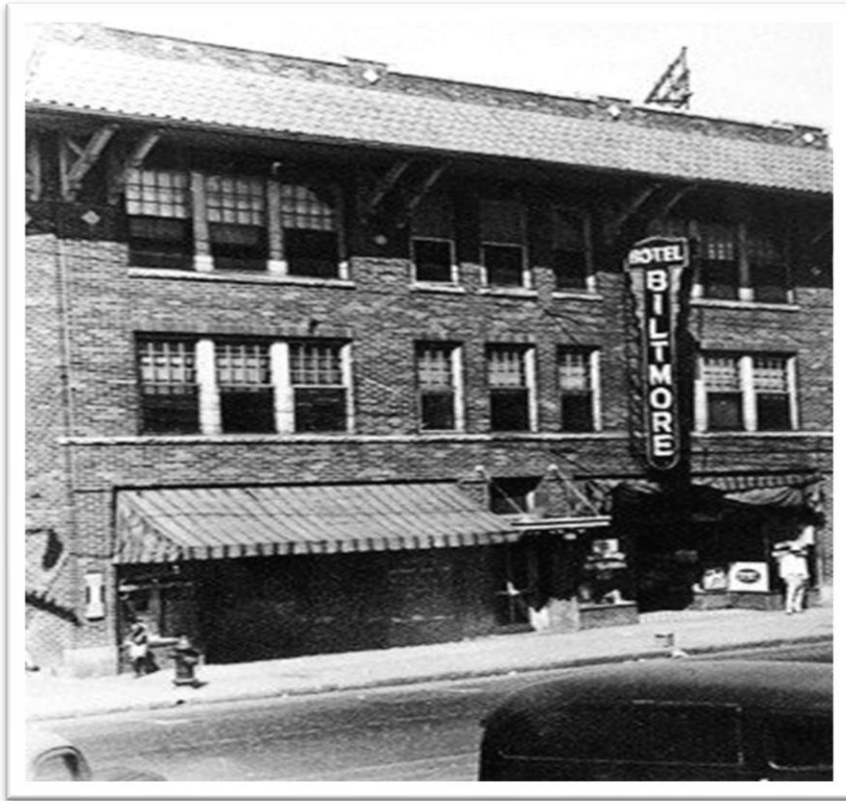


Source: [opendurham.org](http://opendurham.org)

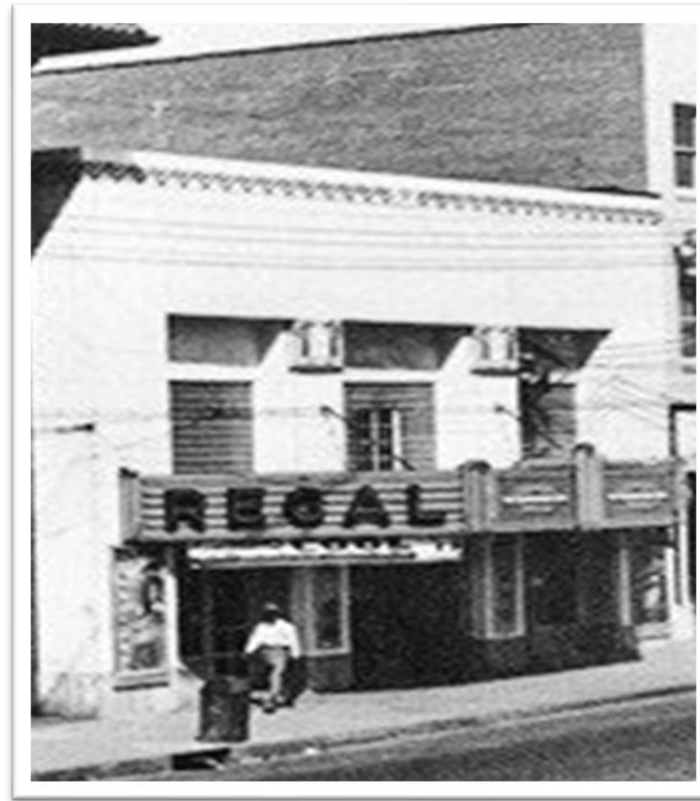
# Historical Context

## Business and Entertainment

**The Biltmore Hotel**



**The Regal Theater**



Source: Historic Hayti photos - INDY Week

# Historical Context

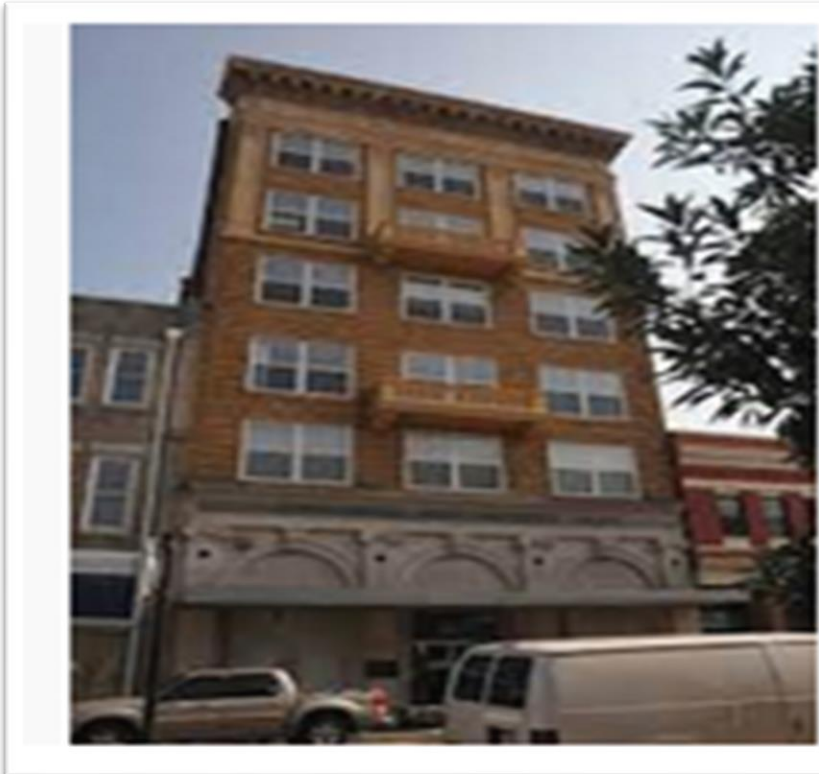
## Their Houses



Source: [Historic Hayti photos - INDY Week](#)

