



HR&A MKSK

Fayetteville P3 Real Estate Advisory

City Council Work Session

September 2025

Work Session Goals

Review Goals of the Feasibility Study

Provide an Overview of Key Future Decisions

Discuss Market Opportunities and Challenges

Share Insights from Stakeholder Engagement

Preview Preliminary Development Concepts

Discuss Next Steps



01

Project Overview

Project Overview | Site

The City of Fayetteville engaged HR&A Advisors and MKSK help shape the vision for the future of the Blount & Gillespie site.

The Blount and Gillespie site is an assemblage of 41 individual parcels on a total of 9.33 acres, located just south of the immediate Downtown Fayetteville area.

Anchoring the site at its northern edge is the Queen Anne–style Dr. Ezekiel Ezra (E.E.) Smith House, the longtime home of Fayetteville’s celebrated African American educator and Fayetteville State University president.

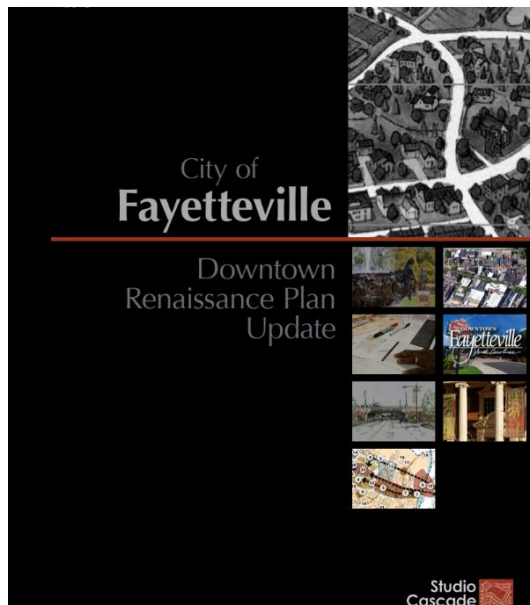
The site is surrounded by homes built by Habitat for Humanity alongside other low-density housing, vacant retail spaces, and churches, as well as industrial uses near the adjacent railroad tracks. The Cumberland County Jail is located between Downtown and the site.



Project Overview | Document Review

HR&A reviewed relevant planning documents to develop a deeper understanding of the overarching goals guiding Downtown, City, and County actors in pursuing redevelopment.

Downtown Renaissance Plan



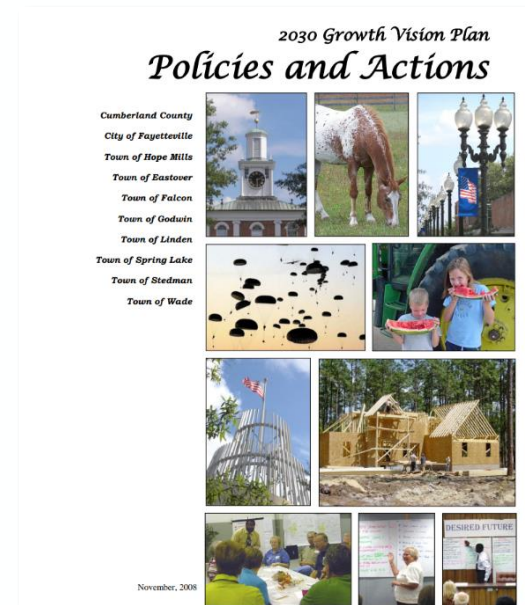
Led by Studio Cascade, this update to the 2002 plan explores a revised vision and recommendations for further development in the Downtown area. (2013)

City Future Land Use Plan



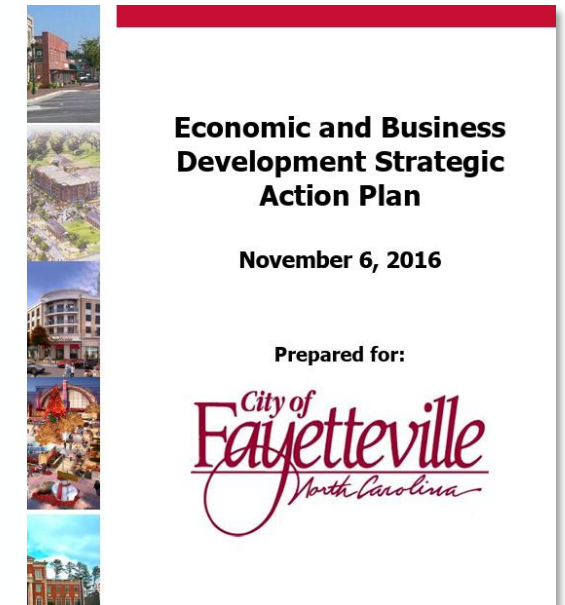
Led by the City of Fayetteville, this plan provides tools to local government officials and city planners for decisions regarding long-term land use. (2020)

Cumberland 2030 Growth Vision Plan



Led by the Cumberland County, this plan outlines key policies and actions to guide local government decisions in the County and its cities. (2008)

Economic and Business Development Strategic Action Plan



Led by Red Rock Global, this report synthesizes existing market conditions and lays out an action plan to prompt catalytic growth in underutilized areas in Fayetteville, including the site. (2016)

Project Overview | Red Rock Global Foundational Plans

The Red Rock Global Study (2016) identified four focus areas of opportunity within the City. Several initiatives have been planned and/or executed to support the recommendations of this Study.

Focus Area	Action	Update
Upper Murchison	NCDOT Improvements	Investment for roads and multi-use paths (\$52M+)
	Industrial Development	FCEDC working with property owners as opportunity arises
Lower Murchison	Baseball Stadium	Located across the intersection in Downtown (\$40M+)
	Business Center	FSU HUB re-invested in entrepreneurial growth (\$500k)
Massey Hill	New Highschool	N/A
Center City Action Park	EE Smith House	Acquired, renovated, Parks programming
	Land Assemblage	Last lot acquired in 2024
	Public/Private Partnership	Engaged HR&A to explore

About HR&A

HR&A Advisors, Inc. (HR&A) is an employee-owned company advising public, private, non-profit, and philanthropic clients.

HR&A's mission is to ensure implementation of our clients' aspirations: to create vital places, build more equitable and resilient communities, and improve people's lives.



Who We Are

180+

Employees

500+

Projects/Year

Fayetteville P3 Advisory Kickoff | HR&A Advisors

Analytic rigor, creative energy, and focus on impact fuel all our efforts. HR&A professionals come from a diversity of backgrounds, have a breadth of lived experience and share a passion for cities. We are former city officials, executive directors, planners, lawyers, architects, and economists.

We are proud to have worked on real estate, community development, and planning projects with wide-ranging impacts in North Carolina.



