

SOUTH SQUARE





South Square

Station Family: Suburban Retrofit
County: Durham
City: Durham

WHY THIS STATION?

Its existing infrastructure and large parcels support a transformation of low-density, single story suburban retail to transit-oriented development.

Just as Gateway and Patterson Place are linked, South Square is effectively a sister station to the Martin Luther King, Jr. Parkway station. As a greyfield site with varying degrees of current market vitality, South Square is well suited for development of a walkable, well-connected street and block network on both sides of the station. South Square's biggest challenge is the hilly topography and the profile of the light rail bridge over U.S. 15-501 Business.

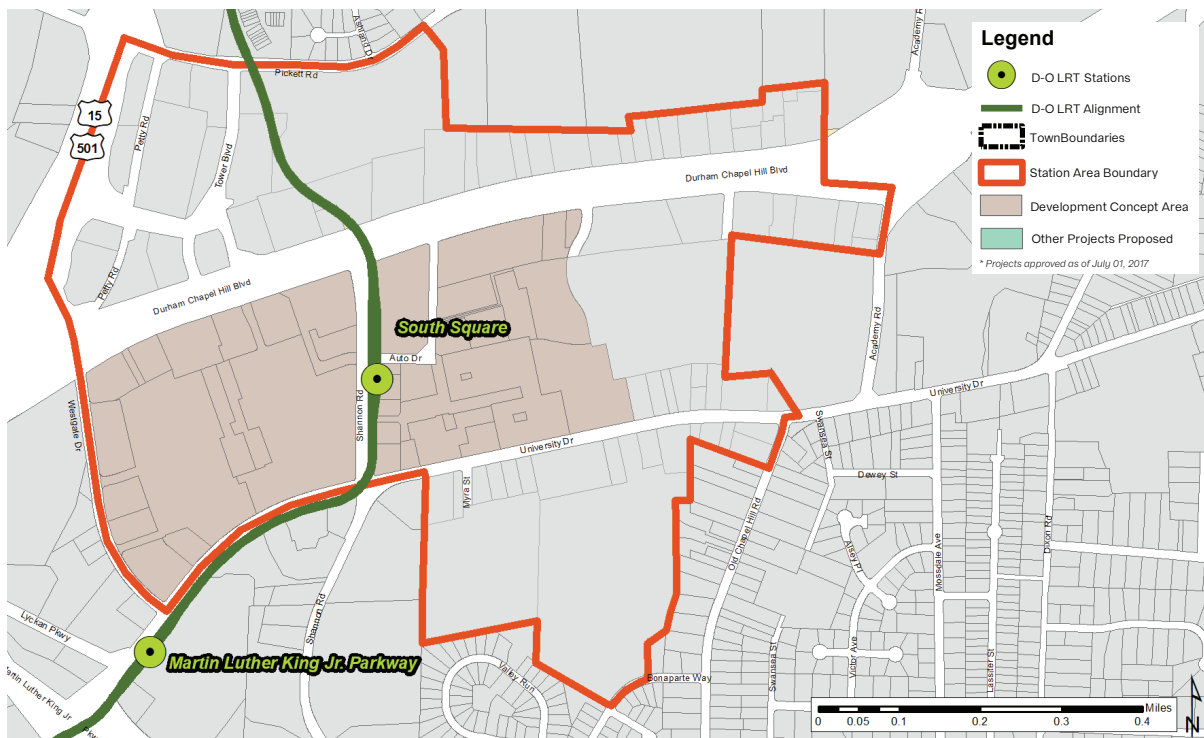
Parcels west of the station constitute the site of the former South Square Mall. That retail is approaching the lifespan that the original South Square Mall experienced before being replaced. The current large surface parking lots and single-story retail makes those areas ripe for denser transit-oriented development as the market conditions dictate. In the other direction, just east of the station, several development proposals have been initiated as the viability of those retail sites has waned. New proposals continue to arise and should be evaluated relative to the long term transit-oriented development potential.

As with each of the suburban retrofits, managing parking on a district-wide basis will be integral to efficient build-out and the creation of walkable urbanism in this station area.

