



**VILLAGE COUNCIL
AGENDA FOR WORK SESSION OF FEBRUARY 25, 2020
ASSEMBLY HALL
395 MAGNOLIA RD.
PINEHURST, NORTH CAROLINA**

IMMEDIATELY FOLLOWING THE REGULAR MEETING

1. Call to Order.
2. Discuss Public Comment Period.
3. Discuss Small Area Plans.
4. Pedestrian and Child Safety on Residential Streets.
5. Other Work Session Business.
6. Potential Future Agenda Topics
7. Adjournment.

Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement.



**DISCUSS SMALL AREA PLANS.
ADDITIONAL AGENDA DETAILS:**

FROM:

Natalie Dean Hawkins

CC:

Darryn Burich and Jeff Sanborn

DATE OF MEMO:

2/20/2020

MEMO DETAILS:

This agenda item is to follow up on the discussion Village staff had with the Council in January about how to proceed with small area plans for the Village Place/Rattlesnake Trail and Highway 5/Pinehurst South areas. Attached to this agenda item are several documents to support the discussion staff will have with Council in the work session:

1. A PowerPoint presentation providing a brief history and background on planning for the Village Place and Hwy 5 areas that contains staff's recommendation on how and when to proceed.
2. "Critical path" summaries of how some 2019 Comprehensive Plan strategies are related to one another and how Village staff proposes to sequence their implementation. You will see that staff recommends a comprehensive update to the PDO in Fiscal Year 2022-2024, which we believe should be conducted after first creating small area plans to identify standards needed.
3. A draft of the proposed Request for Qualifications (RFQ) for the small area plans.
4. Previous planning documents for background information on the planning areas including excerpts from the 2003 Comp Plan, the 2008 NewCore Master Plan, the 2010 Comp Plan, and the 2013 Village Place Study.

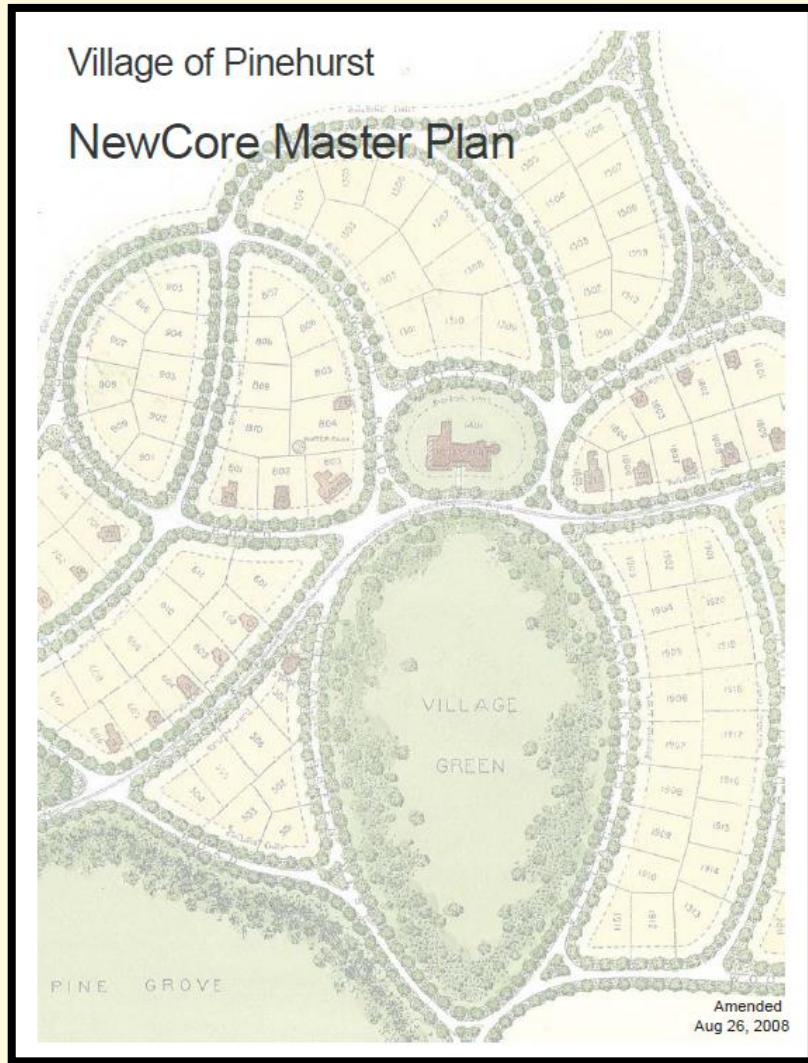
Staff will review and discuss these materials with the Village Council at your work session. Staff proposes to conduct both small area plans in Fiscal Year 2021 and to proceed immediately with distributing a RFQ to get a consultant under contract by June 30, 2020. Staff is seeking Council's consensus on how and when to proceed with the small area plans so we can budget accordingly in the Fiscal Year 2021 Strategic Operating Plan. If Council decides to proceed with the small area plans, staff would also like to discuss the proposed Scope of Work and Deliverables identified in the attached RFQ.

ATTACHMENTS:

Description

- ❑ Small Area Planning Background PowerPoint
- ❑ Comp Plan Strategies "Critical Path"
- ❑ Draft RFQ for Small Area Plans
- ❑ 2003 Comp Plan - Village Center
- ❑ 2003 Comp Plan - Bus Dev't

- ▢ 2008 NewCore Master Plan (Amended)
- ▢ 2010 Comp Plan - Village Center Section
- ▢ 2013 Village Place Study
- ▢ Hwy 5 Land Use Map
- ▢ Hwy 5 Zoning Map
- ▢ Village Place Land Use Map
- ▢ Village Place Zoning Map



Village Place/Rattlesnake Trail & Highway 5/Pinehurst South Small Area Plans

February 25, 2020

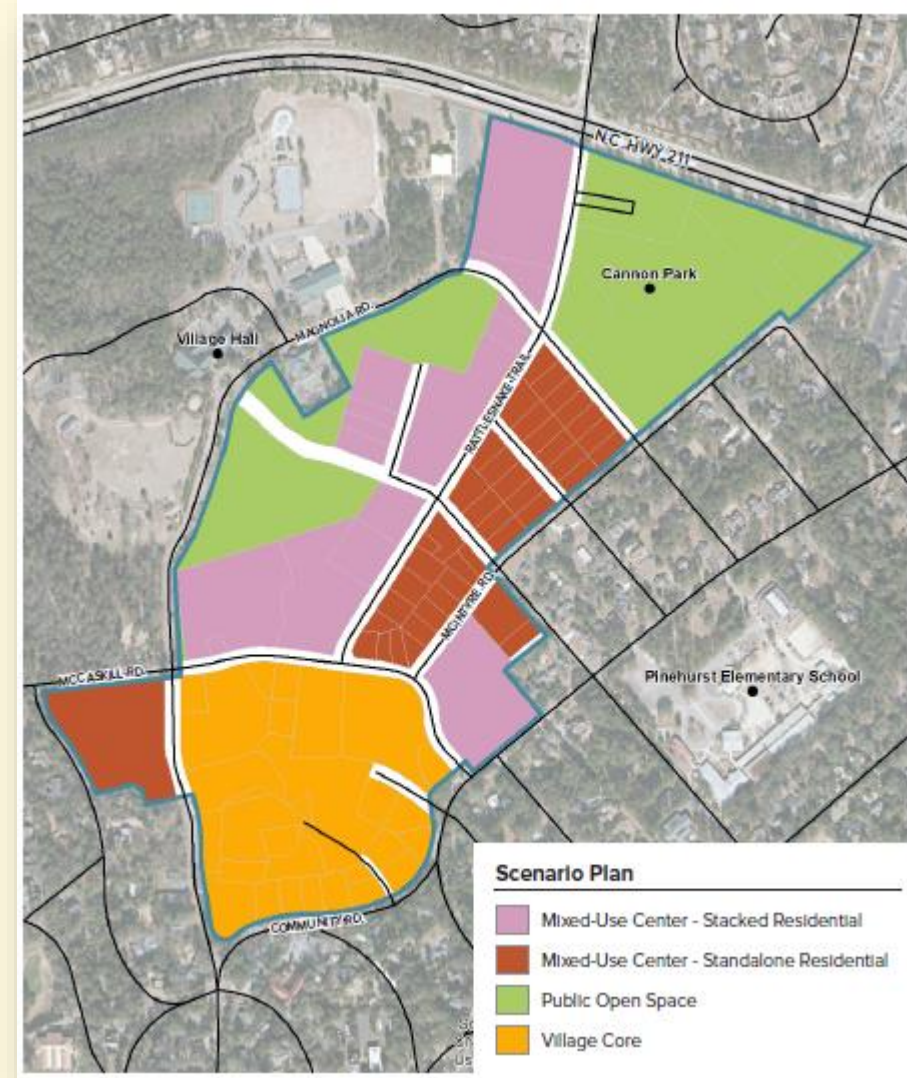
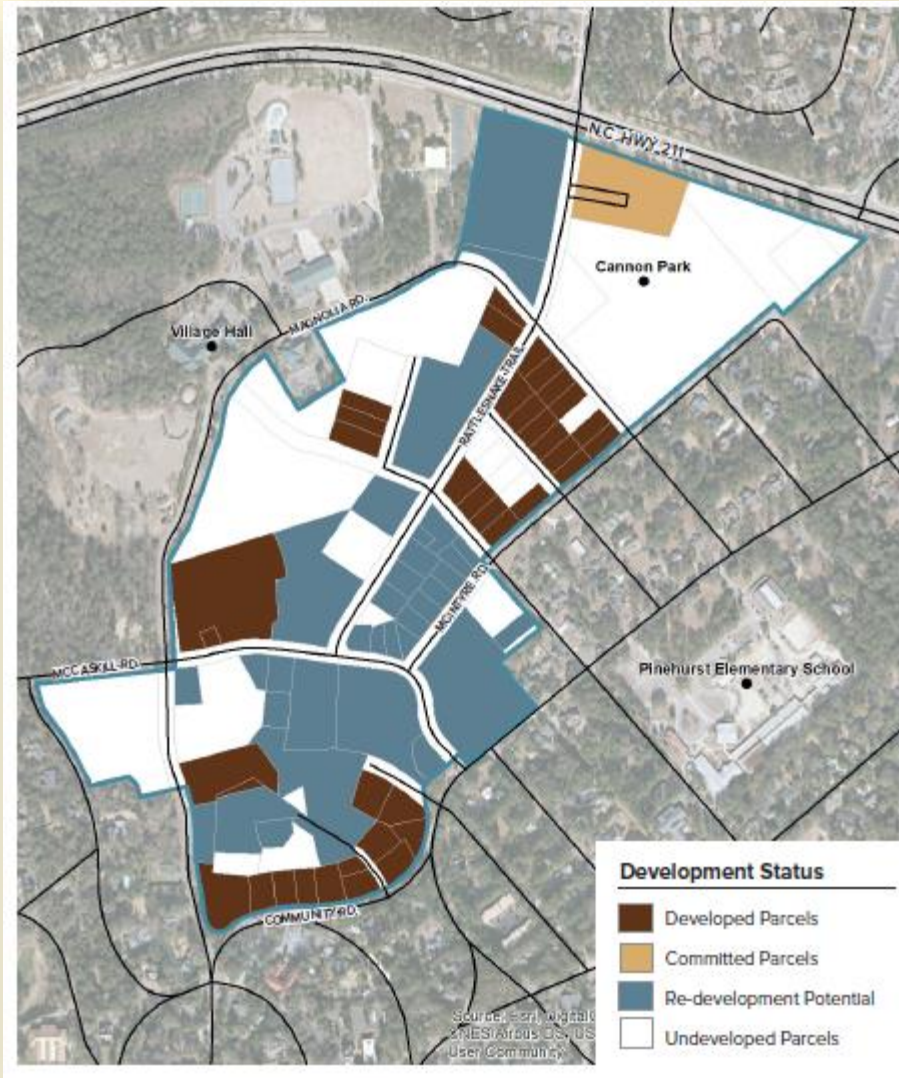
1. Provide an overview of previous planning for New Core/Village Place
2. Review proposal for small area plans for Village Place/Rattlesnake Trail & Highway 5/Pinehurst South Commercial Area
3. Seek Village Council consensus on how and when to proceed

What is a Small Area Plan?

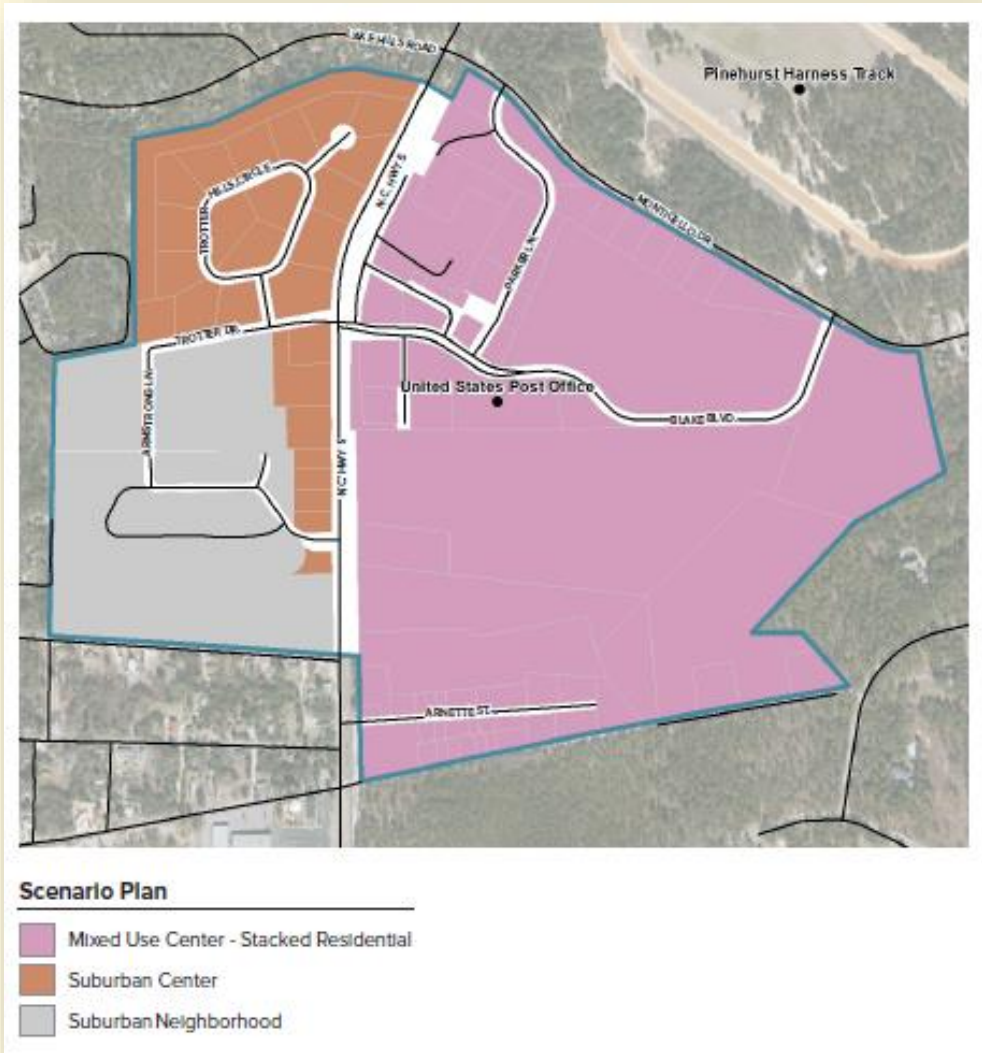
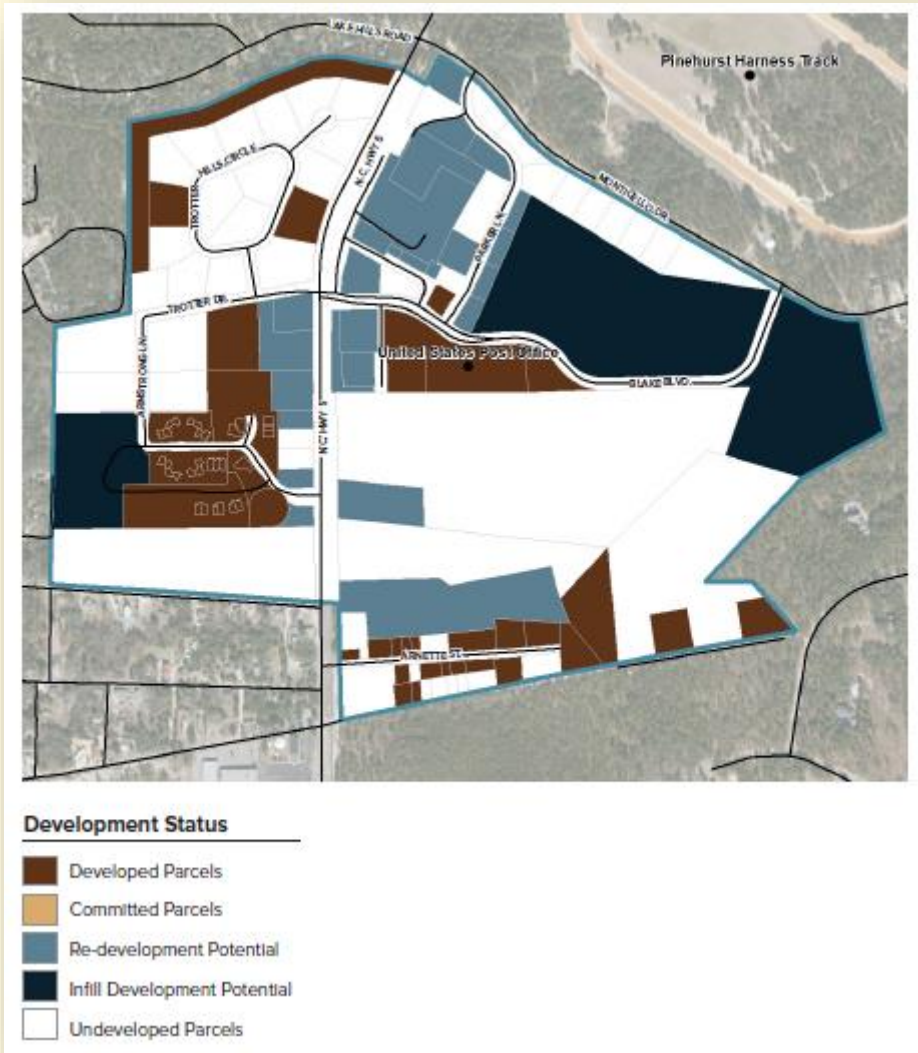


- Detailed and comprehensive planning for a specific area with resident involvement and engagement
- Contains specific recommendations on how to achieve the community's preferred future for an area, with recommendations on:
 1. Land-use
 2. Zoning
 3. Housing
 4. Transportation (streets, walkways, and parking)
 5. Parks and open space
 6. Economic development
 7. Urban design
- Acts as a policy guide for infrastructure improvements and development reviews
- While a Comprehensive Plan may give some indication to a preferred future, a small area plan includes detailed market analysis, land use analysis & planning, transportation planning, site planning & design, and community engagement to provide specific recommendations on how to achieve a desired future that meets resident needs and desires

Village Place/Rattlesnake Trail Planning Area (Focus Area 4)



Highway 5/Pinehurst South Planning Area (Focus Area 2)



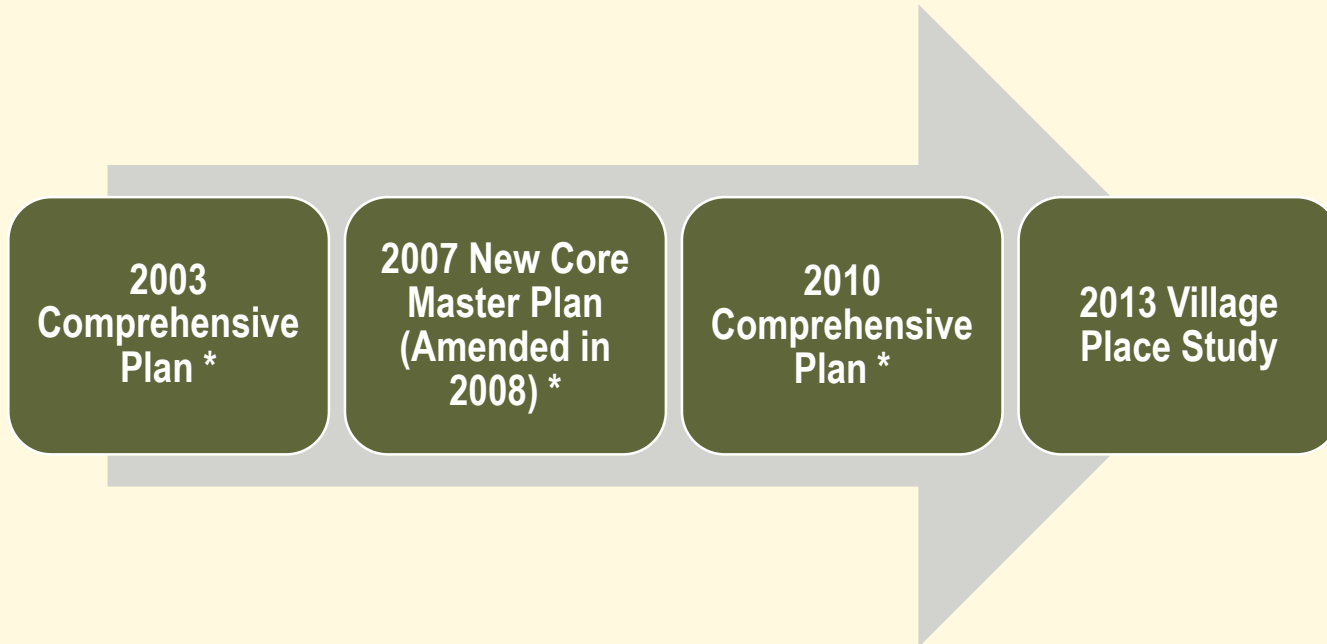
Previous Planning

New Core Master Plan – Small Area Plan



- Used an 8-member Steering Committee
- Extensive public input in the 5-step process that spanned two years:
 1. Background Research and Analysis
 2. Vision Survey – Visual preferences of features (Vision survey)
 3. Charrette (3-day event) and Concept Plan Development
 4. Preparation and Presentation of Draft Plan
 5. Final Revisions and Presentation
- Utilized expertise of professional consultants:
 1. Lead Consultant - Overall coordination of process and public engagement
 2. Economist – Conducted market/economic analysis to understand market potential
 3. Transportation Consultant – Identified potential road network, sidewalk placement, & quantified traffic impacts
 4. Architects - Provided architectural design concepts
 5. Landscape Architects - Identified landscape features

Previous Planning for New Core/Village Place



Consistent recommendations

1. Extend Village Center north to New Core/Village Place Area
2. Develop the area as mixed-use
3. Village Center lacks “critical mass”
4. Connect Rattlesnake Trail to Community Road and add brick sidewalk connections for a strong pedestrian focus & interest

* Village Staff (Admin, Planning, P&R, & Public Services) have used these regulatory documents approved by the Village Council to review development proposals, install infrastructure (e.g. sidewalks, Power Plant Road), and make other improvements since 2003.

Overview of Previous Planning for New Core/Village Place – 2003 Comprehensive Plan



2003 Comprehensive Plan: Chapter 11 (Pages 11-1 to 11-8)	
Key Recommendations to Address Issues	Key Actions VOP Took
Expand the Village Center into the New Core area and adopt mixed use zoning	
Connect Rattlesnake Trail to Community Road to improve access to Village Center	
Develop one or more parking structures and eliminate parking from the Village Green	Executed a term sheet with Resort to partner on a Carriage House parking facility behind the Holly Inn (accessible by Dogwood and Orange Roads) with conceptual drawings prepared in 2013
Establish a pedestrian connection beside the Pine Crest Inn; Develop brick sidewalk system; Tie the Village Center sidewalk system to a greenway system	Enhanced and expanded brick sidewalks in the Village Center and on Magnolia Road
Create a small area plan	Created the New Core Master Plan
Use form-based codes to help residents and developers better understand what is desired	Integrated elements of form-based codes into the New Core Master Plan (Page 35)



Carriage Facility Concept Plan –
View from Dogwood Rd (2013)



Carriage Facility Concept Plan –
View from Orange Rd (2013)

Form Based Codes – 2003 Comprehensive Plan



March 26, 2003

Design Guidelines

Architectural design and character are subjective issues. What some see as “good design”, others see as visually incompatible or inappropriate.

This is why Pinehurst has established a Community Appearance Commission to help review building construction (including single-family homes) in the community.

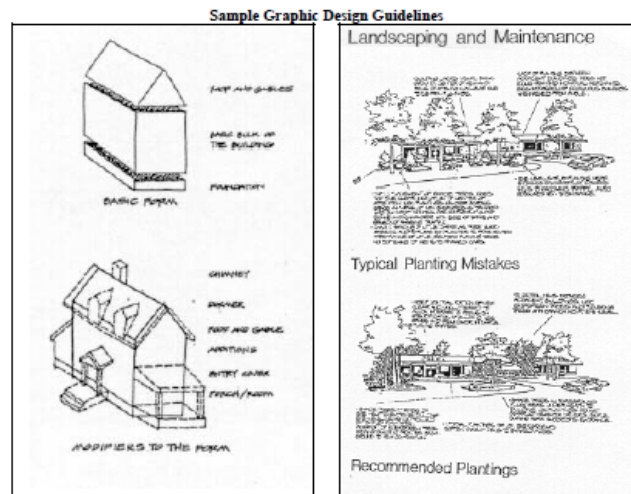
Experience in other communities has shown that preparing graphic design guidelines can promote more and better discussion about community design.

Adopt Graphic Design Guidelines

Community character is heavily influenced by the architectural design of buildings, how the buildings are located on the site, and how the public views the development from the street. While the Community Appearance Commission is doing a good job reviewing developments, a set of graphic design guidelines will help residents and builders better understand what is desired and expected in Pinehurst.

Graphic design guidelines will also be a significant improvement over the text-based guidelines presently contained in the “Construction/Development Guidelines” and the “Pinehurst Development Ordinance”.

Strong, definitive, and clear visual guidelines and direction statements will help existing and prospective residents, developers and builders better understand what is desired for the built environment of Pinehurst.



“Graphic design guidelines will also be a significant improvement over the text-based guidelines presently contained in the “Construction/Development Guide-lines” and the “Pinehurst Development Ordinance”

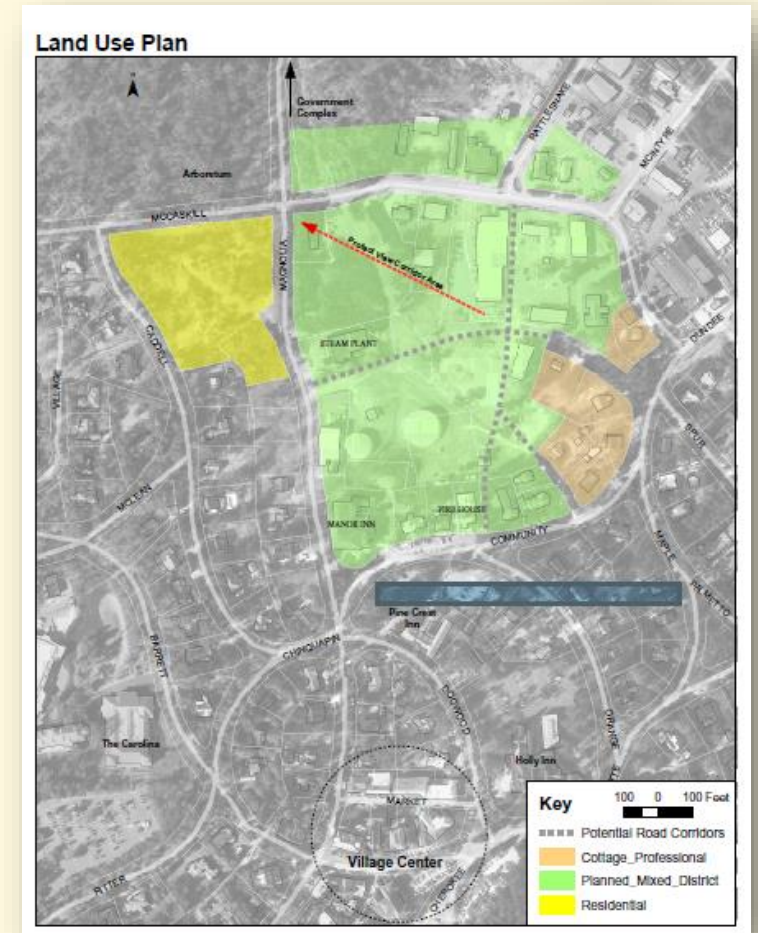
Strong, definitive, and clear visual guidelines and direction statements will help existing and prospective residents, developers and builders better understand what is desired for the built environment of Pinehurst.”

- 2003 Comprehensive Plan

Overview of Previous Planning for New Core/Village Place – 2007/2008 New Core Master Plan



2007 New Core Master Plan	
Key Recommendations to Address Issues	Key Actions VOP Took
Extend Village Center to New Core	
Create a north-south connecting spine from Rattlesnake to Community; a east-west road using Spur Road/Power Plant Road	Resort installed a section of Power Plant Rd, on-street public parking, & sidewalks for the Steam Plant
Install sidewalks on both sides of the road on Magnolia, McCaskill, and Community Roads	Extended sidewalks on west side of Magnolia Rd, north side of Community Rd, McIntyre Rd and McCaskill Rd; FY20 budget to extend sidewalks on east side of Magnolia
Install wayfinding signage to direct motorists to the Village Center/New Core Area	Installed wayfinding signage
Create condos/live work space (alternatives to single-family homes)	



Land Use Plan – 2008 New Core Master Plan

Overview of Previous Planning for New Core/Village Place – 2007/2008 New Core Master Plan (Continued)



2007 New Core Master Plan	
Key Recommendations to Address Issues	Key Actions VOP Took
Preserve the Manor Inn, Steam Plant, and old fire-house as historic structures *	Worked with the Resort for over 6 years to facilitate re-development & preservation of the Steam Plant
Seek a master developer and install infrastructure <u>or let develop incrementally</u>	Approved incremental development for Steam Plant and Greens at the Arboretum
Rezone the area to allow mixed-uses with retail uses on the southern end closest to the Village Center	Amended the PDO to create the VMU zoning district and conditional zoning
Relocate the Public Services facility	Purchased land on Juniper Lake Rd; Engaged an architect to prepare site plans (90% complete) in 2008
ORIGINAL: 35% min open space; 25% - 40% retail (entertainment, restaurant); 25%-40% residential; 20%-35% other (office)	
2008 Amended New Core Master Plan	
Eliminated medical office uses	Denied Pinehurst Medical proposal for Greens at the Arboretum Phase II
Limited retail spaces to less than 7,500 sf	
AMENDED: 45% min open space; 25% - 35% retail (entertainment, restaurant); 35%-45% residential; 25%-35% other (office) Note: Amended so New Core would generate about the same amount of traffic as the Village Center	



Steam Plant – Before (2013)



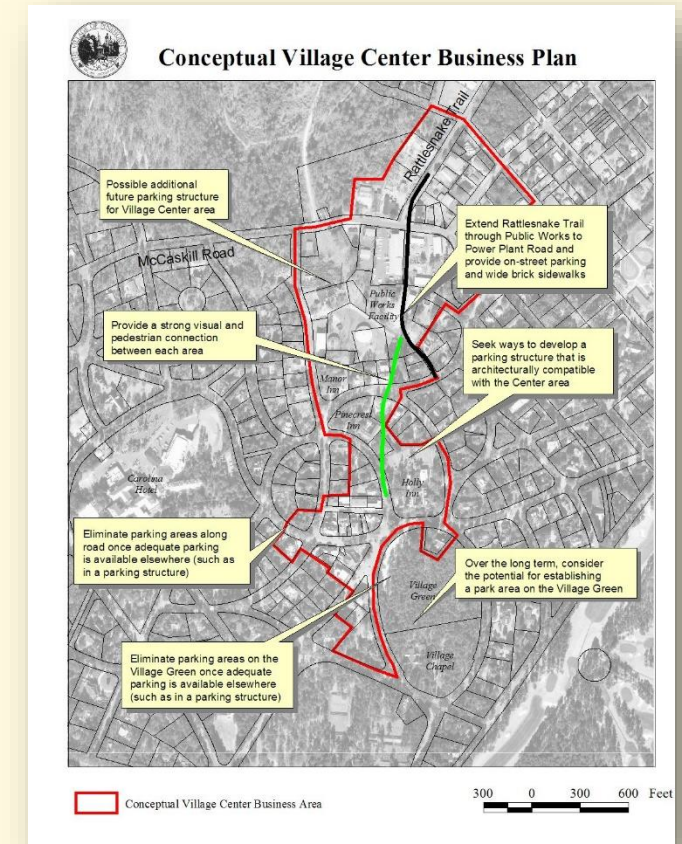
Steam Plant – After (2019)

* “A civic or institutional function would be most appropriate (for the old firehouse), such as the expansion of the Tufts Archives or public library” – 2008 New Core Master Plan (Page 21)

Overview of Previous Planning for New Core/Village Place – 2010 Comprehensive Plan

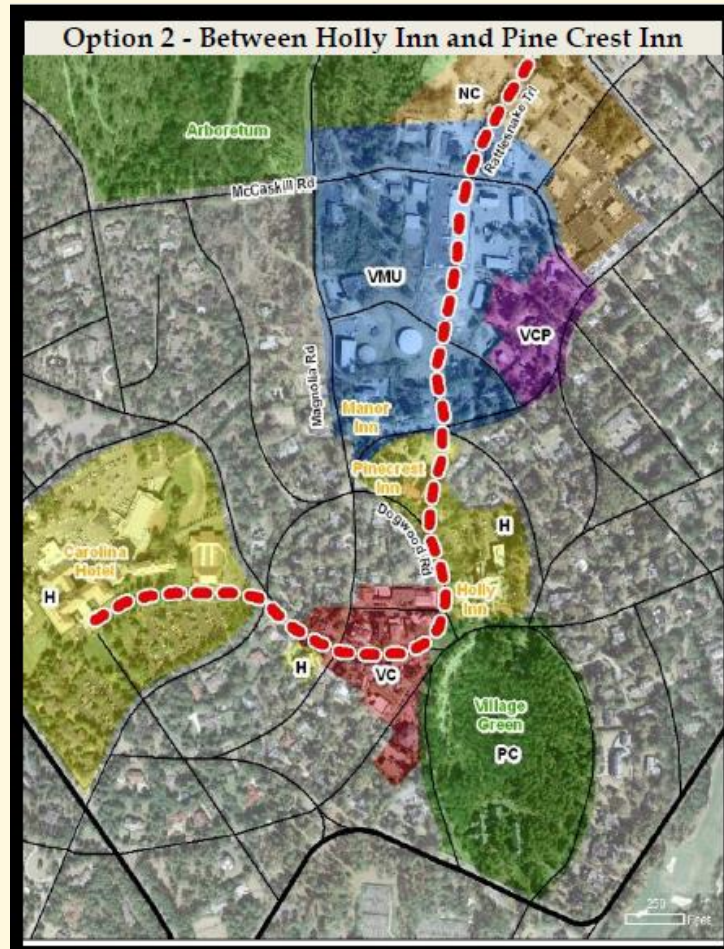


2010 Comprehensive Plan	
Key Recommendations to Address Issues	Key Actions VOP Took
Promote incremental development along <i>an "organizing spine" from the Carolina Hotel with a strong pedestrian focus and interest; between the Pine Crest Inn and the Holly Inn</i> ; Should resolve this first thing	Engaged an engineer to develop a concept plan to connect Dogwood Rd to Village Place
<i>Add retail incrementally on Dogwood Rd</i> ; Extend VC zoning to allow; Prepare a conceptual plan first	
<i>Relocate the Public Services Facility</i>	Purchased land & prepared site plans (90% complete)

