ABSTRACT

This paper explores a proposed large mixed-use development project in Raleigh, North Carolina as a case study to identify potential linkages between privately conceived urban development, community benefits, and the corresponding roles played by the private sector, municipalities and community stakeholders. Following a literature review and review of case study precedent practices, research was conducted through unstructured interviews with public and private stakeholders in Raleigh and analysis of project-based scenarios. This paper argues that when receiving proposals, cities must embrace partnerships to maximize positive community-based development outcomes.

KEYWORDS


RESEARCH QUESTIONS

What are national best practices in the finance and development of large-scale mixed-use urban development projects comparable to the Downtown South proposal?

In the case of Raleigh, how might the municipality more aggressively position its actions to ensure long-term equitable development outcomes for historically underserved community stakeholders in close proximity to the project?

How might Raleigh institutionalize a project-based agreement as a binding and durable governance structure for future development projects?
# TABLE OF CONTENTS

LIST OF TABLES .................................................................................................................. 3
LIST OF FIGURES .................................................................................................................. 3
Introduction ............................................................................................................................. 4
Literature Review ................................................................................................................... 5
  Community Benefit Agreements ......................................................................................... 5
  Stadium Development ......................................................................................................... 10
  Public-Private Development Agreements ......................................................................... 13
  Opportunity Zones ............................................................................................................. 14
Case Studies of Precedent Practices ................................................................................... 15
  Fairgrounds Stadium, Nashville, Tennessee ................................................................. 15
  Audi Field, Washington, D.C. ......................................................................................... 19
  Exploria Stadium, Orlando, Florida ............................................................................... 23
Methodology ......................................................................................................................... 27
Downtown South Proposal, Raleigh, NC ............................................................................ 28
  Project Overview ............................................................................................................. 28
  Site Analysis ..................................................................................................................... 29
  Financing .......................................................................................................................... 35
  Project Approval Process ................................................................................................. 37
  Project Stakeholders ......................................................................................................... 37
  Land Use Tools Available ............................................................................................... 39
Scenario Analysis ................................................................................................................. 42
  Scenario 1- Strong Public Leadership ........................................................................... 42
  Scenario 2- Strong Community Leadership ................................................................. 44
  Scenario 3- Strong Private Sector Leadership .............................................................. 45
Urban Planning Recommendations ..................................................................................... 45
  Public-Private Financing of the Stadium ...................................................................... 46
  Development Agreement ................................................................................................. 46
  Community Benefits Agreement ..................................................................................... 49
Conclusion .............................................................................................................................. 51
Bibliography .......................................................................................................................... 52
LIST OF TABLES

Table 1: Review Matrix ............................................................................................................................................. 27
Table 2: ULI Proposed Sources of Funds over 10 Years Attributed to Responsible Stakeholder 36

LIST OF FIGURES

Figure 1: Rendering of Fairgrounds Stadium, Nashville, Tennessee ................................................................. 16
Figure 2: Rendering of Audi Field, Washington, D.C. .......................................................................................... 20
Figure 3: Rendering of Exploria Stadium, Orlando, Florida ................................................................................ 24
Figure 4: Rendering of Downtown South Proposal, Raleigh, NC ................................................................. 29
Figure 5: Location of Downtown South Proposal ......................................................................................... 31
Figure 6: City of Raleigh Boundaries ........................................................................................................... 32
Figure 7: Satellite and Standard Images of Current Downtown South Proposal Site .................................. 32
Figure 8: Current Ariel View of Project Site ................................................................................................. 33
Figure 9: Raleigh Zoning Overlaid with Downtown South Proposal ........................................................ 33
Figure 10: Raleigh Future Land Use ............................................................................................................ 34
Figure 11: Relationship between Downtown South Proposal and Dorothea Dix Park .......................... 34
Figure 12: Raleigh Census Tract 545 ............................................................................................................ 38
Introduction

One of the greatest challenges facing cities today is how to encourage economic development while ensuring the surrounding communities do not experience the involuntary displacement of longtime residents and businesses. While many large economic development projects bring significant tax revenue to a jurisdiction, the indirect effects often disproportionately impact longtime lower-income residents. It is often argued that the local government's traditional land use procedures fail to ensure that the concerns of the residents most affected by a proposed development are considered and addressed.¹ That is why, in the late 1990s and early 2000s, a new movement emerged to challenge conventional economic development and offer a broader vision and role for communities. This movement is centered on the concept of community benefits—the idea that one of the main goals of economic development is to bring measurable, permanent improvements to the lives of affected residents, particularly those in low-income neighborhoods.²

This paper uses the Downtown South development proposal in Raleigh, North Carolina as a case study to explore the linkages between development, community benefits, and the roles of cities and their private counterparts in instituting community benefits and/or larger economic development strategies. As Raleigh continues to grow, there needs to be a newly forged focus on leadership and approach in proposed large-scale economic development proposals. This development is in the early stages of planning, which has afforded me the unique opportunity to make recommendations that can be recognized and implemented by the community and city


stakeholders. As a native of the Raleigh area, I have a personal stake in the equitable development of the region. I have seen the transformation of the downtown core from a place only visited on the rare Memorial Theatre or Museum of Science event, to a downtown that is rapidly attracting new residents to a more livable, walkable, transit-oriented city. This transformation calls for a new sense of responsibility and leadership among not only the city but the developers and community as well.

In this paper, I define communities as the localized community directly adjacent to a given project development. The research was approached by unstructured interviews with public and private stakeholders in Raleigh and the analysis of case studies of precedent practices. In conclusion, this paper argues that when receiving large-scale development proposals, municipalities must embrace public-private financing, CBAs, and Development Agreements to shape a public-private partnership that leverages all available land use and finance tools to maximize positive community-based development outcomes.

**Literature Review**

**Community Benefit Agreements**

Community Benefits Agreements (CBA) are project-specific agreements between developers and community coalitions. CBAs are legally binding and enforceable agreements that require a range of benefits to be produced by the development project in return for approval of the project by the community.³ As CBAs have become more popular and standard with large

---

development projects and Planned Unit Development (PUD) approvals, typically
arenas/stadiums, national or regional advocacy groups with specific knowledge about the
development process, development law, organizing, and the CBA process have gotten involved.4

Though CBAs are a relatively recent phenomenon, they grew out of a long history of
negotiations between developers, land use authorities, public officials, and community groups.
The CBA movement was born in the late 1990s as a way for community groups to organize and
negotiate with developers.5 Beginning with a grassroots campaign to pass a living wage bill in
Baltimore, Maryland in 1994, a group of local unions, churches, advocates, and nonprofits began
one of the first formal local grassroots campaigns for social and economic justice.6 The modern
CBA movement began in California, with the first formal CBA negotiated in Los Angeles with
the Staples Center.7 After the success of the Staples Center, CBAs quickly spread across the
country, giving the communities leverage to slow down or block required land use approvals
without a successfully negotiated CBA.8

---

4 Musil, Thomas A., Dr. “The sleeping giant: Community benefit agreements and urban

5 Salkin, Patricia E., Lavine, Amy, “Understanding Community Benefits Agreements: Equitable
Development, Social Justice and Other Considerations for Developers, Municipalities and