ATTRIBUTES

- Continued evolution of retail and small, medium, and large scale job creation opportunities
- Introduction of urban housing types, such as missing middle type housing
- Predominant activity between 9 a.m. and 10 p.m.

STATION AREA CONTEXT

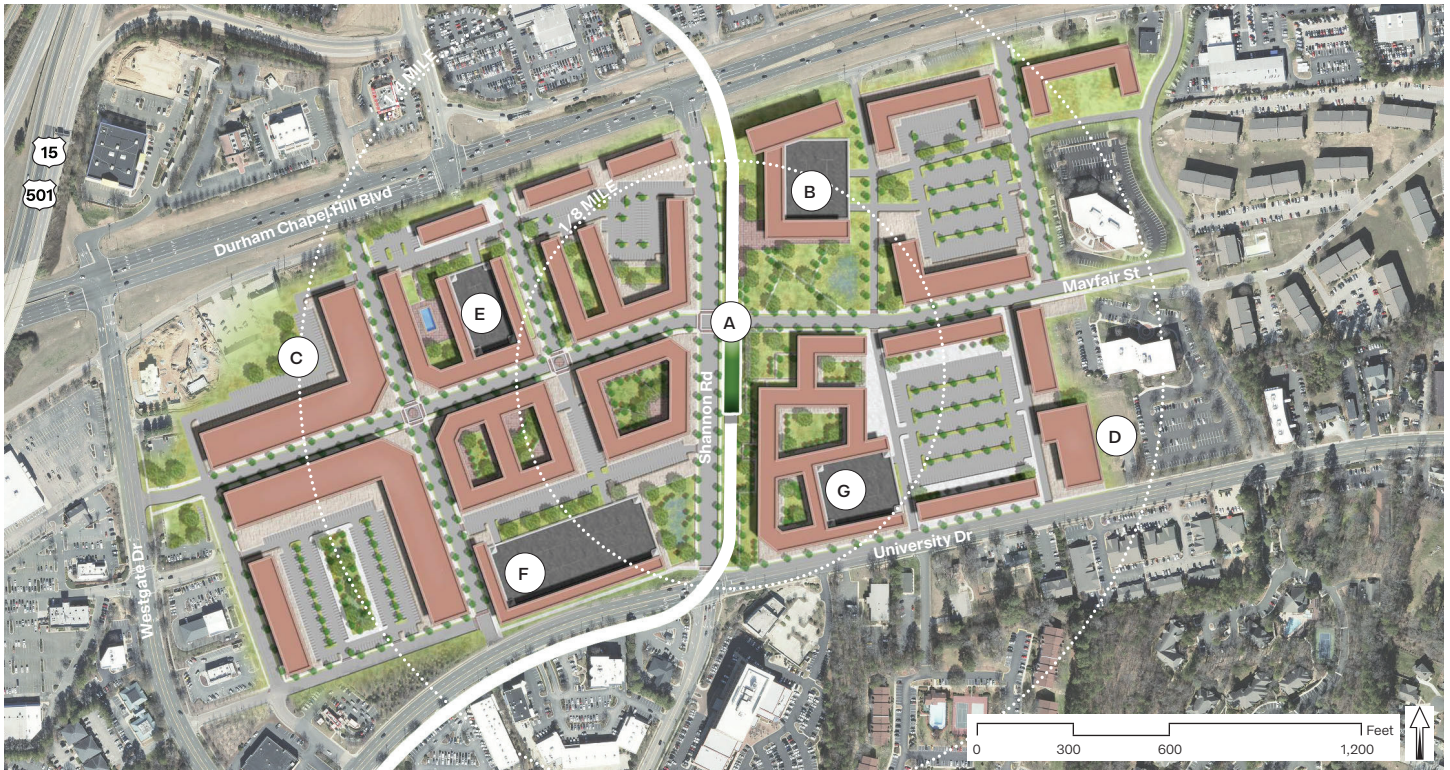




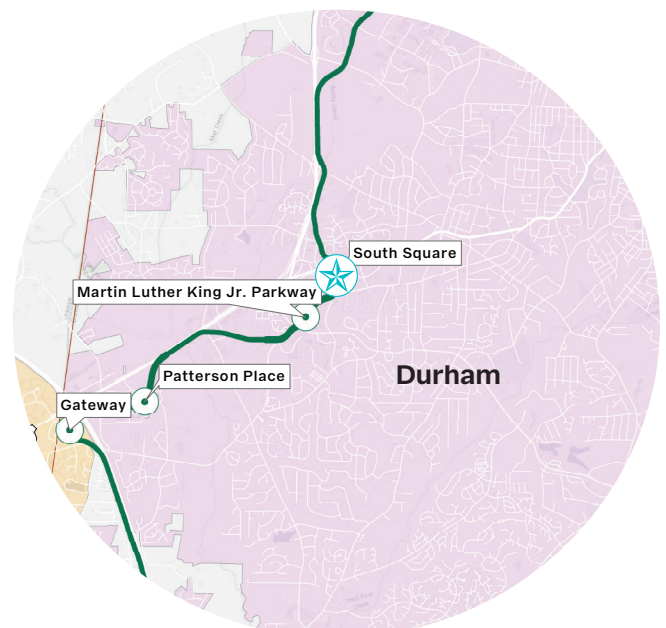
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STATION DEVELOPMENT CONCEPT

One scenario of potential suburban retrofit of large greyfield sites.



- A** Station along Shannon Road and coupled with a public green wrapped by mixed-use
- B** New development frontage wrapped around parking
- C** Employment development mixed with restaurant and retail space on the ground floor
- D** Grocery development accompanied by liner buildings around a parking lot
- E** Mixed-use with residential serving redevelopment of the existing large box uses
- F** Liner building to screen garage along the topography adjacent to University Drive
- G** Mixed-use and residential development to with liner buildings around the grocery lot.