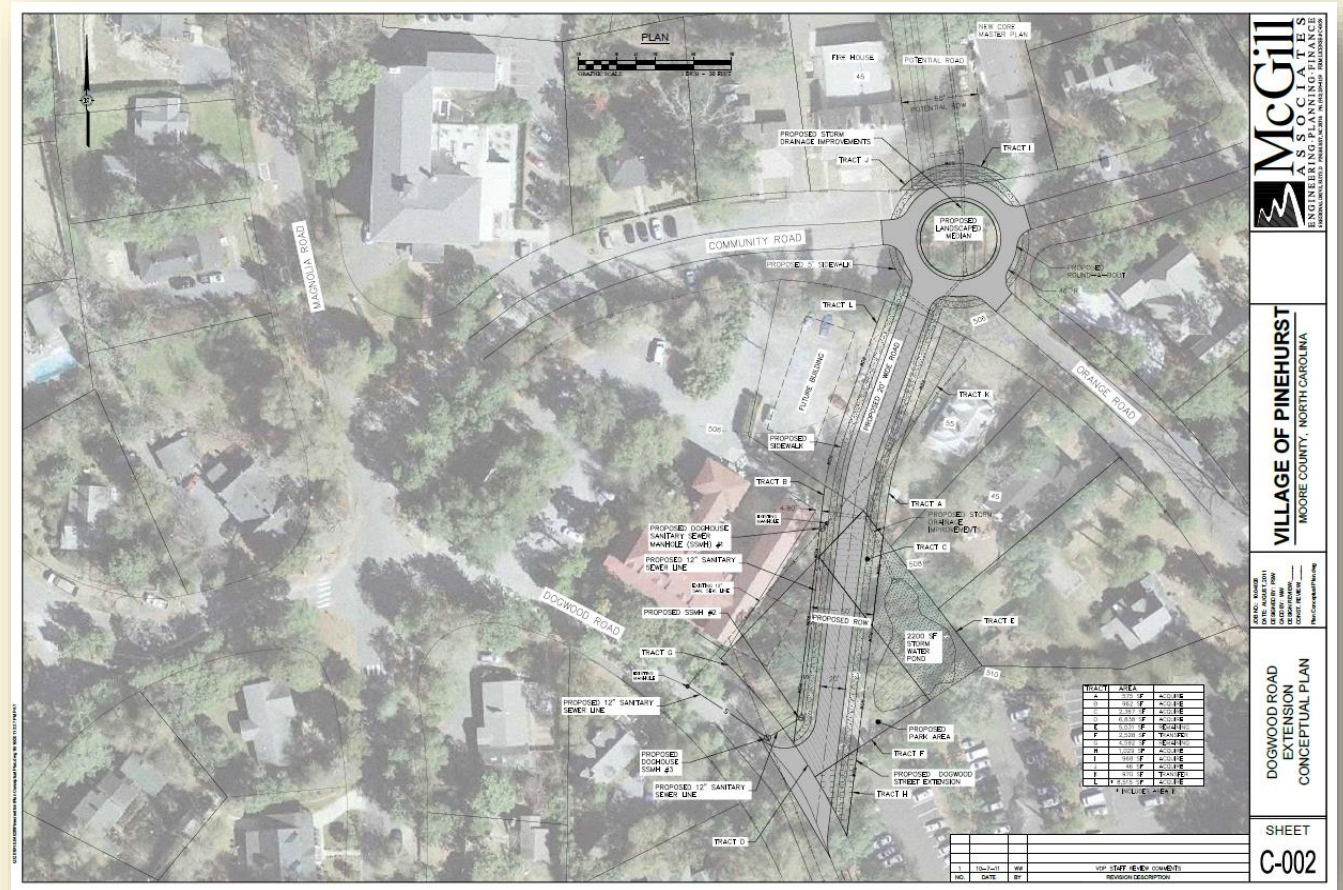


Village Center Business Plan (2003 Comp Plan)

Overview of Previous Planning for New Core/Village Place – 2010 Comprehensive Plan



Organizing Spine (2010 Comprehensive Plan)



Dogwood Rd Extension Concept Drawing (2012)

Overview of Previous Planning for New Core/Village Place – 2010 Comprehensive Plan



Dogwood Rd between Dugan's Pub and the Holly Inn looking north towards the Pine Crest Inn



Simulation of 1-3 new small-scale retail buildings on the east side of Dogwood Rd at the driveway of the Holly Inn parking lot

Overview of Previous Planning for New Core/Village Place – 2013 Village Place Study



2013 Village Place Study	
Key Recommendations to Address Issues	Key Actions VOP Took
Relocating Public Services facility is not a "critical path" to redevelopment, but relocation is important	Postponed plans to relocate Public Services Complex and invested in improvements
Undersupply of Class A office space; could house incubation/acceleration spaces or co-work/office space; Target medical professional office, banks, & other service businesses as primary tenants	
Growing need for multi-family rental housing with medical employment center growing	Approved Greens at the Arboretum
Need an anchor of 10,000 - 20,000 square feet; unanchored retail is unlikely to be successful	
Housing is likely the "keystone" use to stand on its own: cluster homes; multi-family apartments; condos/townhomes	
Primary businesses should be convenience & dining, with small specialty shops & boutiques and office/professional	
Relocating rescue squad should be a high priority	Began discussions with Moore Co. about relocating the rescue squad



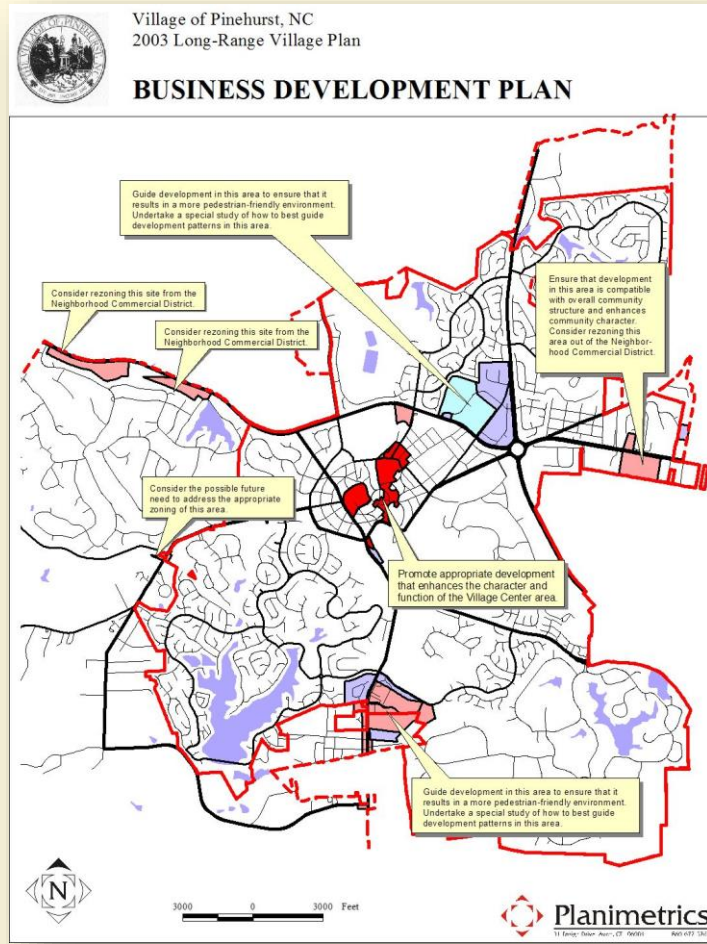
Pinehurst Rescue Squad

Summary – Village Place/Rattlesnake Trail



- Village staff have used previous planning efforts to review development proposals, install infrastructure (e.g. sidewalks, Power Plant Road), and make other improvements:
 1. Planning staff regularly refer to the plan when meeting with developers
 2. Extended brick sidewalks on Magnolia, Community, and McCaskill Roads
 3. Developed a concept plan for a Carriage House parking facility
 4. Developed a concept plan for the Dogwood Rd. Extension (i.e. organizing spine)
 5. Installed wayfinding signage
 6. Entered into discussions with Moore Co. on relocating the Rescue Squad building
 7. Worked with Pinehurst Resort for 6 years to renovate the historic Steam Plant, with Resort installing Power Plant Road

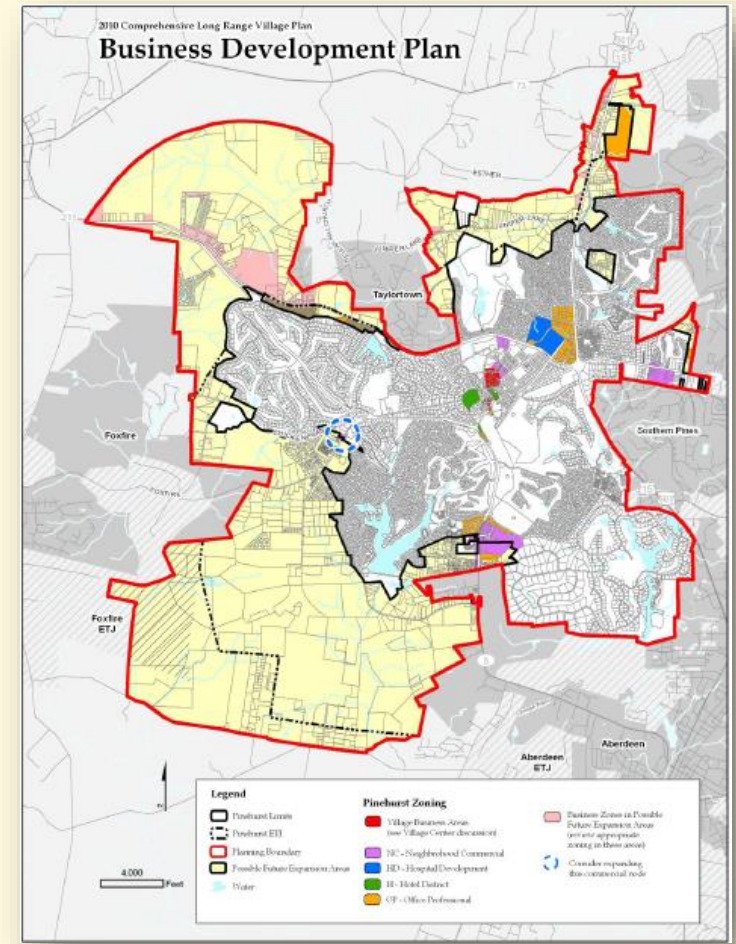
Previous Highway 5/Pinehurst South Planning Area



Business Development Plan (2003 Comp Plan)

“Guide development to ensure that it results in a more pedestrian friendly environment. Undertake a special study of how to best guide development patterns in this area.”
- 2003 Comp Plan

“Neighborhood Commercial area recommended for review (Monticello Rod at Blake Boulevard)”
- 2010 Comp Plan



Business Development Plan (2010 Comp Plan)

Staff Recommendations/ Council Discussion

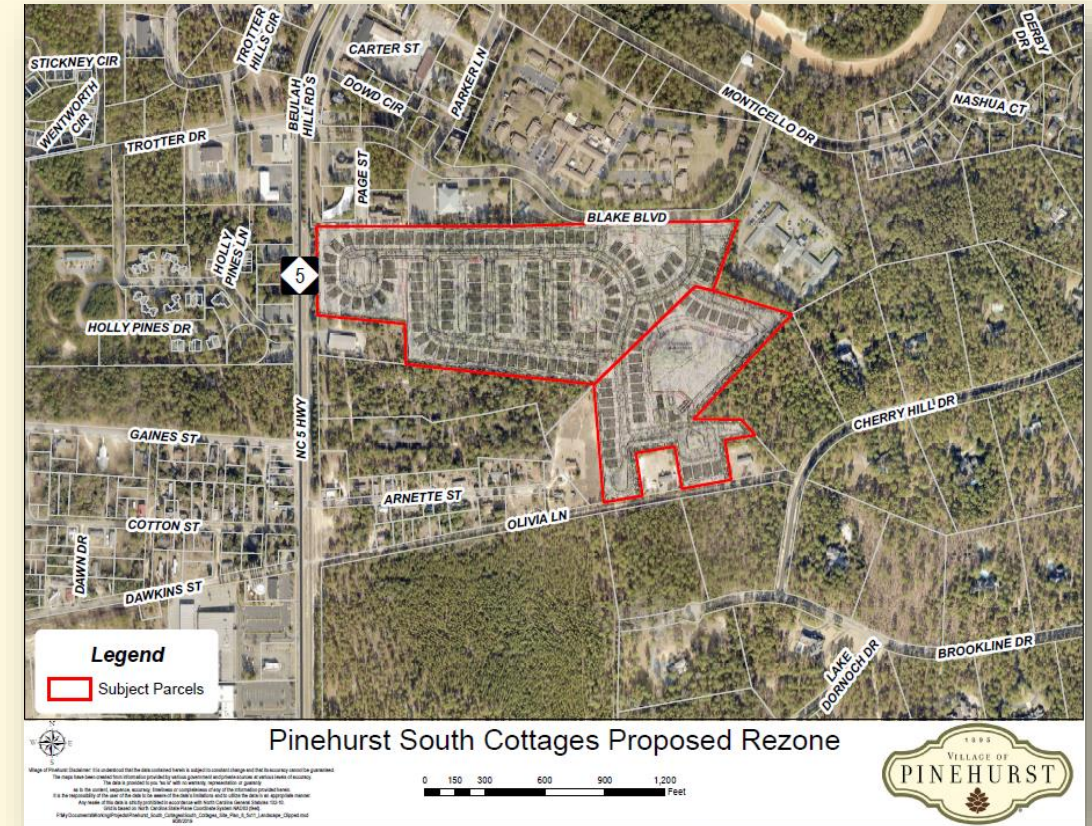
Staff Recommendations – Summary



1. Update the New Core Master Plan with a Village Place/Rattlesnake Trail Small Area Plan
 - Update previous New Core Master Plan & extend to Rattlesnake Trail
2. Prepare a Small Area Plan for the Highway 5/Pinehurst South Commercial Area
 - No small area planning has been completed for this area
3. Engage a consultant to conduct and manage both small area plans at the same time before June 30, 2020; use the RFQ process to select consultant
4. Estimate a 12-month process due to previous planning conducted, increased staff GIS capabilities, and increased public engagement experience

- Staff recommends using consultants to assist in the development of the Small Area Plans for the following reasons:
 1. Staff are becoming increasingly engaged by developers who express interest in both areas
 2. Developers want to know the long term “vision” for the area
 3. Village needs to improve Community Center parking and needs clear vision for area
 4. Market conditions are different today than when previous analysis was performed (2005 & 2013)
 5. Multiple Comp Plan strategies, including PDO amendments, need to be informed by detailed small area planning
 6. Staff does not have the capacity or capability to conduct a thorough analysis alone; need economists, transportation planners, landscape architects, civil engineers, and architects to develop appropriate and effective plans and implementation strategies
 7. Need illustrative physical plan to get to street level detail for form-based coding

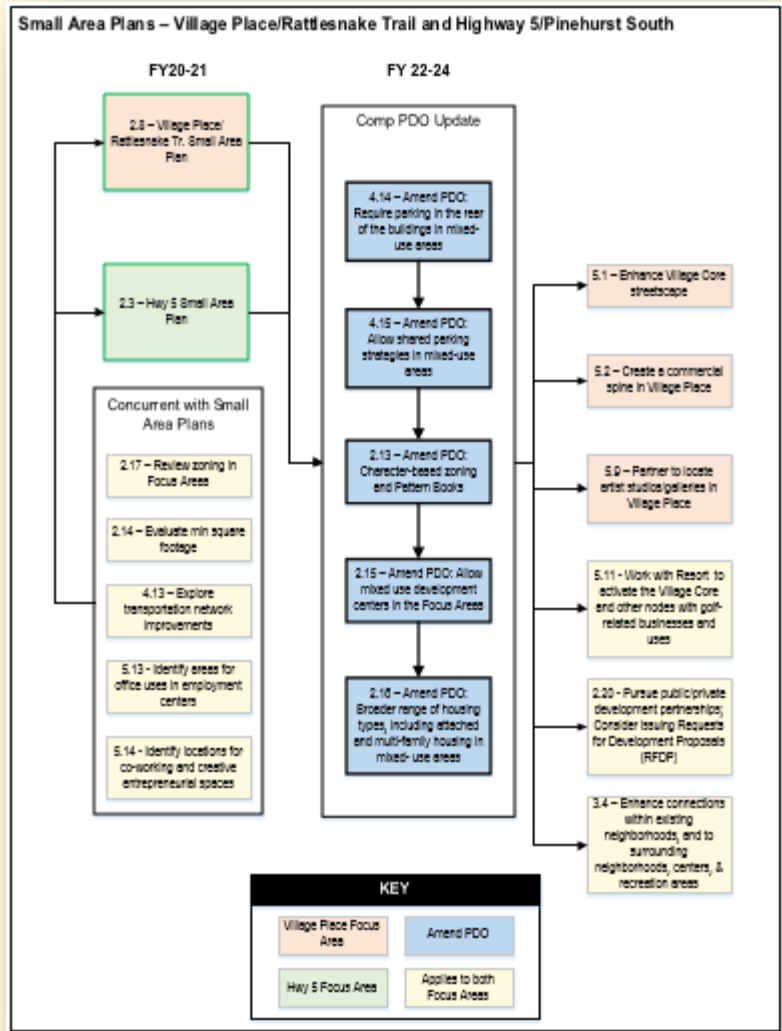
- Developer Interest
 1. Village Place – five different proposals for five different parcels in the last 12 months (3 on Rattlesnake Trail)
 2. Highway 5/Pinehurst South – six different proposals for six different parcels in the last 9 months



Example Development Proposal

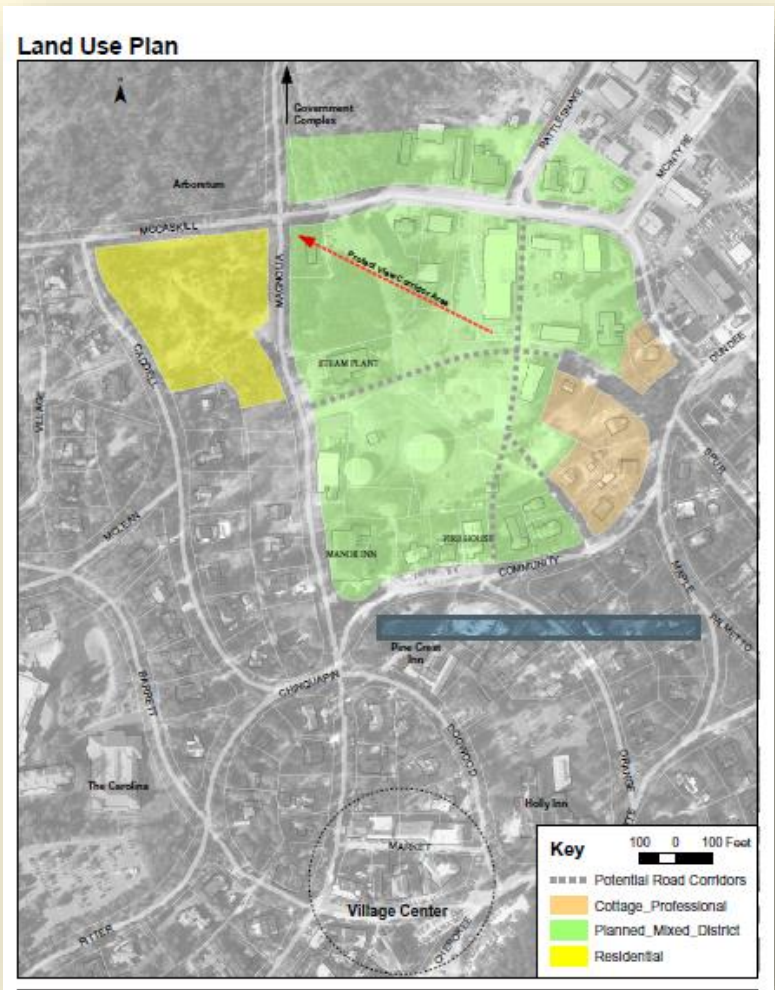
- 2019 Comprehensive Plan Strategies related to Small Area Plans:
 - 2.14 – Evaluate minimum square footage
 - 2.17 – Review zoning in Focus Areas
 - 4.13 – Explore transportation network improvements
 - 5.13 – ID areas for office uses in employment center
 - 5.14 – ID locations for co-working and creative entrepreneurial spaces
 - 5.1 – Enhance Village Core streetscape
 - 5.2 – Create a commercial spine in Village Place
 - 5.9 – Partner to locate artists studios/galleries in Village Place
 - 5.11 – Work with the Resort to activate the Village Core and other nodes with golf-related businesses
 - 2.20 – Pursue public/private development partnerships (e.g. RFDP)

Staff Recommendations – Critical Path of Small Area Plans

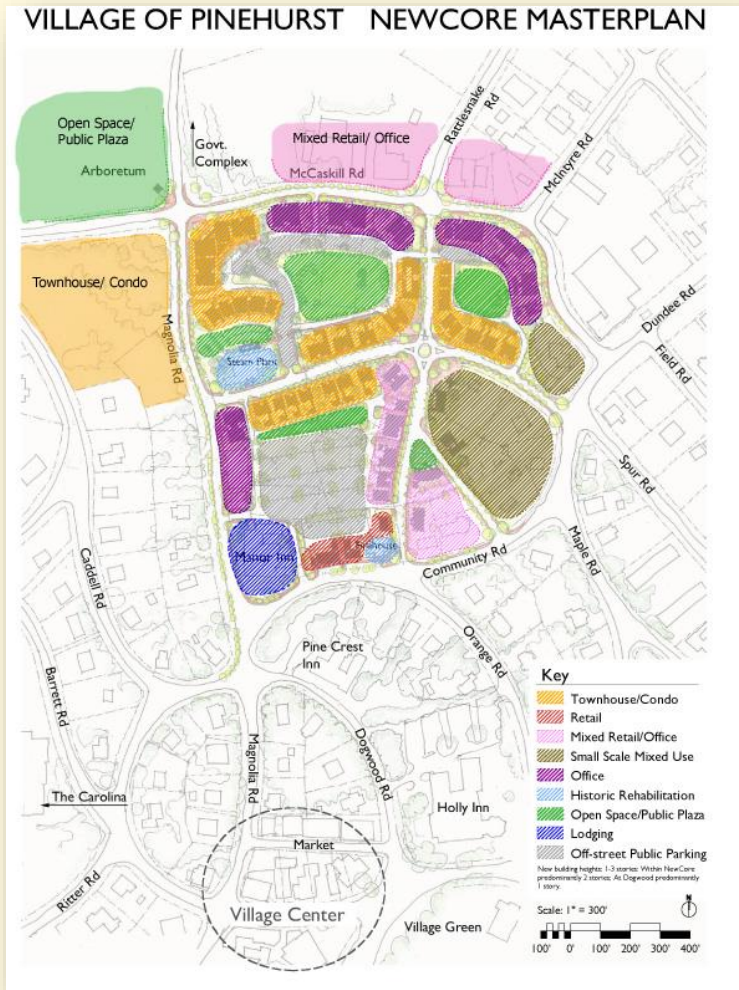


- The “Critical Path” shown here indicates those Comp Plan strategies that are relate to these two areas
- Small Area Plans support 5 of the 10 key strategic opportunities of the Comp Plan
 1. Reinvigorate the Village Center by developing a Golf by Day, Arts by Night atmosphere
 2. Promote high quality development & design
 3. Become a pedestrian-friendly community
 4. Create a thriving business environment
 5. Evaluate possible expansion and construction of new Village facilities

Land Use Plan vs. Illustrated Physical Plan



Land Use Plan



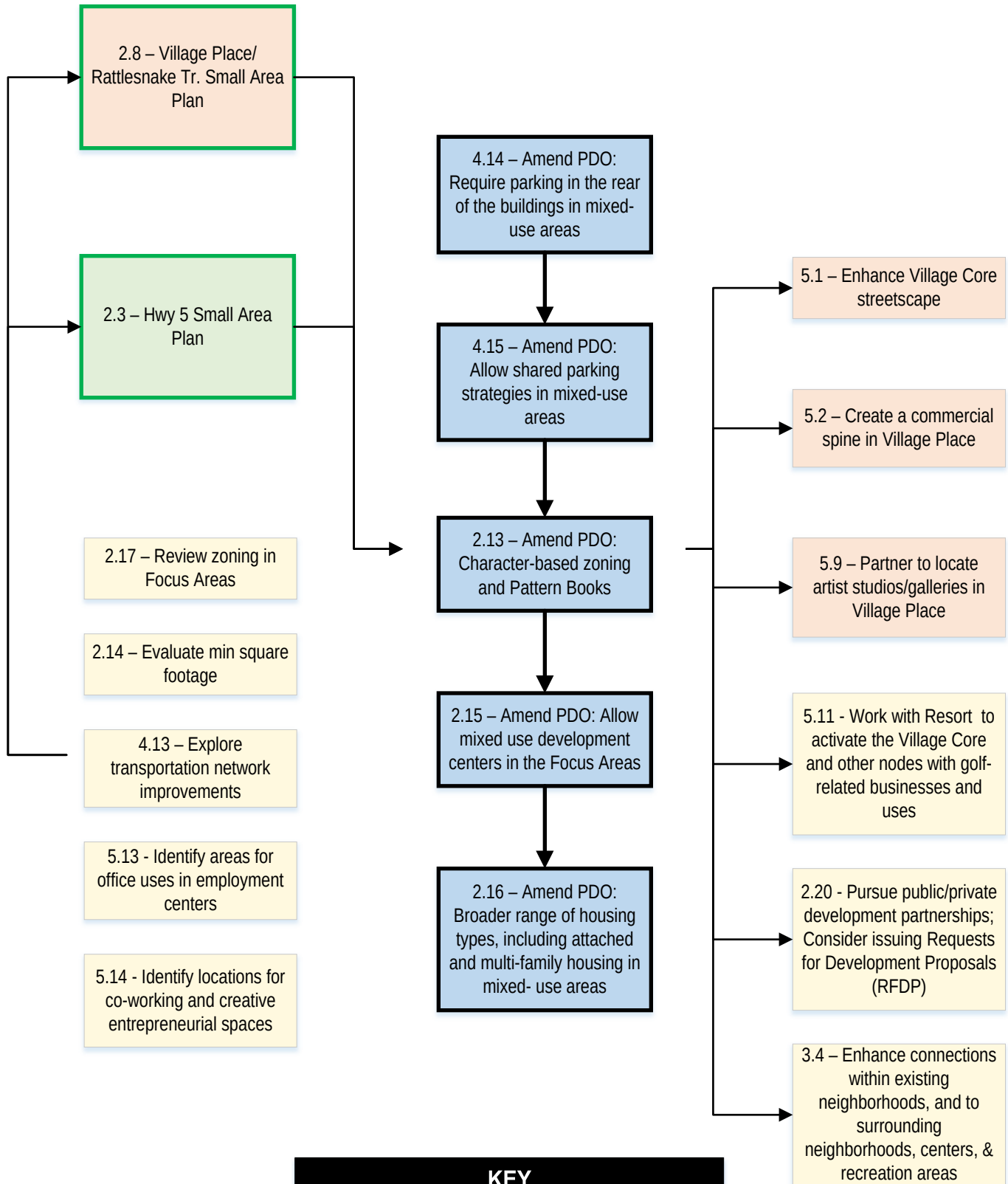
Example Illustrated Physical Plan

- At the December 2019 strategic planning retreat, the Council identified the small area plans as a strategic opportunity and placed a high urgency, but lower importance priority on the plans
- Benefits the Village can obtain from small area plans:
 - Staff and developers have a clear community vision for the area with an illustrated physical plan (e.g. street level detail)
 - Plans identify amendments needed to the PDO (e.g. form-based codes)
 - Less staff and board time wasted on applications that are inconsistent with the community's vision or trying to interpret the PDO

Small Area Plans – Village Place/Rattlesnake Trail and Highway 5/Pinehurst South

FY20-21

FY 22-24



KEY

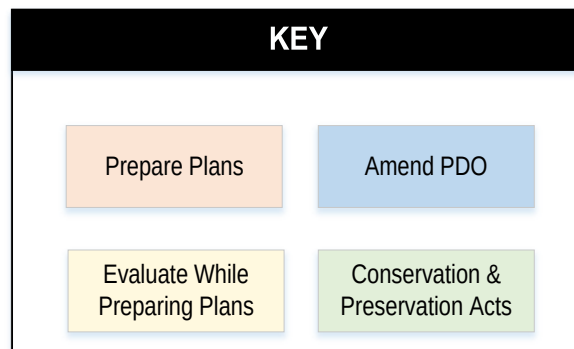
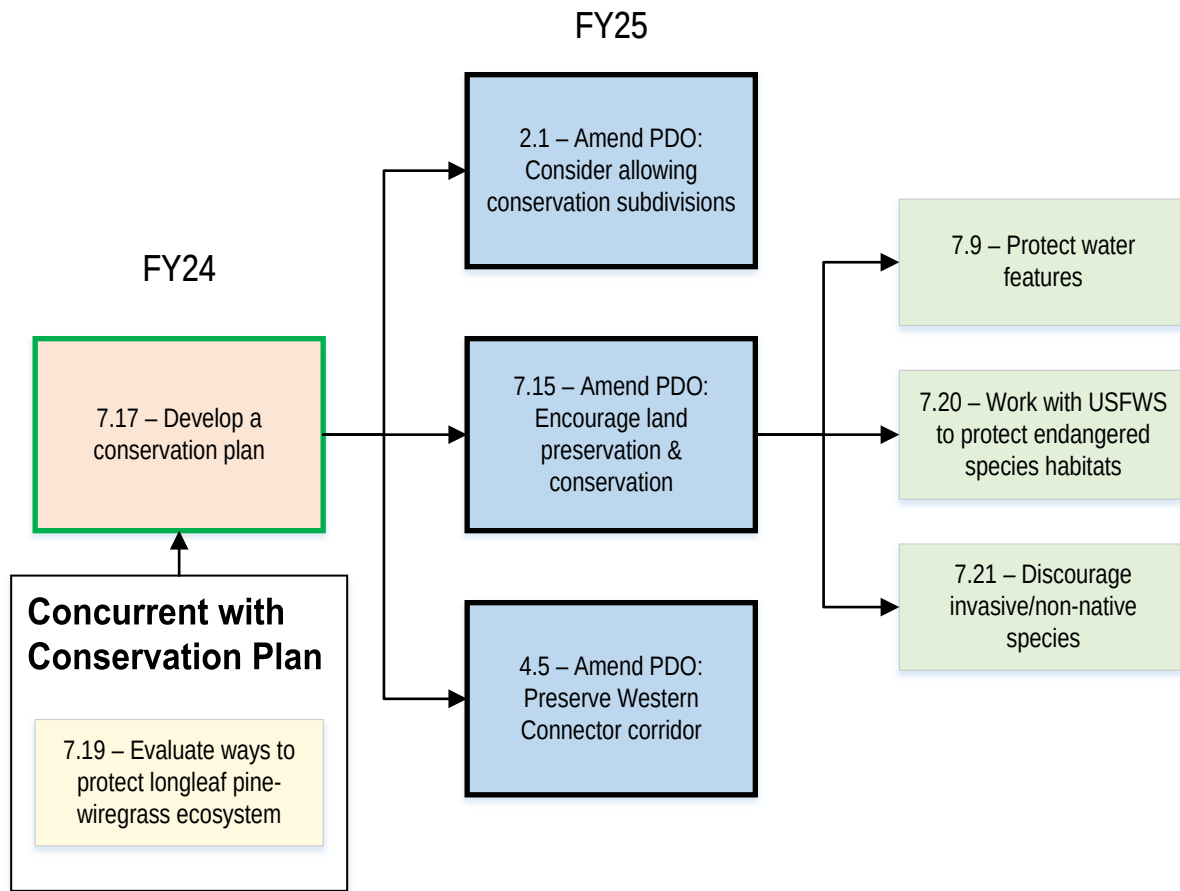
Village Place Focus Area

Amend PDO

Hwy 5 Focus Area

Applies to both Focus Areas

Conservation & Preservation



Medical District

FY22-24

2.4 -Amend PDO: Allow up to 4 story buildings in the Office and Professional zoning districts depicted in Focus Area 3

2.5 -Amend PDO: Allow up to 6 story buildings in the Hospital District zoning districts depicted in Focus Area 3

2.6 -Amend PDO: Allow taller parking structures in the Hospital District zoning districts depicted in Focus Area 3

Corridor Standards

FY20-21

2.21 – Amend PDO: Create and enforce standards for critical corridors into the Village

Stormwater

FY21-22

FY22-24

6.8 – Prepare a stormwater master plan

6.1 – Amend PDO: Implement rules for post-construction stormwater maintenance requirements

6.9 – Evaluate creating a stormwater utility



KEY

Prepare Plans

Amend PDO

Evaluate While Preparing Plans

Village of Pinehurst

Schedule of Major Comp Plan Strategies the Impact PDO

ID	Task Name	Start	Finish	# of Months	2020			2021				2022				2023				2024				2025	
					Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Amend PDO: Tree Preservation Standards	4/1/2020	9/30/2020	6																					
2	Amend PDO: Highway Corridor Standards	4/1/2020	9/30/2020	6																					
3	Amend PDO: 160-D Regulations	4/1/2020	12/31/2020	9																					
4	Amend PDO: Small Area Plans	7/1/2020	6/30/2021	12																					
5	Develop a Stormwater Master Plan	10/1/2020	9/30/2021	12																					
6	Amend PDO: Comprehensive PDO Update to Unified Development Ordinance (including multiple changes to standards)	10/1/2021	4/1/2024	30																					
7	Develop a Conservation Plan	9/1/2023	6/28/2024	9																					
8	Amend PDO: Conservation subdivisions, land preservation/conservation; Western Connector	12/31/2024	6/30/2025	12																					

Staff Priority Recommendations:

FY 20-21

Finalize tree preservation and highway corridor standards

Amend PDO to comply with Chapter 160-D

Complete small area plans

FY21-22

Develop a stormwater master plan

FY22-24

Prepare a comprehensive PDO update and convert PDO to a Unified Development Ordinance that incorporates the Engineering Standards Manual

Develop a conservation plan

FY25

Amend PDO for conservation subdivisions, etc.



SMALL AREA PLANS REQUEST FOR QUALIFICATIONS

Village Place/Rattlesnake Trail
Pinehurst South/Highway 5 Commercial Area

Issued By: Pinehurst Planning Department

Date Issued: March __, 2020

Responses Due: April __, 2020

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I. Statement of Need/Purpose

The Village of Pinehurst, North Carolina (the “Village”) is requesting qualified planning, transportation, engineering, and/or landscape architect professionals to respond to this Request for Qualifications (RFQ) to assist the Village in preparing two (2) small area plans (the “Project”):

- A. Village Place/Rattlesnake Trail (Village Place)
- B. Pinehurst South/Highway 5 Commercial Area (Pinehurst South)

Both of these of planning areas were identified in the Village’s newly adopted 2019 Comprehensive Plan as needing additional detailed planning to achieve the community’s vision for these areas. Village Place and Pinehurst South (the “Study Areas”) are identified as Focus Areas 4 and 2, respectively, in the Balancing Conservation and Growth section of the 2019 Comprehensive Plan, which should help guide the Project.

The Village is interested in obtaining the following professional services for this Project: land use planning, transportation planning, market & economic analysis, streetscape and landscape design, and engineering design. Professional firms with significant background and experience in developing small area plans to include the aforementioned specialties are encouraged to respond to this RFQ.

The Village is utilizing a two-step process for selection of a consulting team to assist with the Project. **Step One** is the submittal of a response to this RFQ and **Step Two** will be to short list firms for an interview at which time firms will be asked to provide a more detailed scope of work, budget, schedule, project approach and other supporting information similar to a RFP response.

QUALIFICATION STATEMENTS ARE DUE BY 3:00 P.M. FRIDAY, APRIL __, 2020.

II. Small Area Plan Areas Background

A. Village Place/Rattlesnake Trail

In October 2019, the Pinehurst Village Council approved the 2019 Comprehensive Plan that included recommendations regarding Village Place (See Focus Area 4 discussion). Specifically, the Plan identifies the need to “create a small area plan for the Village Place/Rattlesnake Trail Corridor...**to create a mixed-use walkable destination area that is connected to the Village Center.**” The Village Place Small Area Plan will be an implementable plan to make the community’s vision for the area a reality.

Village Place offers interesting opportunities to expand the footprint of authentic Pinehurst - immediately north of the historic center of the community - and add a new front door to the historic center from NC Highway 211. Approximately 100 acres in the area are represented by 70 different parcels. 13% of the land was identified as undeveloped in 2018, but significant land may become available in the future to redevelop existing, low profile buildings for retail, residential, and entertainment uses, or for infill development on undeveloped land in between existing buildings for the same. Much of the area is characterized by undeveloped or underutilized properties that may contain older functionally obsolete or out of character development that is not harmonious with the intended

vision for the area. Previous planning efforts (especially the NewCore Master Plan) have been conducted for Village Place with this proposal intended to expand the footprint and breadth of those planning efforts while retaining the overall vision for the neighborhood as reflected in the 2019 Comprehensive Plan.