6 Seigel, Steven M., "Community Benefits Agreements in a Union City: How The Structure of
CBAs May Result in Inefficient, Unfair Land Use Decisions" (2013). Student Legal History

7 Moskowitz, Ross, “The Role of Community Benefit Agreements in New York City’s Land Use

8 Ibid.
In 2003, Thomas Musil organized the existing literature on CBAs into three broad categories (1) CBA advocacy and support literature developed by citizen advocacy groups addressing benefits and the negotiation process, (2) Legal literature that encompasses contractual and enforcement issues surrounding CBAs and the legality of developer exaction fees, and (3) Literature addressing regulatory and land use issues of government control and approval addressing community input in the development process.9

In the citizen advocacy portion of existing literature, Baxumusa argues that CBAs are successful tools to expressly empower communities through grassroots organizing, coalition building, and democratic deliberation.10 The first comprehensive CBA in the nation in downtown Los Angeles suggests that the CBA represented a significant increase in political power for low-income residents when they ally with service sector unions concerned about permanent, living wage jobs. Additionally, low-income residents were able to draw upon neighborhood and immigrant networks to stay organized.11

In the legal portion of the existing literature, land use lawyers debate the fine line between a legal CBA and an illegal taking, as defined by the Fifth Amendment. When the government negotiates with a developer during the land use approval process, as imposed by the Nollan v. California Coastal Commission (1987) and Dolan v. City of Tigard (1994) cases, there

---


11 Ibid.
has to be an essential nexus and rough proportionality between the original request and the ask of the developer.\textsuperscript{12,13} In other words, the ask must be connected to and proportional with the specific government approval being requested, or else, it is considered extortion.\textsuperscript{14}

One of the alluring aspects of the private CBA is its ability to bypass the constitutional restraints imposed by the Nollan-Dolan tests. When the government is not involved in the negotiating process of a CBA, the risk of the government extorting developers is moot and the Takings Clause is not offended.\textsuperscript{15} Legislatively mandating a CBA would either 1) constrain the CBA by the scope of the Takings Clause, which would severely limit the types of benefits that could be bargained for; or 2) risk violating the Fifth Amendment.\textsuperscript{16} CBAs allow neighborhoods to negotiate their own mitigation and benefits without having to worry about the Nollan-Dolan nexus and proportionality requirements, which might apply if the city were involved in the negotiations.\textsuperscript{17}

\textsuperscript{12} Nollan v. California Coastal Comm'n, 483 U.S. 825 (1987)

\textsuperscript{13} Dolan v. City of Tigard, 512 U.S. 374 (1994)


Alternatively, when a public subsidy is given to a project, this maintains a distinction between the land use request and the public subsidy request. Officials have also skirted the takings issue by taking independently negotiated CBAs into account when exercising fiscal and legal decisions. This prevents projects with CBAs from being vulnerable to charges that they involve contract zoning.\(^\text{18}\) Contract zoning is when the local government and the landowner enter into a written agreement that if the government rezones the property to a specified new zoning district, the owner will carry out a particular use and accept specified limits or conditions on that use.\(^\text{19}\) Contract zoning is objectionable primarily because it represents an abandonment by the zoning authority of its duty to exercise independent judgment in making zoning decisions.\(^\text{20}\)

These portions of literature outlined by Musil are still representative today, with the addition of a segment from planning practitioners and developers debating the overall impact of the CBAs as the best tool to ensure the right community benefits. The largest concerns from developers are that requiring a CBA will discourage building or cause costly delays, particularly in areas that have been historically underinvested in. CBAs can be seen as something inhibiting to a neighborhood whose challenges are best solved by economic growth and ultimately, a larger

---


\(^{20}\) Ibid.
tax base.\textsuperscript{21} Alternatively, planning practitioners are typically concerned that CBAs have not seen lasting results for the intended communities.\textsuperscript{22}

One proposed alternative to a CBA that has been endorsed is a Neighborhood Stock Ownership Plan, where those who live, work, or own a business in the development area will be given stock options based on the length of time they’ve lived, worked, or operated a business in the project district.\textsuperscript{23} Others have endorsed Community Benefits Ordinances, a municipal ordinance that requires a private CBA as a condition for receiving public subsidies. Because municipalities are free to condition the distribution of public subsidies in any way, the ordinances are seen as constitutional.\textsuperscript{24} Ultimately, the overwhelming literature is in support of a Community Benefits Agreement and outline the right ways to organize and implement such an agreement.

\textbf{Stadium Development}

Before 1950, most professional sports teams in the United States played in privately financed and owned buildings. Over the past half-century, teams have increasingly come to play


\textsuperscript{22} Ibid.

\textsuperscript{23} Ibid.

in buildings heavily subsidized or entirely financed by tax revenues.\textsuperscript{25} Between 1990 and 1999, 95 stadia and arenas were built, renovated, under construction, or in the planning stages in the four major sports leagues (i.e., NFL, MLB, NHL, NBA) with about two-thirds of the total spent on these 95 projects planned to come from government sources.\textsuperscript{26} Delaney and Eckstein described building stadiums as more akin to “plutocracy and oligarchy than a democracy.”\textsuperscript{27}

The existing literature can be categorized into three broad categories (1) Why governments initially choose to subsidize the stadiums, (2) How to finance the stadium with a public-private-partnership, or (3) What effect the stadium ultimately has on the city and its economy. The peer-reviewed literature typically finds little or no evidence that the construction of new large-scale professional sports facilities results in significant increases in any type of measurable economic activity including personal income, wages, employment, tax revenues, or tourist spending.\textsuperscript{28} Groothuis argues that governments justify stadium developments with “efficiency claims” indicating that sports generate positive externalities for their community. These externalities include an increased aggregate income and a strong sense of civic pride.\textsuperscript{29}


\textsuperscript{26} Ibid.


is even seen in cities where votes for stadium referendums fail, governments will frequently find ways to subsidize the teams anyway.\textsuperscript{30} Roger Noll and Andrew Zimbalist argue that a new sports facility has an extremely small, perhaps even negative, effect on overall economic activity and employment. No recent facility appears to have earned anything approaching a reasonable return on investment, measured by overall economic generation for the community.\textsuperscript{31} Nonetheless, they summarize that the economic rationale for cities’ willingness to subsidize sports facilities is:

1. Building the facility creates construction jobs and seasonal employment;
2. People who attend games or work for the team generate new spending in the community, expanding local employment;
3. A team attracts tourists and companies to the host city, further increasing local spending and jobs and hotel stays;
4. Increase in property tax, sales tax, hotel tax;
5. New adjacent development of underutilized land.

Ultimately, the literature illustrates a trend in subsidies provided by a city is larger than the corresponding economic returns they provide. Regardless, there are several reasons a city would contribute financial equity to a stadium project, and the results are proven better for sports arenas used by multiple teams for multiple events.