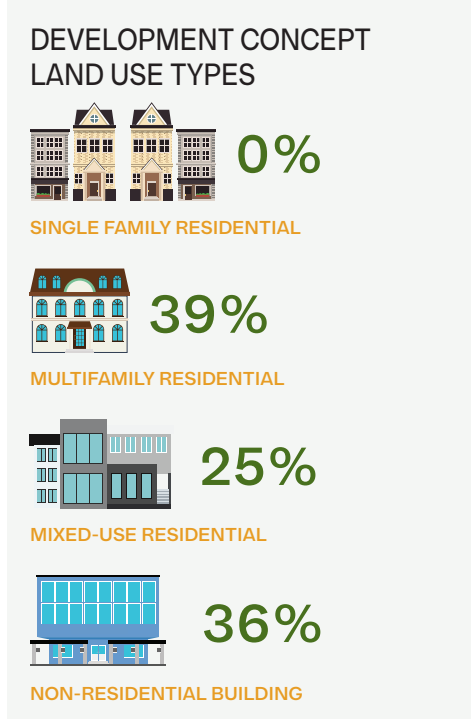
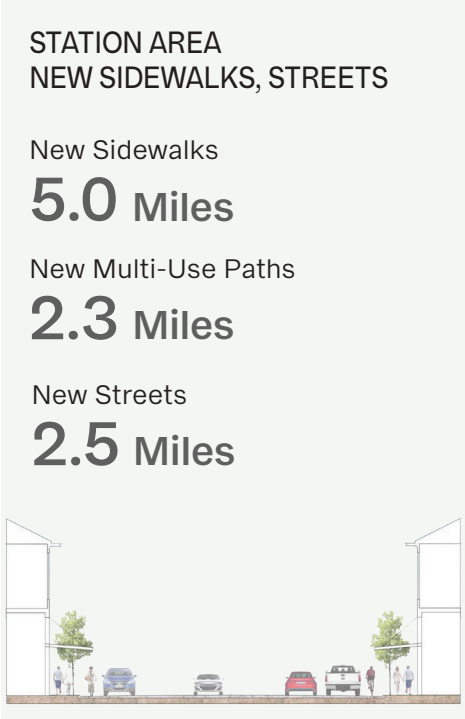
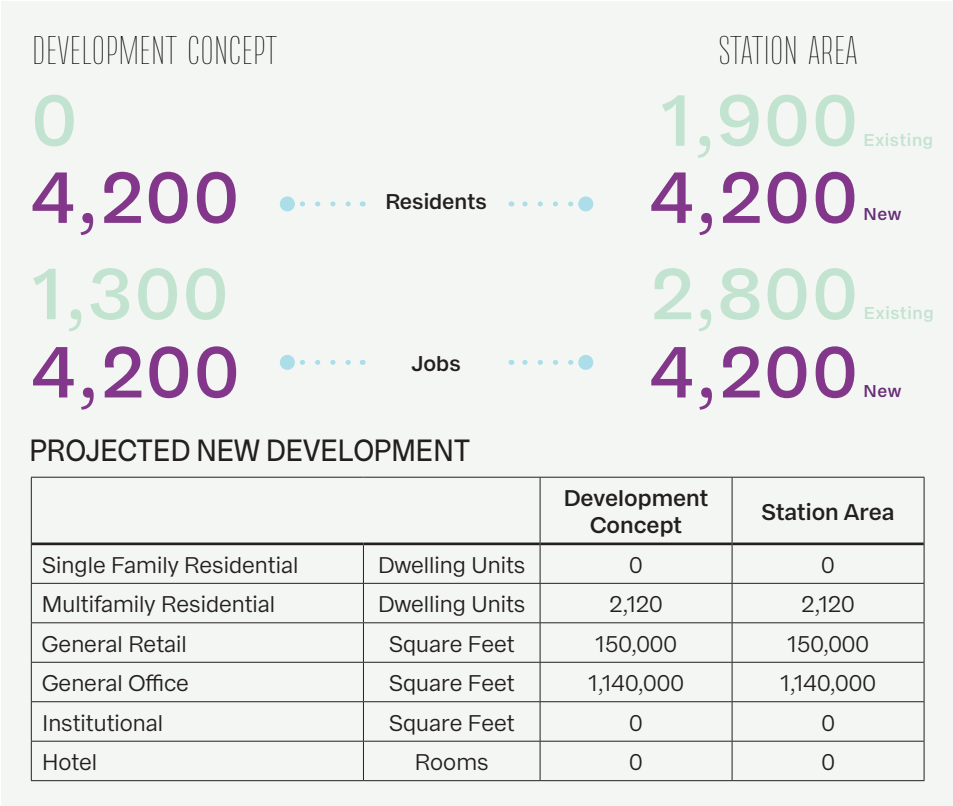
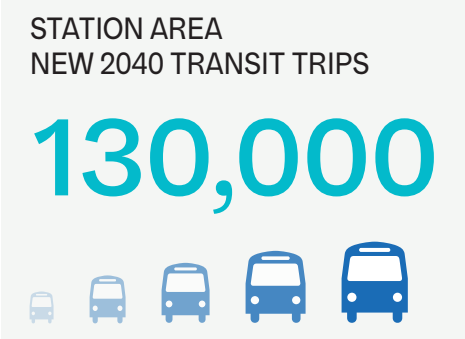
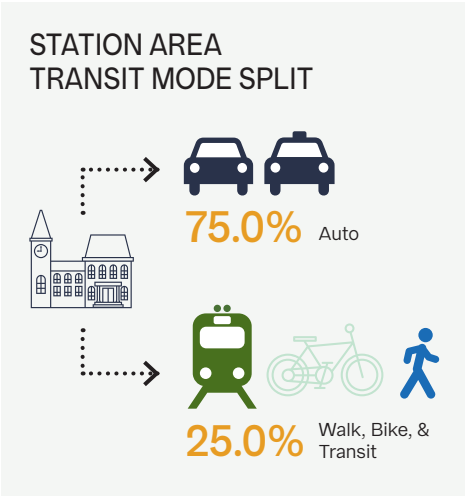
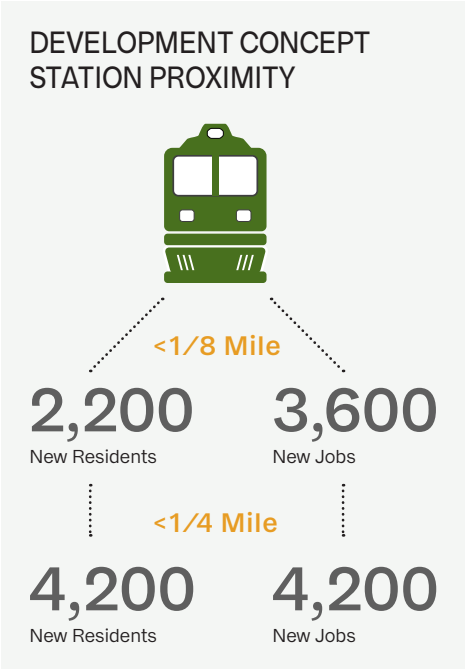


Could evolve in any number of configurations and build-out scenarios, including a broad range of densities and uses at the station area core.