B. Pinehurst South/Highway 5 Commercial Area

Pinehurst South is an approximate 290 acre limited growth and redevelopment area on the Village's south side containing approximately 145 parcels. The area is approximately 47% undeveloped with part of the area within the corporate boundaries of the Village of Pinehurst and other parts within the Village's Extraterritorial Zoning Jurisdiction (ETJ). Some of the development in this Focus Area is older and may be considered "out of character" with the overall and intended character of the area.

During the Envision the Village process, residents voiced concern about how development in this area may affect traffic volumes on NC 5 and Monticello Drive. This planning area is bisected by NC Highway 5, which carries a significant level of daily trips and contains an active railroad line running parallel to the NC Highway 5 corridor. There is an overall mix of land uses (commercial, residential, institutional, and recreational) in and around the area. Buffering and mitigating the impact of new development will be an important consideration of any planning effort for this area.

The 2019 Comprehensive Plan recommends the Village consider creating a small area plan to facilitate redevelopment of the area as an "Innovation Hub" with office, medical, life science, and research facilities supported with small-scale retail services and residential uses. The Pinehurst South Small Area Plan will be an implementable plan to make the community's vision for the area a reality.

III. Scope of Work

The Village of Pinehurst is seeking a consultant with specialized small area planning expertise (which may be a single firm or a consultant team) to prepare two small area plans to guide future (re)development in keeping with the vision established in the 2019 Comprehensive Plan: one for Village Place and a second for Pinehurst South.

The following Scope of Work is general and intended to provide a basic framework for preparation and development of the small area plans. The basic Scope of Work as identified below should allow firms responding to this RFQ to tailor their responses to identify the Project Understanding and Project Approach Submittal Requirements in Section VII. The Village expects the final Scope of Work will reflect modifications made based upon staff discussions and negotiations with the consultant and/or consultant team selected to prepare the small area plans.

The Scope of Work shall include, at a minimum:

1. **Introduction and Planning Context** – Provide an overview of the Study Areas, including historical development, previous planning efforts, and long-range land use and (re)development context.
2. **Assessment/Inventory of Existing Conditions** - Inventory existing land use conditions within the study areas, including:
 - i. Land Uses – types of land uses.
 - ii. Development intensity and building coverage.
 - iii. Building classification/condition assessment to identify areas where redevelopment may be preferred over demolition and clearing.
 - iv. Zoning to include an analysis of strengths and weaknesses of existing development regulations in achieving plan goals.
 - v. Utilities with a goal to underground overhead lines where feasible for priority streets.
 - vi. Environmental/topographical features and limitations to identify areas where such limitations may negatively impact development.
3. **Transportation/Mobility Analysis** – Inventory and assessment of existing transportation/mobility infrastructure and systems including:
 - a. Public and private roads – Identify rights-of-way, cross sections, street classifications, pavement types/condition as well as connections and limitations of connections within and to the Study Areas.
 - b. Traffic control devices including signage.
 - c. Pedestrian, bicycle, and golf cart mobility.
 - d. Gateways and transitions to achieve compatibility between areas adjacent to the Study Areas as well as within the Study Areas. With respect to the Village Place Small Area Plan an important objective will be to connect the existing Village Core to the Village Place area.
4. **Market & Economic Analysis** – Conduct a market analysis to determine projected market demand for various residential, non-residential, and mixed uses within the Study Areas and feasibility of development. Tasks should include an analysis of current market conditions, analysis of projected future market conditions, and a development strategy. This analysis should serve as the basis for future land use recommendations for the Study Areas. The market analysis should include, at a minimum:
 - a. Information on the market area, local characteristics, and other locational factors affecting the market and Study Areas.
 - b. Analysis of current supply, including vacancy and lease rates.
 - c. Recommendations on the appropriate mix of land uses, density, and scale in the Study Areas.
 - d. A development strategy showing how future demand and growth could be addressed in the Study Areas.
5. **Plan Document** – Based on analysis of existing conditions, existing plans, market analysis, transportation/mobility analysis and stakeholder input, develop a set of recommendations and strategies (including text, maps, illustrations, diagrams pictures, etc.) that will help facilitate development of the Study Areas into the neighborhoods envisioned in the 2019 Comprehensive Plan. At a minimum, recommendations should include, but are not limited to, the following elements:

- a. Vision Statement. Articulate a clear and concise vision statement, based on community information, input, and aspirations, along with goals to guide implementation of the vision.
- b. Future Land Use and Zoning Element. Include specific recommendations for updating the Pinehurst Development Ordinance (PDO) to achieve plan goals. This shall include specific PDO language, text, and illustrations for new zoning districts and development standards, utilizing a form based code.
- c. Urban Design/Character Element. Include specific design guidelines for the development of a form based zoning district for the Study Areas.
- d. Transportation/Mobility Element. Include vehicular, pedestrian, and/or golf cart transportation network improvements and proposed cross sections.
- e. Streetscape and Public Realm Element. Include landscaping, utilities, streetlights, signage, gateways, public art, etc. design concepts.
- f. Economic Development Overview and Market Assessment. Include recommendations regarding the appropriate mix of land uses, density, scale, and priorities for redevelopment based on market analysis.
- g. Implementation Element. Include actionable recommendations organized into short-term (0-2 years), mid-term (3-5 years), and long-term (5+ years) improvements with approximate costs, funding sources, and responsible parties. The implementation element should include, at a minimum, benchmarks or milestones and performance measures to measure the achievement and effectiveness of implementation activities.

The Project approach will need to consider, among many other things, the Guiding Principles identified in the 2019 Comprehensive Plan:

1. Retain the small-town charm, scale, and character of the community to ensure a high quality of life. Celebrate and preserve the historic Village and traditions that make Pinehurst desirable and unique.
2. Balance the need to conserve land while allowing purposeful, quality development in strategic locations to meet the needs of residents, businesses and visitors. Ensure high quality development that reflects the character of the community and maintain high quality gateways and corridors to ensure the built environment is in keeping with the character of Pinehurst.
3. Protect and enhance the quality and character of existing residential neighborhoods. Seek opportunities to offer a variety of housing types that appeal to a wide range of households and enable residents to live in Pinehurst throughout all stages of life. Ensure neighborhoods are connected to walkable destinations such as parks, open spaces, recreational facilities, and other activity centers.
4. Provide a safe, reliable and efficient transportation system that promotes and enhances mobility and connectivity between neighborhoods and destinations through a multi-modal network of complete and walkable streets, sidewalks and paths for vehicles, golf carts, pedestrians, and cyclists.
5. Support the golf, tourism and healthcare industries that make up the economic backbone of the community by encouraging entrepreneurship, supporting diverse and innovative businesses, and developing a thriving arts, culture, and entertainment market. Encourage a variety of shopping, dining, and cultural opportunities for residents and visitors alike.

6. Ensure supporting infrastructure and community facilities exist to meet the needs of existing and future Pinehurst residents, businesses, and visitors. Partner with other providers to plan for and expand infrastructure as necessary to ensure a high quality of life.
7. Preserve, conserve, and feature Pinehurst's natural resources with expanded parks, open spaces, and events that enhance the health and well-being of the community and the environment.

In addition, the small area plans will involve key stakeholders including residents, the business community, and other community organizations. The plans will also address Pinehurst's growth pressures, including demographic changes, and community concerns regarding growth and its impacts on infrastructure and community character.

IV. Public Engagement

A robust public engagement process will be required for development and approval of the small area plans. Effective and authentic participation by residents, stakeholders, and organizations will be critical to the success of this Project. The consultant is expected to work with Village staff to formulate and execute an innovative and inclusive public engagement plan. Techniques should include, at a minimum, community and neighborhood meetings, stakeholder interviews, a project website on Engage Pinehurst (engage.vopnc.org), surveys, and use of social media. The public engagement strategy should be designed to ensure broad and enthusiastic participation in the creation of the plans, including participation by a wide and representative demographic. The strategy should identify methods for publicizing the Project and maintaining interest and communication with the public.



V. Small Area Plan Deliverables Required

The consultant preparing the small area plans shall be required to provide, at a minimum, the following final deliverables, subject to discussions and negotiations with the selected consultant:

1. Questionnaires/surveys, maps, progress reports at each milestone, photos, graphics and other tools for community involvement, including an online component to disseminate information and solicit community input using Engage Pinehurst (engage.vopnc.org).
2. Material preparation such as reports, presentations, graphics, charts, etc., shall be provided in collaboration with Village staff throughout the process in a timely manner.
3. Coordination and facilitation of public meetings, Steering Committee meetings, community visioning, stakeholder meetings, and public hearings on the draft and final plans before the Village Council.
4. Final plan document including appropriate goals, objectives, implementation strategies with timelines, maps, illustrations, and all necessary background information and appendices.
5. Implementation action plans for integrating the recommended strategies into ongoing planning, evaluation and budgeting processes for both capital and operating budgets, including key performance measures.

6. The consultant will provide one or more bound copies and an electronic copy of the final document in print-ready format, including a reduced file size for website posting. All digital files shall be provided as follows:
 - Final Plan: InDesign (version to be determined by the Village) and PDF
 - Text: MS WORD
 - Spreadsheets: MS EXCEL
 - Mapping: Shape files from ESRI software (version to be determined by the Village) and PDF

VI. Proposed Project Timeline

The Village of Pinehurst would like the small area plans completed in an approximately 12 month timeframe upon final execution of a negotiated contract. A proposed project timeline shall be prepared and submitted as a component of the project proposal using the assumption that a final contract is negotiated by June 30, 2020. The final project scheduled will be mutually agreed upon, subject to final negotiation with the selected consultant.

VII. Proposal Requirements

The following materials must be included in the proposal and received by 3:00 PM (EDT) on April __, 2020. The Village may invite one or more selected firms to present and interview with the Village Council prior to final selection and contract negotiation.

Method of Submission: One electronic copy via email in PDF format to Darryn Burich, Planning & Inspections Director, at dburich@vopnc.org.

Submittal Information: Proposals submitted must adhere to a 25-page maximum limit (excluding cover, title page, transmittal letter, and table of contents). Specific proposal requirements include:

1. **Title Page:** Title page showing the following: the consultant's name, address, telephone and email address of the contact person; and the date of the proposal.
2. **Transmittal Letter:** A signed letter of transmittal briefly demonstrating the consultant's understanding of the work to be performed and explaining why the consultant's believes it is best qualified to perform the services.
3. **Introduction and Executive Summary:** Provide the following information concerning the consultant firm:
 - Firm name and business address, including telephone number, fax number, and email address.
 - Year established (include former names and year established, if applicable).
 - Type of ownership and parent company, if any.
 - Project manager's name, mailing address, and telephone number, if different from Item 1.
 - Identify the major facts and features of the proposal, including any conclusions, assumptions, and recommendations.
4. **General Information:** Provide general information and a brief history of the consultant's firm or team, including any subcontract consultants, which may be used for the Project.

5. **Project Understanding:** Include a summary of the consultant's understanding of this project as described in the Scope of Work (Section III).
6. **Relevant Experience:** Identify similar projects that the team or individuals have recently completed comparable to this project. Consultant should demonstrate experience on at least (3) similar projects, preferably within the past five (5) years. Consultant should be prepared to provide copies of the work product from these projects. Include the name, telephone number, and email address of a person who may be contacted referencing each project.
7. **Project Approach:** Provide an approach to the Scope of Work (Section III), with particular attention to methods proposed for public engagement. Respondents may include additional information that is believed pertinent to the purpose of the Project but not specifically requested elsewhere in the RFQ.
8. **Personnel Qualifications:** For each member of the professional staff proposed to be assigned to this engagement, please provide the following information:
 - Identification of project manager who will lead the project and who can negotiate and execute a contract.
 - Names and proposed roles of other individual team members.
 - Qualifications and professional credentials of all team members to perform work requested, including education and prior relevant experience in their assigned functions.
9. **Availability:** Statement of availability of key personnel of the firm to undertake and complete this Project in keeping with the Village's anticipated Proposed Project Timeline (Section VI).
10. **Fees and Costs:** Provide a listing of fees or hourly rates for members of the consulting team(s) that will be involved in the Project, including support personnel, travel, and overhead and supply costs.

The Village prefers a firm, fixed contract price with incidental costs, such as travel, billed separately from the fixed contract price.

VIII. Evaluation and Selection

The Village is utilizing a two-step process to select a consulting team to assist with the project. **Step One** is the submittal of a response to this RFQ and an evaluation of the responses per the criteria below. **Step Two** will be to short list firms for an interview at which time firms will be asked to provide a more detailed scope of work, budget, schedule, project approach and other supporting information. Only firms submitting a response to this RFQ shall be eligible to submit for consideration in Step Two. The Village may or may not conduct interviews and may elect to move directly into project contract negotiations based on evaluation of responses to this RFQ. The Village may also decide not to move forward with the project and may re-issue an RFQ or RFP.

Criteria for Selection

RFQs received for the Small Area Plans will be evaluated based on the following criteria (in no particular order):

1. Responsiveness to the RFQ and quality of submittal.
2. Specialized experience of the firm(s) with projects of a similar scope and scale within the past 5 years.
3. The capacity and commitment of the firm, its key project members and proposed sub consultants to provide requested services in accordance with the Village's schedule.
4. Qualifications and experience of key personnel, including sub consultants, on the proposed team.
5. Creativity, unique propositions, and demonstration of superior or innovative techniques in preparing similar small area plans and public engagement.

Interested firms should submit an electronic response by 3:00 PM (EDT) on April, __, 2020, via email to Darryn Burich, Planning & Inspections Director, whose contact information is below:

Darryn Burich, Planning & Inspections Director
Village of Pinehurst
395 Magnolia Road
Pinehurst, NC 28374
910-295-8658, ext. 1284
dburich@vopnc.org

Village staff will provide receipt verification of submissions received.

Terms and Conditions

- A. This RFQ does not commit the Village to award a contract. No other party, including any respondent, is intended to be granted any rights hereunder. Proposals which, in the sole discretion of the Village, do not meet the minimum requirements, including without limitation the minimum submission requirements, may not be reviewed. This RFQ and the process it describes are proprietary to the Village and are for the sole and exclusive benefit of the Village. Any response, including written documents and verbal communication by any respondent to this RFQ, will become the property of the Village and if required by law may be subject to public disclosure by the Village or any authorized agent of the Village. The Village is not liable for any costs associated with the development, preparation, transmittal or presentation of any response or material(s) submitted in response to this RFQ.
- B. It shall be the respondents' responsibility to review and verify the completeness of its response. The Village may request additional or clarifying information or more detailed information from any respondent at any time, including information inadvertently omitted by a respondent. The Village may request to contact clients referenced in the response. The Village also reserves the right to conduct investigations with respect to the qualifications of a respondent.

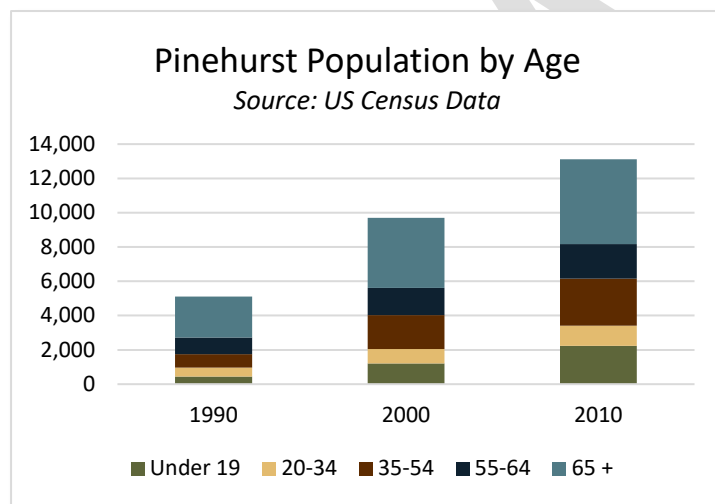
- C. Verbal communication made by any Village employee or agent of the Village with respect to this RFQ is not binding and shall not in any way be considered as a commitment by the Village. Only written responses to questions submitted in writing to the Village or written addenda to this RFQ issued by the Village will be considered binding on the Village.
- D. The Village reserves and may exercise the following rights and options with respect to evaluation of responses and selection for negotiation:
- i. To reject any and all responses and re-issue the RFQ at any time prior to execution of a final contract if, in the Village's sole discretion, it is in the Village's best interest to do so;
 - ii. To supplement, amend, substitute or otherwise modify this RFQ at any time prior to selection of one or more respondents for negotiation and to cancel this RFQ with or without issuing another RFQ;
 - iii. To accept or reject any or all of the items in any proposal and award the contract in whole or in part if it is deemed in the Village's best interest to do so;
 - iv. To reject the proposal that, in the Village's sole judgment, has been delinquent or unfaithful in the performance of any contract with the Village or another government entity, is financially or technically incapable or is otherwise not a responsible respondent;
 - v. To reject as informal or non-responsive any proposal which, in the Village's sole judgment, is incomplete, is not in conformity with applicable law, is conditioned in any way, deviates from this RFQ or contains erasures, ambiguities, alterations, or items of work not called for by this RFQ;
 - vi. To waive any informality, defect, non-responsiveness and/or deviation from this RFQ that is not, in the Village's sole judgment, material to the response;
 - vii. To permit or reject, at the Village's sole discretion, amendments (including information inadvertently omitted), modifications, alterations and/or corrections of responses by some or all of the respondents following proposal submissions;
 - viii. To request that some or all of the respondents modify proposals based upon the evaluation of the Village.
- E. The Village may enter into negotiations for a contract, on terms and conditions satisfactory to the Village with one or more selected respondent(s). However, the Village reserves the right to terminate any negotiations at any time or conduct simultaneous, competitive negotiations with multiple proposers. The Village reserves the right to negotiate acceptable terms in an otherwise unacceptable proposal. Such negotiations may result in changes in terms material to this RFQ; in such an event, the Village shall not be obligated to inform other proposers of the changes, or permit them to revise their proposals accordingly, unless the Village, in its sole discretion, determines that doing so and permitting such is in the Village's best interest. Should negotiations not prove satisfactory with the selected respondent(s), the Village reserves the right to discontinue negotiations. Additional individuals/businesses may be asked to enter into negotiations, and/or the Village may solicit new proposals.

Appendix A: Community Profile

The Village of Pinehurst is located in an area known as "the Sandhills" in Moore County, North Carolina. Although it was established in 1895, the Village did not become a municipality until 1980. James Walker Tufts, a resident of the Boston Area, purchased approximately 6,000 acres of land to create a health resort in the Sandhills. Mr. Tufts contacted a land planning firm based in Brookline, Massachusetts, headed by Frederick Law Olmstead, designer of Central Park in New York City and the Biltmore Estate in Asheville. In about three weeks' time, the plan for the Village of Pinehurst was formed. In 1996, a large portion of the Village was designated as a National Historic Landmark for its landscape design and significance in the history of golf in the United States.

The Village has an incorporated area of approximately 17.3 square miles and also exercises extraterritorial jurisdiction for zoning purposes over an 8.3 square mile area immediately outside of its corporate limits. The Village of Pinehurst is surrounded by the incorporated municipalities of Southern Pines, Foxfire, Aberdeen, and Taylortown.

With 93% of land used for residential and recreational purposes, Pinehurst has a total tax base of \$3.5 billion, or \$201 million per square mile. Of the total assessed property valuations, approximately 78% are residential, with 22% non-residential.



The current population of the Village of Pinehurst stands at approximately 17,100 residents. From 1990 to 2010, Pinehurst's population increased from approximately 5,100 residents to over 13,000, or a 155% increase. According to US Census data, 47% of the population was under the age of 55 in 2010, compared to 34% in 1990. This points to a trend that Pinehurst is increasingly becoming a community comprised of younger residents.

Location is one of the Village's greatest assets. Pinehurst is only two hours from white, sandy beaches; three hours from the beautiful Blue Ridge Mountains; 45 minutes from Fort Bragg, the largest military base in the world (by population); one hour from the state capitol of Raleigh, and two hours from Charlotte with access to international airports, major museums, and other cultural arts venues.

The Village of Pinehurst is an integral part of the economy of Moore County, which is well-diversified with significant healthcare, recreational, retirement, tourism, retail, agriculture, and manufacturing sectors. Pinehurst is largely a service-based economy with over 9,200 jobs included in primarily the lodging, medical, and office sectors.

Two of the largest employers in Moore County are located in Pinehurst and are service-related: FirstHealth of the Carolinas and Pinehurst Resort. FirstHealth of the Carolinas is a private, not-for-profit

health care network serving 15 counties in the mid-Carolinas. Pinehurst Resort, owned by Pinehurst, LLC operates nine championship golf courses, including the famous Pinehurst No. 2 course, which was the site of the 1999, 2005, and 2014 U.S. Open Championships. Pinehurst Resort will once again host the U.S. Open Championship in 2024.



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Appendix B. Existing Plans and Policy Framework

The planning documents listed below guide Village development and services. These planning documents, along with a brief summary of each, are listed below:

- [2019 Comprehensive Long Range Plan](#) is the Village's recently adopted Comprehensive Plan that will help guide and manage growth for next 15-20 years. The planning effort kicked-off in 2018 and was guided by a "Think Tank" that acted as a sounding board during the adoption process. The planning process included a significant level of public participation including numerous public forums and online engagement.
- **2010 Comprehensive Long Range Plan: [Strategic Element](#) and [Implementation Element](#)** - The 2010 plan, designed to be a guide for directing the future of the Village of Pinehurst, provides a vision and a basis for policies to help attain that vision. It includes two component parts: A Strategic Element and an Implementation Element. The Strategic Element is a statement of overall strategic directions important for Pinehurst to promote and pursue. The Implementation Element is a detailed compilation of tasks and programs to help accomplish the overall strategies. The Future Land Use Plan in the 2010 Strategic Element is a one-page narrative and a map that lacks sufficient information to meet the Village's future land use planning needs.
- [2015 Comprehensive Parks and Recreation Master Plan](#) - The master plan provides a framework for long-range planning of parks and recreation facilities. The plan consists of an inventory of the existing park system, along with recommended additions/renovations of facilities. It includes priorities for specific projects.
- [2015 Comprehensive Bicycle Master Plan](#) - The bicycle plan is a guide to the development of bicycle infrastructure with goals to increase options for cycling as an alternate form of transportation within the village, create a bicycle-friendly community, promote bicycling as a healthy exercise, improve connections between disparate parts of the village, and promote bicycle safety.
- [2015 Comprehensive Pedestrian Master Plan](#) - The master plan establishes criteria for planning, designing, financing, prioritizing, implementing, and maintaining pedestrian systems.
- [2008 NewCore Master Plan](#) - The master plan is a guide for an area of approximately 19 acres in the Village Center comprised of shops, historic buildings, and residential areas dating to the earliest years of the Village. The Master Plan envisions the area as a coherent, walkable, mixed-use district, presently called Village Place.
- [2011 Pinehurst Thoroughfare Plan](#) - The plan's intended purpose is to facilitate the implementation of roadway improvements, manage projected growth, and minimize traffic congestion allowing safe and unrestricted travel in Pinehurst. The proposed roadway improvements were based on the emergence of new land use patterns.
- [2020 Strategic Operating Plan](#) - The plan outlines Village Council's goals, strategic objectives, key performance indicators, and five-year initiatives to address the strategic challenges and opportunities identified by the Village Council at their annual retreat. The document includes the Village's annual strategic priorities, FY 2018 budget, and the FY 2018-2022 Financial Forecast and Capital Improvement Plan.

Regulatory documents that form the Village's Policy Framework include:

- [Pinehurst Development Ordinance](#) - The ordinance establishes zoning regulations, including creation and applications of zoning districts; design and development standards; subdivision regulations; and procedures. At the time of action to approve or deny any amendments to the Development Ordinance or Zoning Map, the Village Council is required to make a statement regarding whether or not the proposed amendment is consistent with the Comprehensive Long Range Plan.
- [Historic District Guidelines](#) - The standards and guidelines for Pinehurst's local historic district provide design principles and standards for structures and landscaping, including new construction, renovation, and landscaping within the boundary of the local historic district. These standards and guidelines were recently reviewed and modifications are pending Council review and approval.
- [Engineering Standards Manual](#) – The manual provides the minimum engineering standards for all new development in the Village and its' Extraterritorial Jurisdiction.

The planning and regulatory documents identified above are available in the Document Library on the Village website at www.vopnc.org/planningdocs.

Appendix C. Excerpts from 2019 Comprehensive Plan

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Focus Area 4: Village Place/Rattlesnake Trail Corridor

Focus Area 4: Village Place/Rattlesnake Trail Corridor

Village Place and the Rattlesnake Trail corridor offer interesting opportunities to expand the footprint of the Village Center and provide a new front door to the historic downtown area from NC Highway 211. Approximately 100 acres in the focus area are represented by 70 different parcels. 13% of the land was identified as undeveloped in 2018, but significant land may become available in the future for redevelopment or infill development. Property owned by the Village along McCaskill Road (the Public Services Complex) provides the Village with an opportunity to influence development types and intensities in and around this walkable activity center.

During Envision the Village, an overwhelming majority of residents indicated their preference to convert existing development in the Village Place/Rattlesnake Corridor to a more mixed use, walkable destination that is in keeping with the character of the existing Village Center. This is consistent with resident input received throughout the entire Comprehensive Plan process that residents want walkable activity centers that are linked to open spaces and recreational areas and can offer a broader range of housing options beyond the traditional single-family neighborhood

In 2008, the Village adopted the New Core Master Plan, or a small area plan, for a portion of this Focus Area. This plan has guided recent development in this area, including the newly

refurbished historic steam plant that now houses the Pinehurst Brewery. This Plan recommends extending the planning area to the Rattlesnake Trail corridor to include this important gateway into the Village off NC Highway 211, which has been widened since the adoption of the New Core Master Plan. It is important that any future redevelopment of this area compliment and support, rather than harm, the cherished and well-loved Village Center. To affect redevelopment of this area, the Village will also need to consider relocating its current Public Services Complex. See the *"Supporting Infrastructure & Facilities"* and *"Taking Care of Business"* sections of the Plan for additional discussion and information.

During Envision the Village, residents expressed an interest in relocating office uses on the first floor in the Village Center to Village Place. They also identified Village Place as an opportunity to re-invigorate the Village with arts related businesses and cultural attractions. As the Village contemplates future uses in this area, it will be important to address the need for parking. Creating an updated small area plan for Village Place, with additional public input, can help articulate the community's vision for this area and help encourage the redevelopment of this often referred to as "blighted" area that is not consistent with the character of Pinehurst today.

► Implementation Strategies:

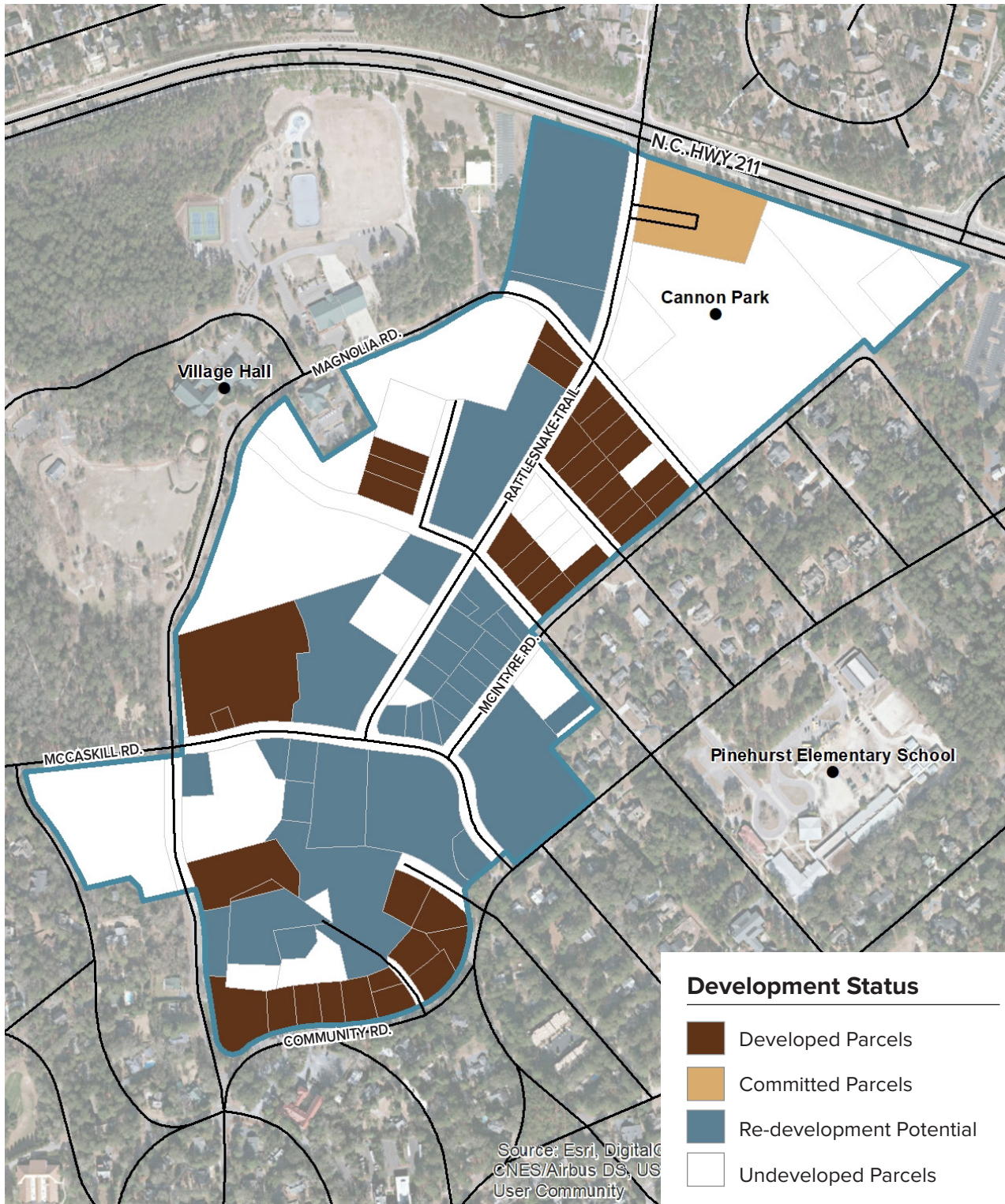
- 2.8 Create a small area plan for the Village Place/Rattlesnake Trail Corridor depicted in Focus Area 4 to create a mixed-use, walkable destination area that is connected to the Village Center.

Also see Implementation Strategies 2.10, 2.11, 2.12, 2.13, 2.15, 2.16, and 2.20 in this section of the Plan.

Also see Implementation Strategies 4.7, 4.8, 4.9, 4.13, 4.14, and 4.16 in the *“Moving Around the Village”* section of the Plan.

Also see Implementation Strategies 5.1, 5.2, 5.3, 5.4, 5.5, 5.9, 5.11, 5.13, and 5.14 in the *“Taking Care of Business”* section of the Plan.

Also see Implementation Strategy 6.1, 6.5, 6.11 in the *“Supporting Infrastructure & Facilities”* section of the Plan.



This scenario illustrates how the Rattlesnake Trail Corridor area might develop if resources are (re) targeted to make it into a mixed-use, walkable destination in the Village that extends the historic core north along Rattlesnake Trail to NC Hwy. 211. Existing industrial, retail, and multifamily uses in the area would be redeveloped into destinations that reinforce the one-of-a-kind village-character of Pinehurst. New buildings in the scenario are assumed to be one to three stories tall. Parking would be accommodated in a parking deck and series of surface lots and on-street parking. The scenario also assumes completion of the new recreation center at the corner of NC Hwy. 211 and Rattlesnake Trail.

Use Allocation	
Open Space (acres)	26.9
Single-Family Detached (d.u.)	5
Single-Family Attached (d.u.)	11
Stacked Multi-Family (d.u.)	214
General Office (s.f.)	158,140
General Retail (s.f.)	316,280

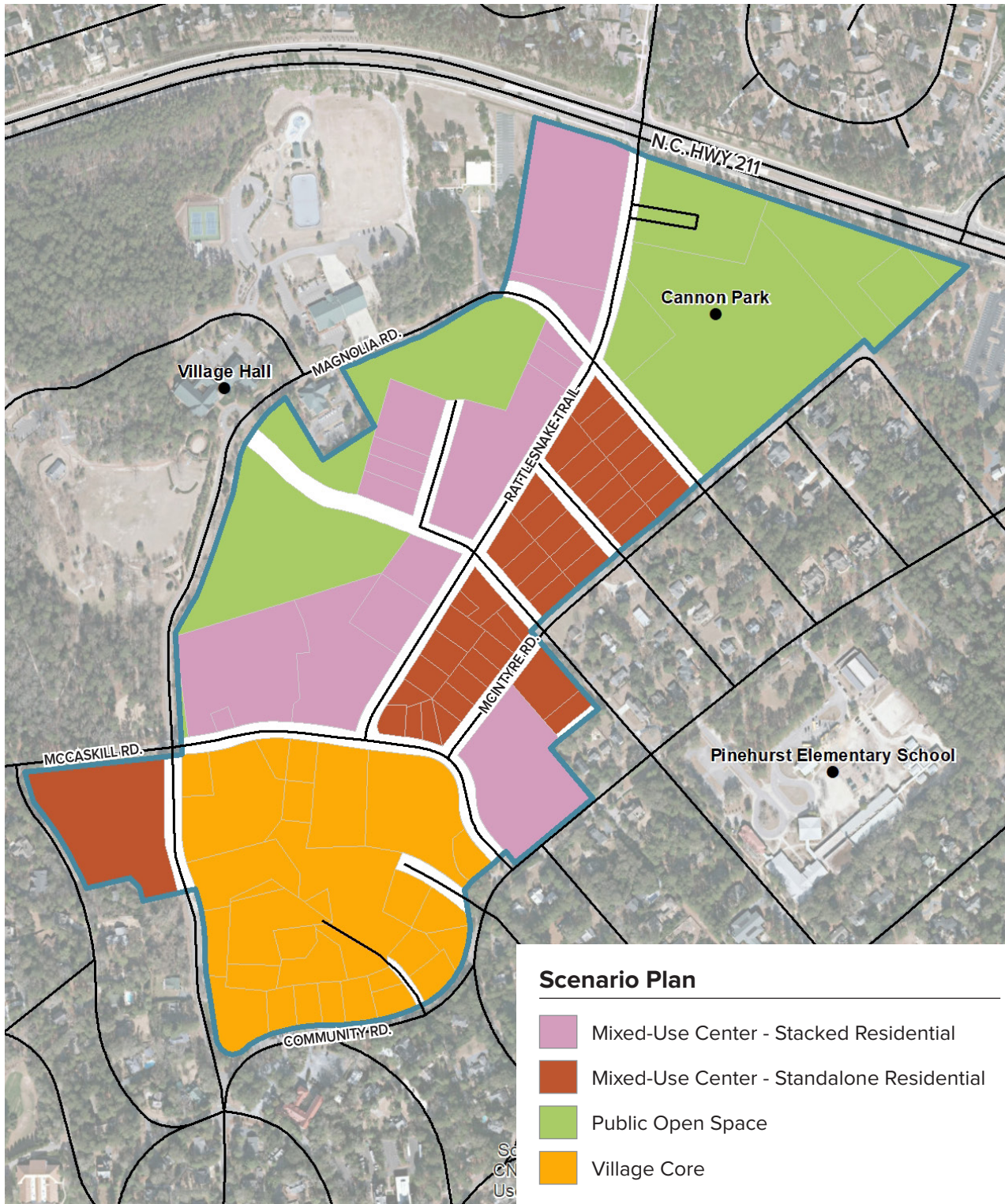
Likely Infrastructure Impacts	
New Students (students)	116
New Water Demand (mgd)	0.08
New Sewer Demand (mgd)	0.07
New Daily Trips (trips)	7,810

Community Character (% of acres)	
Public Open Space	23.3%
Mixed-Use Center - Stacked Residential	30.1%
Mixed-Use Center - Standalone Residential	19.2%
Village Core	27.4%

Home Choices	
Single-Family Detached	2.2%
Single-Family Attached	4.6%
Stacked Multi-Family	93.2%

Community Characteristics	
New Residents	128
New Employees	1,560

Special Intensity Allocation	
WS-II BW Watershed (acres)	17
WS-III BW Watershed (acres)	-



Focus Area 2: Highway 5 Commercial Area

Focus Area 2: Highway 5 Commercial Area

New investment in the existing employment center on NC Highway 5, near the intersection of Blake Boulevard, provides interesting options to expand job opportunities in Pinehurst and increase access to facilities and services needed by residents. Approximately 290 acres in the Highway 5 Commercial Area Focus Area are represented by 145 different parcels. 47% of the land was identified as undeveloped in 2018, and additional land may be appropriate for redevelopment or infill development.