Public-Private Development Agreements

Development Agreements proliferation can be traced to a point in time when the public began demanding various competing goals from cities, and developers were seeking guarantees to safeguard their projects from these shifting city priorities.\(^{32}\) Development Agreements are voluntary contracts between a jurisdiction and a landowner outlining the obligations of both parties and the standards and conditions that will govern the development. They also vest rights to develop a specific project for an extended period subject to the terms and conditions specified in the agreement.\(^{33}\)

Development Agreements can be used when local governments enter into the construction of a joint public-private venture and/or when the public is providing large subsidies to a development project. The agreement sets the standards and conditions that govern the development of the property. It provides certainty to the developer that their project will be isolated from changes in the jurisdiction’s zoning laws throughout development, but it also obligates the developer to provide benefits to the city, such as infrastructure improvements, public open space, or monetary payment into funds.\(^{34}\)

It is important to note that zoning changes require separate approvals by the planning commission and/or City Council, along with the approval of other public subsidies. If approved, they can be included in the Development Agreement. As long as the project is consistent with the

---

https://www.planetizen.com/node/73227/rise-development-agreement

\(^{33}\) Owens, David W., “Development Agreements”, UNC School of Government. 2014.
https://www.sog.unc.edu/resources/legal-summaries/development-agreements

\(^{34}\) Ibid.
local planning policies formulated by the legislative body through its comprehensive plan, the Development Agreement can provide greater latitude to incorporate land use concepts and components that are tailored specifically to address particular community concerns.³⁵

**Opportunity Zones**

The proposed project in Raleigh is in one of the 252 Opportunity Zones in North Carolina. This has the possibility to impact the potential investment pool in the surrounding mixed-use commercial development. There is almost no peer-reviewed literature on Opportunity Zones as they are a recent addition to the development finance toolbox. The Opportunity Zone legislation, codified in the Internal Revenue Code (IRC) 1400Z-1 and 1400Z-2, grants capital gains deferral or exclusion to certain investors making long-term equity investments in designated census tracts throughout the United States.³⁶ Based on the most recent IRS guidance, for investments made in a qualified opportunity fund before January 1, 2019, and held for seven years, investors will not pay tax on 15% of their deferred capital gains. Investments made between January 1, 2019, and January 1, 2021, won't pay tax on 10%, rather than 15%, of their deferred capital gains.³⁷

---


Case Studies of Precedent Practices

When selecting case studies, the objective was to select projects with similar characteristics as the Downtown South proposal, focusing on the basic location and foundations of the stadium. This similarity would allow for better connections and analysis to be made, ultimately informing recommendations for the Downtown South proposal. The criteria were as follows:

1. Located in downtown (or downtown-adjacent);
2. Built as a soccer-specific stadium (not re-purposed);
3. The city has a proper downtown business district that continues to grow;

Fairgrounds Stadium, Nashville, Tennessee

The first case study selected was the newly approved MLS stadium in Nashville, Tennessee. This project demonstrated strong community leadership with Stand Up Nashville (SUN), a coalition of community, labor and faith-based groups, negotiating the first private Community Benefits Agreement in Tennessee.\(^{38}\)

---

There were a series of approvals by the Nashville City Council that made the stadium and MLS bid possible. In November 2017, the Nashville Metro Council voted to issue $225 million in revenue bonds for the stadium project. This was a critical decision for the prospect of the MLS bid, being one of the few cities to secure public financing before the bid decision. At this point, there was no conversation around including a CBA. The public subsidies were approved completely absent of any CBA conversation. One month later, in December 2017, the MLS awarded Nashville an expansion franchise.³⁹

In March 2018, Stand Up Nashville hosted its first town hall, “A Soccer Stadium That Benefits the Whole City”, to discuss a CBA for the stadium. Because the Metro Council still had to authorize demolition at the Fairgrounds with 27 affirmative votes, Stand UP Nashville was attempting to leverage the CBA as a contingency for this vote. CBAs are new for the South, so any efforts to familiarize and normalize the community with the idea was seen as beneficial. For example, the coalition initially tried to get a CBA off the ground in 2017 for an airport expansion, and although they got started too late in the process to significantly influence that development, the previous effort laid the groundwork for the MLS stadium proposal.

Subsequently, when Councilmember Sledge learned of the soccer stadium development, he notified the coalition to begin CBA discussions. Because of this effort, on August 7, 2018, 30 of the 40 Metro Council members delivered a letter to Nashville Soccer Holdings requiring a Community Benefits Agreement to be finalized before voting on the MLS stadium in September.

After six months of negotiating, on September 4, 2018, hours before the Metro Council vote, a CBA was signed between Stand Up Nashville and the ownership group. With a signed CBA, the Metro Council proceeded to pass all remaining pieces of legislation needed for the project. That included 1) rezoning and leasing of the 10-acre private development site at the Fairgrounds; 2) demolition of the existing structures at the fairgrounds; 3) instituting a $1.75 ticket tax to help repay the bonds that would be required to build the stadium, and 4) a resolution

---


42 Ibid.
to issue an additional $50 million in general obligation bonds for fairgrounds upgrades and infrastructure improvements.\textsuperscript{43}

Regarding the contents of the CBA, the key measurable components included:

- Minimum of 12\% of the residential units within the Development set aside for households earning 60\% of the AMI/MHI;
- A minimum wage of at least $15.50 per hour;
- Developer to reserve no less than 4,000 sq. ft. within or in close proximity to the Development for a childcare location;
- 4,000 sq. ft. of retail space for the establishment of a micro-unit incubator.\textsuperscript{44}

Because the state of Tennessee does not allow cities to impose housing price constraints on developers in exchange for granting additional development rights, this CBA has provided Nashville with more affordable housing than would have been included otherwise.\textsuperscript{45} The agreement was a legal document specifying the developer's cooperation with and financial contribution to a variety of measures and made the implementation a joint responsibility of SUN, Nashville Soccer Holdings, and the City of Nashville.


\textsuperscript{44} Nashville MLS Soccer Community Benefits Agreement. 2018. http://mediaassets.wcpo.com/html/pdfs/MLS-CBAs/NashvilleCommunityBenefitsAgreement.pdf  

The strategy adopted by Nashville was one of strong community leadership. Though the City Council ultimately stepped up to demand a CBA in exchange for zoning approval, Stand UP Nashville is responsible for the benefits now approved in the legal CBA. Ultimately, there did not appear to be a strong level of involvement from the Mayor's office, and by extension, the planning office. As a result, there did not appear to be a broader economic development strategy or downtown small area plan associated with the stadium. Nevertheless, the results achieved by the Stand Up Nashville will leave a lasting impact on the community.