# Historical Context

## Businesses and Banking



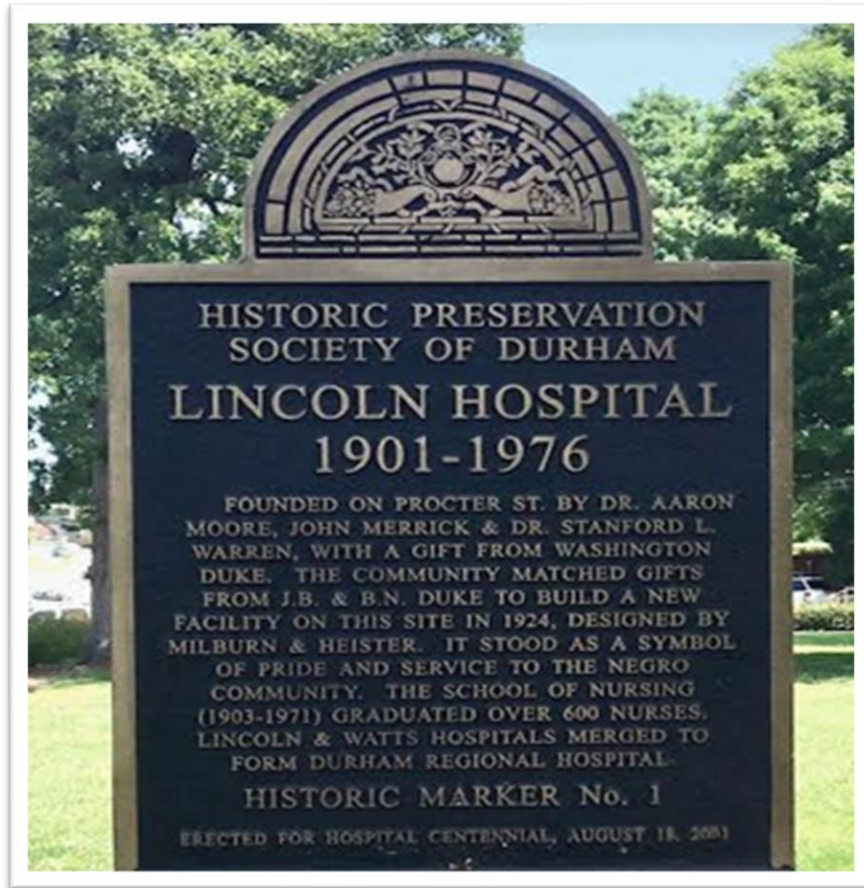
Source: [Wikipedia.org](https://en.wikipedia.org/wiki/Equitable_Building)



Source: Emporis

# Historical Context

## The Hospital



# Historical Context

## Higher Education



Source: [opendurham.org](http://opendurham.org)


# Historical Context

## The Economic Heart



## The Destruction



 Bull City 150  
Dismantling Hayti – Bull City 150

# Historical Context

## The Sentinel



Source: Bill Lashbrook



# Historical Context

The Beacon



The Convening



# Current Context

Change is on the Way!