During Envision the Village, residents voiced concerns about how development of this Focus Area may impact traffic volumes on NC Highway 5 and Monticello Drive. Despite this, there was a recognition that current development in some portions of this Focus Area is not necessarily in keeping with the character of the Village and could be enhanced as redevelopment occurs.

This Plan recommends the Village consider creating a small area plan for this Focus Area with additional public input to ensure high quality development in keeping with the character of Pinehurst in the future. As discussed in the “*Taking Care of Business*” section of the Plan, the Village recognizes the need for the medical community to expand and the need to provide co-working and creative entrepreneurial spaces in the Village. With limited land designated for non-residential uses in the Village, this Focus Area may be a suitable area to provide adequate office space to support the local economy with an eye toward the workforce of the future. However, strict requirements for

scale, density, and buffering requirements would need to be evaluated and considered. This can be accomplished by creating a small area plan, similar to the 2008 New Core Master Plan, which creates one connected master planned area with a primary focus on office, medical, life science, and research facilities with small-scale supporting retail services to create an “Innovation Hub”. It could also include a residential component as well.

► Implementation Strategies:

- 2.3 Create a small area plan for the NC Highway 5 Commercial Area depicted in Focus Area 2 to facilitate redevelopment as an “Innovation Hub” with office, medical, life science, and research facilities supported with small-scale retail services and residential uses.

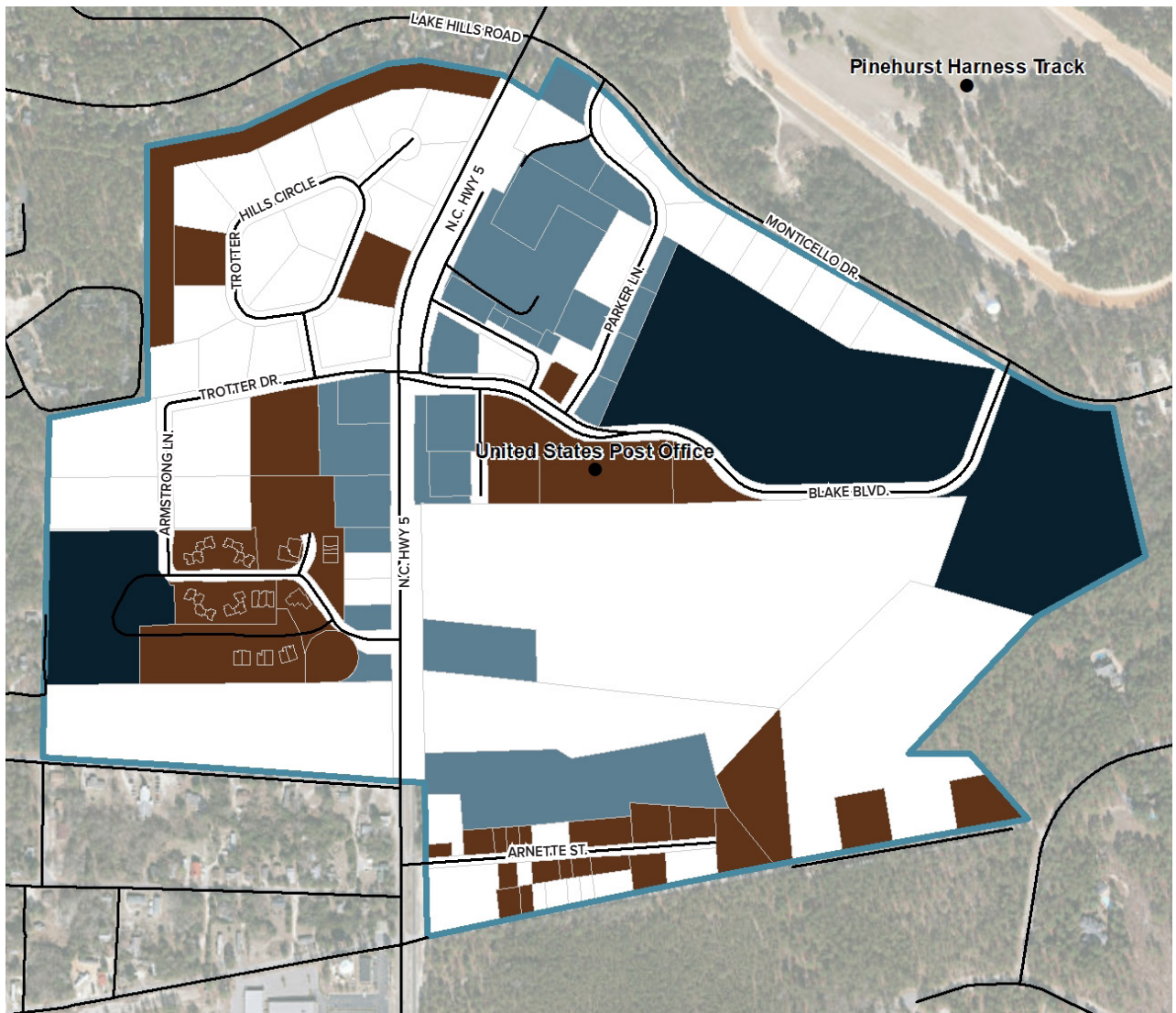
Also see Implementation Strategies 2.10, 2.11, 2.12, 2.13, 2.15, 2.16, 2.17, 2.18, and 2.20 in this section of the Plan.

Also see Implementation Strategies 4.2, 4.3, 4.6, 4.13, 4.14, and 4.15 in the “*Moving Around the Village*” section of the Plan.

Also see Implementation Strategies 5.12 and 5.13 in the “*Taking Care of Business*” section of the Plan.

Also see Implementation Strategies 6.1, 6.11, and 6.12 in the “*Supporting Infrastructure & Facilities*” section of the Plan.

Also see Implementation Strategy 7.14 in the “*All Things Green*” section of the Plan.



Development Status

- Developed Parcels
- Committed Parcels
- Re-development Potential
- Infill Development Potential
- Undeveloped Parcels

This scenario illustrates how the area might develop if it was transformed into an innovation hub, targeting greenfield development, infill development, and re-development opportunities in one connected master plan concept. Primary uses targeted for this area include medical, life science, and research facilities. Supporting uses may include retail, service, and some residential above first-floor, non-residential uses. New buildings in the area may be one to two stories tall. Surrounding residential neighborhoods would be connected to the village via a grid of walkable streets.

Use Allocation	
Single-Family Detached (d.u.)	8
Stacked Multi-Family (d.u.)	181
General Office (s.f.)	351,501
Medical Office (s.f.)	266,841
General Retail (s.f.)	209,976

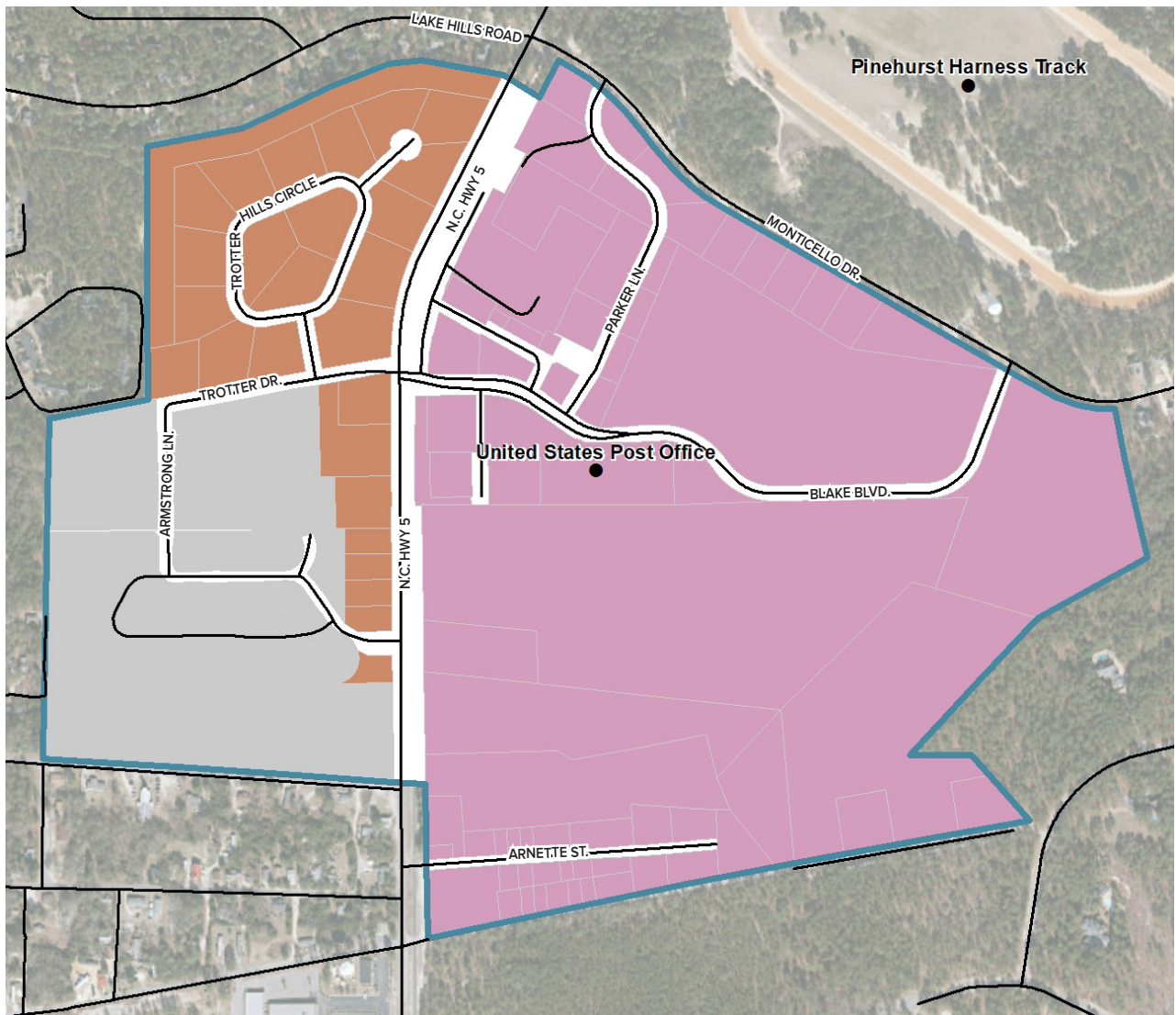
Likely Infrastructure Impacts	
New Students (students)	95
New Water Demand (mgd)	0.11
New Sewer Demand (mgd)	0.10
New Daily Trips (trips)	15,500

Community Character (% of acres)	
Suburban Neighborhood	19.9%
Suburban Center	14.8%
Mixed-Use Center - Stacked Residential	65.3%

Home Choices	
Single-Family Detached	4.2%
Stacked Multi-Family	95.8%

Community Characteristics	
New Residents	275
New Employees	3,137

Special Intensity Allocation	
WS-II BW Watershed (acres)	138
WS-III BW Watershed (acres)	-



Scenario Plan

- Mixed Use Center - Stacked Residential
- Suburban Center
- Suburban Neighborhood

VILLAGE CENTER

11

Overview

The Village Center is the heart and soul of Pinehurst. It is the community feature that residents are most proud and protective of and that visitors remember from their visits to Pinehurst.

However, there are some issues in the Village Center that need to be addressed to reinforce its role in the community while retaining and enhancing its character and ambience.

The overall goal of this section of the Plan is to preserve and enhance the character and ambience of what we have in the Village Center.

*The Village Center
is the heart and
soul of the com-
munity ...*

Village Center Scene



The Village Center is defined as the area located between the Village Hall, the Carolina Hotel, the Clubhouse, and Kelly Road.

Center Issues

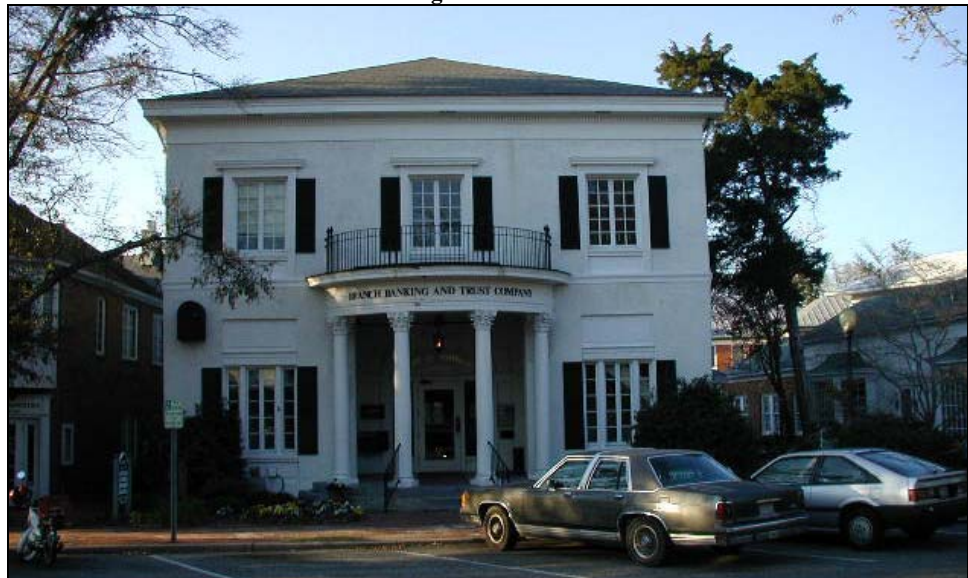
Once the primary service facility for the community, the role of the Village Center has changed over the years.

While residential areas have grown significantly over the past 30 years, the Village Center has remained essentially intact but its commercial role and influence has diminished. There was actually a wider variety of stores in the Village Center in 1970 (for a population of about 1,000 residents) than there is in the year 2000 (with a population of about 10,000 residents). The reason for this is that other retail opportunities have been developed in other parts of the region to meet the needs of residents.

Unfortunately, as a result, the Village Center has changed into a few uses that serve residents (the Post Office, the ABC store, the library, banks, restaurants) and a number of gift shops, real estate offices, and apparel stores that serve mostly visitors. While about 67 percent of respondents in the telephone survey indicated that they frequented businesses in the Village Center, it is unclear whether this refers to restaurants, the post office, the ABC store, or other businesses as well.

Parking has become an issue since some business people and employees take the best parking spots making it inconvenient for clients and visitors. To address this parking shortage, parking areas have been established (formally and informally) on the Village Green and on the sides of Village Green East, Village Green West, and Chinquapin Road. The overall effect is a disjointed arrangement with inadequate parking to meet current community needs.

Village Center Scene



Issues facing the Village Center include:

- Current businesses do not create a critical mass for residents
- Business uses are configured more for visitors than for residents
- New uses are limited to existing buildings or residences
- There are few areas for expansion that do not intrude into residential areas
- There is the feeling of insufficient parking at certain times of the day, especially in certain places
- The Center can appear crowded (especially at the Post Office and the Village Deli)
- Travel patterns are very indirect to the Center
- Nearby business areas are disconnected from the Center and do not reflect the character of the existing Center
- There is no strong, direct connection to the resort/hotel facilities
- The Village Hall and Rassie Wicker Park are not integrated with the Center
- The Village Green is not at all related to the Center or the community as a whole
- Sidewalks reflect the character, yet are not consistent or continuous – no real system to meet pedestrian movement needs

Parking Enforcement



Parking Placement



In the telephone survey, residents reported their thoughts and feelings about the Village Center as follows:

- 67 percent reported that they often frequented businesses in the Village Center area.
- 49 percent reported that they would visit the Village Center more often if there more activities there.
- 59 percent feel that there is a parking problem in the Village Center area and 56 percent feel more parking is needed in the Village Center area.
- However, only about 19 percent feel that a parking garage would benefit the Village Center (perhaps because no designs have been prepared showing how a parking structure will be integrated into the design of the Village Center).
- In addition, only about 21 percent feel that parking on the Village Green should be eliminated (perhaps because residents are unsure how or where the parking would be replaced).
- 71 percent want to ensure that the Post Office remains in the Village Center.
- 67 percent want to ensure that an ABC store remains in the Village Center.
- When asked what business or other activities should be encouraged in the Village Center area, the main responses were:
 - 37 percent did not want more businesses
 - 24 percent wanted more restaurants
 - 11 percent didn't know
 - 8 percent wanted more retail shops (clothing, arts, crafts, etc.)
 - 4 percent wanted a specialty food store
 - 4 percent wanted a bookstore
 - 4 percent wanted a pharmacy
- When asked what business or other activities should be discouraged in the Village Center area, the main responses were:
 - 31 percent did not want to discourage any uses
 - 17 percent didn't know
 - 12 percent wanted to discourage fast-food restaurants
 - 9 percent wanted to discourage large supermarkets
 - 7 percent wanted to discourage banks
 - 5 percent wanted to discourage real estate offices
 - 5 percent wanted to discourage large business offices

Redefine the Village Center

Now is the time for the Village of Pinehurst to redefine the Village Center to enhance the focal point of the community and adapt it to community needs while retaining the historic character and ambience.

The main recommendations of the Plan are outlined below.

Character

- Maintain and enhance the existing character and ambience of the Village Center area
- Supplement, replace, and enhance existing vegetation
- Encourage maintenance of buildings and property in order to maintain and enhance community character

Vehicular Circulation

- Improve traffic circulation to, through, and around the Center by improving access from Midland Road and from NC 211 down Rattlesnake Road
- Extend Rattlesnake Trail to Community Road
- Establish a pedestrian connection between the Pinecrest Inn and Holly Inn over to Rattlesnake Trail

Parking

- Increase overall parking by developing one or more parking structures in the Village Center
- Increase on-street parking, where appropriate, along roads in the Village Center and eliminate existing on-street and surface parking, where it is not appropriate
- Consider implementing a “tiered” parking violation system where the fines for repeat offenders escalate significantly after the first few violations
- Seek to eliminate parking on Chinquapin Road (from Magnolia to Ritter) and the Village Green, when feasible

The Plan recommends expanding the Village center in a northward direction (toward NC 211) since that is where the greatest opportunities exist ...

Note that the Plan specifically does not see a conflict between a possible future parking structure and the recommended local historic district provided the structure is designed and sited to fit into the fabric of the Village Center ...

Pedestrian Circulation

- Provide a strong system of brick sidewalks connecting commercial, resort, and institutional parts of the Center
- Tie the Center sidewalk system to a greenway system connecting to adjacent areas and neighborhoods

Open Space

- Consider the potential for establishing the original vision for the Village Green by removing parking and establishing a common lawn area once adequate parking is available elsewhere

Zoning

- Prepare for the potential future expansion of mixed use development in a pedestrian-friendly way to the north by rezoning the current Public Works site

Development

- Undertake more detailed planning for how to extend uses appropriate for the Center in a northerly direction
- Provide attractive and consistent gateways to the Center
- Maintain the scale and intimacy of the streetscape and ensure quality architecture in building design

Other Uses

- Work with state and federal officials to retain the post office in the Village Center
- Work with state officials to maintain an ABC Store in the Village Center
- Encourage the Given Memorial Library / Tufts Archives to remain in the Village Center as they adapt to community needs.

The implementation program for the Village Center is contained in Chapter 3 – Implementation (page 3-12).

March 26, 2003

Village Center Plan

Design Guidelines

Architectural design and character are subjective issues. What some see as “good design”, others see as visually incompatible or inappropriate.

This is why Pinehurst has established a Community Appearance Commission to help review building construction (including single-family homes) in the community.

Experience in other communities has shown that preparing graphic design guidelines can promote more and better discussion about community design.

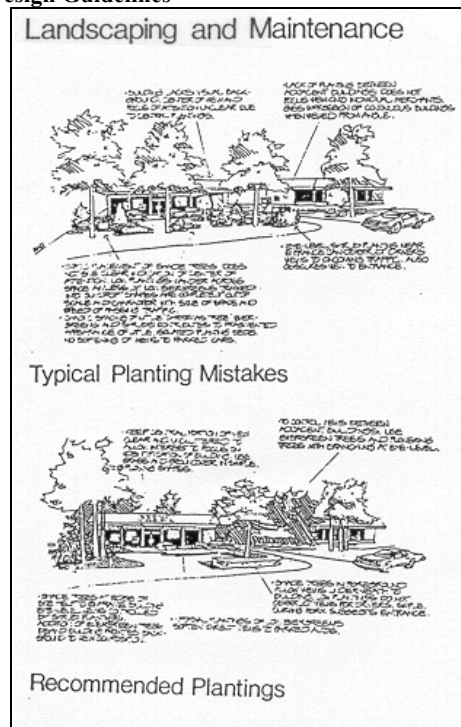
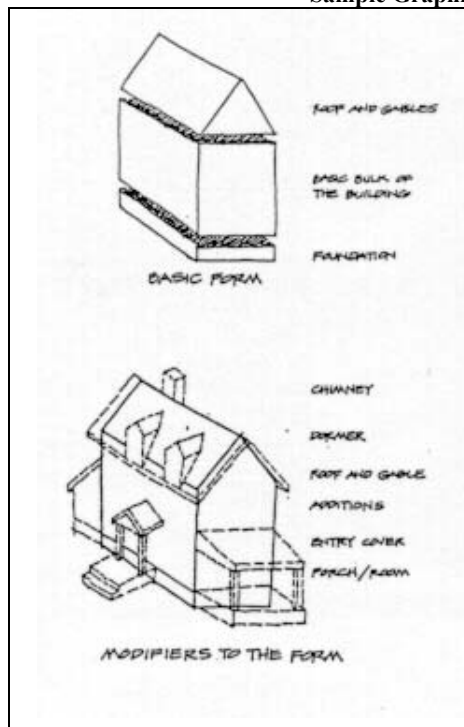
Adopt Graphic Design Guidelines

Community character is heavily influenced by the architectural design of buildings, how the buildings are located on the site, and how the public views the development from the street. While the Community Appearance Commission is doing a good job reviewing developments, a set of graphic design guidelines will help residents and builders better understand what is desired and expected in Pinehurst.

Graphic design guidelines will also be a significant improvement over the text-based guidelines presently contained in the “Construction/Development Guidelines” and the “Pinehurst Development Ordinance”.

Strong, definitive, and clear visual guidelines and direction statements will help existing and prospective residents, developers and builders better understand what is desired for the built environment of Pinehurst.

Sample Graphic Design Guidelines



BUSINESS DEVELOPMENT

13

Overview

While the Village Center is the most mentioned business area in Pinehurst, there are also other business areas and business zones in the community. As stated in the Community Structure section of the Plan, the major strategy is to encourage the development of these areas as nodes with a strong sense of place and with a pedestrian friendly streetscape rather than strip development.

Guide the development of peripheral business areas so that they complement the Village ...

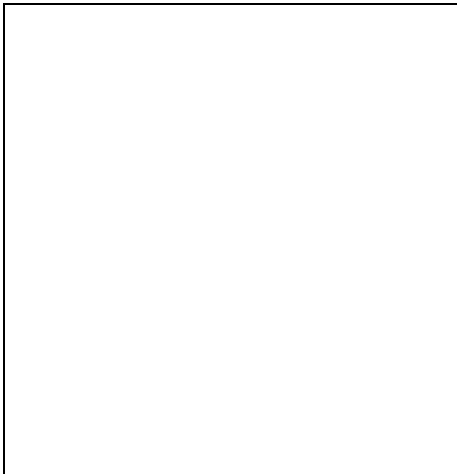
Pinehurst South



FirstHealth Moore Regional Hospital



Midland Road



Linden Road



Redefine The Business Zones

In Pinehurst, the Neighborhood Commercial (NC) zone allows for a wide variety of uses that appear inappropriate in certain areas given the overall character and structure of the community. The location and extent of the NC zone and the regulatory standards will be reevaluated to ensure that development in this zone results in appropriate uses with scale, size, design, intensity, and building massing appropriate for the location.

To strengthen overall community character, Pinehurst will encourage the enhancement of any areas that may remain in a business zone (Route 2 East, Medical area, Route 5 South) so that they develop in a way that is more “node-like” rather than “strip-like”. More detailed study of these areas will be undertaken with the goal of developing new regulations (for the PDO), design standards (for the CAC), and enhancing the overall character of these areas.

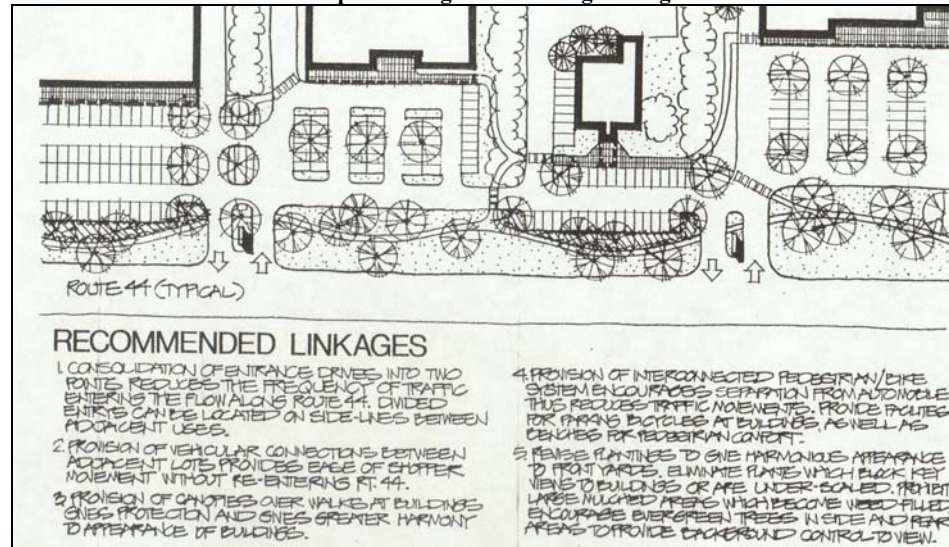
Basic design principles could include:

- orient buildings to the street and each other rather than parking lots
- interconnect parking lots and minimize the prominence of parking
- minimize multiple curb cuts
- provide for an inviting streetscape
- provide a more “pedestrian-friendly” environment
- develop standards for landscaping and signage

This can be accomplished by adopting provisions for:

- consolidated parcels (allowing integrated parking to serve adjacent sites and parking reductions for shared use),
- design guidelines for landscaping, parking, access management (minimize curb cuts and signage), and
- flexible buffer yard requirements.

Example of Integrated Parking Linkages



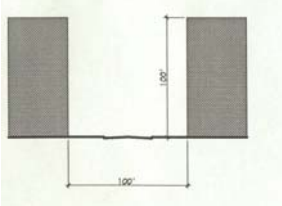
Sample Guideline: Rt. 44 Study By Richter & Cegan Inc.

February 7, 2003

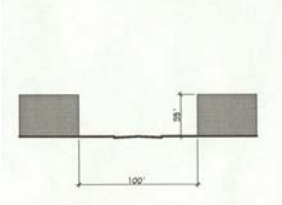
Peripheral Business Areas Plan

Width-Height Ratios

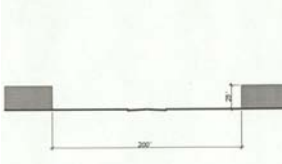
1:1 Ratio
(intimate area)



3:1 Ratio
(appropriate for villages)



8:1 Ratio
(strip development pattern)



Extend Village Center Streetscape

The streetscape features that provide a “sense of place” in the Village Center include:

- building heights appropriate scaled to street width
- varied but compatible architectural styles and colors
- high level of building detailing
- variety of entrance conditions
- quality materials in buildings and walkways
- available on-street parking and lighting
- focus on pedestrian spaces and support amenities
- integrated and attractive signage
- abundance of varied and attractive landscaping

To enhance community character, it will be important to extend and apply those attributes to peripheral business areas in Pinehurst. Maintaining an appropriate width to height ratio (generally in the 3:1 or 4:1 range is likely to be most appropriate.

Adopt Graphic Design Guidelines

Just as graphic design guidelines are important in the Village Center to ensure appropriate future development, they will also be important in the peripheral business areas. Community character is heavily influenced by the architectural design of buildings, how the buildings are located on the site, and how the public views the development from the street.

Strong, definitive, and clear visual guidelines and direction statements will help existing and prospective residents, developers and builders better understand what is desired for the built environment of Pinehurst.

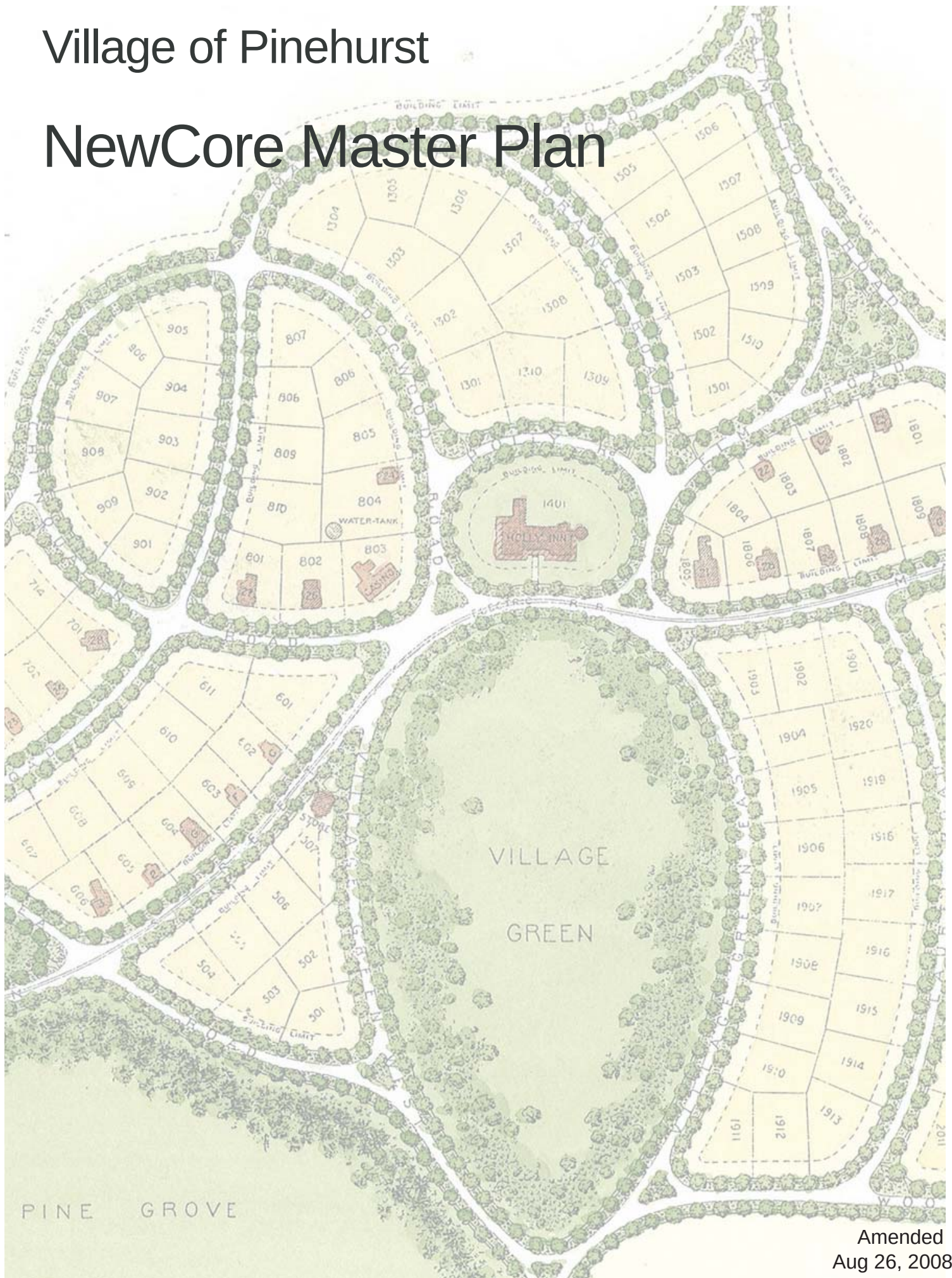
Encourage Property Maintenance

Since community character is such an important priority in Pinehurst, efforts will be made to encourage and promote maintenance of business properties. Although there are few areas where property maintenance has been an issue, it can have a significant effect on adjacent properties and overall community character. As a result, instances of a lack of property maintenance will be investigated and addressed as expeditiously as possible.

The implementation program for guiding business development is contained in Chapter 3 – Implementation (page 3-12).

Village of Pinehurst

NewCore Master Plan



Amended
Aug 26, 2008

ACKNOWLEDGEMENTS

Village Council

Steven J. Smith, Mayor

George E. Hillier, Mayor Pro-Tem

Douglas A. Lapins, Treasurer

Virginia F. Fallon, Council Member

Lorraine A. Tweed, Council Member

Steering Committee

Jane Deaton, Chairperson

Virginia Fallon

Dick Bisbe

Tessie Chao

Murray Williamson

Howard Warren

Beth Kocher

Bruce Gould

Village Staff

Andrew Wilkison, Village Manager

Andrea Correll, Director of Planning and Inspections

Bruce Gould, Village Planner

Gwendy Hutchinson, Planning and Administrative Assistant

Consultant Team

Raybould Associates, LLC

The Walker Collaborative

Randall Gross / Development Economics

Harrison Marshall, Jr.

Edwin F. Harris, Jr.

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Executive Summary

Executive Summary

Introduction

This NewCore Master Plan originated with the desire of Pinehurst residents to continue and preserve the unique ambiance of their historic village on an infill site with tremendous potential. Few communities are fortunate enough to encounter a chance to plan for a tract of land optimally situated in the heart of a desirable community, yet functionally underutilized in relation to its latent value.

When developed to the standards and uses described in this document – the culmination of an intensive community effort with broad involvement and support – the NewCore area will enhance and strengthen Pinehurst in general and its best-loved, most historic neighborhood in particular. In creating this Master Plan, the project team and steering committee clearly recognized that a holistic approach was necessary, as the relationship between the NewCore and the surrounding area was critical to the success of both.

This Master Plan describes a walkable, livable, and economically functional vision for the NewCore which has been carefully tied to the preferences and needs of Village residents and property owners. The use of land; urban design and architectural considerations; transportation and parking functions; and market conditions have all been taken into account and addressed by this Master Plan. Most importantly, the plan is “owned” by those who participated in its development, and its success depends in part on a strong sense of ownership by those who will oversee its implementation.

While market forces will, to some extent, drive the pace of implementation, the synergy of an overall plan should create greater benefits for all than if the use of the NewCore were allowed to linger without an overarching vision. The concepts contained herein, implemented with care, have the potential to enhance the already high quality of life in Pinehurst. This plan is intended to be an evolving document and may be changed from time to time.

Plan Summary

Process

The NewCore Master Plan grew out of a comprehensive process that was both accessible and accountable to the public.

To give overall guidance to the effort, the Village Council appointed a Steering Committee to direct the consultant team and Village staff throughout the process. The procedural framework began with a research and fact-finding trip during which the project team visited the study area and became familiar with the setting and context of the site. During that visit and follow-up trips, members of the public expressed their opinions on desirable outcomes for the NewCore area. Numerous sessions were designed to give stakeholders many opportunities to make comments and propose ideas, both one-on-one and in small and large groups, including an interactive “Vision Survey.” Throughout these sessions, property owners, residents, business owners, and representatives of major Pinehurst institutions and civic groups provided valuable and specific input on the desired vision for the NewCore.

The centerpiece of the input and planning process was a three-day charrette that marshaled the resources of citizen participants, the Steering Committee, Village staff, and the consultant team to brainstorm, expound upon, and refine a “Concept Plan.” That concept – augmented by the expertise of the consulting team in law, real estate economics, urban design, and transportation – became the basis for an intermediate product containing visual renderings and detailed explanations of each component element in the concept plan. Based on the feedback of the Steering Committee, the draft plan was reviewed and further refined to produce the final plan contained in this document.