**Audi Field, Washington, D.C.**

The second development selected was Audi Field, a soccer-specific stadium located in Capitol Riverfront, a downtown-adjacent Washington, D.C. neighborhood that also includes Nationals Park. The stadium was newly built for the D.C. United MLS franchise, sharing the stadium with other professional and semi-professional teams in the region. This development displayed a level of strong city leadership not seen on this scale in the other two case studies examined.
Conversations surrounding the development of a new, soccer-specific stadium in D.C. began as early as 2006.46 Though the groundwork for the deal was led by D.C. Mayor Vincent Gray in 2013, it wasn't until December 2014 that the D.C. Council unanimously approved the Soccer Stadium Development Act of 2014.47 The agreement required the Mayor to implement a workforce intermediary program for residents of ANC6D and utilize additional capital funds for capital improvements to the Randall Recreation Center in Ward 6. A few months later a Stadium Development Technical Clarification Temporary Amendment Act of 2015 added, “The Mayor is

---


Simultaneously, a Community Benefits Coordinating Council, led by the co-pastor at Westminster Presbyterian Church, was pushing for a CBA.\footnote{O’Connell, Jonathan. “Buzzard Point Neighbors Seek Benefits From C.C. United Stadium.” The Washington Post 2014. https://www.washingtonpost.com/news/digger/wp/2014/09/19/buzzard-point-neighbors-seek-benefits-from-d-c-united-stadium/} Ultimately, while the D.C. Council approved the Stadium Development Act, D.C. United officially agreed on a CBA with the Coordinating Council. D.C. United committed to continuing its soccer program at Amidon-Bowen Elementary School, partnering with local organizations to distribute game tickets to local children, buying ads in the Southwester newspaper, and making the stadium available for community use three days a year. The team also committed to trying to create a summer job program for teens and young adults and work on vendor partnerships for small businesses in the community.\footnote{Wiener, Aaron. “D.C. United, Buzzard Point-Area Neighbors Strike a Deal.” Washington City Paper. https://www.washingtoncitypaper.com/news/housing-complex/blog/13124456/d-c-united-buzzard-point-area-neighbors-strike-a-deal} Because the District was already including several larger benefits in their lease and Development Agreement, the benefits included in the CBA were much smaller in scale and focused on tactical community engagement activities.

Six months after the initial Stadium Development Act was approved by the D.C. Council, the official Stadium Development Agreement and Lease Agreement with the District were
finalized. The Development Agreement primarily focused on the details necessary to prepare the site for development, including land assembly, utility relocation, demolition, and environmental remediation. It included an important financial clause that the District’s infrastructure and land acquisition costs were capped at $150 million, and any additional cost overruns would be the responsibility of D.C. United. The ground lease between the District and D.C. United was for 30 years with three five-year option extensions. At the conclusion of the term, the Buzzard Point land and capital improvements revert ownership to the District.\textsuperscript{51} The Development Agreement also addressed jobs at the stadium, requiring 51\% of jobs at the soccer stadium (ticket takers, guest services, ushers, food service, etc.) go to District residents; and 50\% of all development-related contracts (e.g. design, construction, etc.) go to Certified Business Enterprise (CBE) businesses with 35\% to small and 20\% to disadvantaged business enterprises.

Lastly, before the District entered into both the Development Agreement and Lease Agreement, they required a Non-Relocation Agreement. The Non-Relocation Agreement requires D.C. United to play “substantially” all of its home games at the new stadium, to maintain its principal offices in the District, and to make “reasonable efforts” to locate its practice field and any related facilities in the city. With few exceptions, the agreement stands for the duration of the lease.\textsuperscript{52}

\textsuperscript{51} “Amended and Restated Ground Lease.” \textit{The District of Columbia and D.C. Stadium LLC.} 2015

\textsuperscript{52} “D.C. United Soccer Stadium.” \textit{Office of the Deputy Mayor of Planning and Economic Development.} \texttt{https://dmped.dc.gov/node/1024242}
Additionally, throughout the entire process, starting from the Stadium Development Act in 2015, the District planning office had been planning for the future development of the larger Buzzard Point neighborhood, with the stadium as a market catalyst. The District ultimately published a Buzzard Point: Vision Framework & Design Guidelines in 2017. The framework outlined the District’s planning goals associated with the area's redevelopment. Because the planning effort occurred simultaneous to the development, there was little room to substantially change any of the recommendations for the site itself. Nonetheless, throughout the development, the surrounding neighborhood was thoughtfully examined and planned for by the District through a series of extensive contractual agreements.

**Exploria Stadium, Orlando, Florida**

The third project selected was the Exploria Stadium, a soccer-specific stadium in downtown Orlando, Florida. The stadium was built from 2014-2017, with the first game being hosted by the MLS’s Orlando City SC at the start of the 2015 season. This development displayed a level of strong private sector leadership not seen on this scale in the other two case studies examined.
In March 2013, the City of Orlando’s Mayor received authorization from the City Council to purchase downtown land for $8.2 million. The land itself was mostly vacant lots and warehouses and added up to an estimated three-quarters of two city blocks. The offering served as proof of Orlando’s strategic positioning for a future MLS expansion bid. Two months after the purchase, the two club owners began lobbying the Florida State Senate to allocate $30

---


54 Ibid.

million in appropriations for the stadium. Several other stadiums in Florida had received public funding for stadiums but MLS had never been one of those. In May 2013, the Florida House did not ultimately vote on the bill needed to secure the $30 million in state funds, which left the project void of any public funding. Though the bid for state funding was unsuccessful, in August the city issued $20 million in bonds for the construction costs and in October the Orange County Board of Commissioners approved an additional $20 million in tourist development tax funds to the stadium.\textsuperscript{56} In November 2013, Orlando was officially announced as the league's newest team.\textsuperscript{57,58}

Subsequently, an announcement came in May 2015 that dramatically changed the course of the development. The owner of Orlando City SC announced a new strategy; full private financing of the stadium. The major reason for this being the initial success of the club in its first season, averaging around 37,000 fans per game in the large Citrus Bowl football venue. The current stadium proposal was for only 19,000 seats and to get the proposal expanded, there would need to be significantly more money and approvals from the city. This change, though potentially feasible, would significantly delay the project timeline. Because of this, Orlando City SC decided not to embark on a public-private partnership and instead funded the infrastructure investment exclusively through private investment.


\textsuperscript{57} “Orlando awarded MLS expansion franchise” \textit{USA Today}. 2013. https://www.usatoday.com/story/sports/mls/2013/11/19/orlando-city-mls-expansion-franchise/3646413/

\textsuperscript{58} “Orlando City SC’s Not so Magical Kingdom.” \textit{Vice}. 2016. https://www.vice.com/en_us/article/d7m8ek/orlando-city-scs-not-so-magical-kingdom
Because the stadium was ultimately financed privately, the city lost a great deal of leverage and leadership potential in the development. The initial Memorandum of Agreement (MOU), when the public subsidies were involved, including a 25 years lease, a separate Non-Relocation Agreement, operation of the stadium via the Orlando Venues agency, and a "break-even provision" whereby if the city's stadium operating expenses ever exceeded operating revenues for any year, the club would have to pay the shortfall within thirty days.\(^59\) The Non-Relocation Agreement maintained that the team would have to pay a $20 million fine if they moved within 15 years, and at least $9 million if they moved before 2041. In the new Development Agreement, the club will operate the stadium, not Orlando Venues (getting all the revenue from the new events). Additionally, the Non-Relocation clause is only for ten years, with no $15 million penalty if the team vacates early.