The Beacon for Convening



Source: Bill Lashbrook

# Changing the Narrative: *Engaging and Empowering the Next Generation*



# Urgency and Intentionality

*Changing the Transportation Conversation*



**Greenville, South Carolina**

# Urgency and Intentionality

*Using Historic Preservation as an Economic Driver*



**Charleston, South Carolina**

# Urgency and Intentionality

*Creating 3CDC as the Visionary Leader*



**Over the Rhine – Cincinnati, OH**



**700 vacant lots, 500 vacant houses**

# Urgency and Intentionality

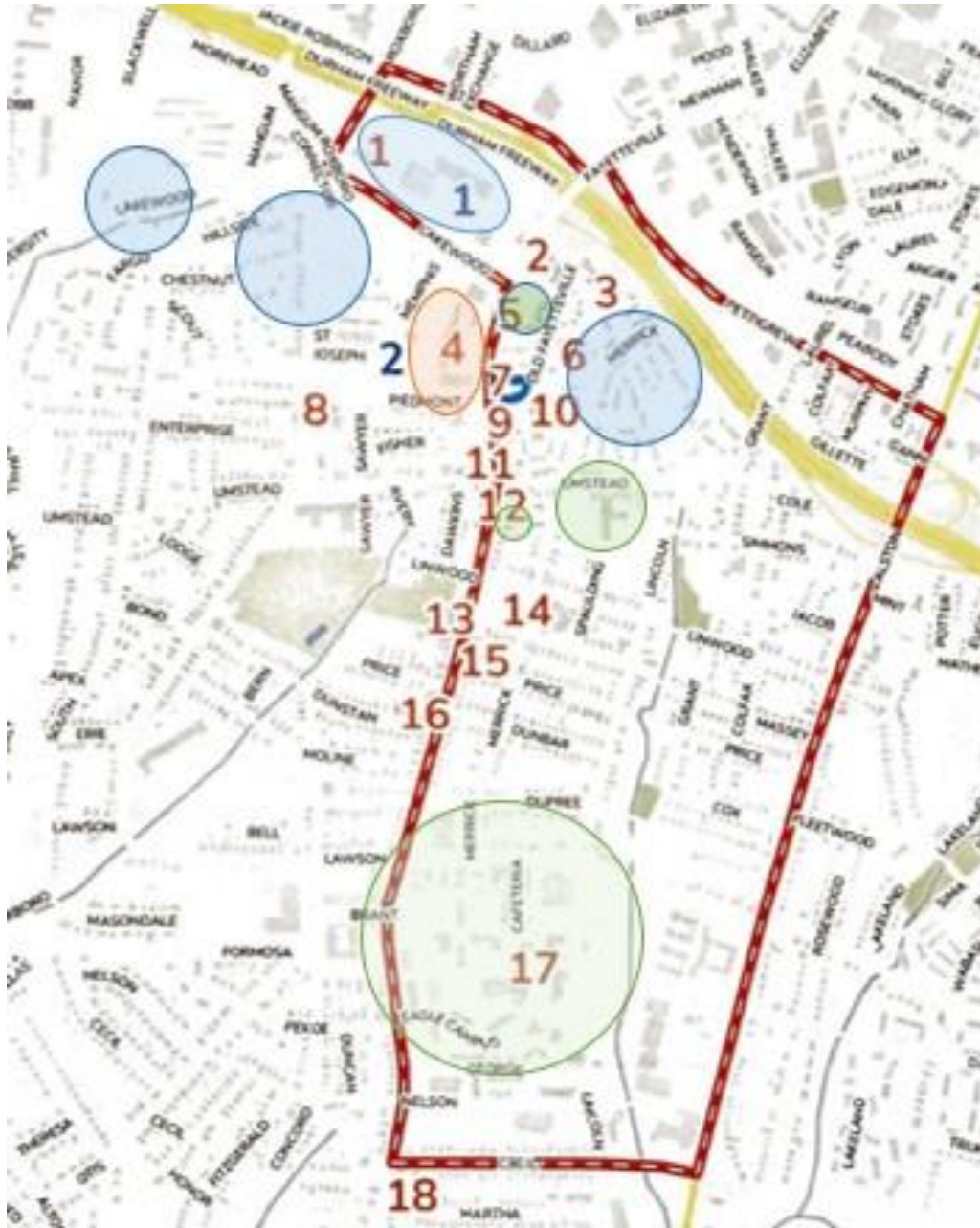
*Empowering a Community*


**Pittsburgh, Pennsylvania  
Manchester Neighborhood**



**Before & After**

# Significant Land Uses In and Near the Study Area



	Imminent New Development
	Large Landowners
	Community Institutions





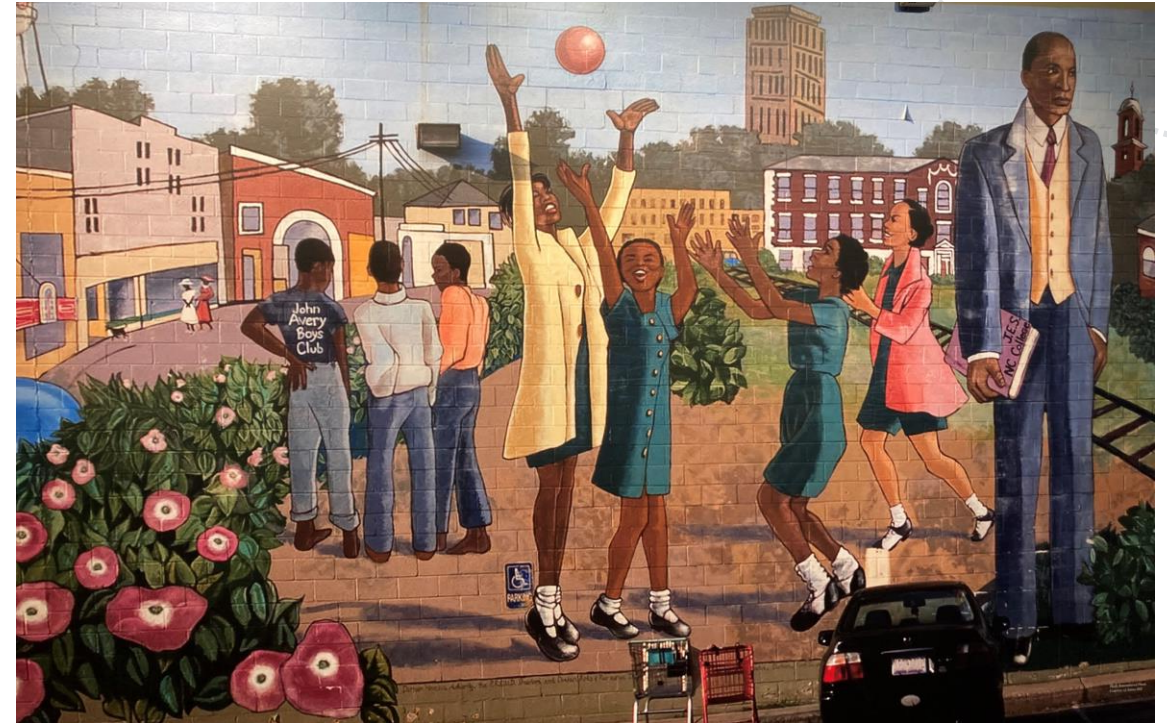
# Real Estate Investor Acquisition

Single Buyer

- An out-of-state owner
- Acquisition of much of the block
- Close to NCCU

# Changing the Narrative: Empowering the Next Generation

- Coordinate Investment Activity
- Maintain Affordability in Both Rental And Ownership Housing
- Capture New Employment Opportunities for Hayti Residents
- Attract Neighborhood-Scale Retail
- Revitalize the Streetscape with Improvements and Protection of Historic Structures
- Nurture NCCU's Entrepreneurial Activities



# Who is the translator?

The most powerful person in a community...



# Establishing a Shared Vision for the Future of Hayti





Source: Juanita Hardy

## Why a shared vision?

A strategic vision, shared by all Hayti stakeholders, offers many benefits

- Helps to optimize collective efforts for the highest benefit to Hayti and the City of Durham.
  - ✓ Promises outcomes greater than the sum of its parts
  - ✓ Win-win proposition → The Solidarity Benefit
- Contributes to equitable outcomes → Studies have shown equitable Cities outperform others
- Enables path to healing a fractured past

# What are key components of a Hayti Shared Vision?

A shared vision should reflect the “voices” of Hayti stakeholders, many of whom were interviewed as part of this process.