The study area

The study area consists of a site of approximately 19 acres located in close proximity to the picturesque shops and historic buildings of the Village Center, as well as to residential areas dating to the earliest years of the Village. In addition to this original area identified in the RFP and RFQ, periphery lands to the north and west are included. The study site functioned early on as the service core of Pinehurst Village, containing the steam plant and laundry, as well as worker housing. Over the years, it gradually metamorphosed into a collection of uses – ranging from single-family houses and offices to heavy commercial and light industrial uses. Despite its nearness to highly desirable amenities in the old Village core, the absence of a coherent vision for the NewCore, as well as the various uses and parcel ownership patterns, prevented the site from being utilized to its full potential. When the Village undertook its new comprehensive planning effort during 2001 to 2003, it was determined that the potential

of the NewCore warranted a formal master planning effort to guide its future development.

Economic factors

A number of observations arose from the market reconnaissance performed as a part of the planning effort. Among the advantages enjoyed by all Pinehurst properties, the heritage and lifestyle in Pinehurst create a “brand” with very strong market potential, one that can be used to advantage in the NewCore.

Among other factors, pressures for office space in Pinehurst may be creating competition for potential retail space in the old Village Center. Additional convenience retail, entertainment venues, and office space, if located appropriately in the NewCore, could enhance the market strength for retail in the Village Center while relieving some of the pressure on rents generated by a possible shortage of office space. The retail uses, in particular, should be located as close as possible to the old center in order to avoid dividing the “critical mass” of the destination area. With a strategic mix of residential and commercial uses, the Village Center’s relatively low market share of local residents (as opposed to visitors) could be strengthened. Additional visually attractive and complementary parking would also likely benefit new and existing retail uses, both in the Village Center and in the NewCore.

There appear to be market opportunities in Pinehurst for high-end, no-maintenance housing options such as condominiums and live-work space, both for active retirees and for the increasing number of families in the area. Fee-simple zero-lot-line, patio home, and possibly townhouse condominiums or clustered single-family housing may have potential demand if designed for key target markets.

Physical master plan

Building on the consensus vision expressed during the public input stage of the plan effort, the physical master plan envisions the site as a coherent, walkable, mixed-use district. Alternatives to single-family homes on standard lots will be present, as will office and professional space. Retail uses – geared toward specialty shops, as well as some convenience retail – will be concentrated at the southern end of the site where the opportunities for synergy with the old Village Center are greatest. Entertainment, retail, office, and quasi-public or community space may be located in new buildings, or may occupy rehabilitated historic structures (in particular, the steam plant, Manor Inn, and firehouse).

*A potential buildout view
of the NewCore, seen looking
south along Rattlesnake Extension*



The physical form and architectural character will mirror traditional Pinehurst ambiance, matching the strong preferences expressed by participants during the input and planning sessions. **One- to two-story buildings will be the norm; only buildings on landmark sites will be allowed a third story or a lofty feature such as a cupola.**

Most buildings will be of brick or wood frame exterior appearance and will have roofs with a fairly steep pitch. Massing and articulation will break building planes into smaller components having a human scale, creating a comfortable sense for pedestrians.

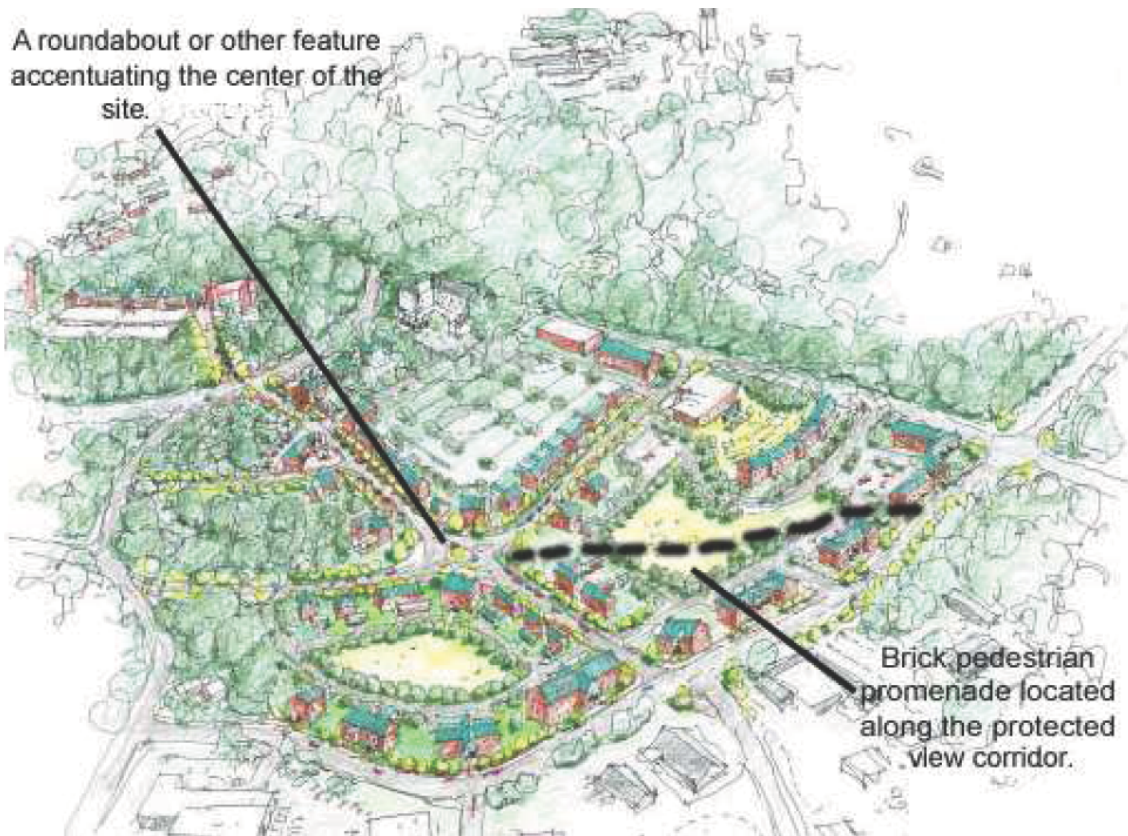
Inviting public spaces – sidewalks, open spaces, small plazas, seating, and similar amenities – will entice the visitor to explore the NewCore and adjacent attractions on foot. Arbors, gates, awnings, flowerboxes, and other details will create a charming and well-cared-for appearance. **Brick footpaths and sidewalks** with wayfinding signage will lead visitors and residents to

adjacent areas – the Arboretum with its walking trails, shops in the old Village Center. Landscaping materials will also reflect the “nature” of Pinehurst’s traditional neighborhoods, with abundant evergreen plants softening the hard edges of buildings even in winter.

Areas of open space will be provided and vistas and views will be protected.

Streets, parking, and other vehicular use areas will reflect a pedestrian orientation while still allowing cars to function normally. Some convenience parking will be tucked along street edges in the form of parallel and, optionally, angled spaces, while bulk parking areas will be hidden from view to the rear of buildings (with signage to ensure that it can easily be found by drivers).

A roundabout or other feature accentuating the center of the site.



Brick pedestrian promenade located along the protected view corridor.

A simulated aerial view of the New Core after buildout, looking southwest from a vantage point above McCaskill.

This is just a representation and not intended to dictate building location, density, or design.

Planning Process

Planning Process

Project Objectives

The Plan Objectives were well articulated in the Village's Request For Proposals:

The NewCore was identified in the Village's Comprehensive Long Range Plan as an area that needed its future development to be guided by a master plan which would provide integrated planning and development, rather than letting it proceed to be developed in an ad hoc manner.

The master plan for the area needs to consider the following factors: the proximity to the core of the historic district; the accommodation of current uses; the existing and abutting uses; that the area may be developed over time, rather than all at once; the character of Pinehurst; [and] the needs of the Pinehurst citizens. With all this said, however, the Village is seeking a creative plan that may incorporate hybrid zoning, be flexible, accommodate mixed uses (including non-traditional residential) and provide for parking, and open spaces.

Project Methodology

The creation of the NewCore Master Plan has followed a 5-step process in which each step is logically sequenced to build upon the previous step, as follows:

Step 1: Background Research and Analysis

Step 2: Vision Survey

Step 3: Charrette and Concept Plan Development

Step 4: Preparation and Presentation of Draft Plan

Step 5: Final Revisions and Presentation

This master plan document builds upon the information collected during the initial background trip, the results of the *Vision Survey*, the conclusions of the *Market Reconnaissance Report* and the Village's review of the *Concept Plan*. The *Concept Plan* served as the framework and basis for this master plan document, which elaborates on the key concepts with much greater detail.



Quality Public Process

Village leaders required extensive opportunities for citizen involvement. Throughout the process, citizens, Village staff, Steering Committee members and Village Council have been instrumental in providing information, making recommendations and reviewing work product. Public involvement has encompassed the following activities:

Background Interviews, Group Meetings and Project Kick-Off and Discussion

Vision Survey and Discussion

Charrette Workshop and Concept Plan Presentation and Discussion

Draft Plan Presentation and Discussion

The Project Team has integrated the results of these interactions into the NewCore Master Plan.

Plan Study Area

Plan Study Area

Existing Conditions

The study area known as the NewCore is located just north of the old Village Center, beginning one block north of the Village Green and bounded by Community, Dundee, Magnolia, McCaskill Roads, and some lands to the north and west along the periphery of this block as indicated on the Land Use Plan. The new governmental “campus” of Village Hall and new public safety facilities is another large block to the north of the NewCore. The entrance to the new Arboretum is just to the northwest of the site. The NewCore lies at the northern edge of the Olmsted-designed portion of the Village.

Physical aspects

The topography is flat to somewhat rolling. A draw which drains the site toward the northwest crosses a portion of the center of the site; the topography in that area slopes downward to this slight valley and toward the northwest corner. The east side of the site is mostly flat and somewhat higher than the west portion. The lowest part of the site is the northwest corner.

Generally, the site contains less vegetation overall than is found in the vicinity and in Pinehurst at large. A stand of pines is in the northwest portion, while pines, magnolias, and other mature evergreen specimens are found in the southeast area around existing office and residential structures. There are some areas overgrown with vines and other vegetation near the vacant steam plant (described below).

Current land use

Both public and private sector functions are located on the site, in buildings and in outdoor areas; some vacant land and unused structures are also present. These land uses include public works offices and staging area, fleet storage and related activities including materials storage; a vacant fire station and training area including a practice tower and storage buildings; ongoing, viable non-retail commercial and residential uses and a resort hotel. In undertaking this plan, the Village has indicated its strong preference that any changes from the current use of private property be made voluntarily by owners.

Structures

Buildings in the NewCore reflect the full range of ages, conditions, and uses found in the Village as a whole – a remarkable assortment dating from the founding of Pinehurst to recent construction. The brick steam plant – also known as the electric plant from its later usage – dates from 1895, which was the earliest year of construction in Pinehurst, while wood frame residential structures may date from the turn of the 20th century to the early-to-mid-1900s. The two-story brick firehouse, a National Register building, dates from 1915. The Manor Inn, a early mid-century resort hotel that continues in active use, anchors the southwest corner of the site. A well-kept but utilitarian metal building of comparatively recent date houses a building supply business at the north side of the study area. Newer construction is represented by a two-story brick office building at the site’s southeastern edge.



In addition to office, resort, and residential structures, other buildings are used for more utilitarian purposes: Sprint maintains a telecommunications facility in a mid-century brick building on the west side of the site, and the Village currently houses its Public Works operations and administrative offices in a number of structures in the northeast quadrant.

Existing on-site conditions



Village's public works staging area



Public works buildings



Firefighting training tower & county water tank



Former rescue squad facility



Steam plant, from the northwest



Sprint telecommunications facility



The Manor Inn

Existing conditions on adjacent lands



Tree-lined path on Magnolia



Magnolia Road north of study area



Auto dealership east of study area



Single-family house south of study area



Victorian cottage west of study area

residences and new office buildings, to well-maintained but utilitarian commercial buildings, to the vacant and partly deteriorated condition of the steam plant.

Taken together, these buildings reflect a remarkable variety of uses and conditions in a fairly small area. Perhaps nowhere else in Pinehurst does such a diverse assemblage of building types, usage, and conditions exist.

Ownership

Approximately one-third of the 19 acres bounded by McCaskill Road, Dundee Road, Community Road, and Magnolia Road is owned by the Village. The Pinehurst Resort is also a major landowner, with parcels including the former steam plant and the Manor Inn. Other landholders include Hughes Supply and various owners of other parcels occupied by individual commercial and residential structures.

Relationship to Adjacent Lands

The site is located in the heart of old Pinehurst, just to the north of the Village core. The site is adjacent to residential property to the west; commercial property and vacant land to the north; and commercial and residential property on the east. To the south lie the Pine Crest Inn and residential sites. The site is not noticeably different in topography or elevation from surrounding lands.

Public open space and community facilities lie very near the site, with the new Arboretum and walking trails under development diagonally across from the site to the northwest, and the Village Hall and additional trails in Rassie Wicker Park within walking distance to the north. Special considerations include the presence of utilities infrastructure – a wellhead and two large storage tanks – on the southwestern part of the site. These facilities are owned and operated by Moore County, which provides water service. The wellhead and storage tanks are in active use.

Market Conditions

Pinehurst and Moore County are well-known as a home to the U.S. Open and major golf resorts that have attracted a large retirement population. However, the area is more diverse and its economy has been influenced by the decline in manufacturing as much as by tourism and accommodation services. Both Pinehurst and Moore County are growing in population, thanks to the area's tremendous appeal as a place to live. Not only golf, but also the quaint villages of Pinehurst and Southern Pines, the year-round climate, and relatively low cost-of-living help attract a growing number of families and non-golfers to Pinehurst.

Demographic growth, as well as the cachet of Pinehurst's name and amenities help propel demand for various uses at the NewCore area. Village retail and office space remains filled, despite operating deficiencies and high rents. Housing development is accelerating and prices are escalating rapidly in the area as a growing retirement population and younger families opt for the amenity value of a Pinehurst lifestyle.

Retail

Retail may be temporarily over-built in the larger Moore County market, but there are opportunities for additional specialty and convenience retail development near the Village Center. The addition of retail space in the NewCore may help attract a more diverse retail and entertainment mix to the area. Among the gaps in the existing retail mix are entertainment venues, convenience goods stores, and other businesses that cater to a more local market.



Typical retail buildings in the old Village Center

Residential

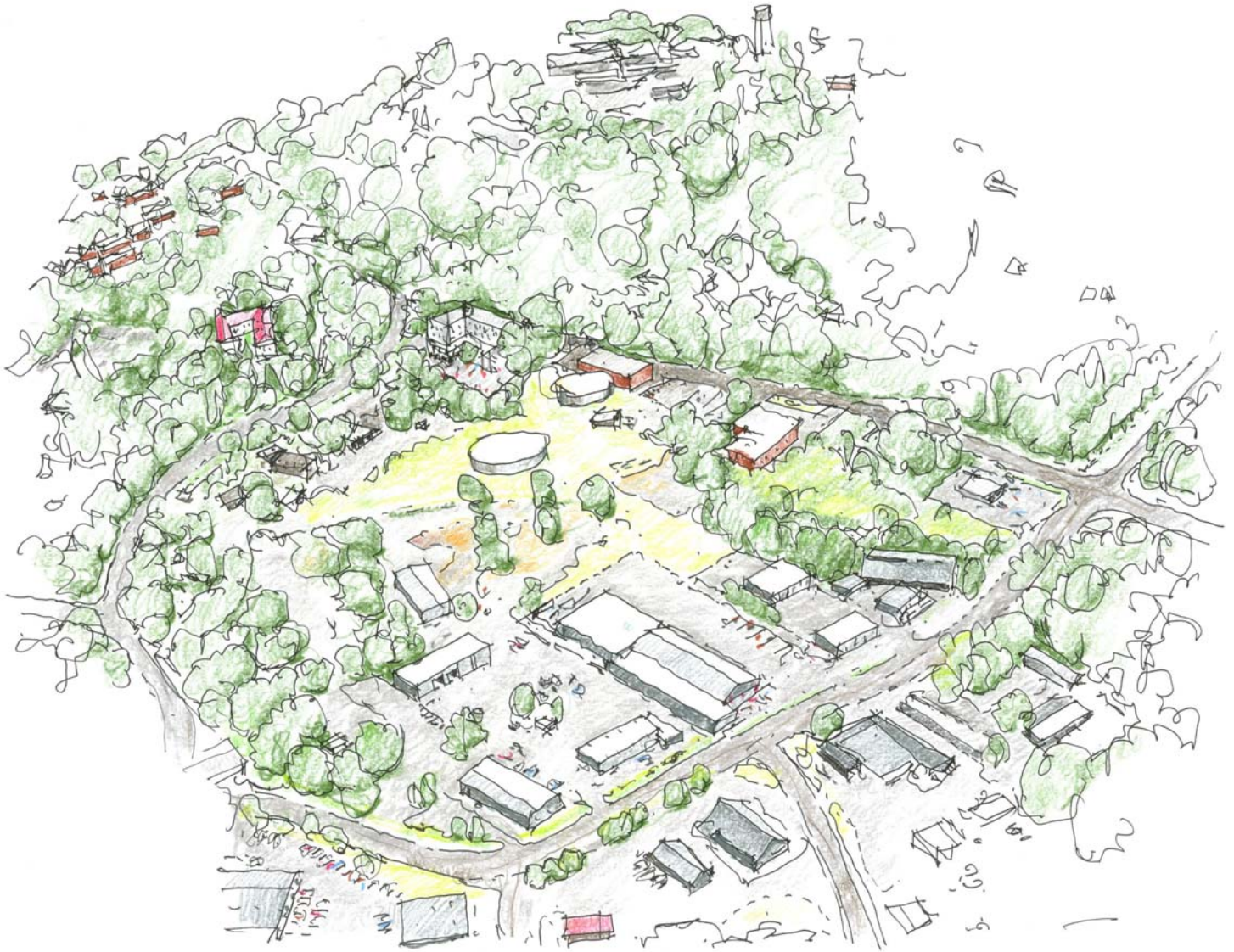
There are also opportunities for residential uses in the NewCore, primarily in the form of zero-lot line or cluster homes including Single-Family, patio homes, and some limited townhouse development. Such housing could be well integrated with retail and office uses, as well as with the existing Village, to create a more enlivened community Village Center. However, privacy is also paramount for residential property owners, so integration of uses must be balanced with the privacy needs of potential residents.



An example of nontraditional higher-density residential development near the old Village Center

Office

Some additional office space may also be warranted, given the occupancy of existing space in the Village and in surrounding commercial developments. The addition of office space in the NewCore may allow some existing businesses to reduce their dependence on first-floor retail space in the Village. There may be demand for more office, but there is a need to ensure balance in the office versus retail uses.



*Aerial view of existing conditions in the NewCore,
looking southwest from a vantage point over McCaskill Road*

Illustrated Physical Plan

Illustrated Physical Plan

Key Concepts and Principles for the Plan

The groundwork laid for the master plan – the background research, the focused review of the characteristics of the existing conditions and history of the study area, the Vision Survey, the market reconnaissance, and the public charrette – generated the essential concepts and key principles that are the foundation of the plan. They include:

- Continuation of the scale, design, architectural character and “walkability” of the Village Center
- A mix of uses – retail, office, residential and open spaces
- Addition of roads and sidewalks to provide access to the interior of the study area and to continue the Village’s interconnecting street pattern
- Clustering retail uses on the southern portion of the study area, where they would be in close proximity to the Village Center and enhance its strength as a specialty retail location
- Adding a variety of residential uses – cluster homes including single-family residential, townhouses, live-work units, and other market-supported residential forms
- Adaptive reuse and/or relocation of historic structures
- Pedestrian emphasis
- Providing at least as much parking as needed for development in the NewCore

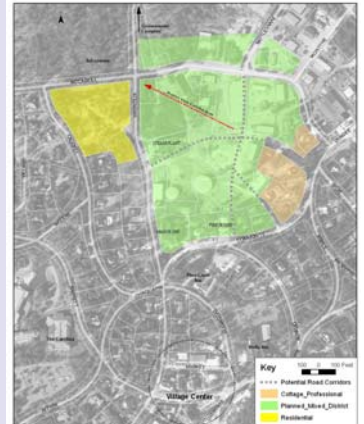
These key concepts and principles are incorporated into the physical plan elements illustrated on the following pages. The elements are illustrated with maps depicting land uses, mobility, public spaces and preservation, as described on the next page.

Following the maps, two key features addressing these essential concepts are described in detail – adaptive re-use of historic buildings, and the role of landscaping and tree preservation in extending the well-loved character of old Pinehurst to the NewCore.

Guide to Plan Diagrams

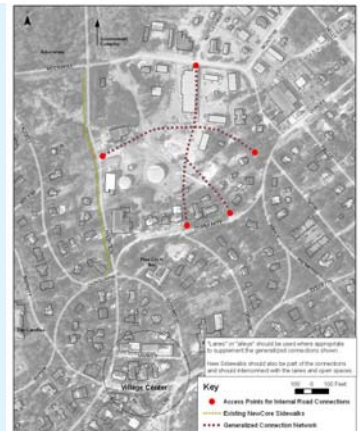
Land Use Plan

This color-coded “bubble diagram” shows the general location and type of future land use in the NewCore. It was developed based on input by Pinehurst citizens and stakeholders, the market reconnaissance, planned public facilities, and an intensive review of the characteristics of the NewCore study area as well as adjacent areas.



Conceptual Mobility Plan

The mobility plan generally shows new roads and sidewalks and their relationship to the existing system of circulation. The location of streets and sidewalks are conceptually shown.



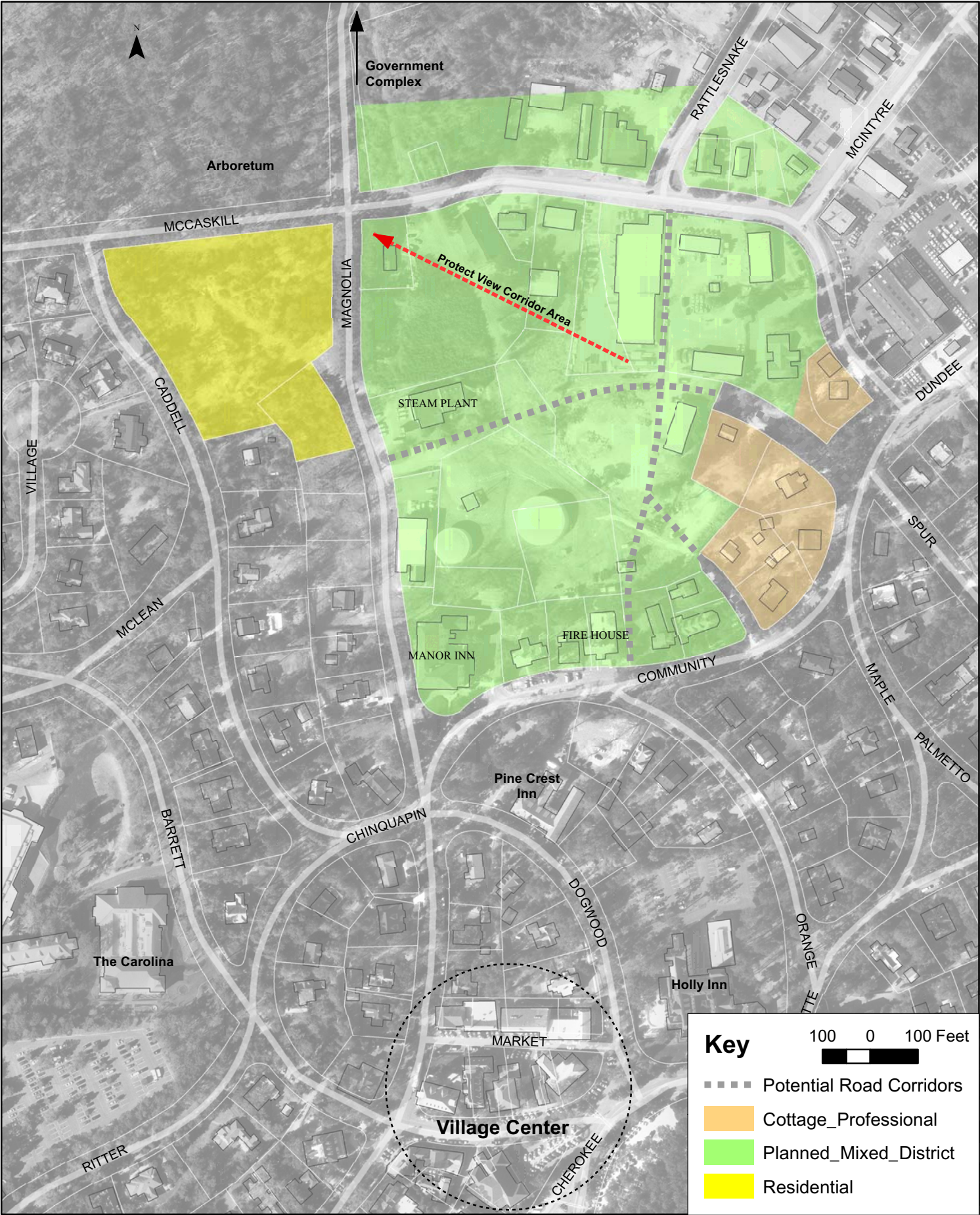
Public Spaces and Preservation Plan

The location of significant public spaces is indicated on this diagram. These include plazas, sidewalks, and public walkways. Also identified are structures that have potential for preservation and adaptive re-use. In the pages following the plan diagram, additional information is provided on elements of particular significance:

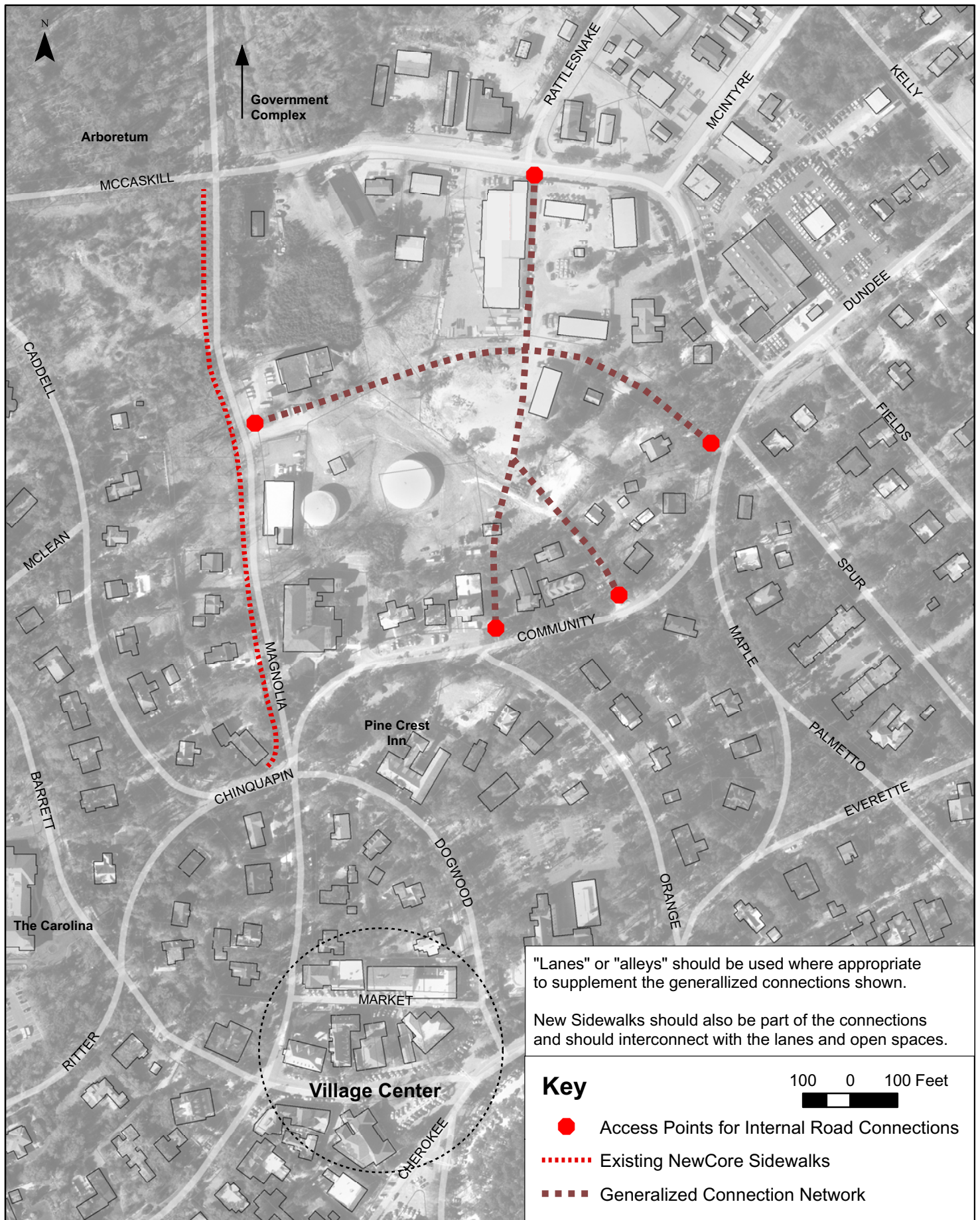
- Rehabilitated Public Buildings: Steam Plant, Firehouse, and Manor Inn
- Veiw Corridor Area



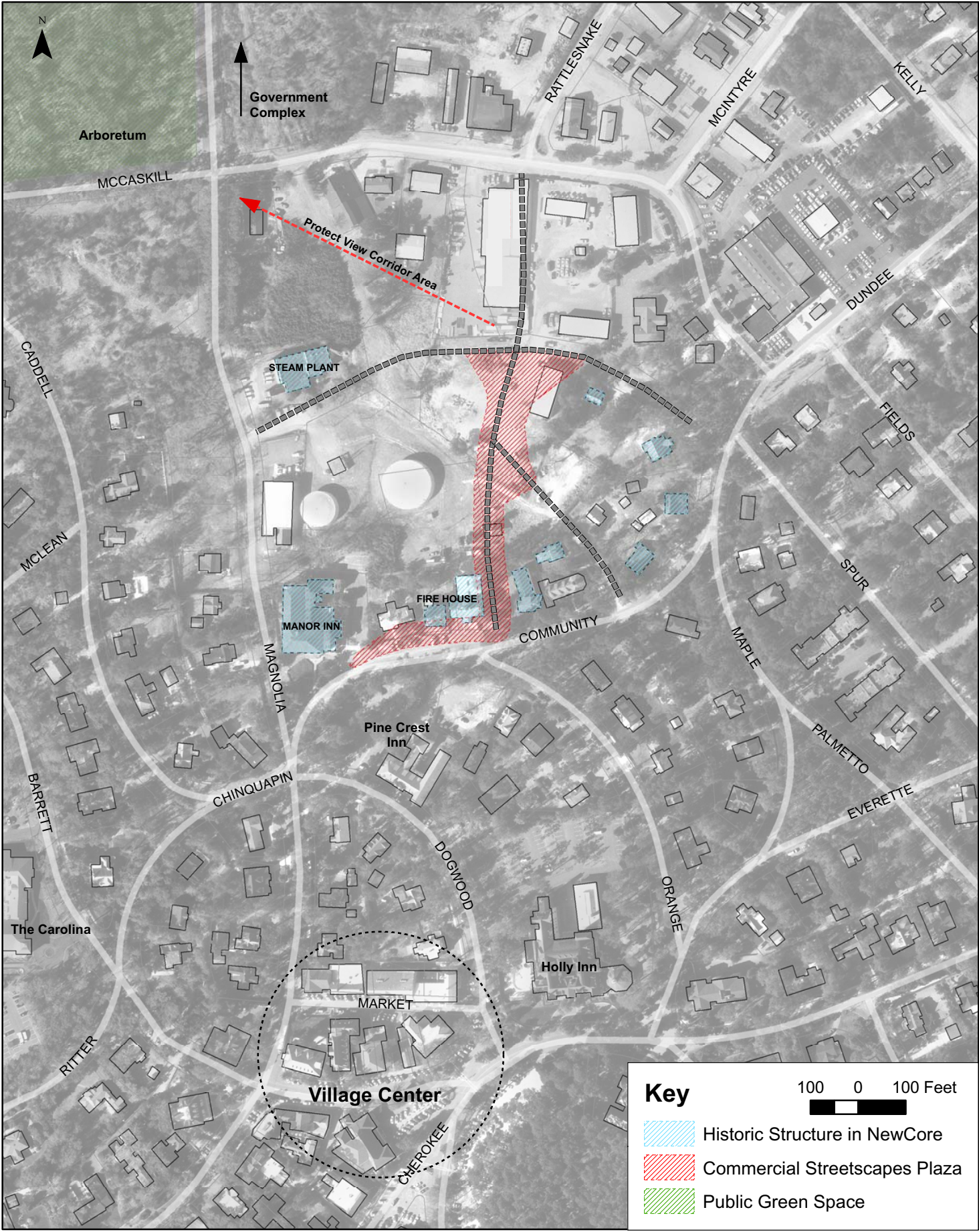
Land Use Plan



Conceptual Mobility Plan



Public Spaces and Preservation Plan



A Closer Look at Key Features

Minimizing Tree Removal and Adding New Vegetation

To the new visitor, one of the most striking characteristics of Pinehurst is the lushness and greenery of its landscape setting, even in winter. The original design for the Village was carried out with the installation of thousands of specimens of trees and shrubs. Most or all of the plantings consisted of evergreen species, which gives the Village an inviting, almost summerlike appearance even in the colder months of the year.

Much of the NewCore lacks trees and large shrubs, although parts of the site do contain established vegetation and trees (notably the northwest corner and the southeast side along Community Drive). Those trees that do exist should be retained where possible, especially if they are well established or of significant size.



To augment existing vegetation, additional landscaping will be necessary. The type and quantity of plant material, and its placement within the landscape design, should reflect the characteristics of landscaping in the existing Village Center and nearby residential areas. Specifically, to reflect the existing Village character, new plant material should consist mainly of native species that retain green foliage year-round: magnolias, hollies (such as yaupon and American holly), laurel cherry, long-leaf pines, cedars, boxwood, azalea, and certain oaks. Seasonal plantings (beds, planters, and window boxes) should include colorful annuals with foliage or floral interest.

Streetside plantings should reflect the irregular lines of shrubby trees that are typical along sidewalks and streets in the oldest part of Pinehurst.



Plantings around buildings with yards should include canopy trees, understory trees, and large and small shrubs as appropriate to the site. In areas where there are minimal or no yards, such as residential townhouses and commercial buildings fronting directly on a street, the landscaping should draw on precedent from the Village Center. There, a few large trees shade portions of buildings and the sidewalk, while irregularly placed large shrubs soften the foundations of structures, and bedding plants provide color, visual interest, and a “well looked after” appearance.



Overall, new landscaping should avoid the following characteristics, which would not reflect the existing character of the Village:

- ✗ regimented lines of identical materials (evenly spaced, same-species street trees; rows of identical dwarf shrubs in a monotonous line; rows of foundation plantings)
- ✗ plant materials that present an overly pruned and manicured appearance, or overly geometric/rectilinear design
- ✗ overuse of deciduous species (plants that shed their greenery in winter), except as street trees



Although these street trees in a “main street” setting are attractive, this type of landscaping would be inappropriate for non-commercial areas of the NewCore. The species used here--silver maple--is deciduous, and the plantings are evenly spaced in a straight line arrangement more suited to a typical American commercial street than to a specialty resort community.

New landscaping with the following characteristics would continue the well-loved aspects of the Village Center and the neighborhoods around it:

- ✔ irregular lines or groupings of planted materials, with most specimens grouped in informal clusters or planted off-center
- ✔ canopy trees interspersed at intervals with open lawns or, in shady areas that do not support grass, naturally occurring leaf litter resting on sandy soil
- ✔ plant materials that are allowed to grow naturally into organic shapes reflecting the natural branching character of the mature species (sites that are dominated by plant material left to grow naturally, with only a few clipped/sheared elements, if any; pruning limited to species that lend themselves to that treatment)
- ✔ the use of predominantly evergreen trees and shrubs for a green appearance year-round



These trees and shrubs typify the organic, irregular character of plantings in the oldest parts of the Village, as well as the predominant use of evergreen tree and shrub species such as hollies, magnolias, and azaleas.

Rehabilitated Historic Buildings: Steam Plant, Manor Inn and Firehouse

From the public input received, it was clear that a high degree of support exists for adaptive re-use of historic structures in the NewCore. In particular, the sentiment in favor of preserving and re-using the Firehouse was very high. There was also a fairly strong feeling that, if financially and structurally feasible, the circa-1895 steam plant building should be rehabilitated and re-used. A number of uses for these structures were suggested and, based on the market reconnaissance, have realistic potential for success.