Van Aken District
Shaker Heights, OH



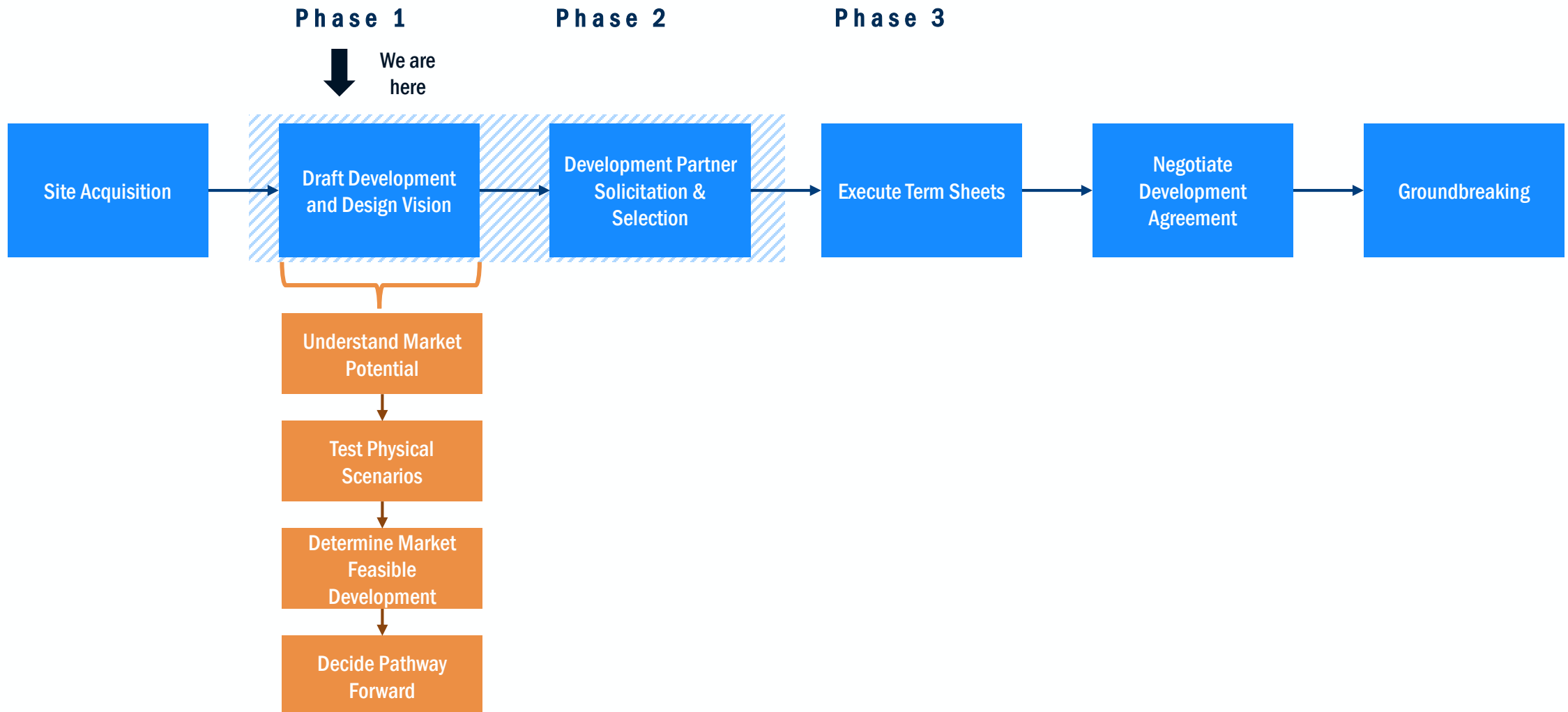
MKSK

We are a collective of
**planners, urban
designers, and landscape
architects** who are
passionate about
strengthening the
connection between people
and place.
**33 Year Practice
with studios in:**

Atlanta, GA
Greenville, SC
Chicago, IL
Cincinnati, OH
Cleveland, OH
Columbus, OH
Indianapolis, IN
Lafayette, IN
Louisville, KY
Orlando, FL
Washington DC

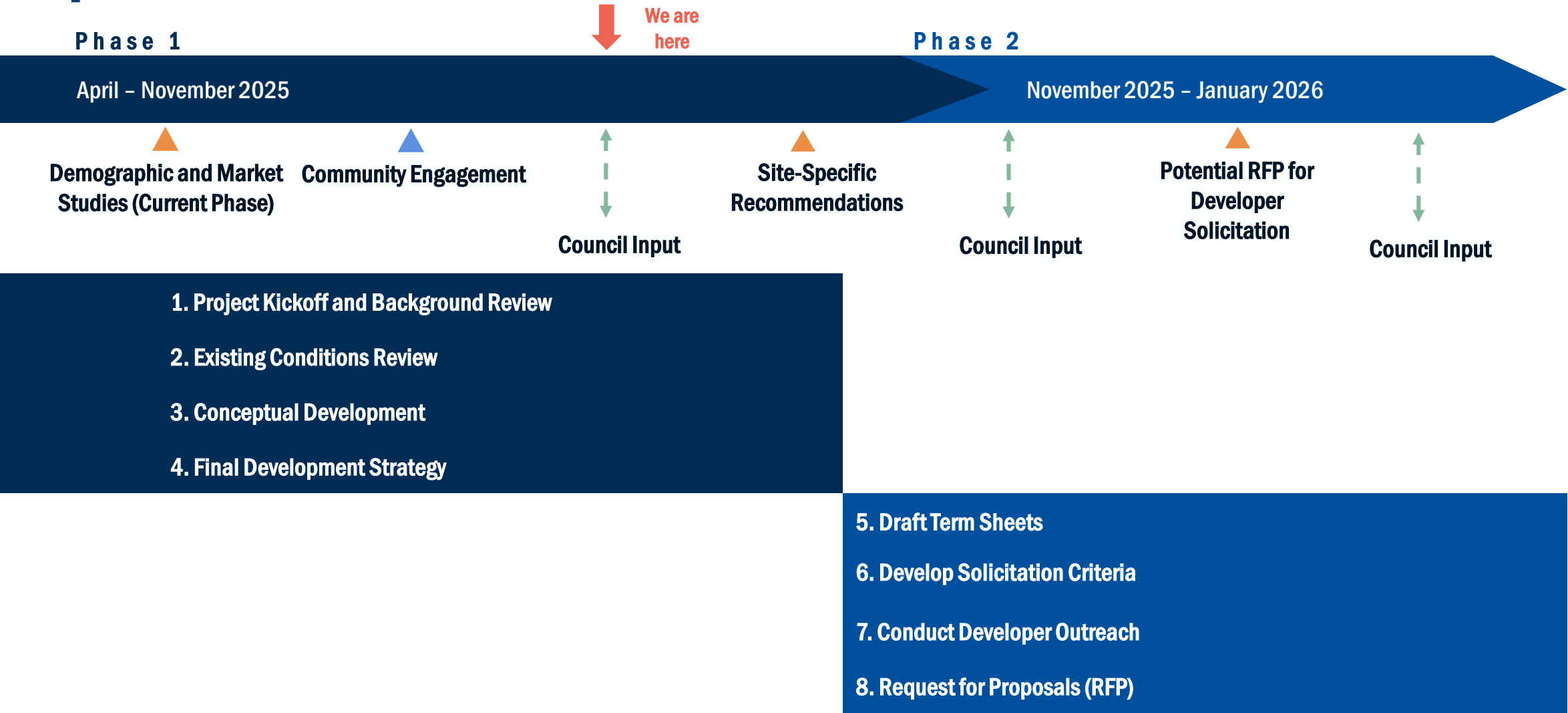
Project Overview | Development Process

The City has selected and acquired the Blount and Gillespie site for development and has entered the programmatic and design visioning phase.



Project Overview | Timeline

The current phase of work with identify the overall development strategy, which in turn will help the City determine when it should begin pursuing a development partner.