Neither the Development Agreement, purchase agreement, or Planned Development included any further mixed-use development or extended community benefits. The stadium was located in a low-income downtown neighborhood with no other committed connections or developments to that area except the promise of a future development.\(^60\) Ultimately, the stadium only created 60 full-time jobs and included no investments in youth soccer, community initiatives, housing trust funds, job training, minimum wage, or local jobs.\(^61\)

---


\(^{60}\) Ibid.

The matrix below summarizes the community-based development outcomes of each project. Though not mutually exclusive, each project, due to its form of leadership and governance, resulted in unique development outcomes for the community.

Table 1: Review Matrix

<table>
<thead>
<tr>
<th>Comparative Matrix</th>
<th>Orlando (Private)</th>
<th>D.C. (Public)</th>
<th>Nashville (Community)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Financing</td>
<td>No</td>
<td>Yes; infrastructure and land acquisition costs were capped at $150 million</td>
<td>Yes; $225 million in revenue bonds and $50 million in general obligation bonds for fairgrounds upgrades and infrastructure improvements.</td>
</tr>
<tr>
<td>Community Benefits Agreement</td>
<td>No</td>
<td>Yes; less comprehensive.</td>
<td>Yes; very comprehensive</td>
</tr>
<tr>
<td>Development Agreement</td>
<td>Yes; less comprehensive</td>
<td>Yes; very comprehensive</td>
<td>No</td>
</tr>
<tr>
<td>Non-Relocation Agreement</td>
<td>Yes; not enforceable</td>
<td>Yes; financially enforceable</td>
<td>No</td>
</tr>
</tbody>
</table>

Methodology

Following the literature review and case studies of precedent practices, research was conducted through unstructured interviews with public and private stakeholders in Raleigh and analysis of project-based scenarios was performed. The stakeholders ranged from nonprofits, city agencies, and private development organizations. The project-based scenarios were conducted to evaluate the unique community-based development outcomes associated with specific avenues of project leadership. This informed a series of urban planning recommendations derived from the
outcomes researched in the precedent practices, the dynamics analyzed in each scenario, and the larger landscape of Raleigh city and community planning.

Downtown South Proposal, Raleigh, NC

Project Overview

The Raleigh Downtown South proposal is a 20,000-seat open-air Downtown Sports & Entertainment Stadium surrounded by private development of street-level retail, office space, and housing. The project is intended to be the home stadium for the North Carolina Football Club (NCFC) Men’s and Women’s professional soccer teams. The Downtown South proposal sits at 160 acres of land at the intersection of South Saunders Street, Wilmington Street, and Interstate 40 in South Raleigh. The exact location of the stadium, within the broader site, is still to be determined. The surrounding development is proposed to include 1.6 million square feet of office space, 125,000 square feet of retail and service space, 1,750 residential units, and 1,200 hotel rooms.


63 Interview, Kane Development Team, September 2019.
Site Analysis

The land is currently zoned as Industrial Mixed Use (IX-3) and Heavy Industrial (IH). Industrial Mixed Use allows for general buildings, mixed-use buildings, civic buildings, and open lots. Heavy Industrial is a special district and only allows for general buildings and open lots. The current site contains a Red Roof Inn hotel, a flooring outlet, a CrossFit studio, a

---

64 Unified Development Code, City of Raleigh. 
https://raleighnc.gov/business/content/PlanDev/Articles/Zoning/ZoningRemapping.html
coffee shop, and the headquarters for the North Carolina Rural Electrification Authority. Of significance, just two miles away from the proposed development, is the newly developing Dorothea Dix Park. The Dorothea Dix Park, a 308-acre public space on the site of a former mental hospital, has a new Master Plan that was adopted unanimously by Raleigh City Council in February 2019.

The future land use map, adopted by the City Council as part of the comprehensive plan, assigned Regional Mixed-Use to the entire Downtown South proposal site. Regional Mixed-Use zoning category intends to identify major retail and service hubs that may include high-density housing, office developments, hotels, and region-serving retail uses. These areas would typically be zoned CX (mixed-use) with heights as tall as 12 to 20 stories.

Additionally, the two plans that address this site, the Comprehensive Plan and the Southern gateway Corridor Study, identify the area as a spot where future development could not only bring new businesses and new life into the district, but also serve to transform the image and character of S. Saunders and S. Wilmington Streets. The developers have currently

---

65 Wake County iMaps. https://maps.raleighnc.gov/iMAPS/


68 Southern Gateway Plan, City of Raleigh. https://www.raleighnc.gov/business/content/PlanDev/Articles/UrbanDesign/SouthernGateway.htm
proposed a zoning mix of regional mixed-use, office, research and development, and public parks and open space.⁶⁹

Figure 5: Location of Downtown South Proposal

Source: ULI

---

Figure 6: City of Raleigh Boundaries

Source: ArcGIS

Figure 7: Satellite and Standard Images of Current Downtown South Proposal Site

Source: Google Maps
Figure 8: Current Ariel View of Project Site

Source: Google Maps

Figure 9: Raleigh Zoning Overlaid with Downtown South Proposal

Source: City of Raleigh, ArcGIS online
Figure 10: Raleigh Future Land Use

Source: City of Raleigh Future Land Use Map

Figure 11: Relationship between Downtown South Proposal and Dorothea Dix Park

Source: ArcGIS
Financing

To help finance the construction and infrastructure, the developers requested $390 million in Wake County and Raleigh hospitality taxes, also known as Interlocal funds, over the next thirty years to finance construction, maintenance, and debt service (i.e., $13 million a year for 30 years).\textsuperscript{70} Money generated by this tax is only permissible for use on tourism-related projects that are likely to bring more visitors to the county.\textsuperscript{71} Additionally, the entire project site is located in one of the 10 Opportunity Zones in Raleigh. This provides a new stream of potential investors interested in the direct site or the broader neighborhood. The developers estimate that the project will generate an additional annual $600,000 in sales tax and $20,300,000 in property tax, which would be greater than the interlocal fund contribution.\textsuperscript{72}

The Urban Land Institute was hired by private stakeholders to complete a comprehensive advisory report on the feasibility of the Downtown South proposal. The study reviewed all facets of the project and ended with recommendations around the financing and zoning of the site. The ULI Downtown South report broke down the proposed funding sources for the project over 10 years, placing the vast majority of the financial burden on the developers. The county and the state were both proposed to contribute more than $150 million over 10 years. This suggests only


\textsuperscript{72} Glusco, Josi and Morris, Neil, and Smith, Rick. “Kane, Malik make case for stadium as stimulus to development south of downtown Raleigh.” \textit{WRAL}. 2019.
$4.5 million in Interlocal funds per year, compared to the $13 million initially requested by the developers. Additionally, though $150 million sounds steep, a significant portion of the funds attributed to the city and county were the result of anticipated property tax increases to generate the Tax Increment Financing (TIF). TIF is a public financing method where municipalities divert future property tax revenue increases from a defined area or district toward an economic development project. These funds would not be realized otherwise without the proposed development. Table 2 breaks out the proposed sources of funding for the project and attributes each ULI recommended source of funding with a responsible stakeholder and evaluates the overall share of funding each stakeholder would hold.