Firehouse

In the case of the firehouse, the building is situated at a focal point near a confluence of streets; with its cupola and arches lending it a formal appearance, it is a civic landmark for many Pinehurst residents. As such, a civic or institutional function would be most appropriate, such as the expansion of the Tufts Archives or public library. Alternatively or in tandem with such a use, it could become a public meeting space or small performance venue.

Steam Plant

For the steam plant, office would likely be the most viable commercial use, based on the results of the economic reconnaissance. The location does not lend itself well to most retail uses because of its location away from other existing or proposed retail areas. However, its size and character does present the potential to sustain a microbrewery and special restaurant / entertainment use, perhaps combined with a performance venue (dinner theater, art-film cinema). It could house a gourmet food shop with a specialty focus and high-end deli or takeout foods.

The background work performed for this plan suggests that the steam plant building may be too large for a community center serving only the immediate area (such as the multi-family housing portion of this master plan), and the financial feasibility of its rehabilitation will probably demand that it serve a for-profit use.



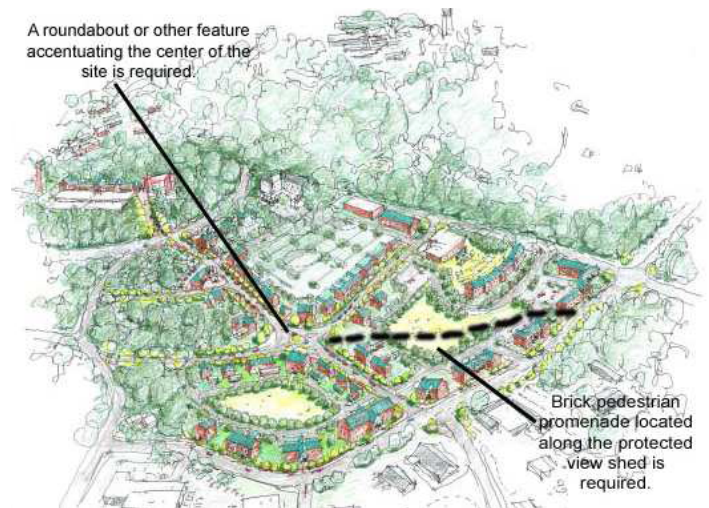
Manor Inn

The Manor is a prominent building located at the intersection of Magnolia and Community Roads. It is the tallest and largest structure within the NewCore area at four stories. The front includes a portecochère which identifies the main entrance. The structure is currently in use as a hotel but would be suitable for re-use. Such appropriate uses would be office and professional or first floor retail.



View Corridor Protection

The purpose of the view corridor is to preserve and create additional emphasis on the view that exists looking from the higher elevation at the southeast portion of the NewCore area toward the northwest portion of the NewCore area and projecting beyond into the Arboretum and Rassie Wicker Park. This will be done by limiting the height and location of structures and land uses within the view corridor. The location of structures on the concept plan are conceptual in nature and may not be allowed as shown.



The well-loved firehouse would lend itself to reuse for a civic or quasi-public function.



The 1895 steam plant could become a specialty retail or restaurant destination.



Architectural and Design Principles

Architectural and Design Principles

Introduction

The physical and aesthetic character of Pinehurst is, for many, the most attractive aspect of the community. Because the NewCore lies in the heart of old Pinehurst, the development of the NewCore has the potential to affect the ambiance of the existing village.

Making sure that this effect is beneficial – that the NewCore contributes to the charm and character of Pinehurst – was perhaps the central mandate that came forward during the information-gathering and charrette components of the master planning effort. The message from participants was loud and clear: maintaining the character of old Pinehurst and extending this same character into all aspects of development in the NewCore is essential to public support for the plan.

The first step in ensuring that this ambiance is continued is to determine what elements of design and architectural character are so appealing to the citizens of Pinehurst. The Vision Survey, described in detail in the process section of this plan, produced measurable data about participants' preferences for design and architectural character.

Using the data from the Vision Survey, along with specific comments and general feedback from participants throughout the public input sessions, the project team created a series of design principles that reflect preferences for new development. Those principles apply to features such as building type, exterior materials, style, and massing; overall streetscape character along with details such as signage and sidewalk materials; "street furniture", such as seating and lighting; and landscaping elements.

On the following pages, the design guidelines and architectural principles are illustrated by example photographs accompanied by textual descriptions for each guideline. Both "appropriate" and "inappropriate" approaches are illustrated for each principle. The pages are oriented horizontally to allow sufficient detail in the photographs.

To ensure that new development and redevelopment are in harmony with these principles, it is recommended that the principles be incorporated into the development regulations applicable to the NewCore and certain key nearby lands. A more detailed explanation of how the design principles would be integrated with zoning and development review processes is contained in the implementation section of this document.

Architectural & Design Principles

No: Inappropriate

Building Height & Setback



Buildings Exceeding Three Stories or having Excessive Front Setbacks or with Front Off-Street Parking: To be consistent with public preferences and historic precedents in the historic village center, buildings in the NewCore area should not exceed three stories in height. Also, setbacks from the street should not be too deep, and no off-street parking should be located between the building and its associated street.

Yes: Appropriate



Commercial and Mixed-Use Buildings up to Three Stories Tall, Shallow Setbacks, and No Front Parking. Commercial and mixed-use buildings in the NewCore area should be one to three stories in height, and they should be located close to the street. Off-street parking should not separate buildings from their streets.



Residential Buildings up to Three Stories Tall, Shallow to Moderate Setbacks, and No Front Parking. New residential buildings in the NewCore area should be one to three stories in height. Attached housing, such as townhouses and apartments, should feature front setbacks ranging between approximately 5 feet and 20 feet, while detached housing can have more generous setbacks. Off-street parking should not occur between the building and street.

Building Scale & Massing



Buildings that are Too Wide or Lacking Façades Massed into Human-Scaled Bays. This building has a very wide façade and fails to achieve the massing that is predominant for commercial buildings in Pinehurst's historic village center. Rather than being broken up into multiple masses, its façade consists of a single uninterrupted plane.



Commercial and Mixed-Use Buildings Massed into Vertical Bays Through Projections/Recesses, Pilasters, Material Changes, Roofline Changes and Canopies. Projecting brick pilasters are capped with a triangular pediment at the roof line to break the building at left into three distinct vertically-oriented bays. The canopies also accentuate façade massing, and the attached building at right projects toward the street, further breaking up the massing of this block.



Residential Buildings Massed into Distinct Vertical Bays Through Façade Projections/Recesses, Balconies, Roofline Changes and Dormers. These townhouses utilize a variety of techniques to create a human scale and massing, including projecting bays and gable ends at both ends of the building, balconies, and dormer windows.

Architectural & Design Principles

No: Inappropriate Facade Design



Façades Lacking a Similarity to Those Existing in Pinehurst's Historic Village Center. This commercial building's scale, massing and setback are appropriate for the NewCore area. However, the façade character is too contemporary, including excessive first floor glazing and balcony railings lacking a traditional design.

Yes: Appropriate



Commercial and Mixed-Use Facades with a Vertical Orientation and Traditional Architectural Elements. Ground floor retail buildings in the NewCore area should feature a traditional storefront design, with a high ratio of glazing. Upper floors should feature less glazing, but a strong vertical orientation for windows.



Residential Facades with a Vertical Orientation and Traditional Architectural Elements. Residential buildings, whether attached or detached, should include a raised foundation and front porches. Even when windows are "ganged" to result in an overall horizontal form, the individual window units should be vertically oriented. Columns, posts and railings should adhere to traditional proportions rather than being undersized, as is often the case with new construction.

Roof Forms & Materials



Residential Buildings Featuring Gable Roofs and Brick or Clapboard Cladding. Gabled roofs should have a minimum pitch of 12:12. Roof materials can be standing-seam metal or shingles of various materials, but shingled roofs should have a dark color. Brick cladding should be limited to attached housing, while clapboard cladding painted white or other light colors should be used for some attached housing and all detached housing.



Commercial and Mixed-Use Buildings Featuring Gable Roofs and Brick or Clapboard Cladding. Gabled roofs should have a maximum pitch of 12:12. Roof materials can be standing-seam metal or shingles of various materials, but shingled roofs should have a dark color. Brick exteriors should primarily feature unpainted red brick, while clapboard sheathed buildings should be painted white or other light colors.



Roofs Lacking a Gable Form and Exterior Cladding Other than Brick and Clapboard. Although a flat roof, parapet façade, and stone or plaster exteriors are appropriate architectural elements in many downtowns, they are incompatible with Pinehurst's historic village center.

Streetscapes

No: Inappropriate On-Street Parking



Head-In Parking: Whether referred to as “head-in”, “perpendicular” or “90 degree” parking, it should not occur within the NewCore Area. It is the least attractive option because it places the greatest amount of vehicles between the street and the streetscape, and it is difficult for drivers to negotiate when backing out, making it detrimental to safe driving.

Yes: Appropriate



Angled Parking for Commercial and High-Intensity Areas: Angled parking should be provided for the most commercial and intensive portions of the NewCore Area. In addition to historic precedents for angled parking existing in Pinehurst’s village center, it is relatively easy for drivers to negotiate, and it provides more parking spaces per linear foot of street frontage than does parallel parking.

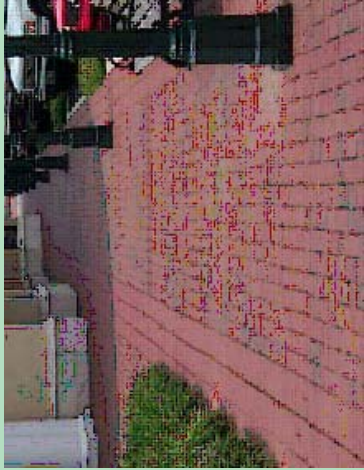


Parallel Parking for Residential and Low-Intensity Areas: Parallel parking should be provided for those areas that are not suited for angled parking, such as residential areas. Such areas do not typically need the amount of parking that shopping areas need, it is the most attractive on-street parking option, and parallel parking is the historically predominant form for Pinehurst’s older residential areas.

Sidewalks



Sidewalks Not Constructed of Brick: Based upon public preferences and historic precedents in the Pinehurst village center, any materials other than red brick are inappropriate for the NewCore area’s sidewalks. Narrow sidewalk widths within the NewCore area’s most intensive and commercial streets are also inappropriate for functional reasons.



Wide Sidewalks within Commercial and Intensive Areas: Wide brick sidewalks should be provided for the NewCore area’s most intensive and commercial streets. The outer “utility zone,” which borders the street curb and accommodates street trees, lights and furnishings, should be at least three (3) feet in width. The unobstructed “pedestrian zone,” located between the utility zone and the adjacent building facades, should be a minimum of five (5) feet in width.



Narrower Sidewalks within Residential and Less Intensive Areas: Narrower brick sidewalks ranging between four (4) and five (5) feet in width are most appropriate for the NewCore area’s less intensive residential areas. A landscaped planting strip to accommodate street trees should also be located between the street curb and sidewalk.

Streetscapes

No: Inappropriate Lighting



Tall Street Lights with a Contemporary Character: Excessively tall street lights lacking a nineteenth-century character not unpopular in the public Vision Survey. Such street lights are also inconsistent with the ones existing within Pinehurst's historic Village Center.

Yes: Appropriate



Human-Scaled Street Lights with a Victorian Character: The street lights that consistently rated the highest in the public Vision Survey for this project featured a Victorian character, a height of no more than approximately 14 feet, and included an opaque cap and finial.



Street Lights Located near the Street Curb: In addition to public preferences, there is already a precedent for human-scaled Victorian-style street lights existing in Pinehurst, such as this one. Street lights in the NewCore area should be located near the street curb. For broad sidewalks along shopping streets, street lights should be provided specifically within the "utility zone."

Street Furnishings



Contemporary Looking Benches and Trash Receptacles: This bench and trash receptacle rated the lowest among their respective categories in the public Vision Survey for this planning process. Both have a contemporary character that is distinct from the historic flavor of Pinehurst's existing village center.



Wooden Benches with a Curved Back and Simple Lines: This wooden bench is located within Pinehurst's historic village center, and it rated the highest among all benches tested as part of the Vision Survey. All benches in the NewCore area should be made of wood, feature a curved back with vertical slats, and exhibit very simple lines.



Dark Metal Trash Receptacles with an Historic Character: Located within Pinehurst's historic village center, this trash receptacle rated the highest among all trash receptacles in the Vision Survey. Trash receptacles in the NewCore area should be made of a dark metal, include vertically-oriented metal slats joined into a circular form, and feature an historic character.

Streetscapes

No: Inappropriate Landscaping



Streetscapes Lacking Extensive Landscaping: Streetscapes lacking generous landscaping are inconsistent with the lush green imagery that defined Frederick Law Olmsted's original vision for Pinehurst. Furthermore, this photograph rated extremely low in the public Vision Survey conducted as part of this planning project.

Yes: Appropriate



Street Trees within Tree Grates on Commercial and Intensive Streets: Even the most urban and dense portions of the NewCore area, featuring the broadest sidewalks to accommodate high levels of pedestrian traffic, should include deciduous street trees to provide color and summertime shade. In order to maximize the sidewalk's surface for walking, tree grates should be utilized rather than planting strips in such areas.



Street Trees within Planting Strips on Residential and Less Intensive Streets: Less intensive and residential streets should feature planting strips located between the sidewalk and street curb for the provision of street trees. Because buildings in such areas should feature a modest front setback from the sidewalk, planting beds and shrubs can also be provided between sidewalks and building facades.

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Transportation and Parking

Transportation and Parking

Overview

The NewCore is envisioned as a walkable community where the needs of drivers and pedestrians are balanced and the streets are shared spaces. Streets within and adjacent to the NewCore will slow and disperse vehicular traffic to provide a pedestrian friendly atmosphere. In conjunction with the Village Center, the NewCore is also envisioned as a “park once” commercial and tourist destination. The two areas are sufficiently accessible to each other to allow visitors to park once and reach all destinations on foot.

The NewCore area was not historically part of the Olmsted curvilinear grid system, in large part because of a railroad spur line bisecting the site from east to west and a second spur further bisecting the northern portion. To reflect this historic context and transport pattern, this plan proposes reusing much of the east-west spur bed as a street. A north-south street reflects in part the second spur, although realigned somewhat to serve as an extension of Rattlesnake.

Regional Connections and Wayfinding

Much of Pinehurst’s charm, ambiance and quality of life stems from its streets being actual streets rather than highways, with the Village Center at a distance from major state and US highway routes.

At the same time, difficulty accessing – and in particular difficulty in finding – both the Village Center and NewCore may be one reason Village Center businesses attract such a small proportion of Pinehurst and Moore County customers. As the 2003 Comprehensive Plan states, travel patterns to the Center are very indirect.

A common response to such “isolation” is to create a wide, straight connection between the highway and commercial district. This approach is inappropriate for Pinehurst for a number of reasons (many of which are outlined in the Comprehensive Plan) but, more importantly, it would not be useful. The Village Center is itself a destination that does not depend on attracting “drive by” traffic and would, in fact, be harmed by it.

Instead, what would be useful to the NewCore is a system to help people easily find their way. A wayfinding system for motorists could be as simple as placing logo signs at or near key intersections, such as NC 211 and Rattlesnake. These should be based on designs selected

in the recent signage plan indicating the Pinehurst identity as well as that of the NewCore. Smaller versions designed for pedestrians can be used to help visitors find their way between the Village Center and the NewCore.

Another beneficial approach is route simplification. Extending Rattlesnake Road to Community Road would improve access generally in and around the Village Center as well as within the NewCore.

The Village website should offer downloadable, printable maps which clearly illustrate applicable routes from highways to the NewCore, resorts and other major destinations. The Village, the Chamber of Commerce or other interested group may wish to ensure that Internet mapping services and Geographic Positioning Systems (GPS) providers are giving travelers the proper route information.

Village Connections

Although the streets at the perimeter of the NewCore have long been part of the Village, the utilitarian nature of much of its area and the lack of internal streets have made it something to be driven around, rather than driven to or walked through. However, adequate external street connections do exist from NewCore to the rest of Pinehurst. Sidewalk connections are another matter. Only two peripheral streets have sidewalks at present. The recently installed sidewalk bordering Magnolia is on the opposite side of the street from NewCore. Along Community Road, the path is incomplete and inadequate, and is disconnected from the Magnolia sidewalk and the Village Center sidewalk network, due to its location on only the NewCore side of the street.

Recognizing the inadequacy of these pedestrian facilities, the Pinehurst Comprehensive Plan places NewCore within an area proposed for brick sidewalks “of generous width.” These planned walkway connections between the Village Center, NewCore, Arboretum and Town Hall Complex are essential to help knit the area together.

Another important element strengthening pedestrian connections is to link planned brick sidewalks in and around the NewCore to the new greenways within Rassie Wicker Park, as well as to the residential areas within one-quarter mile of the NewCore perimeter.

Connections Within the NewCore

The interior of the NewCore should be made more accessible by new streets. One running north-south would be formed by extending Rattlesnake south to connect with Community Road. The other will reuse the former site of the east-west railroad spur to provide a cross axis with the north-south street.

Rattlesnake is designated as a collector street but generally fails to adequately connect the Village Center with NC 211 because of excessively indirect routing. As noted earlier, extending Rattlesnake to Community should enhance accessibility for both the NewCore and the Village Center.

Extending Rattlesnake will also serve to create smaller, pedestrian-friendly blocks within the NewCore.

The Spur Extension will be a local street rather than a collector, but it too will help create smaller, pedestrian-friendly blocks, while also providing on-street parking. For much of its length, this street will follow the old railroad spur alignment. Its western segment, however, will curve south of the Steam Plant building to intersect with Magnolia.

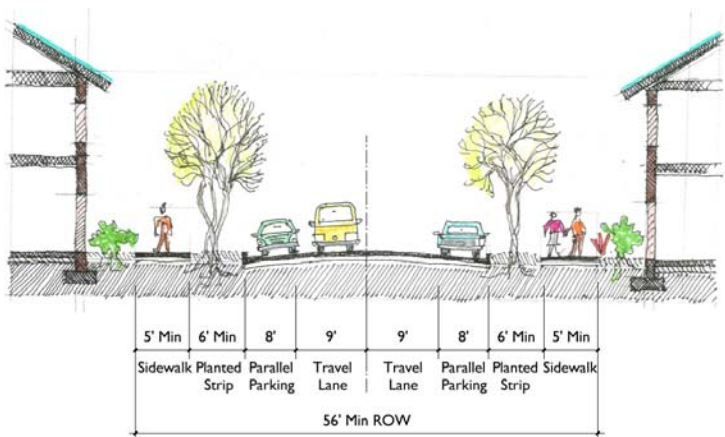
Lanes will provide access to internal parking areas inside the blocks formed by the new streets. Lanes are very low speed streets shared by both motorists and pedestrians. They provide off-street areas for delivery vehicles and garbage trucks, eliminating unsightly disposal and service areas along the street fronts. They also allow multiple access routes for fire trucks and other emergency response vehicles. Internal lanes also eliminate much of the need for individual driveway curb cuts, reducing conflicts with pedestrians and bicyclists.

Sidewalks and Paths

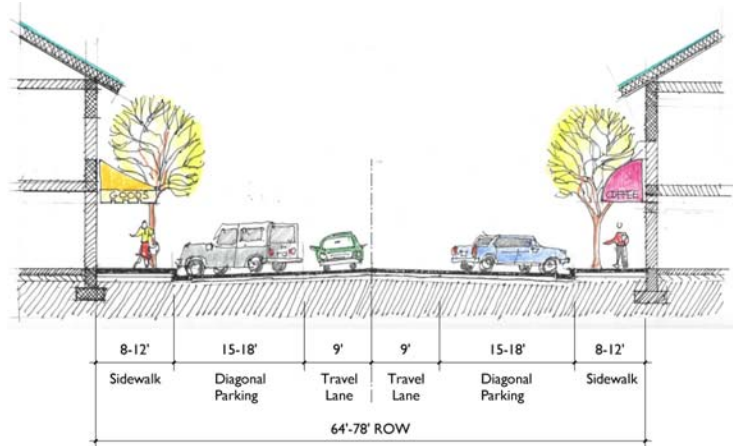
A high degree of pedestrian accessibility will be critical to the success of the NewCore. Extensions of both Rattlesnake and portions of Spur will have sidewalks along both sides. Magnolia, McCaskill and Community should have sidewalks along both sides, where practicable, and along the NewCore perimeter at a minimum.

Consistent with existing sidewalk policies, sidewalks along both sides of Community west of Orange are also needed to enhance the existing connection. At the site planning stage, opportunities for paths in addition to sidewalks along streets should be created. Paths between buildings can provide additional pedestrian linkages between internal parking areas and shopping streets. Such paths not only shorten walking distances between destinations but help reinforce the human scale of NewCore, just as they do in the old Village Center.

The Comprehensive Plan places most of the NewCore site within the area designated for brick sidewalks. All sidewalks within and adjacent to NewCore must be a minimum of 5 feet wide in order to comply with ADA requirements. Further, all sidewalk curb cuts must be properly ramped, have tactile warnings and otherwise accommodate disabled users. It should be borne in mind that such accommodation really is about universal design. Ramps that aid those in wheelchairs also help parents with strollers and delivery personnel, and people with visual or mobility limitations.



Street section at less intense uses



Street section at more intense uses

Within residential and less intensive mixed use areas, a planting strip of at least 6 feet should be installed to help buffer the sidewalk from the street. Vegetation typical of that found in old Pinehurst should be planted within these landscaped strips. To maintain sight lines, trees and other streetscape elements should be restricted from corners for distances of 30 feet on all sides. Also, to accommodate pedestrians, the area between 2 and 7 feet above ground should be maintained as a clear zone wherever on-street parking is located and in commercial areas. Street trees should also be carefully located so that they frame businesses rather than reduce visibility of doors and signs.

Gutters, curbing, and related infrastructure should be installed in accordance with the Village's engineering standards for non-residential areas in Old Town.

Within the more intensive use areas, where on-street parking is extensively used, the area behind the curb should be bricked to provide access between the street and sidewalk. Street trees in these areas are planted within tree wells and integrated into the sidewalk with tree grates. This "utility zone" is generally about 4 feet wide. The unobstructed area of the sidewalk itself should be at least 8 feet wide and may need to be 12 feet or wider if space for sidewalk dining, outdoor display of merchandise or similar uses are desired.

Street engineering and design

Within the NewCore, design speeds should closely match the street type, vehicle use and the proposed speed limit. Within NewCore streets have a desired upper limit of actual vehicle speeds of approximately 20 to 25 mph. Internal access lanes should be in the 10 to 15 mph range. Most streets should have lane widths of about 9 feet with an additional 6 feet for parking and 2 feet of gutter. Lanes are commonly about 20 feet wide with 10 to 14 feet of pavement.



An internal lane in the old Village Center leads to service areas in the interior of the block

Rattlesnake Extension appears likely to have both horizontal and vertical curvature considerations that must be taken into account during design. Stopping sight distances and other considerations may require lane widths of up to 11 feet. To calm traffic while reducing pedestrian crossing distances, curbing may be extended up to 4 feet beyond the gutter at crosswalks. Such curb extensions or “bulbouts” make it easier for pedestrians to see and be seen in areas with on-street parking.

Curb radii for intersections with driveways and lanes should be about 15 feet. To keep design speeds low and pedestrian crossing distances manageable, a maximum curb radii of 25 feet is recommended for larger intersections. However, the Olmsted street design in the old Village uses very generous curb radii, so a balance should be maintained between historic context and modern traffic calming techniques.

The scale of lighting fixtures and the illumination provided must be appropriate for both pedestrian and vehicular movements. More and shorter lights are preferred to fewer, taller, high-intensity lights. Pole lights for pedestrians are seldom taller than 14 feet as lower fixtures minimize shadowed areas lighting may also be attached to buildings within higher intensity areas.

On-Street Parking

Within the most intensive areas, angle parking provides more parking per linear foot of curb than parallel. Angled parking is also preferable for high turnover parking as it is faster and easier for most drivers. Many advocates think angled parking is also safer for bicyclists because drivers tend to back up more cautiously as compared with how many pull forward out of a parallel space, and because the chance of being “doored” is eliminated.

In residential and less intensive areas parallel parking should be provided. It is space-efficient and minimizes impervious surfaces. In addition, parallel parking is the historically predominant form of on-street parking for Pinehurst’s older residential areas.

Within all newly developed areas of NewCore only angled or parallel parking is proposed. However, a segment of Community currently uses 90 degree or “head in” parking. This may be retained if it does not negatively impact safety. Observation indicated that a sizable portion of customers using this parking were traveling from Magnolia, so that a left turn into head in parking is preferable to a U-turn to access angled parking. Once Rattlesnake connects with Community it is possible that more drivers will arrive from the opposite direction and this change, along with additional traffic, may warrant conversion to angled parking.

Off-Street Parking

All NewCore areas to be redeveloped will contain some degree of off-street parking hidden within the interior of the newly formed blocks. North of Spur, these areas are designed as “parking lanes” with garages, carports and surface spaces directly abutting the internal accessways.

South of Spur, a larger surface parking facility is proposed in the interior of the southwest block. Roughly half of this parking would be paved, while the other half would be some form of “green parking”, with stabilized pervious surfaces, not necessarily pavement.

The purpose of this large parking area is to provide additional parking for the Village Center, for hotel guests and for special event parking. When the overflow parking is not needed, the green parking area in particular could also be used to host events, such as a farmers' market.

Implementation

Implementation

Strategic Recommendations

Based on the review of market conditions and opportunities, it is highly recommended that the NewCore area function as an exciting, mixed-use extension of the existing core. Businesses and residents would be attracted to this area in order to benefit from the proximate location and positive image of the existing core, but also to take advantage of new, larger, and more diverse building formats than are presently found in the core.

Concept and mix

The NewCore would include local-serving, and specialty retail, restaurant, and entertainment uses. These uses would extend from the existing core and would be located in walking distance to new housing, such as patio / cluster homes and townhouses oriented to both retirees and younger pre-retirement residents. Office space would be developed within this mixed-use commercial/residential area to house professional services, general offices, and real estate companies that would gradually expand or relocate from first floor spaces in the existing core. The area would be complemented and integrated by a series of walkable streets, pathways and open spaces. Together, the existing village and new core areas would form a stronger and more economically viable village center for the growing community of Pinehurst.

Design and land use implications

In order to maximize the marketing opportunities for the area and meet the expectations of existing and potential residents, the unique physical environment and architectural heritage of the existing village core should be extended seamlessly into the new core. Again, the unique heritage and lifestyle of Pinehurst create a strong “brand” that establishes its appeal as an attraction for residents and visitors alike. So, this brand should not be compromised through design, density, or development patterns that are wholly inconsistent with the original Olmsted plan for Pinehurst.

Mixed Use Area

The mixed use area when fully developed shall be comprised of a minimum 45 percent open space. It shall also be comprised of between 25% and 35% retail and entertainment uses to include restaurants. Residential uses shall comprise between 35% and 45%. Other uses including office and professional shall comprise between 25% and 35%. These figures shall be calculated based on total building area.

Mixed uses and other strategic recommendations are more fully detailed in Appendix A: Market Reconnaissance Report.

Cottage Professional and Residential Area

The areas when fully developed shall contain a minimum of 45 percent open space.

Development implementation

Implementation of the master plan and associated concepts must be understood in terms of the overall development management structure, and associated phasing and financing strategies. There are basically two distinct options for managing redevelopment within the NewCore area, as discussed below. One option is for the Village to allow individual developers to gradually submit plans in a “piecemeal” approach for development of parcels in the NewCore area. If developed in this manner, the percent of uses shall be maintained on each parcel of land or development proposed. A more unified option is for the Village to seek a Master Developer to ensure consistent implementation of the community’s master plan.

There are benefits to both approaches for implementation of the NewCore master plan. In a reactive, parcel by parcel approach, development of the area is more likely to occur gradually over time. The Village is less likely to expose itself to any financial risks. However, the individual developer approach does risk creating a less integrated development pattern that does not conform to the community’s vision for the NewCore area. That approach

also makes it harder to finance the large-scale infrastructure improvements that are proposed for the NewCore area, including the extension of roads and urban design improvements, as well as the parking facilities. If those improvements are financed privately, there is the possibility that developers will need to increase densities, alter the land use mix, and raise prices in order to recover those infrastructure costs.

The master developer approach is more efficient. It provides economies of scale that help ensure development is more consistent with the community's vision. A master developer approach also reduces the cost of assembling land because individual property owners become part of a larger negotiation. The Village adds value to the redevelopment process by helping to bring the property owners to the table in a public-private partnership that they help create and from which they benefit.

A master developer-led process would probably ensure more rapid redevelopment within the NewCore area, which is something that the community may not inherently want. However, the community may also be more likely to achieve the objectives of their plan if implemented sooner. The trade-offs between timing, financing, and consistency with the community's vision must be addressed when contemplating an appropriate development policy for the NewCore area.

Public Policy Recommendations

Directing public policy toward achieving plan goals is a central component of implementing any plan. Decisions involving local government public policy can include capital improvements planning and programming, recruiting a master developer, budgetary decisions, and land development regulation including zoning and development review. Much of the structural development envisioned for the NewCore in this Master Plan remains to be accomplished. Because the future built environment

is so central to the plan, a major component of plan implementation will be the adoption of appropriate zoning and related development standards for the NewCore. These are described in detail below.

Zoning

As revealed in this plan, the community's strong preference is continue and extend the general character of the Village Center into the NewCore, while incorporating additional uses that appear to be in demand, such as office space and alternative forms of housing, into the mix. With this overarching vision in mind, the zoning strategy for the NewCore should be designed to achieve the following key goals:

- It should allow a mix of uses in the NewCore as envisioned in this Plan, and must accommodate those uses with some flexibility as to their exact location and intensity based on market requirements.
- It should direct retail uses toward the southern edge of the NewCore (which is close to the Village Center) so as to enhance and strengthen the retail use of the existing Village Core, rather than competing with or undermining it.
- It should allow existing uses and buildings to remain in operation until tenants or owners are prepared to make alterations in the use and development of those properties.
- It should be able to fit reasonably within the existing structure of development regulation and review used by the Village, without creating a need for new review processes or reviewing entities.
- It should allow the Village to retain guided control over new development proposals, including their context, form, and compatibility, yet it should not put staff in an untenable position of making discretionary judgment calls, and it should not introduce an unmanageable degree of uncertainty into the review process for development applicants.
- It should, if at all possible, allow checkpoints and assurances for a true mix of uses and prevent the "picking and choosing" of development types in such a way that only one or two use types are ever built on the NewCore site.

Currently, the NewCore and certain key nearby lands are predominately zoned NC, with some smaller areas zoned O (Office), H (Hotel), and R (Residential). The existing zoning is not designed to achieve the goals outlined above and described throughout this Master Plan; in many respects, it would allow or promote development that is incompatible with those goals. The zoning treatment of the plan area and key nearby tracts should, therefore, be updated with a revised approach.

Recommended zoning approach

An approach that would meet the goals outlined above is to create a new zoning district tailored specifically for the NewCore area. The zoning district, to be placed on the NewCore site, would permit a mix of uses and would also include specific urban form and architectural standards to ensure that development takes the appropriate form. A market reconnaissance, and not a full-fledged market study, was performed as part of the foundation for the plan; the plan is market-informed rather than market-based. As such, the zoning implementation of the plan should avoid overly specific prediction of where different uses should go on the overall site. With the retail component of the NewCore focused at its southern edge, that edge will function more as an extension of the old Village Core and strengthen, rather than detract from, the retail shops and restaurants in that area.

Uses allowed in the NewCore district would include residential uses, taking the form of zero-lot-line, patio, and cluster housing, townhouses, and assisted living or retirement residences (but not nursing care facilities); commercial uses such as professional offices, financial institutions, and perhaps entertainment venues and restaurants.

Additional uses allowed in the NewCore district would include specialty and local convenience retail, restaurants, lodging and accessory to existing visitor accommodation uses. Buildings could be vertically mixed in use, but retail or restaurant space should occupy ground floors in any case. Retail on ground floor of any office building, for example, would be consistent with the vernacular pattern in the old Village Center. The proposed zoning district shall have language to ensure that uses are located in accordance with the Land Use Map within this document.

Development standards

The new zoning district should include standards to address special considerations of development quality described throughout this Master Plan. As detailed in the Architectural and Urban Design Principles section of this plan, new development should have to meet clear standards such as height limits, building massing and articulation requirements, and roof pitch; landscaping and streetscape elements; and other such matters. The specific standards that are drafted should reflect the goals in the illustrated photos in the section on Urban Design, Architectural Character, and Streetscapes.

Additional requirements should include screened service and waste collection areas located to the rear of buildings and limited setbacks to bring buildings close to the street, where appropriate. The standards should encourage “friendly” optional elements on the public street frontage such as seating, entry courtyards, arcades, bike racks, and walkways.

Other standards applied in the new districts would be related to parking and always a factor to be handled thoughtfully in site design because of its impact on urban form. Surface parking lots would be allowed as accessory uses, but must meet certain criteria (situated behind buildings and accessed by alleys, rather than fronting on a public street, for example). Off-site parking should be allowed to meet a portion of the parking requirements of specified certain commercial uses; this would enable businesses to meet part of their parking needs with spaces in the surface lot located within the southwestern quadrant – perhaps on a fee-in-lieu-of-construction basis. On-street parking should also be counted towards parking requirements for at least some uses.

Process for review

Within the new district, the existing process of site plan review and special use processes and approval (by the Planning and Zoning Board or by the Village Council, respectively) would allow representatives of the Village to retain some discretion over the quality and context of new development proposals. The reviewing body would generally be able to evaluate sites to be developed on the basis of compliance with the goals of the Master Plan. The site plan review process will ensure that Planning and Zoning Board or the Village Council has the opportunity to review and evaluate development proposals for their compliance with plan goals. Once the new districts and accompanying standards are

prepared, the Pinehurst Development Ordinance (PDO) would be revised to include them.

After the amended ordinance text is adopted, the specified lands in the plan area should be rezoned as appropriate.

Going forward

Existing development not consistent with the new zoning will remain as lawful nonconforming uses to ensure that property owners are not forced to alter ongoing activities on their land. The new district would apply a standard approach to legal “nonconformities”: existing uses and buildings that would not be permitted under the new zoning, may nonetheless remain in operation. Doing so will meet the Village’s stated goal of allowing the development of the NewCore to proceed incrementally over time without forcing existing uses to undergo premature change. As private tracts or parcels within the NewCore are voluntarily brought forward for site plan review and approval, the standards in the PDO and the principles of the NewCore Master Plan will be applied to the form, type, and use of development. Over a period of time the NewCore will tend to reflect more and more the vision for the area articulated by the public in the planning process.

When each property develops according to the overall plan, the value for all property owners is increased overall, as opposed to fragmented attempts to maximize individual value that often have negative effects on other properties. Thus, if zoning standards and review processes are properly formulated, the value of the NewCore lands is maximized, both for individual property owners in and around the plan area, and for the public at large in Pinehurst.

An alternative zoning scenario

As an alternative to the new base zoning districts and incremental implementation described above, the Village could choose to seek out a master developer for a larger overhaul of the NewCore area pursuant to the strategy described in Appendix: Market Reconnaissance Report. Under this scenario, the developer would seek a conditional use rezoning for all the land under its control.

As it is applied in North Carolina, conditional use zoning allows the Village to negotiate flexibly with a developer or its representative when a development is proposed. It can be used as a means to assure the quality and form of new development through the application of standards, plans, and conditions on a specific property that is proposed for rezoning.

The conditional use rezoning process allows Pinehurst to find ways to address the public interest; in this case, the Village would measure the proposed development against the goals contained in this Master Plan. The Village's decision makers could suggest conditions and standards that, if voluntarily agreed to by the applicant, would apply to all development going forward under the rezoning.

In effect, the conditional use rezoning procedure blends, in the consideration of one proposal, a conventional rezoning process with the review of a special or conditional use permit. The types of features that can be controlled using conditional use zoning include:

- Site design restrictions and requirements
- Requirements that the developer construct or pay for the construction of public off-site improvements
- Locational standards for building placement and access point location
- Landscaping, lighting, and parking
- Use of structures and land
- Construction of street improvements or other additions to infrastructure

The conditional use zoning approach can only be used with a master developer, because by statute the property owner's consent is required for a rezoning to a conditional use district. This constraint of conditional use zoning is offset by a number of advantages. First, conditional use zoning can be used to manage a range of very different uses and development types – such as housing, retail, and offices – on one unified site, without requiring staff to draft (before a proposal even comes forward) a base by-right zoning district encompassing all possible uses. With a master developer and conditional zoning, phasing plans could be employed to ensure that the developer does not abandon the rest of the project after achieving buildout of just one profitable element of the overall plan. Also, conditional use zoning allows an overall proposal to be judged flexibly by its conformance with the goals of the Master Plan, and it allows the Village to suggest additional conditions to the development applicant to address specific concerns of public interest.