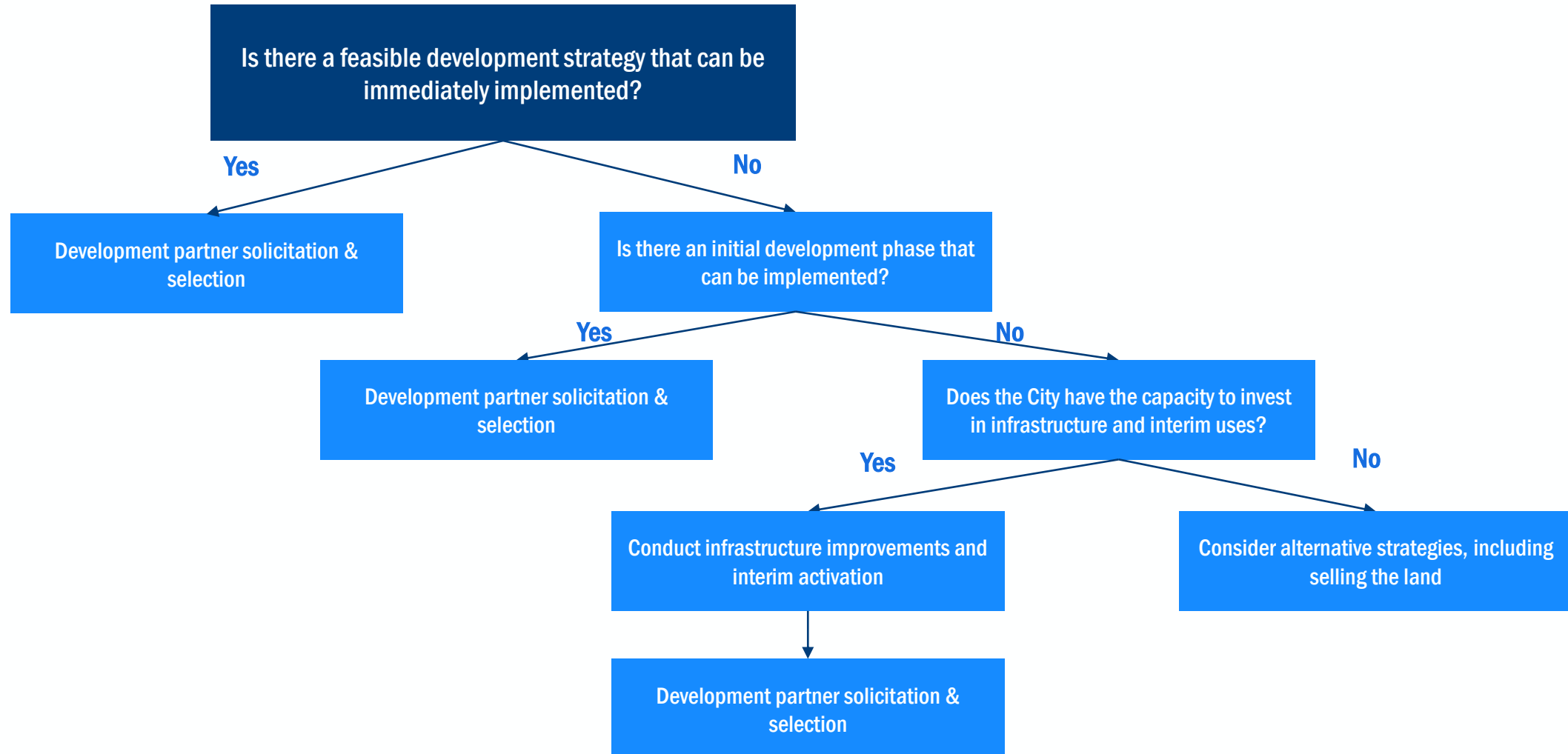
A two-story white house with a black fence in the foreground. The house has a gabled roof with three brick chimneys. The windows are white with black frames. A blue semi-transparent overlay covers the right side of the image, containing the text '02' and 'Future Decisions'.

02

Future Decisions

Future Decisions | Decision Tree

The identification of a feasible development vision will trigger several decision points that could result in developer solicitation or exploring alternative development strategies.



The City has expressed interest in pursuing a public-private partnership (P3) in order to facilitate development of the Blount and Gillespie site.

Land Ownership

Traditional

P3 Models

City Owned + Developed

City finances, develops, and operates spaces for tenants to lease

Ground Lease Partnership

City ground leases parcels for partner to develop with governance layers restricting uses on-site

Restricted Fee Simple Partnership

City sells land fee-simple to partner with governance layers restricting uses on-site

Pros

Reduces risk for leadership

+ Control of processes and decision making

+ Extend existing City systems and processes to Blount and Gillespie

+ Ongoing City involvement in ownership

+ Long-term cash flows from ground lease to support future City priorities

+ Retain City's entitlements and development rights

+ Break free from legislative and bureaucratic hurdles

+ Move at the speed of industry/business

Cons

Risks to delivery


- Legislative and bureaucratic hurdles

- Potentially less marketable to developers

- Loss of long-term cash flow

- Lose control of real property

As the study advances, the team will evaluate the relative merits of different P3 approaches to identify an approach that balances the city goals and desired outcomes while managing risks.

A group of four men are gathered around a table in what appears to be a workshop or community center. The man on the left, wearing a blue blazer, is looking down at a table covered with various charts, graphs, and yellow sticky notes. Behind him, a man with a beard and glasses in a grey blazer is also looking at the table. To the right, a man in a red and black polo shirt is looking towards the camera. In the foreground on the right, a man wearing a black baseball cap and a light-colored button-down shirt is looking down at something in his hands. The background shows a room with blue curtains and some equipment.