## Stakeholder Priorities:

- Maintaining Hayti’s cultural identity
- Keeping long term Hayti residents in place
- Creating a safe Fayetteville Street
- Reviving Hayti’s entrepreneurial and small business legacy



Source: Juanita Hardy

# Vision: Maintaining cultural identity through creative placemaking

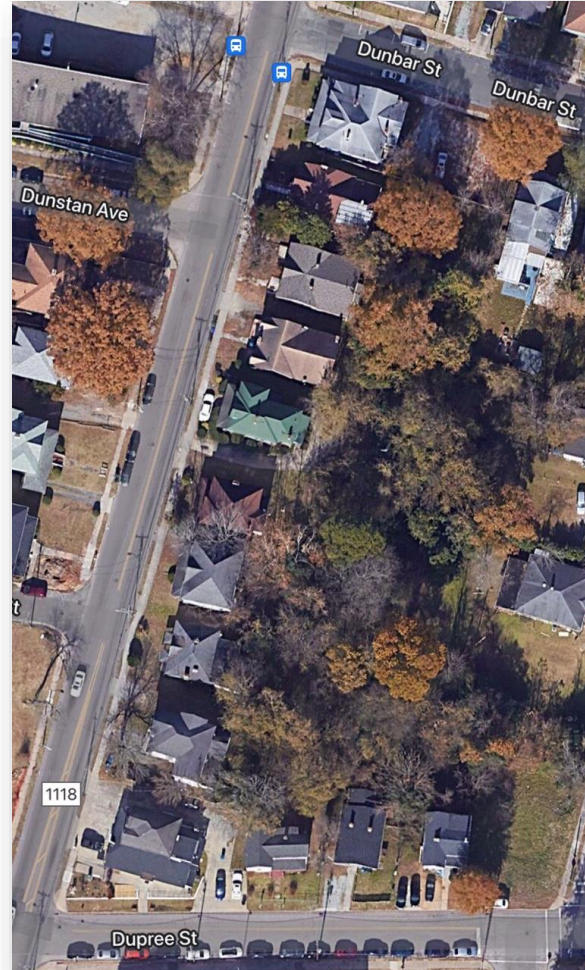
Creative placemaking, or art and culture with great design, has proven to be an effective strategy to help celebrate and preserve a communities history and culture

- A gateway to Hayti (Fayetteville Street Study Area)
- Artfully curated retail
- Prominent historical markers
- Preservation of historic homes
- Self-guided walking/driving tours
- Hayti art & culture programming



# Example: Historic Preservation

- 50% of the homes between Dunbar and Dupree Streets on the east side of Fayetteville Street are boarded up
- Imagine a historically preserved home, such as the Scarborough house, as “Ground Zero” for visitors
  - ✓ Help tell Hayti’s story
  - ✓ A launching place for self-guided tours enabled by technology (augmented reality)
  - ✓ Highlight location of prominent historical markers



Source: Juanita Hardy



# Vision: Keeping long term residents in place

## Placekeeping Strategies

- Affordable Housing for Low-Income Households
- Property Tax Relief for Legacy Homeowners
- Community Land Trusts Expanded



Source: Juanita Hardy

# Vision: Creating Safe Streets

“Fayetteville Street is not pedestrian friendly, bike friendly, or even vehicle-friendly.”

- An Interviewee

## What is a safe street?

- Speed safety
- Walkable, bikeable, friendly
- Crosswalks at major intersections
- Ample sidewalks
- Easy access to amenities (e.g. healthy food, coffee houses, shopping)
- Enable enclaves where locals, students, visitors can connect (e.g. parks and parklets, outdoor seating)



Source: Juanita Hardy

# How will the vision be realized?

Hayti stakeholders must unify to create a shared vision, then work together proactively to make the vision real.

- Create a shared vision
- Move from vision to reality
  - ✓ Cultural identity
  - ✓ Placekeeping
  - ✓ Safe Street
  - ✓ Entrepreneurial & small business legacy
- Recruit leadership and establish an “organizing entity”



Source: Juanita Hardy

# Leadership, Collaboration, & Partnerships



# Basis for Effective Leadership

## Consensus

- Leadership by Consensus
- Unanimity of historical importance
- Consensus on preservation of cultural relevance
- Unanimity on relationship to small business
- Consensus on strategic revitalization strategy



# Path Towards an Organizing Entity

## Recommendation

### In Place

- Existing Partnerships
- Informal Support
- Existing Resources to the Community
- Existing Resources to Small Business
- Accessible Points of Contact