This development concept represents "One Possible Future" for the year 2057. The actual outcome will be shaped by the private market's response to zoning, regulatory, and public investment decisions made by the Durham City Council.

SOUTH SQUARE AT-A-GLANCE

The following information is based on the station development concept from the previous page and the larger station area shown on page 150. The station development concept considers existing land uses, infrastructure, and environmental features, indicates land that is most likely to experience redevelopment as a result of market demand stemming from proximity to transit, and incorporates best practices for transit-oriented development.





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STATION AREA BIKE & PEDESTRIAN AND STREET NETWORK

The map below shows existing and proposed streets within the station area, as well as streets that should be considered bike/ped priority when they are constructed or retrofitted as new development occurs. Multi-use paths and bus connections are also shown.

POTENTIAL BIKE/PED & STREET NETWORK



The image includes proposed refinements to the Durham-Orange Light Rail Transit Project currently under study. The proposed light rail project refinements are subject to environmental review and approval by the Federal Transit Administration following a public comment period.

- | | | |
|--------------------------|---|--------------------------|
| Light Rail Station | Proposed Future Streets | Existing Multi-Use Path |
| Light Rail Alignment | Existing Streets | Proposed Multi-Use Path |
| Development Concept Area | Bike/Ped Priority Streets (Proposed) | Proposed Bus Connections |
| Existing Structure | Bike/Ped Priority Streets (Existing Street Retrofitted) | |

POTENTIAL NEW TAX REVENUES

The analysis below summarizes the potential new tax revenue for the South Square station area for the next 40 years. Tax revenue sources include property tax revenues to the City of Durham and Durham County. The analysis excludes sales tax.