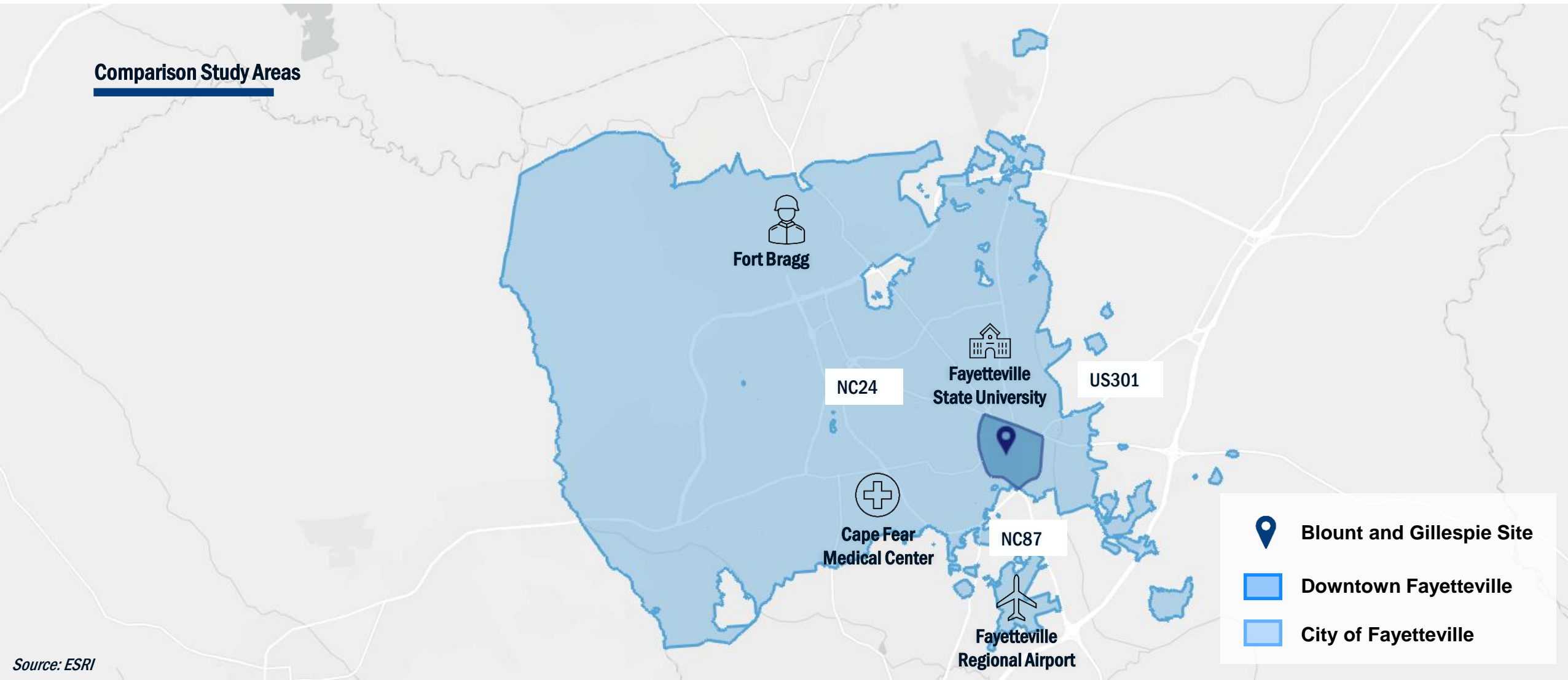
| 03

Market Scan

Market Scan | Study Area

To understand the development potential of the site, HR&A conducted a market analysis at three different scales.

Comparison Study Areas



Market Scan | Residential

By providing a unique value proposition for living Downtown, the Blount and Gillespie site can capture growing demand for multifamily apartments.

Downtown Fayetteville has experienced **slow population growth** (+11% since 2010), in part due to the **lack of new homes** being built Downtown.

Despite this, there are **healthy vacancy rates** Downtown (4.3%) and **consistent absorption** city-wide (240 units annually since 2015).

This demonstrates the **potential** for the Blount and Gillespie site to spark a new move towards Downtown.

Vacancy
2025

1.7%

Project Site Vicinity

4.3%

Downtown Fayetteville

8.5%

City of Fayetteville

Rents per Square Foot
2025

\$0.71

Project Site Vicinity

\$1.28

Downtown Fayetteville

\$1.21

City of Fayetteville

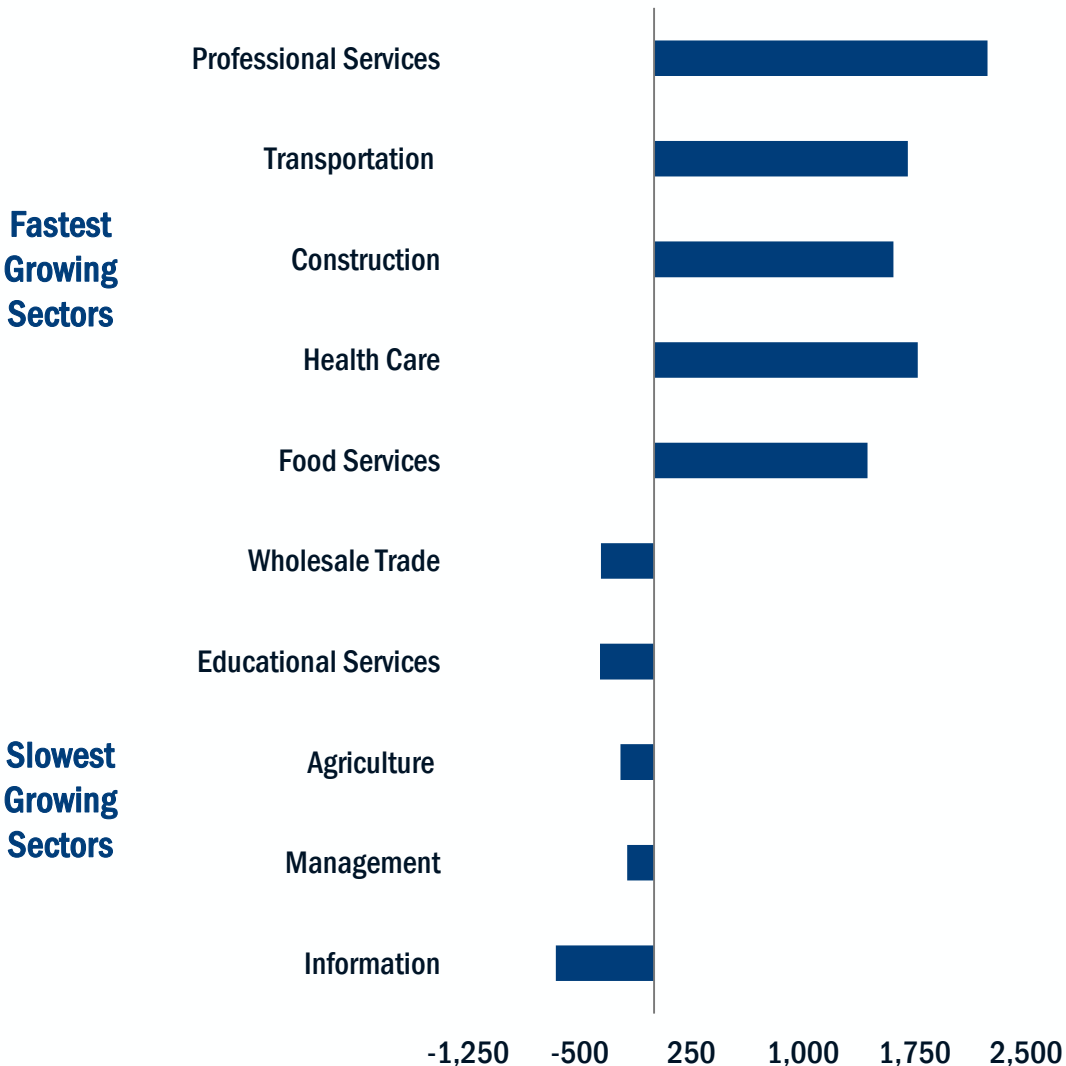
Market Scan | Office

While overall demand for new office space is low in the near-term, space targeted towards professional services industries could be included in a mixed-use development program.

Slow overall job growth (7% city-wide since 2015) limits the near-term potential for new, speculative office space.

However, a **targeted tenanting strategy** could support office space for **professional services workers**, as professional services industries have grown by 42% since 2015.

Employment Change In Fayetteville (2015-2025)



Market Scan | Hotel

Downtown Fayetteville needs a new driver to support future hotel growth.

Downtown has demonstrated an ability to **drive new visitation by leveraging catalytic investments**, such as the minor league baseball stadium.

Because of this, Fayetteville needs to continue **identifying strategic opportunities** to enhance Downtown hotel demand.