Implementation Considerations

Implementation strategies span the range from broad, proactive approaches to more measured actions that are generally protective of the Pinehurst culture. A broader approach would be more likely to result in the articulated community vision and an extension of the existing Village Center.

Opportunistic recommendations

A unique opportunity exists for the Village to not only define what may be built but also lead NewCore's development and produce the community's vision. The Village owns approximately one-third of the NewCore area and is relocating the Fire Department and, potentially, the Public Works facilities. The soon-to-be-abandoned Firehouse is prominently located at the intersection of Community and the extension of Rattlesnake along the commercial corridor that links the NewCore with the Village Center. And, more importantly, the primary transportation corridor (extension of Rattlesnake) and focal point of the commercial area (the "Y" intersection of Rattlesnake and Power House Roads) is also located on Village property.

The Village could pursue the master developer strategy. (Refer to the sidebar in the next column.) An alternative Village strategy is to promote NewCore development by focusing specifically on the Village's land. Though this is a proactive approach and results in the development of one-third of the site, it leaves future parcels development and timing to individual landowners and market conditions and a more likely piecemeal buildout. In either alternative, the infrastructure improvements would be constructed, though in the latter alternative, buildout would likely occur over a longer timeframe.

Other actions the Village may undertake that would promote the Plan include encouraging the relocation of historic residential structures to the southeast quadrant of NewCore to preserve housing stock, maintaining the historic architecture, augmenting the pedestrian experience and residential character along Power House and Spur Roads, and assisting the owner of the steam plant in completing an economic analysis to better understand the viability for adaptive reuse of that structure.

Extending and Enhancing the Village Center Character

Objective: The most consistent theme arising from the interviews, workshops and public meetings was that the redevelopment of the "old service area" must be consistent with the existing form and character of the Village Center and maintain its sense of place. The approach most likely to achieve this critical community objective is a unified strategy in which the owners of property targeted for redevelopment work with the Village as landowner and spokesperson, and the community, represented by the Village Council, carefully selects a qualified master developer committed to the community vision and the master plan design.

Landowners: Property rights are important, and a unified approach best addresses these interests. In simple terms, the NewCore as planned will have a higher economic value than the old service area as currently developed and, therefore, all the land will be more valuable if the master plan is successfully implemented. The chances for successful implementation are greatly enhanced if the property owners act in concert using the Village as lead. Though property owners' needs and concerns will vary, individual interests can be addressed through a joint effort among property owners and the Village.

The Village: The Village has had the foresight to understand that this area is on the point of transitioning from its historic role as a location for service uses and into something else. By initiating this planning process at just the right time, the Village has been able to capture the community's vision and reinforce it with good planning principles to produce an encompassing and economically viable plan, defining what that "something else" should be. The Village can best satisfy the interests of its citizens and property owners by ensuring that the old service area be developed consistent with the vision expressed by the community in the plan. Acting on its own behalf and that of the other property owners, the Village has the breadth of influence to attract a qualified master developer, whereas this synergy is not possible with any individual parcel.

Master Developer: Developers are interested in predictability, which includes matters such as getting zoning approvals, having adequate infrastructure available, making sure that development is economically viable in the market, and knowing the potential impacts of subsequent development on adjacent lands. The more a developer can increase predictability and minimize or eliminate concerns around each of these issues, the more interested the developer will be in a given opportunity. As a result, the land in question is likely to fetch a higher price, and the developer will be more willing to negotiate providing infrastructure improvements and public amenities. When there is strong interest in a development opportunity, it puts the Village in a better position to choose a master developer and architect with a proven track record and carefully vetted for sensitivity to the Village's original Olmsted design and character.

The Community: Community visions are not created on their own. They are planned, planted, nurtured, and protected. The history, aura and ambiance of the Village Center did not just happen. Olmsted envisioned it and Tufts built it. Pinehurst Resort protected it for many decades, and for the last 25 years the community, through the incorporated Village, has nurtured it. The question now is what degree of effort the community wants to expend to guarantee the extension and enhancement of the character of the Village Center into the NewCore.

Well and water storage tanks

In the southwest corner of the Study Area the County maintains two ground water storage tanks and an active well. The well pumps water to the storage tanks and the water in the tanks is then pumped to raised storage facilities. Though the East Moore Water District expansion will increase the capacity of the current water system, there are no County plans to abandon the well or storage tanks on the site. The Master Plan delineates a combination of permanent parking in support of the commercial uses along the streets, along with a green, pervious surface area for outdoor community events and special events spillover parking.

The primary obstacle to interim use of this property is the active status of the well and the applicable regulations that exclude uses within a 100-foot radius of an active wellhead. The Village should consider pursuing a strategy with the County to negotiate the abandonment and relocation offsite of the wellhead. This could allow a number of uses such as community events and consumer parking. Though the eventual removal of the storage tanks is necessary to maximize the use of this area, the elimination of the well would be a significant interim step.

Adaptive reuse of the steam plant

The decision to adaptively reuse or raze the steam plant should be based in part upon economic considerations – the projected economic value of the intended use in relation to the cost of renovating the structure versus the cost of demolition and new construction. The creative application of state and federal tax credits (40% total) in conjunction with preservation remediation requirements may produce a favorable restoration analysis. In addition, there is the intrinsic value added by a unique historic structure that can help create special appeal and character in the NewCore. While difficult to quantify, this value is arguably one of the strongest reasons for considering the restoration and re-use of this building that dates to Pinehurst's founding.

Minimum recommendations

The following recommended actions constitute the minimum necessary to begin implementation of this Master Plan.

- Incorporate the Plan into the Village's Long Range Comprehensive Plan and modify the Village's Development Ordinances (as recommended in the public policy section of this Plan) to provide for land uses and design standards articulated herein. This provides a level of certainty to developers that proposed projects in compliance with zoning requirements and design standards will be approved. Further, this may spur interest in the two-thirds of the Study Area that is privately owned and underutilized.
- Begin negotiations with the County regarding abandonment or relocation offsite of the wellhead, interim uses of the County's land and the potential removal of the storage tanks.
- Develop, approve and implement a plan to construct the infrastructure improvements.
- Pursue an interested party to adaptively reuse the Firehouse consistent with the recommended uses listed in the Illustrated Physical Plan Section.

Implementation Matrix

An Implementation Matrix beginning on the next page contains recommended actions to carry out the goals and objectives of this Master Plan.

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NewCore Master Plan Implementation Matrix

This matrix will guide the implementation of the Plan. In general, the Plan should be used as a guide by which to evaluate proposed actions and activities, referring to specific plan sections as appropriate.

Policy-Setting and Regulatory	Public Infrastructure	Private Development	Miscellaneous
Adopt and incorporate Master Plan into 2003 Comprehensive Long-Range Plan	- Develop and approve Capital Improvement Plan for infrastructure requirements of Master Plan - Include scope, timing, and financing - Streets: roads, lanes internal to blocks, sidewalks, lighting and landscaping - Utilities: water, sewer, electric, gas (phone and cable?) - Surface parking - Wayfinding signage - Implement Capital Improvement Plan - Subject to and aligned with private development strategy	- Assess and approve implementation strategy for private redevelopment consistent with Master Plan focusing on one of two strategies: I) Master Developer – Village leads redevelopment effort among willing landowners and selects a single master developer II) Village Land (only) – Village contracts with developer to develop the Village's land; and II) Private Land – Landowners independently submit development plans pursuant to amended Pinehurst Development Ordinance	- Develop and implement unified Wayfinding / Signage Plan consistent with recommendations of Master Plan including: - web-based resources: Village website, internet mapping providers, GPS providers
- Amend Pinehurst Development Ordinance pursuant to Master Plan, to include: - Zoning - Architectural and urban design standards - Landscaping standards	- Pursue interim and long-term plans for Moore County abandonment and removal of well and water storage tanks - Interim – abandonment and removal of wellhead - Long Term – abandonment and removal of storage tanks	- Pursue adaptive reuse opportunities - Obtain private developer for redevelopment of the Firehouse - Assist owner of Steam Plant in reuse assessment for the Steam Plant - Encourage reuse of existing structures in southeast quadrant	Request and obtain landmark status for qualifying structures and erect plaques designating status and year built
	Relocate Village Public Works	Encourage relocation of historic structures in southwest quadrant to southeast quadrant	Establish periodic review of Plan implementation consistent with 2003 Comprehensive Long-Range Plan

NewCore Master Plan Implementation Schedule

Category / Activity	Responsible Parties	Year	Term
REGULATORY			
Adopt and incorporate Master Plan into 2003 Comprehensive Long-Range Plan	Village Council Planning Commission Steering Committee	2006	1 – 2 mo
- Amend Pinehurst Development Ordinance pursuant to Master Plan, to include: - Zoning - Architectural and urban design standards - Landscaping standards	Village Council Planning Commission Planning Department Staff	2006	4 – 6 mo
PUBLIC INFRASTRUCTURE			
- Develop and approve Capital Improvement Plan for infrastructure requirements of Master Plan - Include scope, timing, and financing - Streets: roads, lanes internal to blocks, sidewalks, lighting and landscaping - Utilities: water, sewer, electric, gas (phone and cable?) - Surface Parking - Wayfinding signage	Village Council Public Works Planning Department	2006	6 – 12 mo
- Implement Capital Improvement Plan - Subject to and aligned with Private Development Strategy	Village Council Assigned Departments	Pursuant to CIP	Pursuant to CIP
- Pursue interim and long-term plans for Moore County abandonment and removal of well and water storage tanks - Interim – abandonment and removal of wellhead - Long Term – abandonment and removal of storage tanks	Village Council Village Manager Village Attorney Public Works Department	2006 2006	6 – 9 mo 2 – 3 yrs
Relocate Village Public Works	Village Council Village Manager Public Works Department	2006	2 – 3 yrs

**New Core Master Plan
Implementation Schedule
(continued)**

Category / Activity	Responsible Parties	Year	Term
PRIVATE DEVELOPMENT			
- Assess and approve implementation strategy for private redevelopment consistent with Master Plan focusing on one of two strategies: I) Master Developer – Village leads redevelopment effort among aligned landowners and selects a single master developer II) Village Land (only) – Village contracts with developer to develop the Village land; and II) Private Land – Landowners independently submit development plans pursuant to amended PDO	Village Council Planning Commission Steering Committee	2006	6 – 9 mo
- If Master Development implementation strategy is approved: - Solicit redevelopment landowners to agree to unified development approach - Select and work with qualified Master Developer aligned with Master Plan	Village Council Planning Commission Planning Department Staff	2006 2007	6 – 8 mo Comple- tion
- If Village land (only) implementation strategy is approved: - Select and work with qualified Master Developer aligned with Master Plan	Village Council Planning Commission Planning Department Staff	2007	Comple- tion
- Pursue adaptive reuse opportunities - Obtain private developer for redevelopment of the Firehouse - Assist owner of Steam Plant in reuse assessment for the Steam Plant - Encourage reuse of existing structures in southeast quadrant	Village Council Village Manager Planning Commission Planning Department Staff	2006 2006 2006	6 – 9 mo 4 – 6 mo Ongoing
Encourage relocation of historic structures to southeast quadrant	Planning Commission Planning Department Staff	2006	Ongoing
MISCELLANEOUS			
- Develop, approve and implement unified Wayfinding / Signage Plan consistent with recommendations of Master Plan including: - web-based resources: Village website, internet mapping providers, GPS providers, etc.	Village Council Public Works Planning Department	2006	Ongoing
Request and obtain landmark status for qualifying structures and erect plaques designating status and year built	Village Manager Planning Department Staff	2006	Ongoing
Establish periodic review and assessment of Plan implementation	Village Council Village Manager	Quarterly	3 – 5 yrs

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Appendices

MEMORANDUM

August 2, 2005

TO: Warren Raybould
Raybould Associates

FROM: Randy Gross

SUBJECT: Village of Pinehurst: Market Reconnaissance
and Strategic Recommendations

This memorandum provides a summary of key factors impacting on the existing market for residential, retail, office, and other uses within the NewCore Master Planning area of Pinehurst village. Basic demographic and economic trends are summarized and information relating to each of the markets is conveyed. Further, several observations regarding opportunities and constraints for development are presented as an input to the Master Plan. Finally, strategic recommendations for marketing and development within the NewCore Master Plan study area are provided.

1. BASIC DEMOGRAPHIC & ECONOMIC TRENDS

Pinehurst is a unique place, in terms of its history and its identity, but also in terms of its demographics. A brief overview of demographic and economic trends in Pinehurst and Moore County is presented below as a basis for key observations regarding opportunities in the NewCore area.

Golf-Oriented Retirement Community

Pinehurst village has an affluent senior population base with relatively few families. In 2000, more than 42% of the population of Pinehurst was over the age of 65. This compares with 21% countywide and only 12% nationally. Pinehurst is a community that attracts retirees and seniors thanks to its mild climate, pleasant lifestyle, and exceptional golfing opportunities.

The senior population has grown, from 2,381 in 1990 to 4,101 by 2000, an increase of more than 72% over the ten-year period. However, seniors have declined as a percentage of the total population of Pinehurst, from 46.7% in 1990 to 42.3% in 2000. This reflects Pinehurst's growing attraction for families and others of a pre-retirement age.

Growing Family Population

The average household size in Pinehurst has been gradually increasing, from 2.01 in 1990 to 2.05 by 2000. This has occurred at the same time that household size has been declining nationwide, as families have fewer children and more people live alone. Overall, Pinehurst's population increased by more than 90% between 1990 and 2000, to a total of almost 10,000. During this same period, the number of families with at least one child increased by 113%, or more than 400. Families increased their share of Pinehurst's population from 14.6% in 1990 to 17.1% by 2000. There are indications that this trend has continued through 2005.

Table 2. KEY DEMOGRAPHIC TRENDS, MOORE COUNTY, 1990-2000				
Factor	1990	2000	1999-2000 Change	
			Number	Percent
<u>Population</u>	59,013	74,769	15,756	26.70%
Over Age 65	12,254	16,271	4,017	32.80%
Percent	20.80%	21.80%	1.00%	4.80%
<u>Households</u>	23,827	30,713	6,886	28.90%
Families (3+)	8,514	10,160	1,646	19.30%
Percent	35.70%	33.10%	-2.70%	-7.40%
Note: Families excludes couples with no children.				
Sources: U.S. Bureau of the Census and Randall Gross / Development Economics.				

High Incomes

Pinehurst is a relatively affluent community. Median household incomes were \$58,950 in 2000, compared with a national average of \$41,994 and a statewide average for North Carolina of only \$39,184. Per capita incomes in Pinehurst were \$41,992, compared with \$21,587 nationally and \$20,307 in North Carolina. Thus, Pinehurst incomes were 106% higher than state averages.

These high incomes reflect the leisure lifestyle of the predominately retirement-age population and the fact that much of the working-age population in Moore County lives outside of Pinehurst. A dearth of housing opportunities for families and workers impacts on median income levels in the village.

Moore County Changes

Moore County has a much more diverse population, in terms of income, family type, age, and ethnicity, than Pinehurst. However, the county is becoming more like Pinehurst in some ways.

Like the village, Moore County’s population increased significantly between 1990 and 2000, adding 16,000 people or 26.7%, for a total population of almost 75,000. Of this number, 16,300 or 22% are over the age of 65. The senior population expanded at a faster pace (33%) than the overall population of Moore County. At the same time, families account for a declining share of the household base in Moore County. Even with a 19% increase in the number of families with children, families’ share of Moore County households declined from 36% to 33% between 1990 and 2000. Thus, Moore County’s population is aging and becoming more like Pinehurst’s.

Table 2. KEY DEMOGRAPHIC TRENDS, MOORE COUNTY, 1990-2000				
Factor	1990	2000	1999-2000 Change	
			Number	Percent
Population	59,013	74,769	15,756	26.70%
Over Age 65	12,254	16,271	4,017	32.80%
Percent	20.80%	21.80%	1.00%	4.80%
Households	23,827	30,713	6,886	28.90%
Families (3+)	8,514	10,160	1,646	19.30%
Percent	35.70%	33.10%	-2.70%	-7.40%
Note: Families excludes couples with no children.				
Sources: U.S. Bureau of the Census and Randall Gross / Development Economics.				

Incomes in Moore County are still significantly lower than in the village, with median household incomes of \$41,240 and per capita incomes of \$23,377. Overall, however, these are very similar to incomes nationwide. So, it is not as though Moore County is the “poor working cousin” of Pinehurst.

Employment Trends

Pinehurst was the home of the U.S. Open golf tournament this year and is increasingly popular as a must-play for any serious golfer. While Pinehurst and Moore County are world-renowned for their golf resorts, the area’s economy is more diverse. Moore County’s economic base is oriented to health care, retail trade, accommodation services (including the golf industry), and manufacturing. Overall employment trends in the county are summarized by sector in Appendix Table 1.

While Pinehurst and Moore County have a growing population base, the area’s economy suffered during the recession of 2001-02. Overall employment in Moore County fell from 28,696 in 1998 to 26,324 by 2002, for a decrease of 8.3%. This economic downturn was relatively concentrated in certain sectors,

with a serious decline in employment in manufacturing (-47.8%), wholesale trade (-11.9%), accommodation services (-10.5%), and surprisingly, the health care industry (-12.2%).

Most of these trends can be explained as part of national economic adjustments, namely a dramatic decline in manufacturing and wholesale at the national level (although not as rapidly as in Moore County), and the impact of 9-11 on hotels and accommodation services during that period. However, the decrease in health care employment is unusual, given the growth of that industry nationwide and especially in areas with large and growing senior populations.

At the same time, several local industries have expanded since 1998. Key growth sectors include professional services (71% or 515 new jobs), construction (19% or 298 jobs), administrative support (33% or 220 jobs), information services (65% or 137 jobs), and other services (34% or 337 jobs). The management services sectors expanded by 253% during this period, adding 177 jobs. Most relevant to Pinehurst Village is the increase in professional and information services, as well as finance (20%, 115 jobs) and real estate (28%, 68 jobs) employment.

Summary

Pinehurst and Moore County are well-known as a home to the U.S. Open and major golf resorts that have attracted a large retirement population. However, the area is more diverse than that and its economy has been influenced by the decline in manufacturing as much as by tourism and accommodation services. Both Pinehurst and Moore County are growing in population, thanks to the area's tremendous appeal as a place to live. Not only golf, but also the quaint villages of Pinehurst and Southern Pines, the year-round climate, and relatively low cost-of-living help attract a growing number of families and non-golfers to Pinehurst.

2. MARKET OVERVIEW

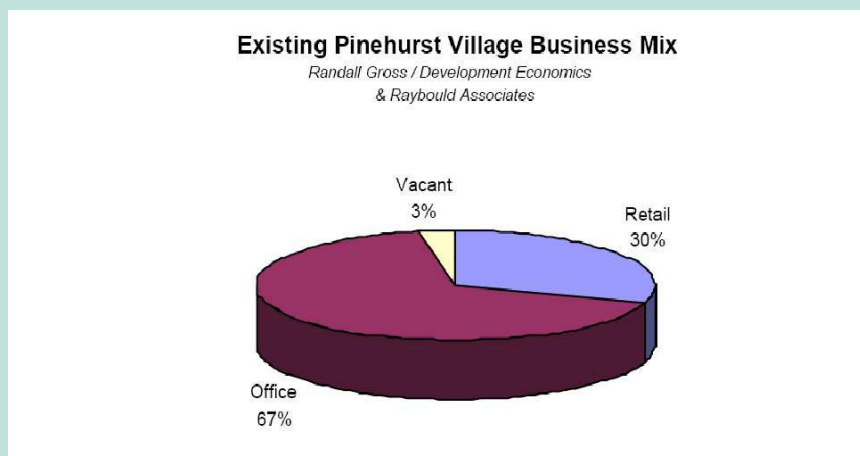
Key indicators for the existing real estate market were examined in order to assess possible opportunities and constraints to redevelopment within the NewCore area. In particular, attention has focused on residential, retail, and office uses. Discussions with residents, businesses, and other stakeholders have contributed information and have helped focus the list of possible uses and building types. This discussion does not constitute a full Market Analysis or indicate the economic *potential* for development or redevelopment within the NewCore area. However, it does provide background information useful to assessing key opportunities within the area.

Retail & Office

The commercial retail and office markets were examined with respect to their existing mix and character, key trends, and possible growth opportunities. The relationship between office and retail is particularly important as it relates to the existing situation in the Village Core of Pinehurst.

Site Analysis & Existing Business Mix

The existing Village core is an exceptionally unique, master planned commercial district designed in the 1920's to resemble a New England village. The district has retained its core design, including original buildings and architectural features. There have been relatively few buildings destroyed or added since the original construction, yielding the district its designation as a National Historic Landmark. As a result, the original character remains intact. On the other hand, some of the buildings remain un-renovated (walk-ups, inaccessible to handicapped) and the quality and competitiveness of space for modern retail uses is gradually in decline.



Originally, the Pinehurst commercial district was designed with retail and other businesses oriented to serving a self-contained resort community. In keeping with the theme of the original design, buildings were named after prominent New England universities (the Harvard Building, the Wellesley Building). There was a large building housing the Pinehurst Theatre as well as The Casino Building. A circular road pattern makes easy access from major highways like U.S. 15/501 difficult, and the district lacks visibility since it is nestled within the surrounding residential community. This location has helped the Village preserve and protect its special character, but also limits commercial opportunities for reaching the broader regional market.

Today, the Village commercial district functions largely for two purposes: first, as a professional services hub catering to local residents as well as investors; and second, as a “quaint” visitor-oriented specialty shopping center. The district has a total inventory of approximately 118,000 square feet of commercial space (excluding retail/restaurant space within the Pinehurst resort). Office space outweighs retail space, with 67% of the Village’s building space used for offices and only 30% used by retail or restaurants. Appendix Table A-2 details the use of space by type of business in the Village.

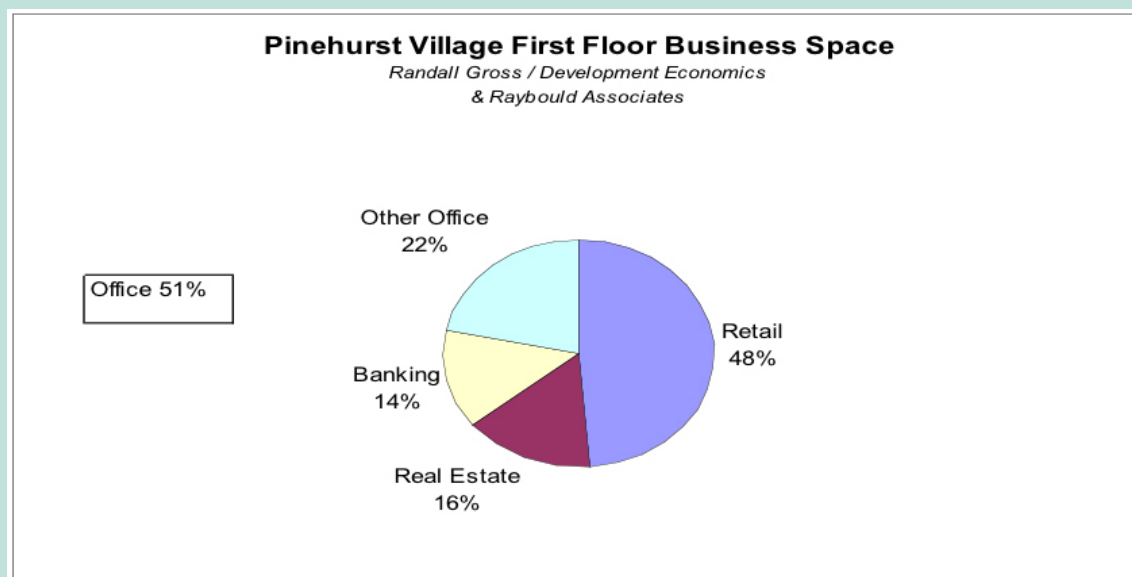
About 3,800 square feet of the Village space is vacant, yielding a healthy overall occupancy rate of 97%. However, the lack of space also constrains the ability of businesses to expand and reduces opportunities to diversify and/or enhance the business mix. Partly as a result of the lack of space, businesses have increasingly opened in Southern Pines to cater to a similar “village”-oriented service and visitor market.

Retail. Village retail is heavily oriented to shoppers goods stores, which represent 20% of the total business mix, but 65% of retail. As shown in Appendix Table A-2, the shoppers goods businesses primarily fall into four categories: apparel, accessories, gifts, and furniture/home furnishings. There is very little convenience goods use in the district, within only one small convenience store. There is no grocery or food store, pharmacy, gas station, florist, or other convenience use. This deficiency suggests that residents within walking distance or a short drive of the Village go elsewhere for their basic necessities.

There are also six eating & drinking places in the Village (excluding restaurants that are part of the Pinehurst hotels). These restaurants are generally small lunch or ice cream venues, with few full-service dinner restaurants. There are no entertainment venues in the Village, although one building once housed the Pinehurst Theatre, and there are a few personal service establishments (hair & skin salons).

Table 3. EXISTING BUSINESS MIX BY TYPE, VILLAGE CORE, PINEHURST, NORTH CAROLINA, 2005					
Type of Business	Number	Square Feet	Share of Total	First Floor	Share of Total
<u>Retail</u>					
Convenience Goods	1	1,200	1.00%	1,200	1.70%
Shoppers Goods	23	23,800	20.20%	23,800	33.40%
Eating & Drinking	6	8,650	7.30%	8,650	12.10%
Entertainment	-	-	0.00%	-	0.00%
Personal Services	3	3,200	2.70%	1,200	1.70%
Sub-Total	33	36,850	31.20%	34,850	48.90%
<u>Office</u>					
Real Estate	8	19,700	16.70%	11,100	15.60%
Legal	3	11,200	9.50%	2,300	3.20%
Professional	5	18,000	15.20%	-	0.00%
Financial	3	10,100	8.60%	10,100	14.20%
Other	7	22,200	18.80%	12,900	18.10%
Sub-Total	26	81,200	68.80%	36,400	51.10%
TOTAL	59	118,050	100.00%	71,250	100.00%
Vacant	1	3,750	3.10%	-	-
Sources: Randall Gross / Development Economics and Raybould Associates.					

Office. A significant share of office space in the Village is occupied by banks and real estate companies, both of which are oriented to servicing the needs of local residents holding investment properties throughout the area. Real estate offices account for 17% of the total space in the Village core and almost one-quarter of the office space. Banks occupy about 9% of the total space and 12% of office space. Professionals, such as architects and designers, as well as lawyers also occupy a substantial share of Village office space, with 15% and 10% respectively.



There has been some discussion of the number of real estate offices occupying ground-floor commercial space and its effect on the viability of the Village as a retail center. In fact, office space altogether occupies more than one-half of the ground-floor commercial space in the Village core. Regardless of whether it is real estate, banking, professional services, or other offices, this share of office space does tend to reduce consumer retail trade and there is a visual impact on Village activity. There should be a clear goal of reducing the share of office use in ground floor space by at least one-third, whether by changing uses or preferably, by increasing the inventory of available retail space.

Retail Business Sources

Data on business trends and issues have been collected through a survey of Village businesses, as well as from individual interviews with business owners and operators. Additional information provided by Pinehurst resort has been analyzed to assess shopping behavior and key issues among visitors. Finally, additional information on Village retail has been provided by commercial brokers.

Visitors. Golf and resort visitors are a primary existing market for Village shops. These visitors arrive from major metropolitan areas throughout the U.S. (New York, Washington, Philadelphia, Atlanta, Chicago, Los Angeles, Boston, Dallas, Cleveland, Baltimore, and Houston). But there is also a large share originating from within a few hours' drive of Pinehurst (Raleigh, Charlotte, Greensboro, Norfolk/Richmond, and Greenville, among others). The largest shares of visitors by state are from North Carolina, followed by Virginia and New York. While many are drawn primarily by the golf (and associated resort amenities including the spa), there are a number that visit friends or relatives in the area.

Based on data from resorts and several hotels in the area, it is likely that there are upwards of 30,000 to 35,000 overnight visitors each year within Pinehurst (out of a total 1.2 million to the region), with an average stay of 2.0 to 2.4 nights per trip. According to State tourism data, 42% of Pinehurst visitors shopped in the area during their trip. A large majority of visitors (72%) are males, with the average age of 43. Among visitors' observations of Pinehurst Village are the following:

- “Quaint” and “charming” are key facets of the appeal
- Clean, safe, well-maintained
- Not enough entertainment (needed when golf is rained out)
- Village shop hours too limited (need evening & weekend hours)

Residents. Local residents of Pinehurst and Moore County account for a relatively small share of the existing retail consumer traffic, at perhaps 35% or less of the total existing market (and much less during the U.S. Open). There are several reasons for this, not the least of which is the lack of convenience and other local-serving retail businesses within the district. But also, the location of the Village core within a residential community and its basic lack of automobile access and visibility limit the district's capture of the larger regional market.

Based on a simple demographic assessment, the residents of Pinehurst alone generate annual retail expenditure potentials of about \$53.2 million per year, while the Village Core only captures estimated \$9 to \$11 million in retail sales. Assuming residents account for 35% of sales, then the Village only captures 6% of its existing primary market base. Further, the Village receives only a tiny share of the much larger Moore County market, which generated retail sales of \$1.1 Billion in 2004.

Rents & Ownership

There are relatively few buildings with space that comes available for lease at any given time in the Village core. Perhaps because of the limited supply and perceptions among property owners that the area is extremely desirable, rents in the Village core tend to be much higher than in other portions of the market, with tenants paying a premium for commercial space.

Based on a sample of tenants, rents in the Village Core range from about \$24.50 to as high as \$37.50 per square foot. These prices compare with market rents of \$15.00 to \$18.00 per foot in nearby shopping centers such as in Olmsted Village. At the least, these rents represent a 36% premium above market, paid for a Village core location without regard to the quality of the space or its visibility in the greater market. No doubt the high rents, coupled with the lack of ground-floor retail space, have kept the district from becoming more retail-oriented.

Competitive Commercial Nodes

There has been significant new retail construction in Moore County during the past several years. However, the primary existing competition to Pinehurst Village core is in other specialty retail nodes like Southern Pines or nearby neighborhood centers like Olmsted Village. Biltmore Professional Center is competitive for office tenants.

Partly as a result of the lack of opportunities for retail in Pinehurst, Southern Pines, Cameron, and Aberdeen have all emerged as charming and popular business nodes. Southern Pines offers small retail spaces and offices on either side of a rail line through the heart of the community. Based on a visual inventory, Southern Pines has roughly 370,000 square feet of commercial space.

The Southern Pines area shares some similarities in its retail mix to Pinehurst, with home furnishings stores, jewelers, real estate offices, women's apparel and accessory stores, banks, and gift shops. However, storefronts lining Indiana and Illinois Avenues also have book shops, children's shops, artist studios, bakery & food stores, bicycle shop, kitchenware store, wine shop & tasting, seafood & other restaurants, and one building that houses the Sandhills Theatre Company. The linear design of the Southern Pines commercial district allows for certain peripheral blocks to be oriented more to office space, while the core of the district is where retail predominates.

Olmsted Village is a retail center off Highway 211, just one mile from Pinehurst Village core. The village includes several buildings designed in a traditional manner, anchored by a Lowe's Foods and an Eckerd Drugstore. The center is designed with an orientation to neighborhood commercial, but aside from the supermarket and drugstore, the center has primarily attracted moderately-priced restaurants serving pizza, deli, southern, Thai, Chinese, and other cuisine. Seven of the 27 spaces in the center are vacant. The difficulty in filling space at the center may possibly result from a temporary over-supply of new retail space on the market as well as the center's dependence on the relatively small Pinehurst residential market.

Local entrepreneur Marty McKenzie is also developing the Camelia Parke Shoppes, another village-style specialty center in Pinehurst offering 360,000 square feet of commercial space. His Biltmore Professional Center is an existing 64,000 square-foot office condominium development located near Olmsted Village. Tenants include a mix of medical, accounting, insurance, and real estate-oriented professionals. About 1,250 square feet or 2.0% is available for lease.

In addition to the retail nodes, the Pinehurst resort also operates almost 14,000 square feet of retail space in its facilities. Resort retail uses include the

Main Shop and the U.S. Open Shop, as well as the various pro shops and hotel/inn retail uses.

Commercial Opportunities within the NewCore

The NewCore area offers opportunities for expansion of the existing Village center. Clearly, there is an opportunity for additional retail and office space to alleviate the real or perceived pressure on rents within the Village core and to diversify the business mix within Pinehurst. By doing so, more residents within the built-in market of Pinehurst and Moore County will be interested in making the Village a destination for shopping.

The scale and mix of potential commercial development within the NewCore can only be accurately determined through a more thorough market analysis. However, it can be assumed that the timing and tenant mix of such proposed developments as Camelia Parke Shoppes would impact on development opportunities within the NewCore area. It would be in Pinehurst's best interests to involve the existing local developers in the development process so that undue competition can be avoided and new opportunities enhanced.

Ideally, the retail inventory should be expanded by 50%, or about 18,000 square feet as an initial target to allow opportunities for expansion and new retail diversity. The development of a moderate amount of office space (6,000 to 12,000 square feet) might also help alleviate some pressure for first-floor office space in the existing Village core.

One way to enhance the opportunities for commercial use without creating undue competition would be to explore mixed-use, residential/commercial development formats. Residential development would help expand the market for retail and other commercial uses while ameliorating the impact on any existing or planned commercial development outside of the core area. Residential market issues are discussed in the following section. Furthermore, mixed-use development may enliven the area as a pedestrian-oriented district and create synergies that will attract more shoppers from within Pinehurst and Moore County. Any effort to diversify the mix away from a dependence on the visitor market will strengthen the Village as a community center.

Residential

The Moore County residential market is segmented by type of product to include primarily single-family detached houses (estimated at 60% of total stock). Many of Pinehurst's houses have been built as single, in-fill units on individual lots (with 2,000 lots still to be built). This has allowed the area to retain its unique small-town character and tree cover while avoiding large-scale suburban-style development.

Remaining Moore County housing includes condominiums (both multi-family apartment-style flats (22-24%) and single-family attached townhouses (6-8%)), as well as “patio homes” or “0 lot-line” houses (10%). Multi-family properties are not always popular, with buyers typically asking how they can avoid having “someone living above or below” them. Much of the multi-family property in the Pinehurst area was built in the 1970s.

Overall Housing Trends

Up until relatively recently, Pinehurst functioned primarily as a resort and retirement community. Pinehurst itself added over 2,300 housing units or 70.4% between 1990 and 2000.

Housing occupancy increased during this period from 74% to 80%. Still, more than 20% of the village’s housing stock was vacant in 2000, and vacancies in seasonal housing had almost doubled during the 10-year period.

Table 4. HOUSING TRENDS, PINEHURST,				
1990-2000				
Factor	1990	2000	1990-2000 Change	
			Number	Change
Number of Units	3,326	5,668	2,342	70.40%
Occupied	2,465	4,510	2,045	83.00%
Owner	2,080	3,972	1,892	91.00%
Renter	385	538	153	39.70%
Vacant	861	1,158	297	34.50%
For Rent	305	303	-2	-0.70%
For Sale	100	151	51	51.00%
Seasonable	305	605	300	98.40%
Other	151	99	-52	-34.40%
Sources: U.S. Bureau of the Census and Randall Gross / Development Economics.				

Rental Market

About 50% of the county’s rental units are single-family homes, which cater more to long-term rentals. Condominiums are more popular for short-term rentals, many of which are managed by Pinehurst resort operator Club Corp. and rent in the \$100/night (1-bedroom) to \$200/night (3-bedroom) range. Long-term (over 3-month) condominium rentals range in price from \$700/\$800 per month for 2-bedrooms to \$1,000/\$1,100 per month for 3-bedrooms.

Between 1990 and 2000, Pinehurst’s rental vacancies declined from 44%, but were still extremely high in 2000, at 36%. The decrease in rental vacancy declined in part because relatively little rental stock was added between 1990

and 2000. Countywide, rental properties fare slightly better. The Moore County rental vacancy rate was 13.2% in 2000, down from about 14.4% in 1990. However, considering that Moore County's rental property generally serves a more "local" market, these vacancy rates are still quite high.