**Table 2: ULI Proposed Sources of Funds over 10 Years Attributed to Responsible Stakeholder**

| Source: ULI |  |  |
| Developer Equity | $3,711,654,040 | Developer |
| TIF | $2,590,000,000 | Local/County* |
| City Affordable Housing Fund | $10,000,000 | Local |
| Wake County Transportation Fund | $10,474,166 | County |
| New Markets Tax Credit | $41,896,664 | Federal |
| Brownfields Fund | $5,217,083 | Federal |
| Infrastructure funding from state/federal | $41,896,664 | State/Federal** |
| New amusement tax | $2,094,833 | Local |
| Rent from stadium | $10,474,166 | Owner |
| Federal/state/local park funding | $10,474,166 | Federal/State/Local*** |
| Transportation enhancements funds | $4,139,666 | Federal |
| Parking fees for Downtown South | $10,474,166 | Local |
| Interlocal | $45,000,000 | Local |
| Developer debt | $1,256,899,920 | Developer |
| Special assessment district | $15,000,000 | Local |
| Federal workforce investment | $2,000,000 | Federal |
| Team equity | $20,000,000 | Owner |
| **Total** | **$2,096,278,134** |  |

**Breakout by Responsible Stakeholder**

| Developer | $1,628,066,550 | 78% |
| Owner | $30,474,156 | 1% |
| Local | $176,459,270 | 8% |
| County | $150,078,284 | 8% |
| State | $24,419,721 | 1% |
| Federal | $77,793,134 | 4% |
| **Total** | **$2,096,278,134** | 100% |

* Assumed 37% local, 62% county. Property tax in Raleigh is $.4382 Raleigh and $.07207 Wake County
** Assumed equal division between state and federal
*** Assumed equal division between federal/state/local
Project Approval Process

The project approval process will begin with a City Council vote on the Interlocal Funds. The developers will then need to submit either a general rezoning request for each individual rezoning request, or submit a Planned Development, which requires a Master Plan for the entire project, including a general layout map, building locations, pedestrian circulation, parking areas, open space and tree conservation plan, utilities, and stormwater plan.

Thus far, the public sector’s role in advancing the project has included one dedicated feasibility study. The Wake County Commissioners and the Raleigh City Council voted to conduct a feasibility study.\(^{73}\) The feasibility study, not yet completed, would review: how many jobs the project could bring, how much employees would be paid, how much tourism revenue it could generate, how the stadium could be governed, and future affordable housing in the surrounding area. The study was intended to answer questions before committing public funds.

Project Stakeholders

The residential neighborhood immediately adjacent to the proposed project includes a lower income, historically black neighborhood. The census tract that encompasses the stadium has a median household income of $47,374 and a 25.4% poverty rate, more than double the rate in Wake County. The demographic split is 45% white and 30% black residents, a proportion of

black residents 1.5 times higher than Wake County. The housing stock is 3,814 units, the majority being single-family homes, with a 50/50 split between renters and owners.

**Figure 12: Raleigh Census Tract 545**

![Map of Raleigh Census Tract 545]

*Source: American Community Survey (ACS), ArcGIS*

When it comes to neighborhood organizing, the Citizens Advisory Council (CAC) is an important elected body taking positions on planning and development issues before the Raleigh City Council. Through this organization, CAC leaders from across the city share information with each other and review respective rezoning requests. Beyond the CAC, there is no active

---


75 Ibid.

76 “Citizen Advisory Councils (CACs).” *City of Raleigh.* [https://www.raleighnc.gov/community/content/CommServices/Articles/CitizensAdvisoryCouncil.html](https://www.raleighnc.gov/community/content/CommServices/Articles/CitizensAdvisoryCouncil.html)
Community Development Corporation (CDC) in Raleigh. For example, with the absence of a CDC, Raleigh’s City Council appointed 45 residents with diverse backgrounds and experiences to serve on a Master Plan Advisory Committee for Dorothea Dix Park.77

Additionally, there are project stakeholders beyond the direct neighborhood in Raleigh. The triangle area (i.e., Raleigh, Durham, and Chapel Hill) continues to have a dominating soccer presence in the region. Lead by the decades-long power of the UNC Women's Soccer Team, and newly, the success of the NC Courage Women’s NWSL team, the region continues to foster a strong player and fan base. A large part of this fan base draws from the North Carolina Football Youth Club, with more than 20,000 coaches and players at all levels in the triangle area. For the last two seasons, playing in the second-tier USL league, the NCFC Men’s team has averaged a little over 4,500 fans at its seventeen annual home matches in Cary; while its sister team, NC Courage, averages about 5,000 fans in its twelve home matches a year.78 Though not nearly enough to fill a proposed 20,000 seat stadium, the current stadium is tucked away in a suburban soccer park in Cary, properly serving only a segment of the broader Triangle region.

**Land Use Tools Available**

The process to change land use in Raleigh includes submitting a petition to the City Council. The petition then goes through a review process that includes neighboring property owners, City staff, the Planning Commission, and finally the City Council. Ultimately, the city staff will present their findings to the planning commissions who will present final


78 Ibid.
recommendations to the City Council to vote on the rezoning.\(^79\) The Planning Commission is composed of ten members, nine appointed by the Raleigh City Council and one appointed by the Wake County Board of Commissioners.\(^80\)

One important type of rezoning request can be submitted as a Planned Development (PD) District, as described in Article 4.7 of the City’s Unified Development Ordinance. A PD offers an applicant the ability to provide a Master Plan for an entire site which is of a size that typically includes the need to expand public infrastructure as a component of the project. These can address site-specific challenges and/or produce a development which, overall, offers more public benefits as outlined in the Comprehensive Plan than would a development produced under the typical standards.\(^81\)

Another prominent land use tool is Inclusionary Zoning. There are three general categories of inclusionary zoning in North Carolina: voluntary, conditional, and mandatory. \(^82\) Because North Carolina is not a Home Rule State, and the authority for Inclusionary Zoning has not been explicitly given to the cities, any mandatory Inclusionary Zoning program in the state is on debated legal grounds.\(^83\) Three cities, Chapel Hill, Davidson, and Manteo, have enacted mandatory Inclusionary Zoning programs, strictly on for-sale developments. Because the state

\(^79\) “Rezoning Process.” *City of Raleigh.* 2019. [https://www.raleighnc.gov/business/content/PlanDev/Articles/DevServ/Rezoning.html](https://www.raleighnc.gov/business/content/PlanDev/Articles/DevServ/Rezoning.html)


\(^81\) Ibid.


\(^83\) Ibid.
law bans rent control, the legal authority to enact a mandatory inclusionary zoning program on rental developments has never been tested. Raleigh has recently begun offering conditional inclusionary zoning. Conditional inclusionary zoning programs are still voluntary in the sense that an owner must request that development be subject to the program’s requirements, but no uniform requirements are applied; rather, the requirements are individually negotiated for each development. As a response, Raleigh City Council members can ask developers to volunteer affordable housing in the zoning hearing and deny a project that omits the voluntary affordable housing based on other land use reasons.