Leveraging the Blount and Gillespie site to expand the City's **arts and culture** offerings can help catalyze an untapped market.



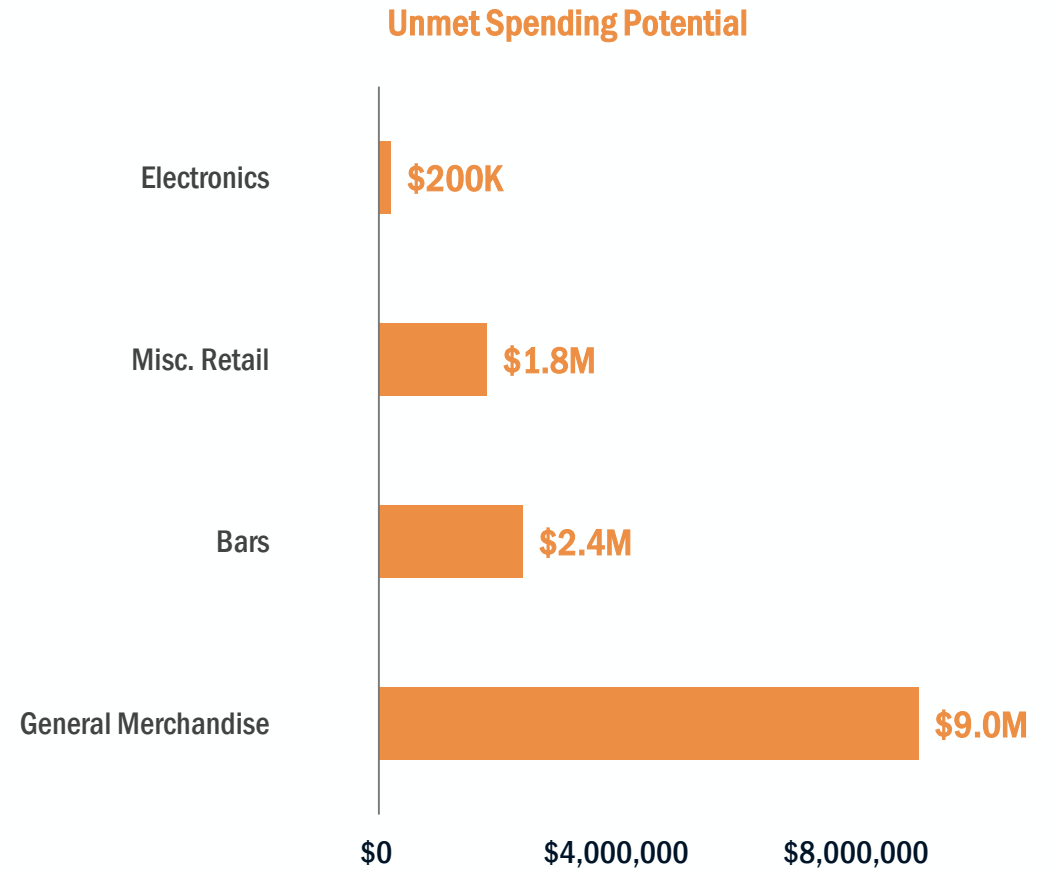
Image Credit: The Fayetteville Observer


Market Scan | Retail

Downtown Fayetteville is saturated with restaurants and clothing stores, but could support unique retail options, such as breweries, florists, and art dealers.

Downtown Fayetteville is home to a host of restaurants and clothing stores, comprising over a third of Downtown retail spending, but **lacks more unique and experiential retail offerings.**

The Blount and Gillespie site has the potential to provide residents with **new types of retail offerings**, such as jazz bars, art galleries, and complementary attractions.



A man with a beard and short dark hair, wearing a dark patterned button-down shirt, stands in the center of the frame. He is looking down at a large map or plan spread out on a table. Several people are seated around the table, their backs or heads visible in the foreground. The map features various illustrations of urban planning, including parks and plazas. The background shows a room with wooden floors and a dark wall.

| 04

Stakeholder Engagement

Stakeholder Engagement

The community engagement event in June generated valuable insights from over 45 participants.

Input from local residents reflected the following priorities:

- Strong support for mixed-use development with activated public space
- Desire for outdoor dining, plazas, and cultural/entertainment uses
- Need for more experiential downtown activities (e.g., art, music, games)
- Residents voiced interest in family-friendly and youth-oriented amenities
- Broad support for new housing options near walkable amenities



Stakeholder Engagement | Survey Takeaways

To collect additional input from residents who could not attend the in-person event, the City captured 92 online survey responses.

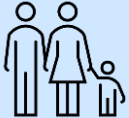
Public Space



Nearly **40%** of respondents preferred natural **play** and **lounge areas**



Shaded seating and **disability-accessible spaces** came up repeatedly

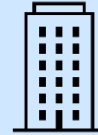


Residents want places that feel **inclusive** and **intergenerational**, with amenities that suit diverse needs



There is a strong desire for **third places** — spaces to relax, hang out, and connect without spending money

Housing



61% of respondents favored relatively **dense** (3–4 story and 4–6 story) **mixed-use** buildings



There is a desire for more **housing** options downtown with a **diverse set of price points**



Mixed-use housing was seen as a way to **activate downtown** and spread its footprint beyond Hay Street

Stakeholder Engagement | Survey Takeaways

To collect additional input from residents who could not attend the in-person event, the City captured 92 online survey responses.

Downtown Experience



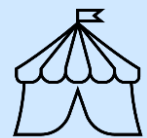
People want downtown to feel **safer**, more **central**, and more **walkable**



Residents want to see local **cultural representation** in food and retail options



Accessibility challenges are mostly related to walkability, parking, and sidewalk/bikeway infrastructure