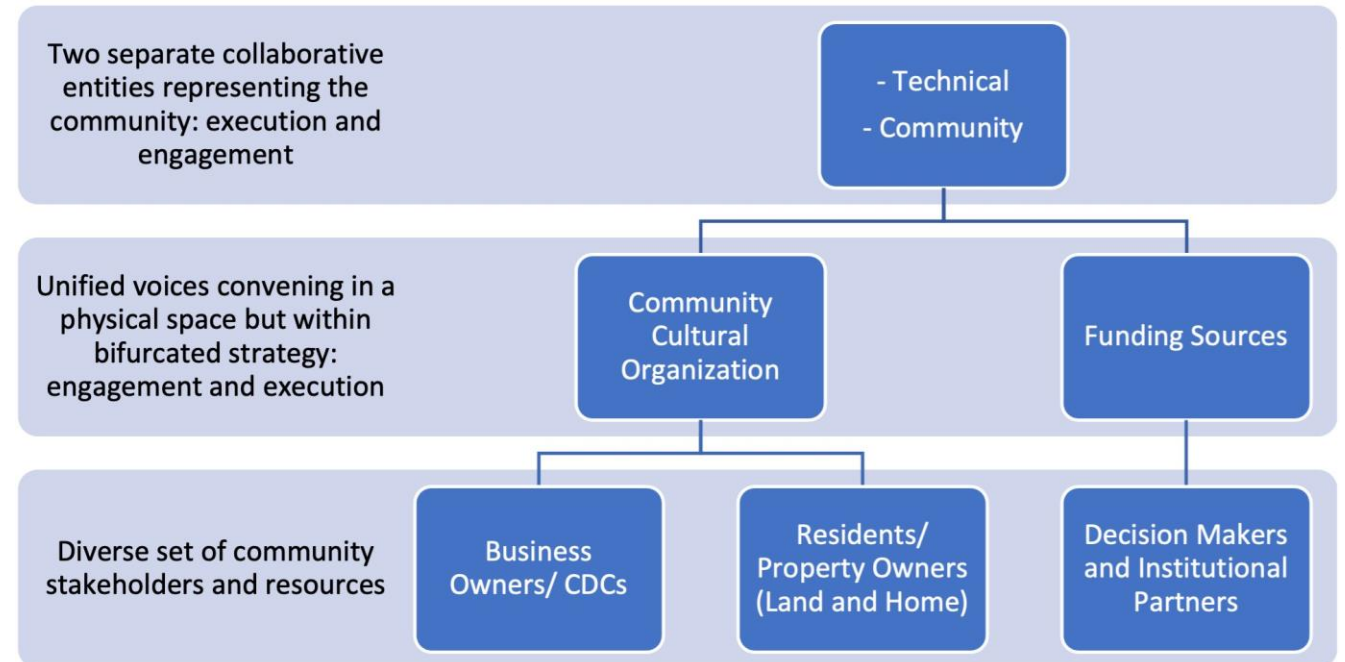
### Proposed

- Convene Stakeholders
- Reach Consensus on Goals
- Leverage Strategic Partners
  - Institutions
  - Resources
- Communicate Goals to Partners
- Elevate Unified Vision
  - Institutional Anchors
  - City of Durham
  - State of North Carolina

# Defining the Organizing Entity

## Qualities and Function of Leadership

- A Safe Space
  - Neutral territory to convene and discuss
- Invitation to the Community and Stakeholders
- Qualities of Leadership
  - Community Engagement
  - Technical Expertise
- Models to Achieve These Goals
- Examples of Entities
  - University related Real Estate Foundation
  - CDC



# Defining an Organizing Entity

## Identity and Function

### Trusted

- *An entity that can be trusted with honoring the community's history and recognizing community stakeholder voices.*

### Capable

- *Proven track record of coalescing multiple stakeholders – community, government, non-profit, and for-profit entities*

### Communicative

- *Regularly engages community – timely meetings, ongoing outreach, multiple modes of communication, and soft touch skills*

### Impactful

- *Leads the process through proper government and planning processes. Executes on the acquisition, funding, and redevelopment strategy put forward in the plan.*



# Measures of Successful Leadership

## Outcomes and Accountability

- Clearly Defined Goals For The Community
  - Safe and pedestrian-friendly thoroughfares and bridges
  - Preservation and reinvestment in existing homes
  - Historic aesthetics and organically integrated streetscaping
  - Access to small businesses and storefronts
- Accountability for Implementation
  - Goals are documented and submitted to appropriate entities
    - City of Durham Department of Transportation
    - City of Durham Neighborhood Improvement Services
    - Durham Housing Authority
    - NCCU Chancellor and/or Office of Finance
  - Follow-up on promised timelines and deliverables
- Resources Made Available to Community Members
  - Training for residents and small businesses to self-advocate
  - Engagement with resource partners: NIS, Durham Tech, etc.
  - Resources present on Fayetteville Street





## Measures of Successful Leadership

It Takes The Entire Village

- Organizing Entity at the Helm
- "No Captain Can Sail Alone"
- City Government, Institutional Anchors, and Educational Partners Are Called to Their Willing and Supporting Roles

# Next Steps: Implementation



# Community-Led Engagement

- Identify a safe space to meet
- Establish Rules of Engagement
- Review all plans that have focused on improvements along the Fayetteville Street Corridor
- Agree on a course of action
- Create a transparent communication plan
- Work!!!
- Track progress



# Transportation

## Organizing Entity will:

- Work with the City to ensure transfer of ownership of Fayetteville Street.
  - Taking control of Fayetteville Street could speed up implantation of improvement projects and ensure community needs are being met
- Work with State to secure maintenance funding
- Make other traffic calming recommendations along corridor
- Work with City and GoDurham to widen sidewalks, install street furniture, plant trees, and improve bus stops with enhancements

# Business Support



Economic Development Corporation would conduct a needs assessment to identify what financial products are needed.



Classes in corridor for start-ups and established businesses



Collaborate with NCCU business school to establish an internship program in the community.