The last important land use tool authorized to Raleigh is Development Agreements, contracts that vest rights to develop a specific project for an extended period subject to the terms and conditions specified in the agreement. There are two important provisions in the Development Agreement statute in North Carolina. The first states, “The agreement cannot impose any tax or fee not otherwise authorized by law.” This helps protect developers from any further impact fees imposed upon them in the Development Agreement. The second provision

---


states, “The Development Agreement also may cover any other matter not inconsistent with this Part.”

Several developers and local governments have concluded that this provides the authority to negotiate voluntary cost-sharing arrangements in Development Agreements. Voluntary payments are not a “tax or fee not authorized by law” so any voluntary payment incorporated into a Development Agreement is limited to what the parties in good faith find to be mutually agreeable, in the public interest, and not contrary to express restrictions of state law. It is noted by legal scholars that the provision may also allow the local government and developer latitude to negotiate issues where the traditional regulatory process is less certain, such as affordable housing and infrastructure improvements.

**Scenario Analysis**

The three scenarios have been developed to outline directions this project could take: strong public leadership, strong community leadership, or strong private leadership. Though not mutually exclusive, each scenario bears unique characteristics and outcomes not seen without the specific form of leadership identified.

**Scenario 1- Strong Public Leadership**

The important factors of this scenario are a financial contribution from the city, the Development Agreement, and the Non-Relocation Agreement. For the city to assume a

---


89 Ibid.
leadership position in this project, there needs to be financial equity in the development. The equity extends beyond the stadium to include infrastructure and land-use subsidies for broader public goals. As seen with the D.C. United stadium, the District contributed $150 million in land acquisition and was thereby able to negotiate a land lease and Development Agreement that included several community and District-wide benefits.

Additionally, a comprehensive Development Agreement would be a critical feature to ensure strong city governance. In 2005, North Carolina enacted a statutory authority for both cities and counties to enter into Development Agreements. The Development Agreement will allow for the ability to consider a wider range of mitigation alternatives, to tailor conditions of approval, to secure binding developer commitment to the mitigation measures. It also allows for greater flexibility and creativity in addressing community concerns given the broader context in which the projects are reviewed and more flexible opportunities for community participation and open negotiation of conditions.\(^90\)

Lastly, a Non-Relocation Agreement ensures that NCFC will remain in the stadium for a given number of years and the land remains occupied and activated, particularly if public money is invested. As seen with the Exploria Stadium in Orlando, when public funds were no longer invested, the city lost any leverage to negotiate a Non-Relocation Agreement with the team. A unique outcome of this scenario would be fully integrated public infrastructure which strategically benefits surrounding neighborhoods. This scenario would guarantee affordable housing, parks, recreation, tourism assets, and other public goods.

Scenario 2- Strong Community Leadership

Negotiating a successful Community Benefits Agreement would be the critical feature of this scenario. As seen in the D.C. United Case study, there is an overlap in the types of benefits that can be included in a CBA and a Development Agreement/land lease. The obvious leverage with the CBA is that it allows the community to have a voice in the negotiating process. There are other avenues the community can be involved in the development process other than a CBA (i.e., public meetings, steering committees, etc), but a CBA can often be the only vehicle for specific benefits, outside the city’s legal ability, to be negotiated. The result of a CBA should not be the blocking of a project, but its successful completion of benefits to all parties. As seen in the Nashville FC stadium, with assistance from the Partnership for Working Families and a trust fund used for litigation, Stand UP Nashville was a well-equipped non-profit to negotiate the CBA.91

Additionally, to create an environment where a CBA is required, expected, and essential, there is an element of city leadership required. As seen in Nashville, the City Council requiring a CBA before voting on necessary land use requests forced the development team to commit to the negotiation. A unique outcome in this scenario is mobilized community leadership which can translate project opportunities to the residents who can most benefit from them. This scenario would guarantee affordable housing, local and minority hiring, minimum wage, and alternative uses for business and retail space.

91 Interview, City of Raleigh, September 2019.
Scenario 3- Strong Private Sector Leadership

In this scenario, there would likely not be a Development Agreement, Non-Relocation Agreement, Community Benefits Agreement, or any public financing. The developer will announce the plan, create a more detailed Master Plan for the site, and request the individual zoning approvals necessary. The city could negotiate some benefits in the conditional use zoning request, but likely not at the comprehensive level that a Development Agreement and CBA would allow.

When the developer is leading the project proposal and development, select community benefits could be volunteered for the project through public meetings to win over public opinion, but there will not be any community benefits agreement or contractual method to hold accountability beyond good faith. Currently, affordable or workforce housing has been one of those volunteered benefits by the developers. A unique outcome of this scenario is a mix of land uses which is market responsive and feasible. Though the public option can also be market responsive, this option would likely happen quicker, attracting more higher-income new residents, yielding a greater increase in tax revenue.

Urban Planning Recommendations

Based on the interviews, case studies, and scenario analysis, I have outlined several recommendations for the project moving forward. I have grouped these recommendations by public financing, Development Agreement, CBA content, and CBA process.
Public-Private Financing of the Stadium

To achieve success in this project, Raleigh needs to be an active participant in the project development. Part of this participation, to secure a lasting Development Agreement and Non-Relocation Agreement, includes financial equity in the infrastructure upgrades or stadium construction. Because the land is already under contract by the developers, using funds for land acquisition is less likely than, alternatively, using public funds to assist in the infrastructure upgrades or the stadium construction. This allows Raleigh to maintain leverage in negotiating a governance structure not otherwise achievable if the project was fully privatized, such as design, a mix of ancillary uses, and job conditions. This leadership will allow for numerous responsible community benefits to be included in the project that might otherwise be excluded.

Development Agreement

The City of Raleigh should, for the first time, enter into a Development Agreement with the private sector developer/owner. I recommend that any benefit that has City of Raleigh leadership or financial components be included in the Development Agreement, rather than left exclusively for a CBA. This allows for more oversight and coordination with the city, along with lasting governance and consistency with other developments in the future. Recommendations on the contents of the Development Agreement:

a. Include a cap on the amount of money the city will be responsible for in construction.

Any cost overruns beyond this cap will be the responsibility of the developers. This will protect the city and citizens from cost overruns and incentivize smart efficient development.
b. Include a Non-Relocation Agreement. This will require NCFC to play substantially all its home games at the stadium and not to relocate to another city. Because there is no lease to determine the length of the Non-Relocation Agreement, the agreement is recommended to start at 30 years, the standard length of a long-term land lease. The clause should include a financial penalty if the agreement is broken.

c. Address the issue of increasing property tax, which is one of the most common community concerns in large urban development projects. There are currently three protective property tax breaks in North Carolina Law: disabled veterans exclusion; the elderly/disabled exclusion; and the circuit breaker exclusion.\(^92\) All three are limited by income as well as age, disability, or veteran’s status. If you are not 65 or older, disabled, or a veteran, you cannot benefit from these tax breaks, regardless of how low your income might be.\(^93\) North Carolina Constitution does not allow local governments to create additional property tax exemptions beyond these three. Addressing the property tax increase can be accomplished by establishing a voluntary grant program for the city and developers to contribute to or, using a portion of the TIF funds to contributes the same type of funds. In the first recommendation, the city could create a voluntary grant program, which allows any resident below 80% medium family income (MFI) living in targeted neighborhoods near the development and experiencing an increase in property tax obligations to get a grant from the city to cover this increase.\(^94\) Alternatively, if the

\(^{92}\) Interview, City of Raleigh, September 2019.