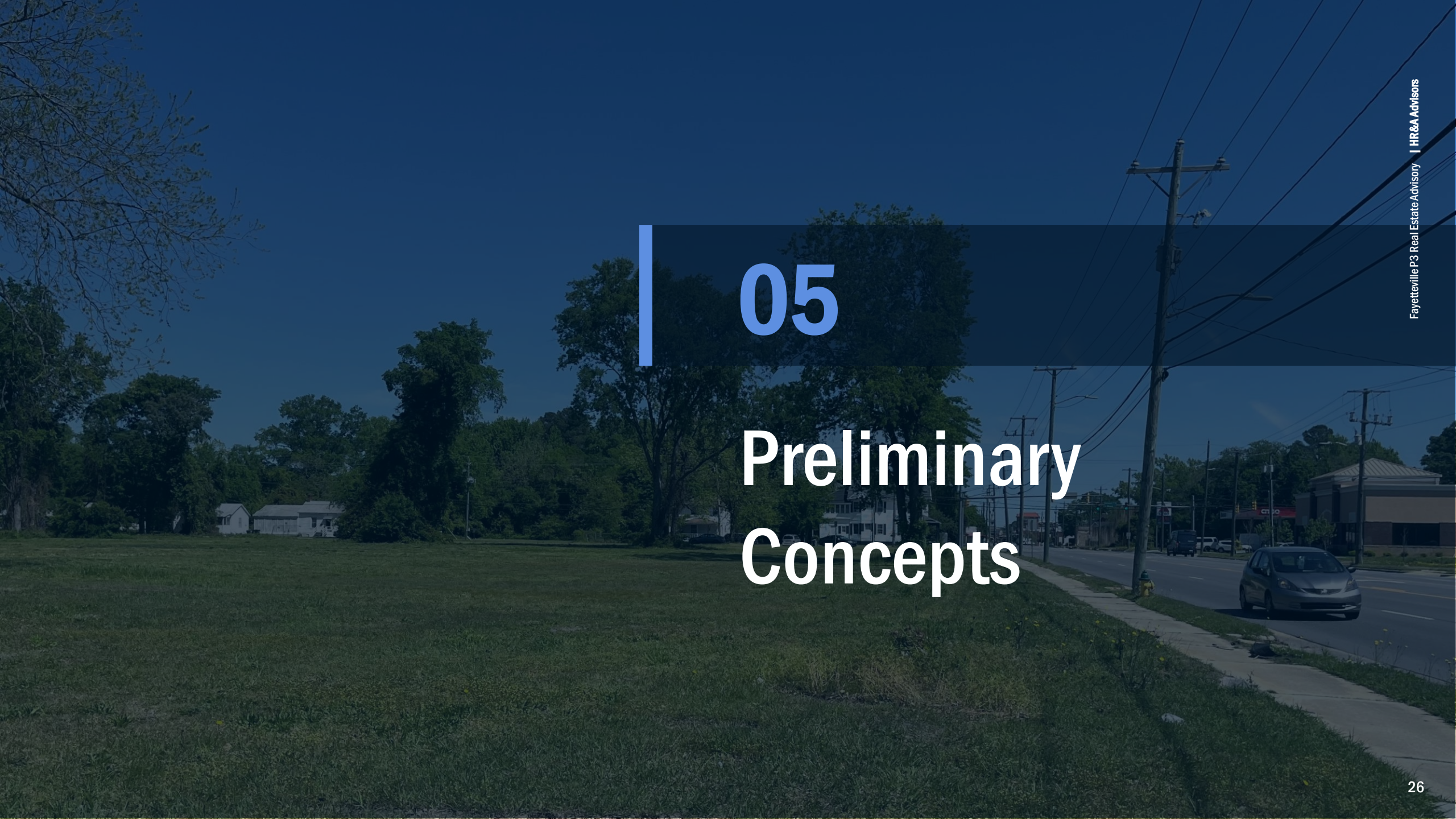


37% of visitors are drawn downtown only by **special events**, but there's a desire for more everyday reasons to visit

"I think it is important to have a space for everyone: adults and children alike... some shopping, some lounging, playing, etc."

"Better and safer walkability would make it easier to take a chance on [the] store that looks interesting across the street"

"I'd love to see more artists and art stores, game and hobby shops, music, book stores, and groceries there!"

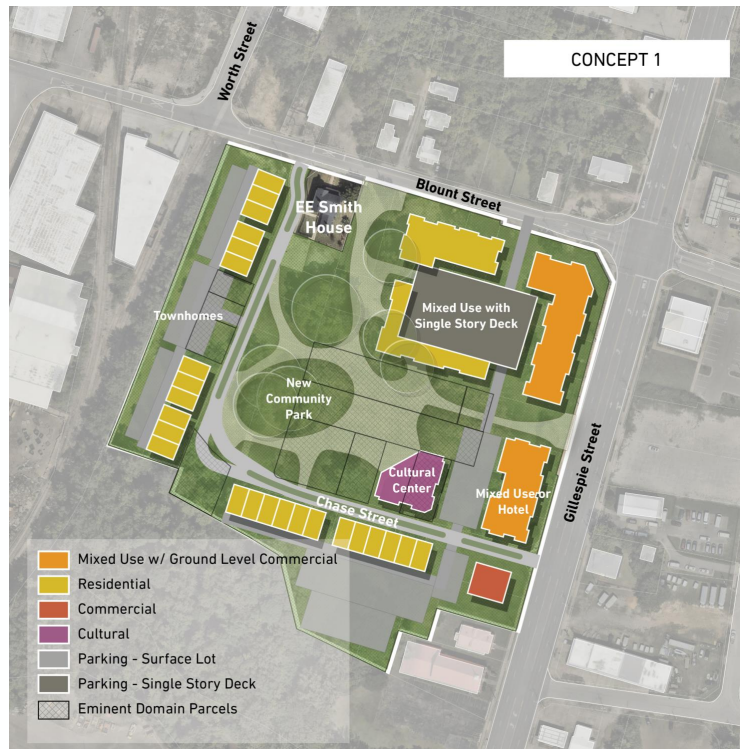


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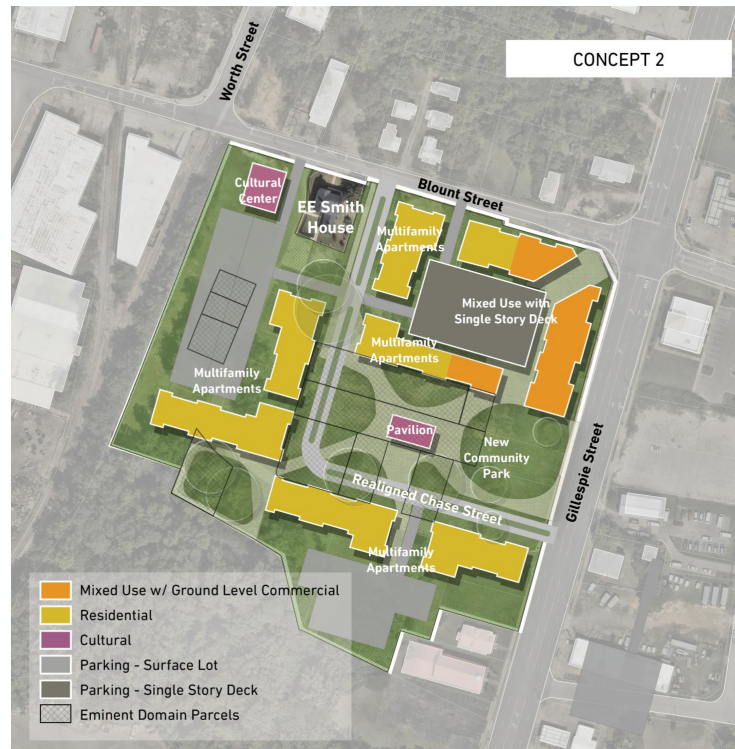
Preliminary Concepts