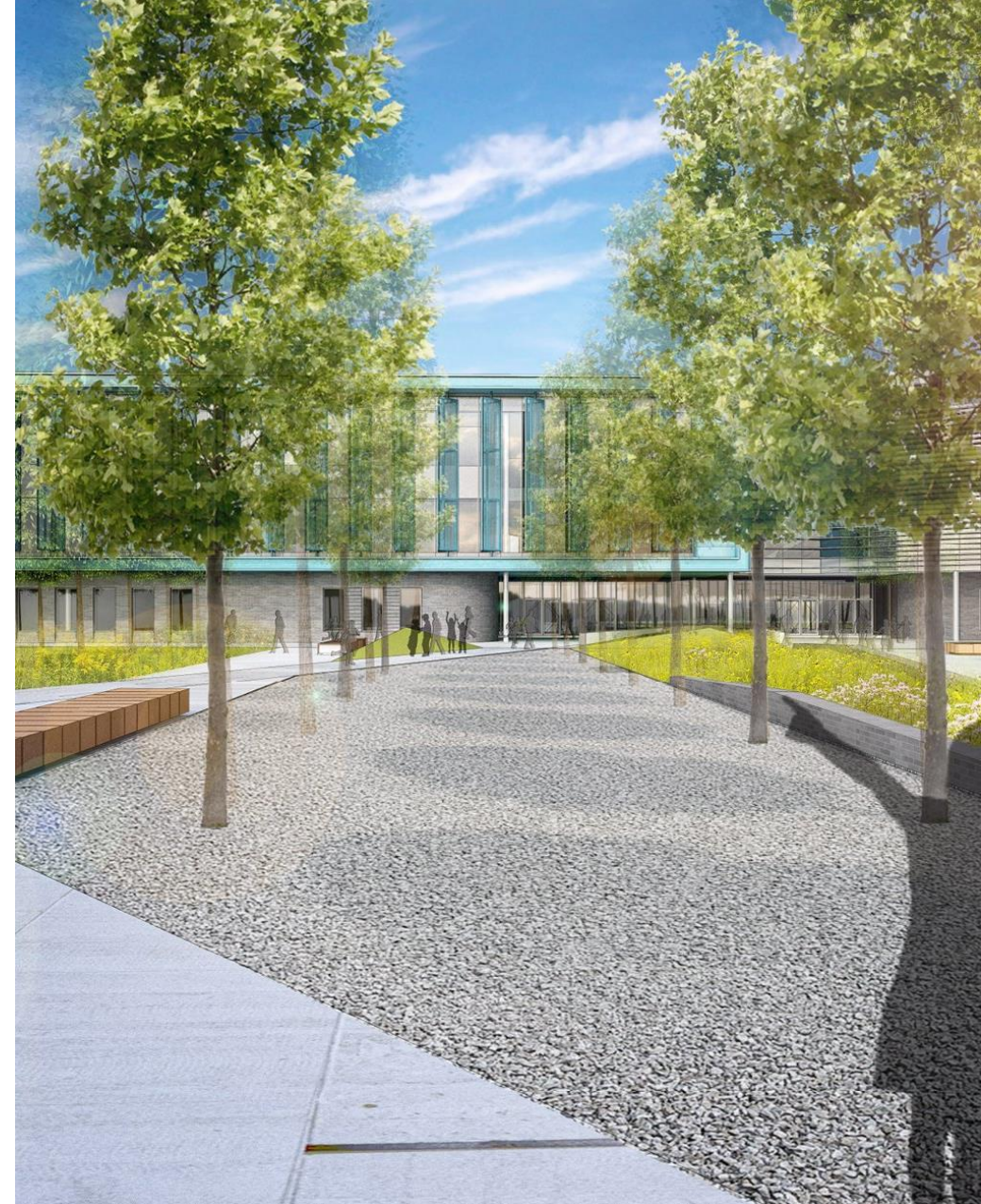
Fayetteville Street Businesses establish an association.



Create a Business Fund that will target business located in the target area.



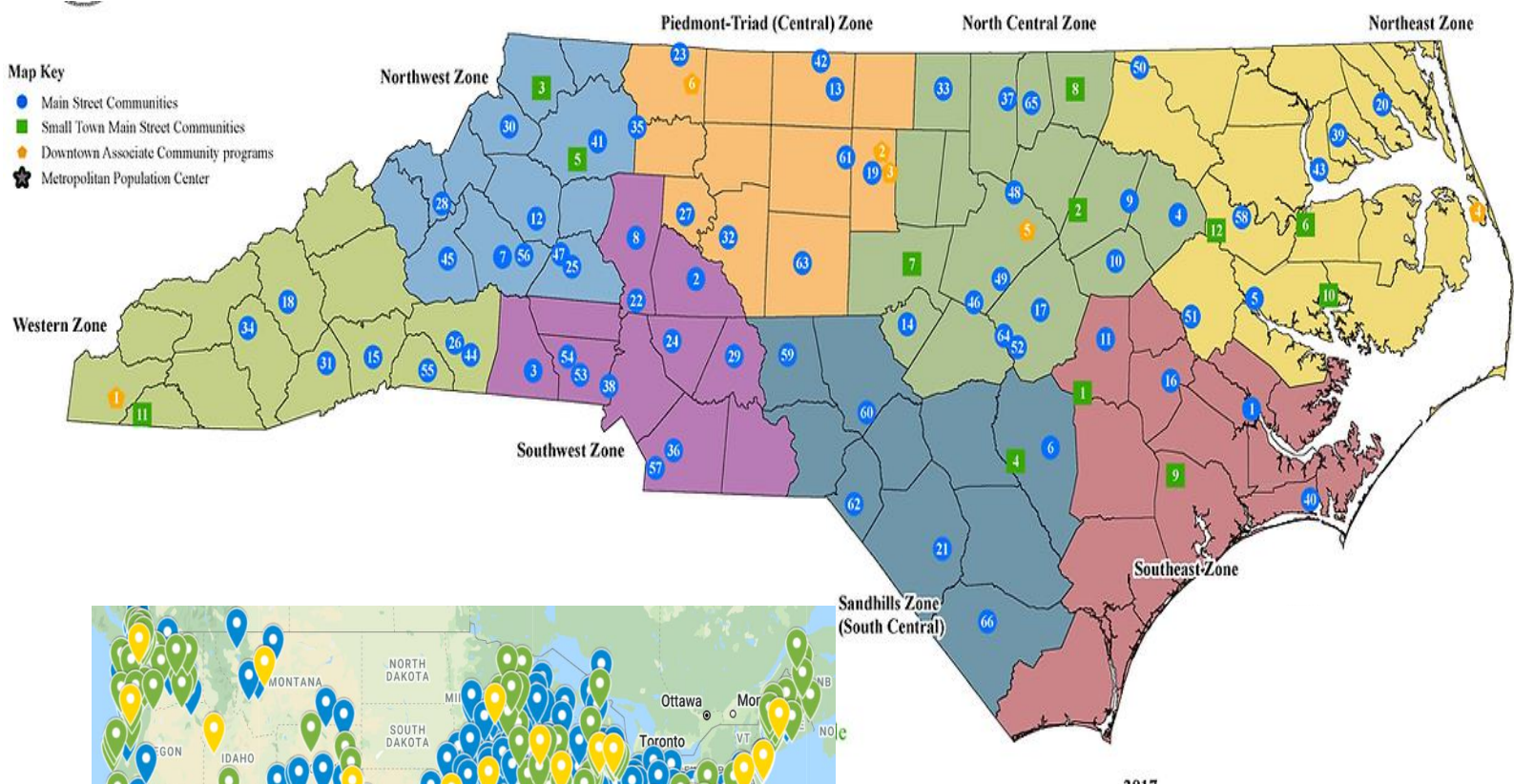
Redesign the Façade program to include homes and businesses. Reduce investment and reimbursement requirement.