\(^{94}\) “Longtime Homeowner Grant Program.” City of Durham. https://durhamnc.gov/3236/Longtime-Homeowner-Grant-Program
city explores the possibility of creating a TIF for this project, a portion of the funds generated by the TIF could go back to any resident below 80% MFI living in targeted neighborhoods near the development.

d. In anticipation of increased home prices in the surrounding neighborhoods, a contribution to the Raleigh Homebuyers Assistance Program should be included. The program offers low-interest loans up to $20,000 to help with down payment and closing costs or a gap in financing. The contribution from the development team should be focused on homeowners in census tract 545.

e. Include a civic anchor on the site. This could be in the form of a library, museum, daycare, school, community center, central placemaking element, or incubator space that leases to community and youth groups. This space will ensure that the new development is welcome to everyone in the community, not just the higher-income renters who will inevitably migrate into the new housing. When this civic anchor takes up important real estate on the site, it signals to the broader community that the site is built for everyone. This recommendation will require the developers to sell or lease a part of the land to the city.

f. Include a minimum affordable housing requirement on the site. This would most likely be negotiated during the corresponding re-zoning request as a conditional inclusionary zoning. The specifics on the number of units and affordability level could then be included in the Development Agreement.

95 “Homeownership.” Raleigh Affordable Housing. https://affordablehousing.raleighnc.gov/content/homeownership
Community Benefits Agreement

The community should, for the first time, negotiate a community benefits agreement with the private sector developer/owner. Due to the lack of legislative certainty on several critical benefits, a CBA could be the only way for Raleigh to contractually obligate several benefits ultimately deemed legally impermissible to include in the Development Agreement. The community must step in and fill the gap. Recommendations on the contents of the CBA include:

a. Include a first-source employment program. Because North Carolina is not a Home Rule state, and there is no precedent in North Carolina for such a program, the legality of including this in a Development Agreement is unclear. Because of that, I recommend the CBA include the program. To model after the D.C. program, this would require that the project has the following percentage of Raleigh residents on those projects: 20% of the journey worker hours, 60% of apprentice hours, 51% of skilled laborer hours, and 70% of common laborer hours.

b. Address often overlooked environmental safeguards on site. This includes, but is not limited by, dust remediation and reasonable construction hours of operation. Though not massive requests, these can have a large impact on the livability of a neighborhood during construction.

c. Include a requirement for the stadium to host annual coaching and player clinics for local youth development.

g. Lastly, because of the concern that the affordable housing requirement may be legally impermissible in the Development Agreement, it should be included in the CBA as well.

Recommendations on the process of the CBA:
a. Dix Park has recommended a CBA for any larger developments on the site, which is only two miles away from the proposed Downtown South proposal. I recommend that any Dix Park CBA should be coordinated with Downtown South proposal, and any CBA contents targeting the developments in Dix Park should be consistent with the Downtown South proposal CBA (or vice versa).

b. A CBA has never been negotiated in Raleigh before and, currently, is not something being seriously considered for this project. This is because Raleigh does not have a community development corporation or any coalition of community organizations that would be the obvious leader and negotiator of the CBA. In terms of current community organizations in the neighborhood, Southeast Raleigh Assembly is a non-profit organization whose mission is to facilitate community capacity building to enhance the quality of life for Southeast Raleigh residents. With no previous experience in Community Benefits Agreements, I recommend the city invite Partnership for Working Families to Raleigh to lead a workshop on how to begin a CBA negotiation. This will allow groups like the Southeast Raleigh Assembly and other neighborhood nonprofits to understand what a CBA negotiation entails and the next steps.

c. I recommend that the city explore the possibility of creating a CBA Assistance Fund. This fund would assist nonprofits in the preparation, negotiation, and any outside resources needed in creating a comprehensive CBA. This would eliminate another barrier

---

96 Interview, WakeUp Wake County, September 2019.

97 “About Us.” SERA. https://www.southeastraleigh.org/about-us.html
to entry for community groups, allow them to acquire the appropriate legal support for negotiations.

d. I recommend that the City Council come out in public support of a CBA, indicating to the development team that re-zoning approvals would be subject to additional scrutiny on the grounds of public health, safety, and welfare if void of a successful CBA negotiation. This will eliminate one of the biggest barriers to entry for a community group. Without this support, beyond the threat of project delays, community groups often have no leverage to begin conversations with developers.

**Conclusion**

In conclusion, this paper argues that when receiving large-scale development proposals, municipalities must embrace public-private financing, CBAs, and Development Agreements to shape a public-private partnership that leverages all available land use and finance tools to maximize positive community-based development outcomes. If further researched, the cumulative outcomes of these efforts could be seen through a greater share of long-term residents staying in a neighborhood, greater economic diversity, more public space in otherwise private development projects, and a greater sense of civic ownership over development proposals. Though several recommendations in this paper have never been exercised in Raleigh before, this further illustrates the urgency to act now. Today can begin a new frontier of public, private, and civic responsibility in shaping and developing an equitable downtown Raleigh.
Bibliography

https://www.raleighnc.gov/business/content/PlanDev/Articles/LongRange/2030ComprehensivePlan.html

“4D Construction Animation helps win D.C. United RFP.” Interface. 

https://actionnetwork.org/events/a-soccer-stadium-that-benefits-the-whole-city

“About Us.” SERA. https://www.southeastraleigh.org/about-us.html

“Amended and Restated Ground Lease.” The District of Columbia and D.C. Stadium LLC. 2015 


“Background Information on Development Agreements.” Chapel Hill Design. 2020.
https://www.townofchapelhill.org/home/showdocument?id=19390


“Citizen Advisory Councils (CACs).” City of Raleigh. https://www.raleighnc.gov/community/content/CommServices/Articles/CitizensAdvisoryCouncil.html


Dolan v. City of Tigard, 512 U.S. 374 (1994)


“Homeownership.” Raleigh Affordable Housing. https://affordablehousing.raleighnc.gov/content/homeownership

Interview, City of Raleigh, September 2019.
Interview, Kane Development Team, September 2019.

Interview, WakeUp Wake County, September 2019.


Nollan v. California Coastal Comm’n, 483 U.S. 825 (1987)


Southern Gateway Plan, City of Raleigh. https://www.raleighnc.gov/business/content/PlanDev/Articles/UrbanDesign/SouthernGateway.html


Unified Development Code, City of Raleigh. https://raleighnc.gov/business/content/PlanDev/Articles/Zoning/ZoningRemapping.html


Wake County iMaps. https://maps.raleighnc.gov/iMAPS/