Preliminary Concepts

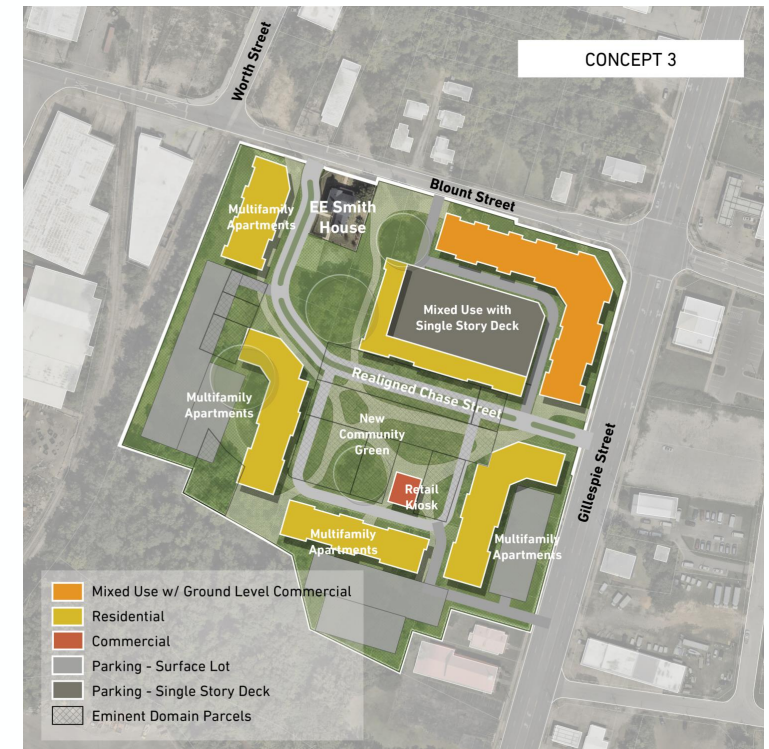
The planning team has created three site redevelopment scenarios that align the community's desire for mixed-use and green space with the identified market opportunities



Concept 1 includes approximately 100 multifamily units and 21,000 square feet of retail or dining space, with a 2.5-acre community park connected to the E.E. Smith House.



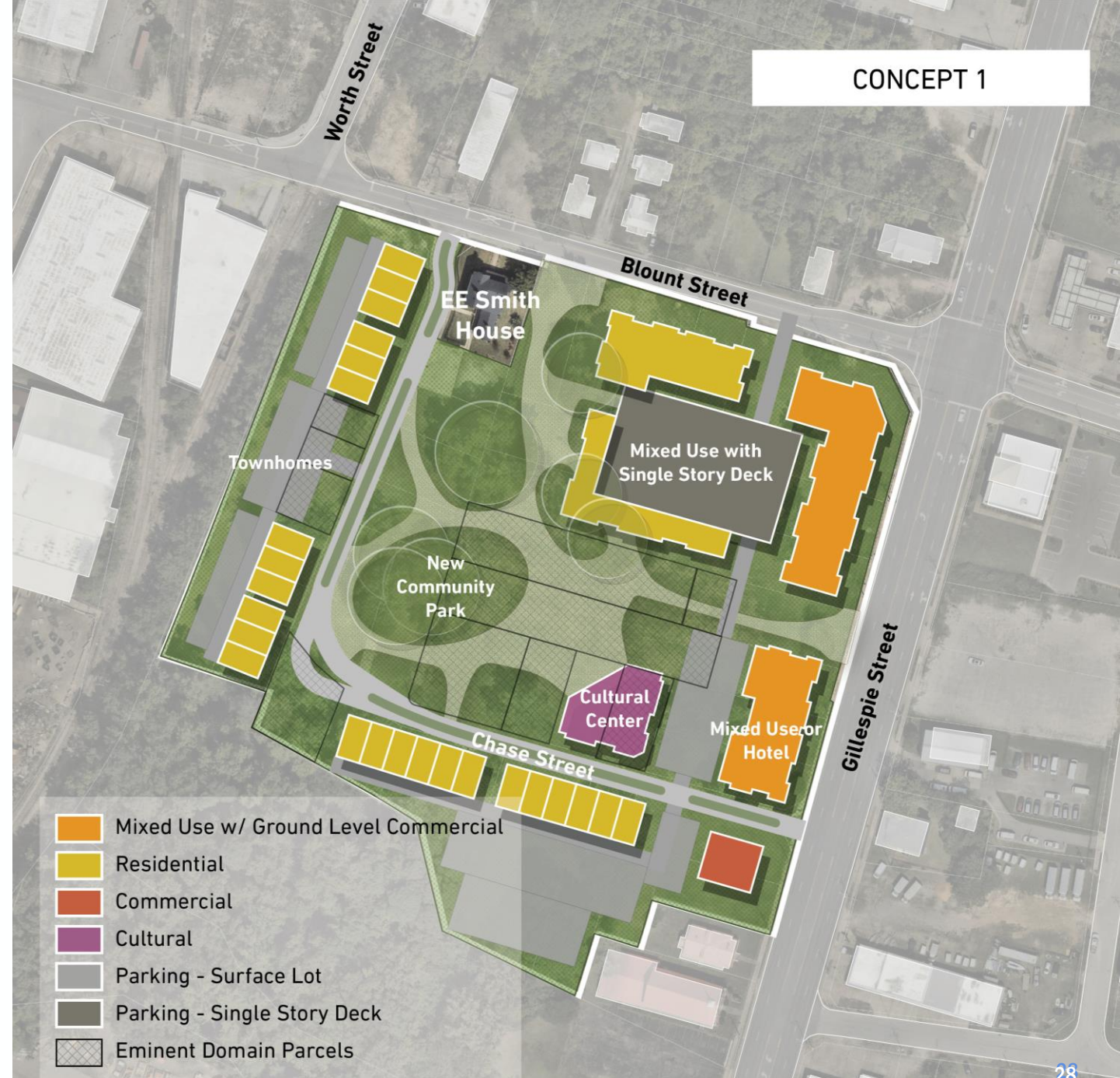
Concept 2 includes approximately 200 multifamily units and 17,000 square feet of retail or dining space, with a 1.5-acre community park anchored by a pavilion visible from Gillespie Street.



Concept 3 includes approximately 240 multifamily units and 20,000 square feet of retail or dining space, with a 1-acre community green or neighborhood park featuring a small retail/dining kiosk.