Station Area	265 Acres
Development Concept Area	102 Acres

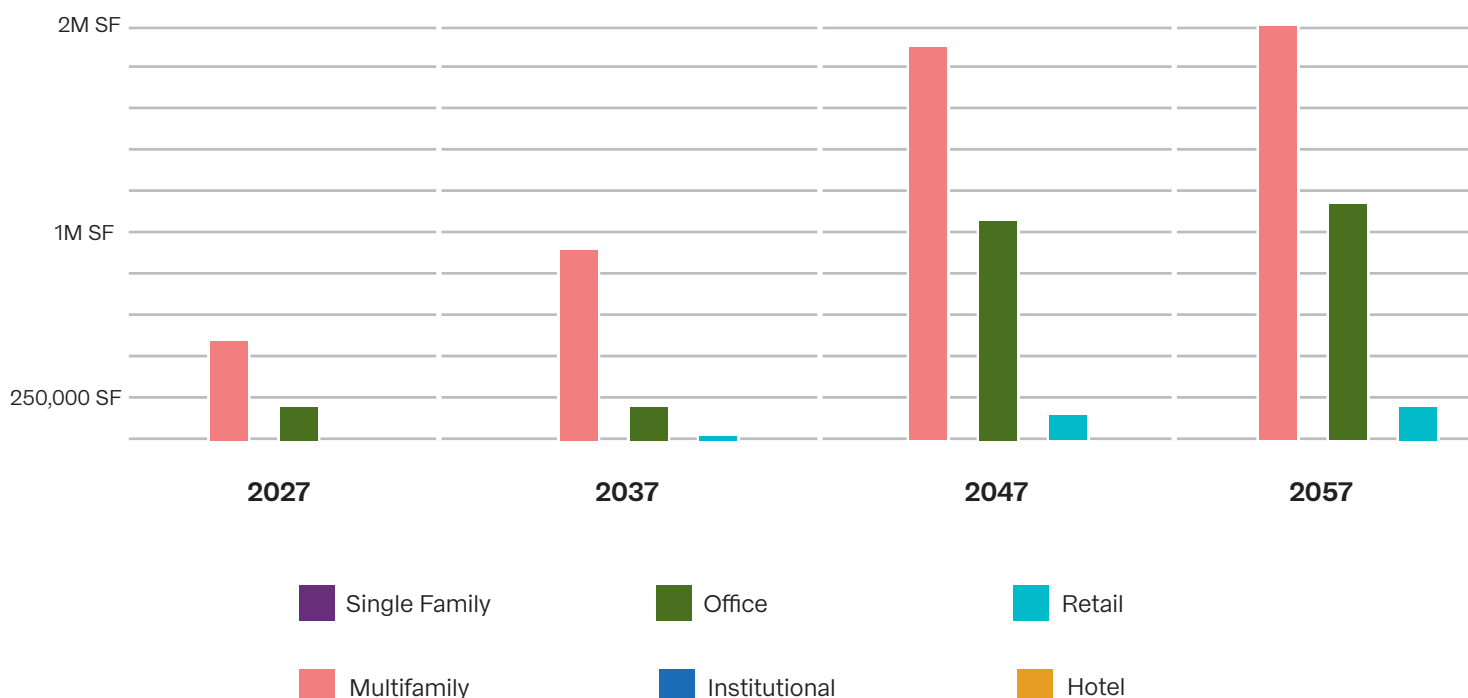
POTENTIAL NEW TAX REVENUES

SOUTH SQUARE	2027	2037	2047	2057
Baseline Property Value				
Lower Estimate (35th Percentile)	\$155.9 Million	\$128.7 Million	\$96.3 Million	\$79.5 Million
Upper Estimate (65th Percentile)	\$211.0 Million	\$174.2 Million	\$130.3 Million	\$107.6 Million
Net New Property Value				
Lower Estimate (35th Percentile)	\$105.0 Million	\$139.9 Million	\$300.1 Million	\$277.0 Million
Upper Estimate (65th Percentile)	\$142.0 Million	\$189.2 Million	\$406.1 Million	\$374.8 Million

	2018 - 2027	2018 - 2037	2018 - 2047	2018 - 2057
Net New Accumulated Tax Revenue				
Lower Estimate (35th Percentile)	\$8.1 Million	\$25.0 Million	\$50.9 Million	\$90.7 Million
Upper Estimate (65th Percentile)	\$11.0 Million	\$33.9 Million	\$68.7 Million	\$122.8 Million

Financial estimates are reported as discounted present value based on an inflation-adjusted discount rate of 2.5%. Discounted Present Value is a financial calculation that measures the worth of a future amount of money in today's dollars in order to account for inflation.

ACCUMULATED STATION AREA DEVELOPMENT





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Anticipated Development Horizon

Pre-Rail (2018 - 2027): Support current proposals of mixed-use development on infill sites.

Rail +10 (2028 - 2037): Redevelopment of aging large format retail to a mixed-use development with high-quality pedestrian and bike access to station.

Rail +20 (2038 - 2047): Office, residential and other mixed-use development types filling out the station area.

Rail +30 (2048 - 2057): Build-out of the station area subject to market needs.

Investment Phasing

South Square station will be a sister station to MLK. All coordinated governance should be established as a combined effort, similar to the joint Compact Neighborhood plan that was prepared for this area. The boundary between the two stations is fuzzy, as they will feed off each other's success moving forward. Supporting the evolution as one being more residential and the other being more employment will be a natural effort and should not be restricted.

AFFORDABLE HOUSING OPPORTUNITIES

The following strategies should be employed to integrate affordable housing opportunities throughout the South Square station area:

- ☐ Leverage new property values to fund affordable housing and requisite infrastructure
- ☐ Incentivize landlords to rehabilitate and preserve affordable housing
- ☐ Density bonus

ZONING STRATEGIES

The majority of the South Square station area is encompassed by the South Square & MLK Jr Pkwy Compact Neighborhood Tier. The station area consists of many zoning categories with much of the suburban redevelopment opportunity zoned CC, MU and OI with surrounding parcels zoned a combination of residential zoning districts: RS-M and PDR.