# Technical Expertise for Acquisition

- Acquire historically significant residential and commercial structures for future development and ownership for residents
- Work with philanthropy, local banks, the City and the State to secure funding for property acquisition



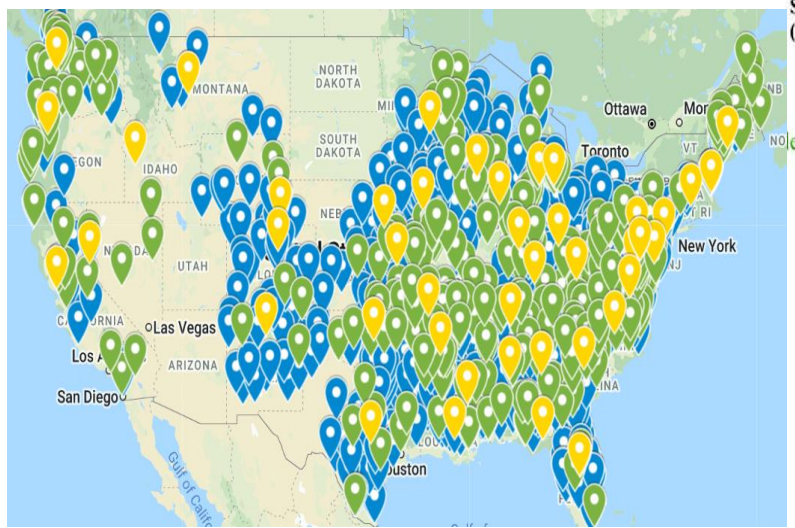


# Main Street Communities

<https://www.mainstreet.org/home>

<https://www.ncmainstreetandplanning.com/>

- **WHAT** Main Street Communities empowers communities to set their own destinies.
  
- **WHY**-Road-map for locally-owned, locally-driven prosperity
  
- **HOW** NC Main Street & Rural Planning Center offers 5-year strategic economic development and implementation plan services to designated Main Street comm





# Leveraging UNC System

North Carolina A&T Real Estate Foundation

- **WHAT** Allows state universities to execute public private partnerships to redevelop surrounding real estate
- **WHY** Greater flexibility for the school to meet its mission and when applicable partner with neighbors, institutions, businesses
- **HOW** At the discretion of NCCU





# Technical Acquisition Expertise

## Special Purpose Entity

- **WHAT** Charged with supporting and facilitating property acquisition for community projects and assets
- **WHY** Can move with great agility and accuracy
- **HOW** Properly staffed and funded, with experienced real estate professionals and a narrow operational focus

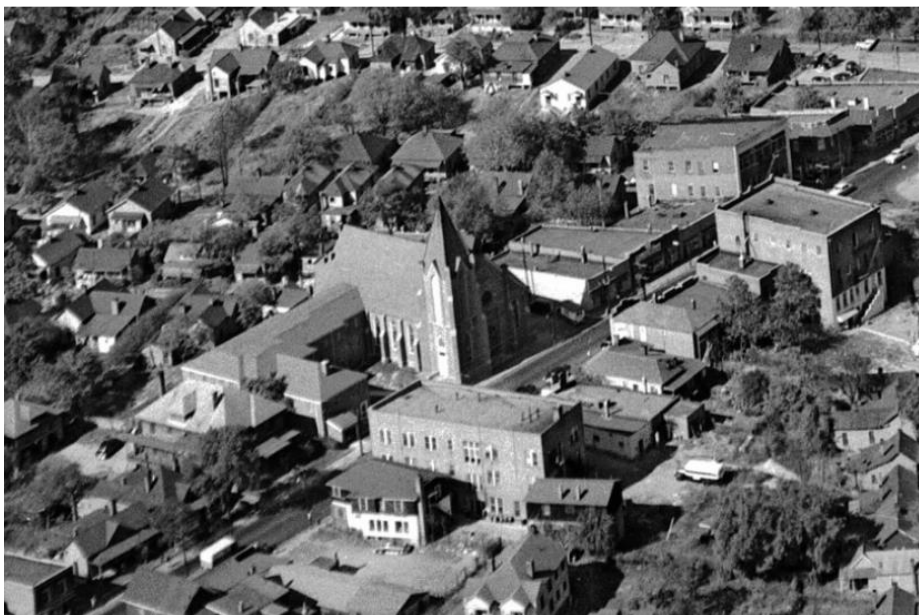
## Implementation Strategies

- **PLACEMAKING:** The construction of a retail and small business pop up facility and incubator anchored by Durham Tech
- **SUPPORT FOR LEGACY PROPERTY OWNERS:** Confidential study on the impact of Route 147 on property ownership in the Hayti Community to locate families and legacy property owners



# Next Steps: Financing





Hayti is INVALUABLE, not just the place, the people. No other place on earth has this Hayti Community, and investment strategies, particularly with public private partnerships must have that at the forefront. An erasure of Hayti's physical and cultural infrastructure is the erasure of one of Durham's most important assets.

That value is quantifiable, and when it's strategic location, unique culture, residents and institutions are taken into account they are an economic force that benefits Durham. Any belief that investment in this community is charitable will yield results that are clearly out of alignment with the economic value of all that Hayti is.