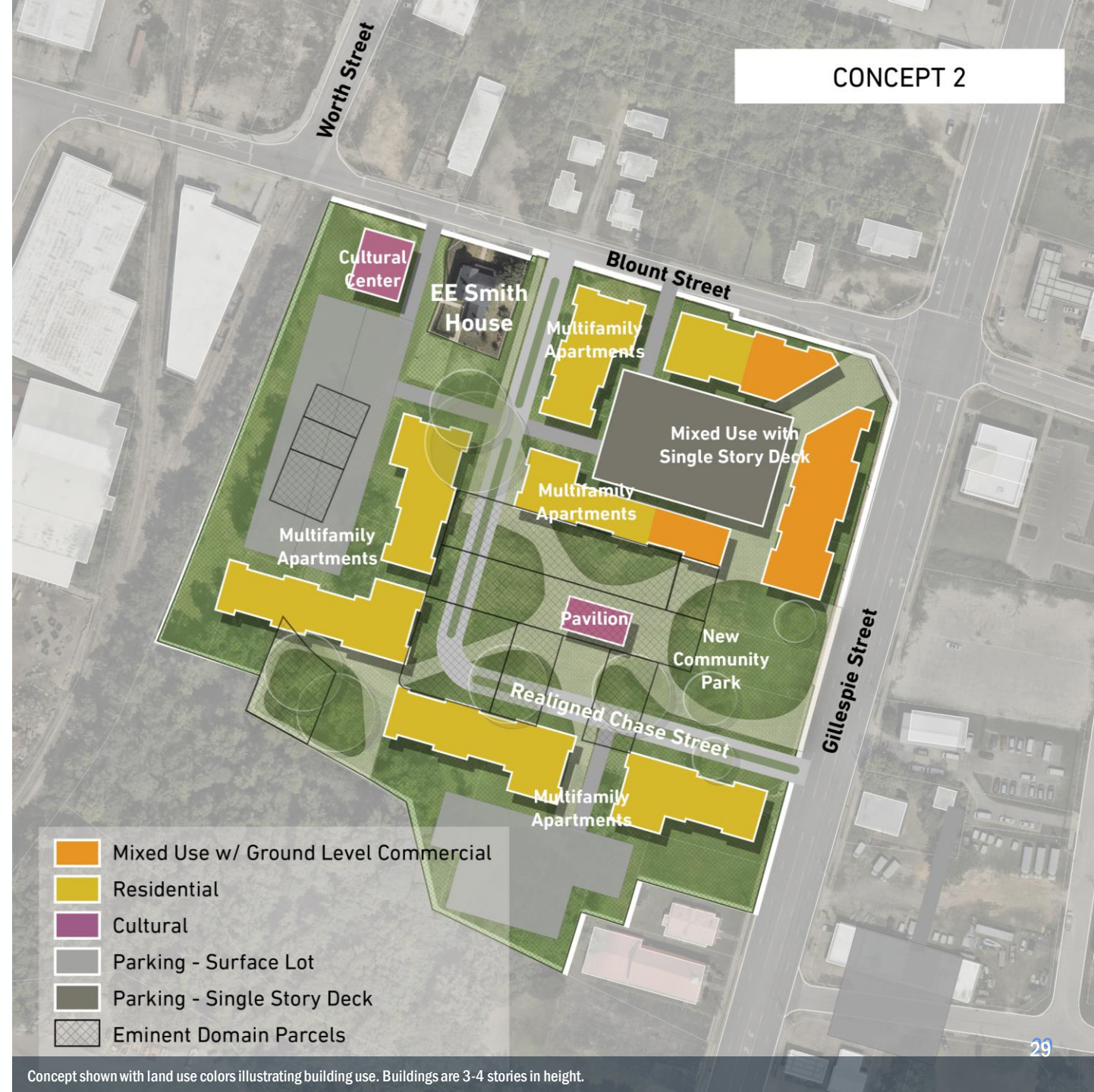
Development Capacity Concepts

Concept 1 reimagines the site as a mixed-use development with a large central community green space and cultural center.



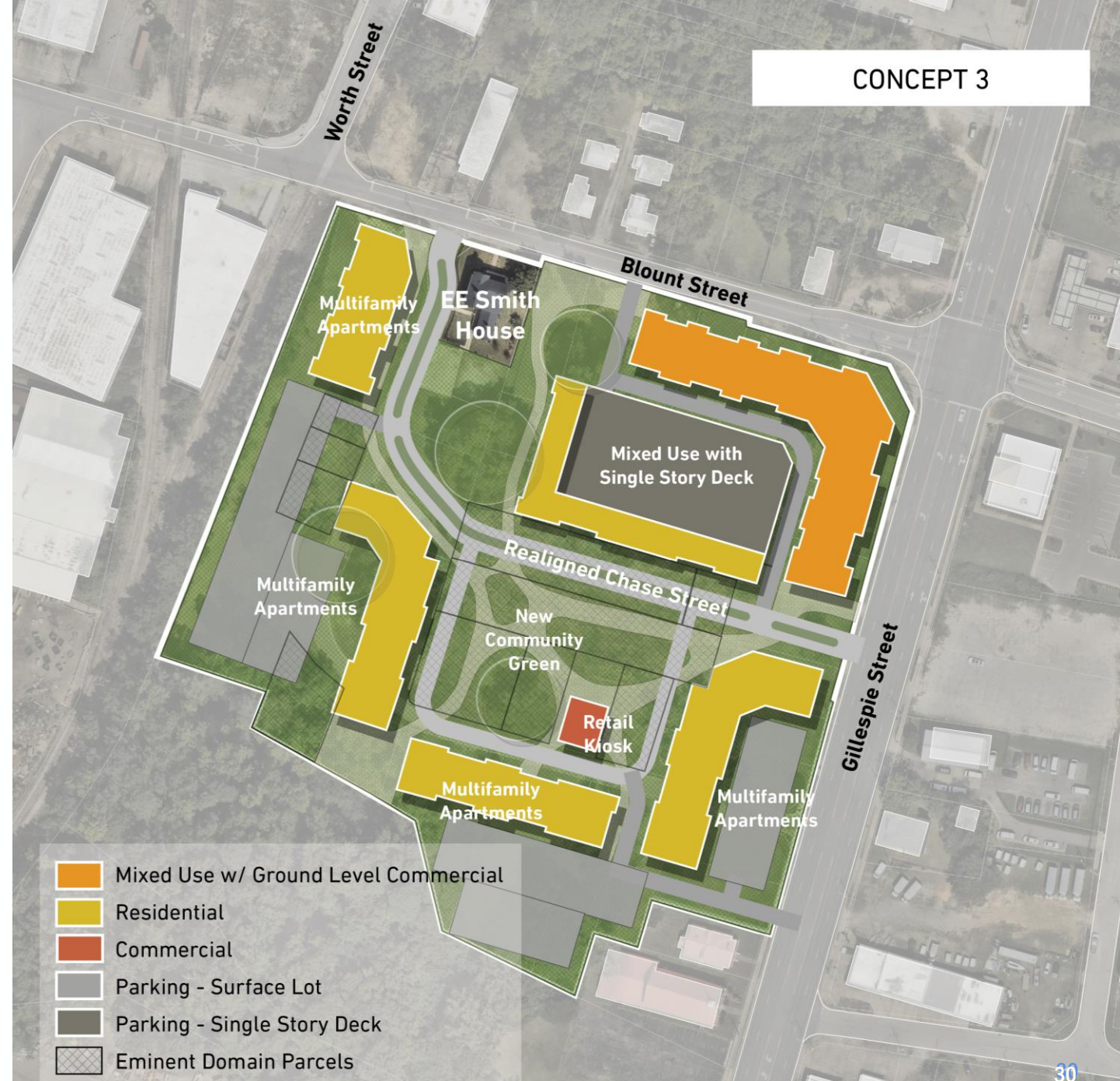
Concept shown with land use colors illustrating building use. Buildings are 3-4 stories in height.

Concept 2 reimagines the site as a mixed-use development with a community park anchored with by a pavilion




Development Capacity Concepts

Concept 3 reimagines the site as a mixed-use development with a small neighborhood park or community green on a realigned Chase Street



Concept shown with land use colors illustrating building use. Buildings are 3-4 stories in height.

A group of people are gathered around a table in what appears to be a community meeting or a public hearing. In the foreground, a man with a grey beard and a blue flat cap, wearing a red shirt, is gesturing with his hand while talking to a woman. The woman is wearing a black cap, glasses, and a colorful patterned shirt. Next to her is another woman wearing a yellow shirt and a purple patterned headwrap. They are all looking at a large map or document spread out on the table. In the background, other people are visible, some standing and some sitting, in a room with tiered seating. The overall atmosphere is one of active participation and discussion.

| 06

Next Steps

Next Steps

The HR&A Team will refine the development scenarios and test financial feasibility.

1. HR&A Team to finalize the potential development scenarios for the Blount and Gillespie site
2. HR&A Team to develop a financial model that will test the financial viability of the development scenarios
3. HR&A Team to develop a final development strategy that includes a set of recommendations for advancing development of the Blount and Gillespie site

At the end of this process, the City will be positioned to determine the preferred path forward.



DRAFT



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