The station itself is in the Commercial Center (CC) district which is a primarily suburban commercial zoning. The district is "a concentration of commercial activities surrounding a node such as the intersection of two arterials with an overall design scheme, rather than strip commercial. The district is intended to provide a wide range of retail and service activities that serve many neighborhoods"

Office/Institutional (OI) District "is established for employment and community service activities...on sites that have convenient access to arterials, since development of moderate to high intensity is allowed."

The MU District allows for "innovative opportunities for an integration of diverse but compatible uses into a single development"

The residential zoning designations are suburban multifamily and Planned Development districts. RS-M allows for suburban multifamily up to 18 units per acre with a development plan.

Rezoning to appropriate TOD districts and sub-districts is the next regulatory step to provide for the implementation of transit-oriented development. Special consideration should be given to the zoning

for residential properties where affordably-priced, or naturally occurring affordable housing exists to ensure that some or all of the homes can be conserved as affordable as new development occurs.

PARKING STRATEGIES

The South Square station area currently has significant surface parking that supports the existing suburban development. The suburban retrofit of this station will need to incorporate on-street parking and smaller block sizes to promote better connectivity for pedestrians and bicyclists.

Significant retail in the area will evolve to new development with a denser mix of uses that will in turn transform the surface parking into garage parking.

A parking district within the MLK, Jr. Parkway station area will help balance the parking needs for the greater neighborhood area.

The table below details some of the specific strategies for parking.

		YEAR			
PARKING STRATEGY		PRE-RAIL (2018 - 2027)	RAIL +10 (2028 - 2037)	RAIL +20 (2038 - 2047)	RAIL +30 (2048 - 2057)
Form	On-Street	Incorporate on-street parking with each new street or street renovation within the district			
	Surface	Any new surface parking must be staged to receive development in the future		Discourage the use of surface parking	
	Structured	Only use incentives when the structure will benefit catalytic projects or major employment	Use strategic incentives to support structured parking according to the district parking master plan		
Policy	Supply	Design parking lots and structures so that they can be shared between all uses within the parking district. Require parking occupancy be evaluated every five years at a maximum			
	Incentives	Focus cash and policy incentives towards providing publicly accessible parking levels within privately-owned structures			
	Pricing	Encourage unbundling of parking spaces from leases	Conduct market rate study; raise rates as necessary	Index cost to inflation	
Implementation	District	Upon creation in coordination with MLK Jr. Parkway station, begin work on a master parking plan	Implement master parking plan and program incentives for parking towards catalytic projects. Revisit master parking plan every five years		
	Public	Assemble district parking program in coordination with MLK Jr. Parkway station.	Support five year updates to district plans and financial analysis and incentive programs for catalytic projects		



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TOD PUBLIC INVESTMENT INFRASTRUCTURE PRIORITIES

The following station area projects have been identified as the key projects the City and other partner entities should undertake to support catalytic station area development.



Complete Streets (University Drive east of Shannon and U.S. 15-501 Business)

Redesign of Shannon Road as a complete street thoroughfare providing north-south access to the station

Timeframe: Pre-Rail
Rail +10

Cost: \$\$

Water/Sewer Capacity

Through the current capacity analysis, determine needs for development horizon and plan accordingly

Timeframe: Pre-Rail

Cost: \$

Additional Bike/Ped Crossing of U.S. 15-501 Business

Add additional bike/ped crossings of U.S. 15-501 Business at Tower Road, Shannon Road and Auto Drive

Timeframe: Pre-Rail

Cost: \$

PUBLIC INVESTMENT PRIORITIZATION

CATEGORY	YEAR			
	PRE-RAIL (2018 - 2027)	RAIL +10 (2028 - 2037)	RAIL +20 (2038 - 2047)	RAIL +30 (2048 - 2057)
Station Area Infrastructure	Shannon Road complete street improvements (University Drive to U.S. 15-501 Business)		-	-
	Confirm utility needs for the next 10 to 20 years of development	-	Re-analyze utility needs to support the next phases of redevelopment	-
Bike/Ped and Transit Support	Improve existing streets to accommodate complete street design		-	-
	Additional Bike/Ped Crossing of U.S. 15-501 Business	-	-	-

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