# Considerations & Approaches

First line is to identify the challenges in using current tools, Legacy Community members and community-aligned investors/developers and businesses

- Funding tools assessment
- Public financing tools should have a Community Benefits Agreement
- The alignment of the project and or activity with the right type of capital is **critical**
- Focus on funding strategies that leverage other sources
- Flexibility in capital terms and expectations
- The creation of a Hayti Community “Capital Czar”



# Grants & Philanthropic Funding

## Tools

- Traditional Grants
- Recoverable Grants
- Forgivable loans

## Uses

- Public supporting projects ( infrastructure, walking tours, festivals etc.)
- Façade improvement (leveraged with Historic Tax Credits and/or other sources)
- Non-profit entities supporting community engagement and place making
- Property improvement funds for low- to moderate-income Legacy Property owners



# Debt

## Tools

- Local, regional and national banks with emphasis in community development and tax credit divisions
- Local institutions with sizable treasuries or other institutional capital resources with sufficient capacity to lend patient capital
- Federal permanent debt resources i.e. Fannie Mae, Freddie Mac
- Public/ philanthropic investment in to CDFI's and MDI bank partners to create debt resources specific to Hayti
- Durham Affordable Housing Bond & North Carolina Workforce Housing Loan Program (related to Housing Credit applications)

## Uses

- Small and mid-scale property development executed by Legacy Property owners and/or involving Legacy Property
- Workforce housing
- Business funding and resources







# Equity

## Tools

- Local and regional philanthropic partners via program related investments
- Local institutions
- Tax increment funded equity like loan fund
- New Markets, Historic and Low-Income Tax Credits

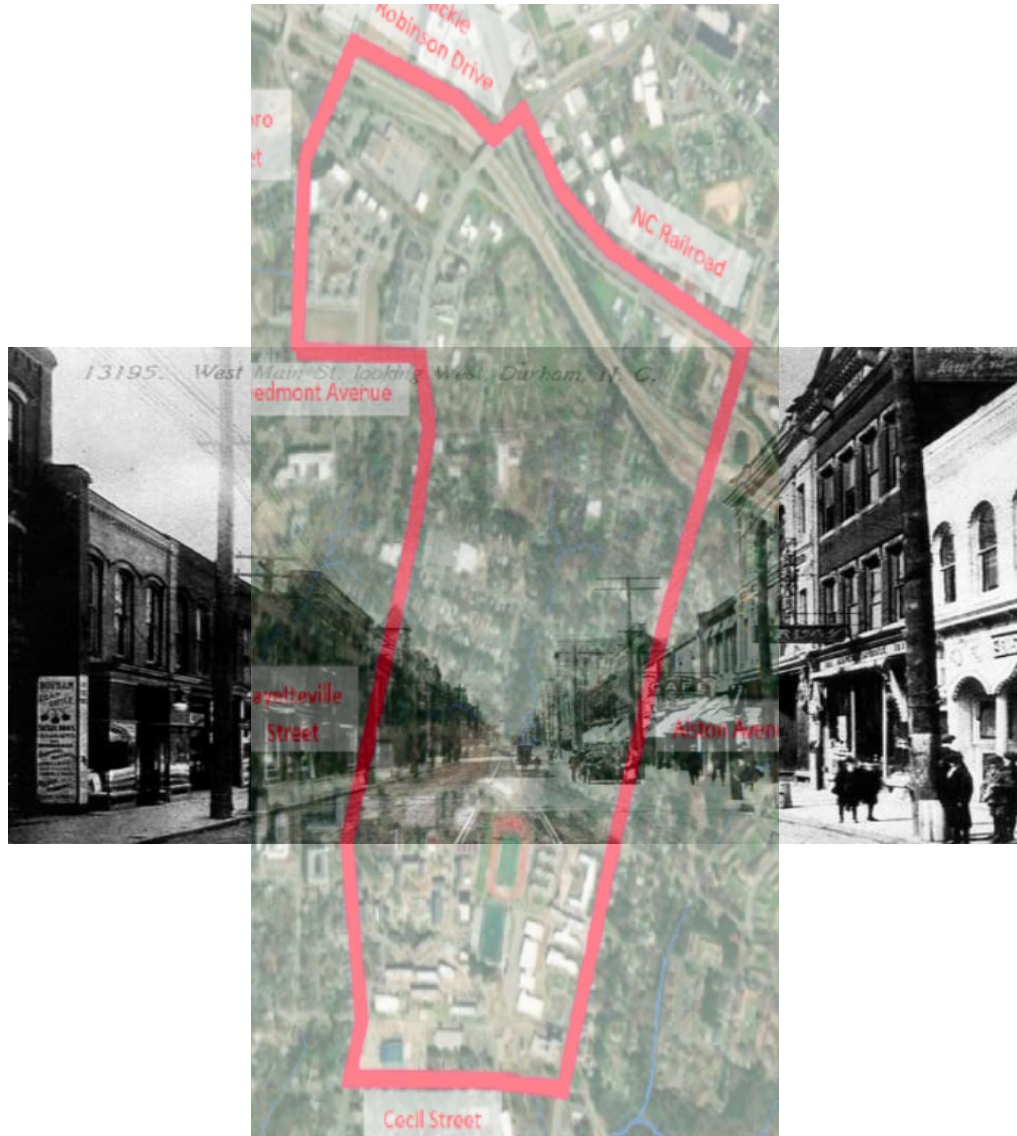
## Uses

- Primarily serves as patient and flexible capital that can be used to fund projects and activities out right, or to leverage debt



# Additional Tools

- Alternative models for community investment in real estate
  - Land Trusts
  - Community ownership shares / crowd funding
- Tax Abatement for Legacy Property Owners to ensure they can retain ownership and a quality property
- Enhanced Façade Improvement and minor/moderate home repair leveraging the use of tax credit equity



# Conclusion



# Intentionally Inclusive Development

Allocate Capital: \$63,000,000

- \$25,000,000 from State, ARPA and CDBG to improve Fayetteville Street
- \$20,000,000 from UNC System to strengthen North Carolina Central University.
- \$3,000,000 from Philanthropy to invest in Hayti Heritage Center.
- \$5,000,000 from Private Developer Density Contribution (and TIF) for Legacy Homeowners
- \$10,000,000 from Philanthropy and Corporations to launch a Black Business Fund



Source: Pinterest

Q&A

Thank you!

<http://www.uli.org/advisoryservices>