For-Sale Housing Trends

Pinehurst has seen an average of about 590 housing sales per year since 2002. However, the number of sales has been increasing dramatically, with 119% more homes sold this year than in 2002.

Table 5. HOUSING SALES TRENDS BY TYPE				
PINEHURST, 2002 TO 2005				
	Single		Condo-	
Year	Family	Townhouse	minium	Total
2002	227	82	41	350
2003	376	77	78	531
2004	465	122	122	709
2005	468	142	156	766
Total	1,536	423	397	2,356
Average/Year	384	106	99	589
2002-2005 Change	106%	73%	280%	119%
Note: 2005 data calculated based on year-to-date.				
Sources: Village Properties and Randall Gross / Development Economics.				

Single family houses constitute the majority of sales, accounting for about 65% of sales since 2002. Townhouses accounted for 18%, while 17% of sales were in condominiums. Condominium sales increased fastest during this period, with 280% more condos sold in 2005 than in 2002. Prices have also escalated, mirroring national trends during the recent housing boom. Median housing values in Moore County increased from \$131,000 in 2000 to \$200,000+ in 2004, for an increase of almost 14% per year. This compares with an annual escalation of only 6.3% per year from 1990 (when the median housing value was only \$80,300) to 2000.

The Moore County housing market is differentiated into several sub-markets. Within the rural parts of the county, housing values average \$140,000 to \$160,000, according to real estate brokers. Within the southern part of the county including the more urbanized areas of Aberdeen and Southern Pines, housing values average \$225,000. Countywide, condominium prices are generally \$60,000-\$70,000 (1-bedroom, 650 square-feet), \$100,000-\$165,000 (2-

bedroom, 750 square feet), and \$130,000-\$200,000 (3-bedroom, 850+ square feet).

Within Pinehurst, median housing values are over \$250,000, up from \$185,300 in 2000 (U.S. Census) for an increase of about 9% per year. Single-family homes in Pinehurst range in price from \$100,000 into the \$1.0 million range, with 36% listed at over \$500,000. Many of the higher-priced homes are located near Lake Pinehurst, Fairwoods on 7, and Country Club of North Carolina. Typical Pinehurst condominium prices range from about \$145,000-\$175,000 for 2-bedroom units and \$180,000-\$200,000 for 3-bedroom units, according to brokers.

Thus, Pinehurst housing prices are rising rapidly, but not as fast as in other parts of the county. Still, the 9% annual increase in median values since 2000 is much faster than the 1.4% increase in Pinehurst residential property values between 1990 and 2000.

Selected Target Markets

Within Pinehurst, the market for housing has traditionally been driven to a large extent by the retirement population. Many relocate from large metropolitan areas, attracted by the mild climate, charming community, low taxes and cost-of-living, and access to 42 golf courses including the world-class Pinehurst Resort. Many newcomers purchase or build single-family houses and age in-place or gradually move into retirement housing. A number wish to retain their independence and will move “down” into smaller, patio-style homes or condominiums.

A growing market within Pinehurst, as noted previously, includes younger couples and families with children that are also attracted by the quality of life and relatively low cost-of-living (compared with many northeast and west coast markets). The Planning Department reports that perhaps 50% of new building permits are issued to families with children, many of whom are relocating from within North Carolina. These families will purchase or build single-family detached houses, but will also consider other types of housing product including townhouses and multi-family condominium units. Finally, there are the staff of local clubs, businesses, and government, some of whom would move to Pinehurst if housing is available and affordable to them.

Club Membership

Many of the home and condo sales in Pinehurst are driven by demand for club memberships at the resort. In a sample of 80 recent condo sales, 33 or more than 40% were sold with club memberships. The median price for 2-bedroom condos without club memberships was \$108,000, while the median price for those with memberships was \$131,750, a 22% premium. The club

memberships are tied directly to lots, so club memberships can be transferred with the sale of a lot (for a price of \$12,000). If one purchases a lot without a club membership, then the price for gaining membership is set at \$40,000. However, the resort now allows homebuyers to purchase memberships attached to a non-buildable lot and transfer those memberships to another lot for \$12,000.

None of the potential development land in the NewCore area has club memberships attached. So, a critical question for the marketability as well as the financial viability of housing development within that area will relate to the ability of developers to gain memberships at transfer prices. If homebuyers are required to pay the \$40,000 price for memberships on top of the lot and house price, then the market is somewhat constrained. This issue will need to be resolved if housing is to be one of the uses in the NewCore area.

Sample Higher-Density Product

The NewCore area is perceived as a competitive location for residential development because of its access to the Village and due to the cache of living in Pinehurst. Local residents have been very successful in maintaining and even preserving the community's unique small-town, amenity-driven way of life. Many residents and business people agree that the small-town image of the Village's commercial district should be extended to the NewCore area. The image and feel of that district very much relates to its density, mix of uses, "walkability," and architectural heritage. The economics of development in the NewCore area would likely support higher-density housing consistent with the scale of the existing Village core, over low-density single-family detached housing as predominates on the periphery.

Middleton Place. There are several higher-density residential projects in the area that have been suggested as models for development within the NewCore area. One such example is Middleton Place, an "upscale" 50-unit patio-home project built by Alex Speight from 1985 through 1993. One apartment-style building at the complex was built with four-units. The remaining units are built as one-story, 2,200 square-foot "Charleston-style" duplexes, with three bedrooms and 2 ½ baths. The units offer two-car garages and such amenities as Corian countertops and high ceilings, and they average \$259,500 in price (for sales in 2005). Middleton Place has been very attractive for retirees and senior independent living, but there are also younger families living in the complex.

Lawn & Tennis. . Lawn & Tennis includes 76 2,000 to 3,000 square-foot attached townhouses built in the 1970s off of Morganton Road. These units have a 1st-floor master bedroom in 1 ½ and 2-story townhouses with lofts. A new section of Lawn & Tennis known as Fairwood Villas is currently under construction. These units are designed as single-floor patio-style houses with 2,000 square feet of space.

Other. Other relevant developments include Lamplighter Village, with 30 units started in 2002 in a wooded area of Pinehurst. The complex includes townhouses, as well as duplex and triplex units. Some developments like Cotswold, started in the 1980's, have had very slow absorption. The 2,700 to 3,000 square-foot units were priced high at \$350,000 and have failed to capture a niche in the market. Other townhouse developments include Talimore, Longleaf, and Knollwood Village.

Residential Opportunities in the NewCore

Pinehurst is slowly transitioning from a somewhat rarified retirement community into a younger, more family-oriented residential enclave. Still, a large portion of the market is driven by access to the golf amenities for which the community is famous.

There is an interest in “extending” the scale and character of the Village into the NewCore area. Development of a higher-density housing, rather than the traditional single-family detached housing that characterizes the area, would be consistent both with the community’s vision and with the economics of development within that area. The market for rental uses appears to be somewhat limited, with an oversupply of rental units that keeps overall occupancies and rental rates low. Further, the retirement-age population has a preference against multi-family housing as a lifestyle choice.

The retirement-age buyer is also less interested in two-story units because of the steps. So, the opportunities for housing in this area are refined to include fee-simple “0” lot-line, patio home, and cluster home-style development and, to a lesser extent, townhouse condominiums (with ground-floor master suites). Some residents and brokers have envisioned development of “Georgetown”-style housing in the NewCore (although clearly not true to the real Georgetown, which consists primarily of townhouses. Rather, the large house/small lot development would include a mix of primarily 1-story styles (including duplexes) and would be consistent with the architectural integrity of the Village core. Existing demand for this product, whether from young families or retirees, seems to be confirmed through this market review.

For any such housing development to be supportable, there would need to be opportunities for some buyers to opt into the Pinehurst club memberships at a reasonable rate. Otherwise, housing development in this location will be constrained financially and would rely on the non-golf share of the market.

3. SUMMARY OF NEW-CORE OPPORTUNITIES

Demographic growth, and the cache of Pinehurst's name and amenities, helps propel demand for various uses at the NewCore area. Village retail and office space remains filled, despite operating deficiencies and high rents. Housing development is accelerating and prices escalating rapidly in the area as a growing retirement population and younger families opt for the amenity value of a Pinehurst lifestyle.

Retail may be temporarily over-built in the larger Moore County market, but there are opportunities for additional specialty and convenience retail development near the Village core. The addition of perhaps 18,000 square feet (15,000 to 25,000 square feet) of retail space in the NewCore may help attract a more diverse retail and entertainment mix to the area. Among the gaps in the existing retail mix are entertainment venues, convenience goods stores, and other businesses that cater to a more local market. There may also be other opportunities to reach the predominately male and sports-oriented visitor through expanded niche retail markets. However, retail businesses are not likely to be attracted to space in the NewCore unless it is **well-integrated with other uses and with the existing Village core**. Expanded parking opportunities would also benefit new retail (as well as existing retail) uses.

Some additional office space may also be warranted, given the occupancy of existing space in the Village and in surrounding commercial developments. The addition of 6,000 to 12,000 square feet of office space in the NewCore may allow some existing businesses to reduce their dependence on first-floor retail space in the Village. There may be demand for more office, but there is a need to ensure balance in the office versus retail uses.

There are also opportunities for residential uses in the NewCore, primarily in the form of "0"-lot line or cluster homes, patio homes, and some limited townhouse development. Such housing could be well-integrated with retail and office uses, as well as with the existing Village, to create a more enlivened community village core. However, privacy is also paramount for residential property owners, so integration of uses must be balanced with the privacy needs of potential residents. Given the absorption of higher-density housing in the market, it is possible to envision 30 to 40 units of this housing development within the next five-plus years (and more over the longer term), so long as it is designed for key target markets and includes an affordable option for Pinehurst club membership. Without the memberships, housing demand will be constrained in the NewCore.

4. MARKETING STRATEGY

Based on the review of market conditions and opportunities, it is highly recommended that the NewCore area function as an exciting, mixed-use extension of the existing core. Businesses and residents would be attracted to this area in order to benefit from the proximate location and positive image of the existing core, but also to take advantage of new, larger, and more diverse building formats than are presently found in the core.

Concept & Mix

The NewCore would include local-serving, specialty, and destination (e.g., sports-related) retail, restaurant, and entertainment uses. These uses would extend from the existing core and would be located in walking distance to new housing, such as patio / cluster homes and townhouses oriented to both retirees and younger pre-retirement residents. Office space would be developed within this mixed-use commercial/residential area to house professional services, medical offices, and real estate companies that would gradually expand or relocate from 1st-floor spaces in the existing core. The area would be complemented and integrated by a series of walkable streets and pathways, including direct linkages with the existing core area. Together, the existing village and new core areas would form a stronger and more economically viable village center for the growing community of Pinehurst.

Design & Land Use Implications

In order to maximize the marketing opportunities for the area and meet the expectations of existing and potential residents, the unique physical environment and architectural heritage of the existing village core should be extended seamlessly into the new core. Again, the unique heritage and lifestyle of Pinehurst create a strong “brand” that establishes its appeal as an attraction for residents and visitors alike. So, this brand should not be compromised through design, density, or development patterns that are wholly inconsistent with the original Olmsted plan for Pinehurst.

In order to avoid creating two separate commercial centers, New Core retail uses should be sited as closely as possible to the existing core, namely at or near the southern rim of the NewCore planning area. Residential uses should be focused on the northern half of the planning area, but with the possibility of overlap and integration with commercial use. Office space can be integrated with the retail uses but can also serve as a transitional use between the NewCore and the less desirable business areas north of the study area. By placing office or live-work space along McCaskill, there are opportunities created for further revitalization and redevelopment in blocks north of the study area.

5. DEVELOPMENT IMPLEMENTATION

Implementation of the master plan and associated concepts must be understood in terms of the overall development management structure, and associated phasing and financing strategies. There are basically two distinct options for managing redevelopment within the NewCore area, as discussed below. One option is for the Village to allow individual developers to gradually submit plans in a “piecemeal” approach for development of parcels in the NewCore area. A more “pro-active” option is for the Village to seek a Master Developer to ensure consistent implementation of the community’s master plan.

Individual Developers

One option for development of the NewCore is for the Village to take a reactive “wait-and-see” approach as individual developers gradually submit plans for parcels within the area. The likely phasing and financing of development in this scenario is discussed below.

Phasing

Under this incremental scenario, development would theoretically occur as the market warrants private investor interest. Phasing would relate to the market opportunities and financial return generated for specific uses or combinations of uses within the NewCore area. It may be the case that local interest or financial capacity does not materialize and little redevelopment occurs for decades. Based on experience, there is the likelihood that local investors and builders will show initial interest in small-scale development within the area, but they can become entangled in negotiations with existing property owners. Locations along existing roads would attract the most interest because new infrastructure would not be required. Larger-scale redevelopment may take longer because of the relatively high cost of assembling land and developing infrastructure to open up other sites in the interior of the NewCore area. Clearly, any effort to lure builders through the sale of public land would help speed up the process of redevelopment, at least for those public sites.

Financing

There are several key financing issues that would need to be resolved, regardless of how the NewCore area is developed. Most of these issues relate to the financing of public infrastructure, including new internal roads and parking facilities, plus accompanying urban design improvements (e.g., sidewalks, lighting, stormwater, etc) and public amenities (e.g., pathways, trails, public art, parkland). Ownership of these improvements must be determined so that maintenance and operating costs can be attributed. If maintained as private

facilities, then there will need to be agreement as to the use of easements or public right-of-ways for accessing the area and linking it with the existing village.

It is recommended that the two new main roads and most of the other facilities (aside from internal project roads) be owned and maintained by the Village, in order to ensure public access and accountability, and to lower maintenance costs through economies of scale. Nevertheless, development of this infrastructure can be financed by, or in partnership with, the private sector. Public participation in the financing of infrastructure would help leverage private development interest and will provide the community with more influence over the development patterns within the NewCore area. However, public or private financing of the infrastructure will be more challenging if the area is developed by individual developers in a “piecemeal” approach over time.

It may be difficult to achieve the economies of scale necessary to make the infrastructure financially feasible if developed incrementally. For example, a housing developer may somehow determine that it would be financially feasible to purchase the Village-owned sites and other properties on the northern end of the NewCore, and to build the necessary internal infrastructure to serve housing within those designated sites. But even in that case, it is unlikely that the housing developer would pay to extend roads and urban design infrastructure to connect south to the existing Village core.

In addition, public facilities at a minimum would still have to be financed largely by the public sector. There are federal funding mechanisms, including Community Development Block Grants (CDBG) that can be tapped for redevelopment of the fire station for civic use as a library.

Master Developer

Another option for consideration is a more pro-active approach to attract a master developer that would bring the necessary resources and capacity to develop the entire area according to the master plan. In this option, the Village would work with private property owners in the NewCore to determine objectives and needs, and then draft a collective request for proposals (RFP) for a master developer for the entire NewCore area. As an input to that process, the City would offer to include sale of its 6-acre site, so long as the private property owners also offered their land for sale as part of the development. The City would also manage the RFP process to attract a developer.

Phasing

Under a Master Developer option, the development of the area may be phased in as market conditions allow. However, a master developer is more likely to bring in the various specialty developers and builders that will move forward on their portions of the project. As a result, development phasing of the various components is more likely to overlap. Without a master developer, those individual specialty developers would enter the process whenever they decided to do so. In that case, phases (say for the townhouses, office buildings, or retail components) may occur independently with many years between them.

There would be more public scrutiny of a master developer's plan. A master developer attracted through a public RFP process is obliged to create a plan that conforms to the community's vision for the NewCore and to ensure that elements of the plan are implemented in a way that is consistent with that vision. A plan that accomplishes the community's objectives will be applied more effectively and sooner than those of individual developers in a piecemeal approach.

Financing

Under a Master Developer scenario, there are opportunities to pursue a Tax Increment Financing (TIF) district approach for funding the infrastructure and other public improvements (including the parking garage). While TIF enabling legislation is relatively recent to North Carolina, this tool has been used quite frequently in other states for many years. TIF assumes that public infrastructure improvements help leverage private redevelopment within a particular area, and it allows a jurisdiction to capture the resulting increase in property tax revenues from that new development to finance bonds to pay for the infrastructure. TIF only uses the "incremental" increase in tax revenues to pay off the bonds, and does not touch the existing level of property tax revenues within the district.

TIF is an appropriate tool for large master-developed or redeveloped areas because it can finance infrastructure improvements for the entire area at once and capture the incremental tax revenues linked directly to the new development. While it utilizes public revenues to finance the infrastructure, it does not diminish the existing revenue stream to the local budget. On the contrary, TIF enables new private development that may not otherwise occur without the infrastructure to support it. In the long term, the new development can generate a net fiscal benefit to the jurisdiction after the bonds have expired.

A TIF is most appropriate if private financing is unsupportable. This is likely to be the case in the NewCore, where densities (and therefore residual land values) may not be sufficient to generate a return after debt service from major roads and infrastructure improvements is made. This is a

financial analysis that would still need to be conducted. There are also state and federal sources of funding for roads and infrastructure that could be used to match or compliment private sources.

If the Village depends purely on private infrastructure, build-out of the NewCore area is less likely to conform to the master plan as envisioned by the community. For example, private developers may need to increase densities, alter the land use mix (e.g., more commercial), and/or increase rents to a level that can support the cost of investing in the infrastructure. High rents will only conform to the existing situation where Village landlords are pricing out the types of tenants that the community wants to see in Pinehurst. Higher densities or more dependency on commercial uses can generate higher traffic volumes and have a deleterious impact on the community.

But, the likelihood that a private developer (or a TIF) will finance the NewCore infrastructure is increased significantly under a master-planned, master-developed scenario. Such is the case because of the economies of scale for developing roads and other infrastructure, especially within an urban context.

Summary

There are benefits to both approaches for implementation of the NewCore master plan. In a reactive, individual developer-driven approach, development of the area is more likely to occur gradually over time. The Village is less likely to expose itself to any financial risks. However, the individual developer approach does risk creating a more piecemeal development pattern that does not conform to the community's vision for the NewCore area. That approach also makes it harder to finance the large-scale infrastructure improvements that are proposed for the NewCore area, including the extension of roads and urban design improvements, as well as the parking facilities. If those improvements are financed privately, there is the possibility that developers will need to increase densities, alter the land use mix, and raise prices in order to recover those infrastructure costs.

The master developer approach is more efficient. It provides economies of scale that help ensure development is more consistent with the community's vision and that help recover the cost of infrastructure improvements through a TIF or private financing. Parking facilities can be wrapped into the financing of the overall infrastructure improvements. A master developer approach also reduces the cost of assembling land because individual property owners become part of a larger negotiation. The Village adds value to the redevelopment process by helping to bring the property owners to the table in a public-private partnership that they help create and from which they benefit.

A master developer-led process would probably ensure more rapid redevelopment within the NewCore area, which is something that the community may not inherently want. However, the community may also be more likely to achieve the objectives of their plan if implemented sooner. The trade-offs between timing, financing, and consistency with the community's vision must be addressed when contemplating an appropriate development policy for the NewCore area.

Table A-1.	AT-PLACE EMPLOYMENT TRENDS BY INDUSTRY			
	SECTOR, MOORE COUNTY, 1998-2002			
			1998-2002 Change	
Industry Sector	1998	2002	Number	Percent
Agriculture	30	59	29	96.70%
Mining	50	42	-8	-16.00%
Utilities	175	106	N/A	N/A
Construction	1,558	1,856	298	19.10%
Manufacturing	5,749	2,999	-2,750	-47.80%
Wholesale Trade	607	535	-72	-11.90%
Retail Trade	4,174	4,046	-128	-3.10%
Transport/Whse	235	354	119	50.60%
Information	212	349	137	64.60%
Finance/Insurance	567	682	115	20.30%
Real Estate	244	312	68	27.90%
Professional Svcs	731	1,246	515	70.50%
Management Svcs	70	247	177	252.90%
Admin Support	660	880	220	33.30%
Education	198	225	27	13.60%
Health Care/Social	7,035	6,180	-855	-12.20%
Arts/Entertainment	976	750	N/A	N/A
Accommodation	4,185	3,746	-439	-10.50%
Other Services	1,056	1,412	356	33.70%
Auxiliaries	175	60	N/A	N/A
TOTAL	28,696	26,324	-2,372	-8.30%
Note:	N/A means Not Applicable because employment est based on Census ranges in one or more years.			
Sources:	U.S. Bureau of the Census and Randall Gross / Development Economics.			

Table A-2.	BUSINESS MIX, PINEHURST VILLAGE CORE, 2005				
Type of Business	Number	Sq. Ft	Share	1st Floor	Share
<u>Convenience Goods</u>					
Grocery Store	-	-	-	-	-
Convenience Store	1	1,200	1.00%	1,200	1.70%
Pharmacy	-	-	-	-	-
Liquor Store	-	-	-	-	-
Florist	-	-	-	-	-
Gas Station	-	-	-	-	-
Misc Convenience Goods	-	-	-	-	-
Sub-Total	1	1,200	1.00%	1,200	1.70%
<u>Shoppers Goods</u>					
Apparel	5	5,800	4.90%	5,800	8.10%
Accessories	5	3,600	3.00%	3,600	5.10%
Shoes	-	-	-	-	-
Gifts / Specialty	8	6,500	5.50%	6,500	9.10%
Hardware / Bldg Materials	-	-	-	-	-
Furniture / Home Furnishings	4	7,400	6.30%	7,400	10.40%
General Merchandise	-	-	-	-	-
Department Store	-	-	-	-	-
Automobile Dealers	-	-	-	-	-
Auto Supply	-	-	-	-	-
Books/CD/DVD	-	-	-	-	-
Misc Shoppers Goods	<u>1</u>	<u>500</u>	<u>0.40%</u>	<u>500</u>	<u>0.70%</u>
Sub-Total	23	23,800	20.20%	23,800	33.40%
<u>Eating & Drinking</u>					
Eating & Drinking	6	8,650	7.30%	8,650	12.10%
Entertainment	-	-	-	-	-
Personal Services	3	3,200	2.70%	1,200	1.70%
<u>Office Uses</u>					
Real Estate	8	19,700	16.70%	11,100	15.60%
Professional	5	18,000	15.20%	-	-
Legal	3	11,200	9.50%	2,300	3.20%
Medical	-	-	-	-	-
Financial	3	10,100	8.60%	10,100	14.20%
Post Office	1	5,000	4.20%	5,000	7.00%
Other	<u>6</u>	<u>17,200</u>	<u>14.60%</u>	<u>7,900</u>	<u>11.10%</u>
Sub-Total	26	81,200	68.80%	36,400	51.10%
TOTAL	59	118,050	100.00%	71,250	100.00%
Retail	33	36,850	31.20%	34,850	48.90%
Vacant		3,750	3.10%	-	-
Sources:	Randall Gross / Development Economics & Paybould Associates.				

Condensed Summary of Participants' Input
Kickoff Trip Interviews & Public Meeting
Pinehurst, NC NewCore Master Plan
May 4 & 5, 2005

During the first trip and follow-up visits, the Project Team met with a variety of stakeholders identified by the Village to collect input relevant to the NewCore Master Plan. In numerous individual and group sessions collectively totaling over 30 hours, members of the team heard from residents, property owners, civic volunteers, Village officials, business owners, and other interested persons.

A remarkably consistent message emerged from these sessions: *Pinehurst citizens and property owners would accept and look forward to changes in the NewCore, so long as those changes are consistent with the high standards for physical form and appearance maintained in the old Village, and so long as the changes do not include land uses that generate negative impacts on nearby properties and the Village as a whole.*

The following is a very condensed summary of the observations and comments received during the initial meetings.

Economic and demographic observations

- Visitors to Pinehurst often don't remain there for certain needs such as entertainment, dining, and shopping – even those visitors that stay at hotels within walking distance of the old Village center. Instead, they tend to go to Southern Pines for their needs.
- There is an increasing perception that the population is younger than formerly, and that younger people, some with families, are bringing new needs and expectations for both commercial and public uses in and around the Village.
- The traffic circle and highway congestion make trips to Aberdeen or Southern Pines increasingly burdensome. Pinehurst would be a natural stopping point, if it had more uses of interest.
- The Village center is perceived to be at risk:
 - Participants expressed a sense that the Village center is losing not only regular commercial uses, but also the boutiques and quaint retail shops to other destinations.
 - Participants also noted that day-trippers and overnight guests might be enticed to spend more time there if it had a “critical mass” of shopping, dining and entertainment and if businesses were open in the evening or on Sunday.
 - The Village center is perceived to be hard to find even when visitors are provided with directions.

Physical form and character of the NewCore

- Participants feel that any new development should continue the character, form, and style of existing development in the desirable older parts of the Village.
 - High amenity value is a key part of this character: beautiful landscaping, charming buildings in picturesque ensembles, walkable public spaces with inviting pathways, and so on.
- The scale and amount of new development should be restrained (no more than 2 to 3 stories, with occasional/possible exceptions for landmark buildings).
- Preservation and re-use of historic structures on the site, in particular the fire station, is important to participants.
- More information about physical form and character will be provided with the analysis of the Vision Survey.

Public support for change and development

- There is a need to establish a sense of trust about new development.
 - Any developer who undertakes a project in the NewCore needs to have a known baseline of experience and sensitivity in prior projects.
 - Stakeholders need to feel confident that the ambiance of the old Village will be preserved.

- The community would generally be supportive of additional commercial space if it was “shaped like” preferred examples. Participants feel strongly that new development must complement and enhance, rather than compete with or take away from, the old Village center.
- Multi-family projects are said to have gone through the Village Council and Planning Board with relative ease in recent years. There is a recognized need for more of this use type.

Relationship of Newcore to surrounding areas and uses

- The plan for the NewCore should to take advantage of high-quality areas nearby: the Arboretum and Wicker Park; the old Village center; greenway connections.
- Some participants felt that the New Core represents an opportunity to locate use types that are not desirable in the old Village center.

Accommodating vehicles

- There were many ideas related to how the NewCore could be used to mitigate traffic and parking impacts in the existing Village center.
- Some concerns were expressed about vehicular traffic impacts of new development and opening a new street internal to the site.

Preferred local examples

- The local example that participants most frequently cited as a model for new development is the old Village center. This feeling appeared to be nearly universal.
- Some participants mentioned Southern Pines for its mix of uses and liveliness in the evenings.
- No other local examples were mentioned favorably.

Preferred non-local examples

- Coastal New England villages that have maintained their small-town charm while becoming boutique tourist destinations
- Blowing Rock, NC, a destination with a confluence of activities in one central location: people-watching, shopping, eating, enjoying the outdoors, kid-friendly public spaces
- The Ferry Terminal building in San Francisco, with its mixed bag of specialty uses such as a wine shop and a specialty meat market
- Hilton Head, SC and Beaufort, NC, were cited as having appropriate access via arterial roads to quaint boutique shopping streets
- Phillips Place (Charlotte, NC) – upscale retail; residential above; theater
- Mizner Park (Boca Raton, FL) – no offices on first floor; pedestrian/greenspace/fountains; quiet enclave; upscale retail, office, and residential uses; parking at periphery (in structures) and on street
- Davidson, NC – parking model: park in rear & walk through nice space to get to shops; zero lot line
- Lake Forest, IL – Olmsted-designed area; market square with retail below, offices/residential above; 2 floors average

Uses and activities suggested by participants for the NewCore

Commercial:

Quality restaurants

Sidewalk cafes

Branch bank

Small-scale convenience services:

- Men's haircuts

Specialty/boutique retail shops:

- Liquor store
- Wine store
- Fresh flowers
- Delicatessen
- Specialty food market:
- Art galleries

Professional offices – preferably not ground floor

Real estate agencies – preferably not ground floor

Tasteful interior design showroom

Entertainment, cultural, artistic uses:

Performance venue

Theatre (dinner theater, art-house cinema)

Art studios

Residential:

Garden apartments, if designed correctly

Upscale elder housing; assisted living facility

Very high-end flats

No-maintenance very high-end townhouses

Outdoor amenities & public/quasi-public space

Good-sized gazebo or concert stage

Pathways in & out

Community activities

Outdoor cafés

Water feature

Beautiful landscaping

Sidewalks

Pocket parks

Adequate parking

Challenges identified at kickoff meeting

Perceived distance to old core

Restrictions on development due to proximity to water tanks and possible well

Sloping topography, especially at northwest side (McCaskill) as it relates to pedestrians with mobility limitations

How to reuse old Fire Station

Accessibility of site for vehicles from surrounding street system

Potential traffic impacts of additional development

How to maintain Village walkability

Current location has no destinations

Discouraging 'tenant hopping'

Setting appropriate building heights

Providing adequate parking – including for residential uses

Reducing or eliminating undesirable parking impacts

Hiding a parking structure

Getting active uses in existing Core

Strengths/Opportunities identified at kickoff meeting

Proximity to old Village center
Village ownership of approx 1/3 of site or 6 acres
Workable size (approx 19 acres)
Re-use of vacating Fire House
Good partners, such as Club Corp.
Multiple linkages to surrounding areas such as new Arboretum
Opportunity to create a gateway to old core that is also a destination in itself
Topography advantageous for “hiding” undesirable uses
Opportunity for more or auxiliary parking
Public Works facility and Hughes are existing high-traffic uses already
Create new road internal to site
Walkable extension & expansion of old core
Augment / enhance / protect / complement old core
Owners are mostly local people
Chance to have different land uses than old core
Limit auto traffic; put pedestrians first
Use residential space to protect periphery near quality neighborhoods
High demand exists for maintenance-free residences
Could create critical mass of new core + old core to keep evening/weekend visitors in town

Village of Pinehurst NewCore Master Plan Vision Survey Results

Streetscapes

- Sidewalk Width, Materials & Design
- Building Setback in Relation to the Street
- Building Scale, Design & Character
- Landscaping & Lighting
- Streetscape Furniture (benches, trash receptacles, etc.)



Survey Issue Categories

- Streetscapes
 - Sidewalk Width, Materials & Design
 - Building Setback in Relation to the Street
 - Building Scale, Design & Character
 - Landscaping & Lighting
 - Streetscape Furniture (benches, trash receptacles, etc.)
- Buildings
 - Height & Scale
 - Facade Design
 - Roof Forms & Canopies
 - Detailing & Materials
- Public Spaces
 - Design & Character (green vs. hardscape)
 - Paved Areas & Features (fountains, etc.)
 - Landscaping & Lighting
- Parking
 - Parking Lots (character & design)
 - Parking Structures (character & design)
- Signs
 - Location & Scale
 - Design & Character
 - Colors & Materials

Streetscapes: General Character



Streetscapes: General Character



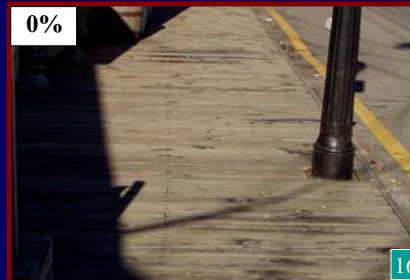
2

Streetscapes: General Character



3

Streetscapes: Sidewalk Materials & Design



4

Streetscapes: Sidewalk Materials & Design



5

Streetscapes: Street Lights

32%



21

14%



22

5%



23

49%



24

6

Streetscapes: Street Lights

32%



25

37%



26

25%



27

7%



28

7

Streetscapes: Benches

12%



29

23%



30

62%



31

3%



32

8

Streetscapes: Benches

17%



33

23%



34

35%



35

25%



36

9

Streetscapes: Trash Receptacles

30%



37

10%



38

0%



39

60%



40

10

Buildings

- Height & Scale
- Facade Design
- Roof Forms & Canopies
- Detailing & Materials



Streetscapes: Trash Receptacles

14%



41

9%



42

12%



43

65%



44

11

Buildings: Commercial / Mixed-Use

12%



45

2%



46

9%



47

78%



48

12

Buildings: Commercial / Mixed-Use

18%



49

49%



50

14%



51

18%



52

13

Buildings: Commercial / Mixed-Use

38%



53

6%



54

22%



55

34%



56

14

Buildings: Commercial / Mixed Use

15%



57

15%



58

69%



59

2%



60

15

Buildings: Townhouses

10%



61

30%



62

0%



63

61%



64

16

Buildings: Townhouses

61%



65

0%



66

35%



67

4%



68

17

Buildings: Townhouses

53%



69

0%



70

8%



71

40%



72

18

Buildings: Condominiums

18%



73

23%



74

10%



75

50%



76

19

Buildings: Institutional

11%



77

71%



78

7%



79

11%



80

20

Public Spaces

- Design & Character (green vs. hardscape)
- Paved Areas & Features (fountains, benches, etc.)
- Landscaping & Lighting



Public Spaces: Parks & Plazas



21

Public Spaces: Parks



22

Public Spaces: Plazas



23

Parking

- Parking Lots (character & design)
- Parking Structures (character & design)



Parking: Character of Parking Lots

6%



0%



51%



43%



24

Parking: Parking Lot Screening

39%



30%



28%



3%



25

Parking: Parking Structures

70%



11%



9%



11%



26

Signs

- Location & Scale
- Design & Character
- Colors & Materials



Signage

53%



105

38%



106

4%



107

5%



108

27

Signage

13%



109

0%



110

52%



111

35%



112

28

Village Center

Goal / Rationale

The Village Center in Pinehurst has been the “heart and soul” of the community since 1895. It has always been the place for residents to congregate and for visitors to explore. It is widely hailed as an attractive place with character and ambience. Residents are proud of the Village Center.

However, in recent years, the Village Center has been challenged by its location, small size, competition from businesses in other areas, the loss of traffic generators (ABC store), and other factors. Even though residents are quick to show the Village Center to visitors (due to its character and ambience), they seem to visit it sparingly (post office, lunch, gift shopping) and do not seem to make it a part of their daily lives. This potentially fragile situation became even more exposed with the economic downturn in 2008 and 2009.

If the Village Center is to retain its role for the next 100 years in Pinehurst’s history, we must not sit on the sidelines and wait to see what will happen.

Darling House Pub



Holly Inn



Market Square



Market Square and Dugan’s Pub



Major Strategies

A. Expand / Improve the Village Center

According to opinions expressed by residents at public meetings, the Village Center gets high marks for walkability, character, and special events. On the other hand, residents also feel the area suffers from a lack of vitality, variety, and parking.

Village Center - Strengths

- Attractive area which is clean, safe, well-maintained
- Distinctive identity with a positive image / reputation
- Tremendous “magnetism” potential
- Compactness

Village Center - Weaknesses

- Not a regular shopping area for residents
- Lack of total critical mass / floor area (especially retail or other attractors)
- Quality and competitiveness of space for retail uses is gradually in decline
- Location is hard to find and travel patterns are very indirect

Village Center - Opportunities

- Offers a great “address” for many businesses
- Making the Village Center more a part of residents’ everyday lives
- 61 percent of residents indicated they would go there more if there was more to do
- Market study (2005) suggests new retail, office, and residential uses would be well received in the marketplace

Village Center - Challenges

- Making the Village Center more of a destination for residents and visitors
- Lack of a clear vision (have regulations but no vision that is widely understood)
- Perceived lack of parking may deter some users
- Lack of organizations to help manage / guide / advocate for the area

While the Village Center is important to Pinehurst and its residents, it appears to be at risk because of its lack of critical mass, obscure location, and lack of market support by residents. If action is not taken, there is reason to believe that the Village Center may wither and become, as one resident quipped, “an office park with restaurants.” On the other hand, additional activities could attract more people and business to the Village Center and create a situation where there is more economic opportunity for businesses and more social opportunity for residents and visitors.

Residents recognize the issues facing the Village Center. At public meetings held during the planning process, residents identified the Village Center as an area needing attention as part of this planning process. In the telephone survey, 65 percent of respondents indicated they thought more should be done to invigorate the Village Center. In addition, 61 percent indicated they would visit the Village Center more often if there were more businesses and other activities located there.

Following evaluation of a variety of options, the Plan recommends that the Village Center be carefully expanded to maintain and enhance its overall character and ambience while making it more a part of residents’ everyday lives. In the telephone survey, 56 percent of respondents indicated they would support expansion of the Village Center areas to provide more businesses and other activities.

B. Expand Along An Organizing Spine

A key philosophy for expanding the Village Center is to promote incremental development along an “organizing spine”.

Pedestrian behavior in a downtown environment has been the subject of many studies. What has been found is that pedestrians will tend to evaluate the distance traveled or effort expended in terms of the anticipated “benefit” to the purpose of their trip. If there is “nothing to see” further on, people will not go any further. In other words, it is very important to have a fairly continuous level of pedestrian interest along a street (avoiding things like blank walls, non-retail uses, and long distances) in order to maintain an active streetscape, level of interest, and strong market.

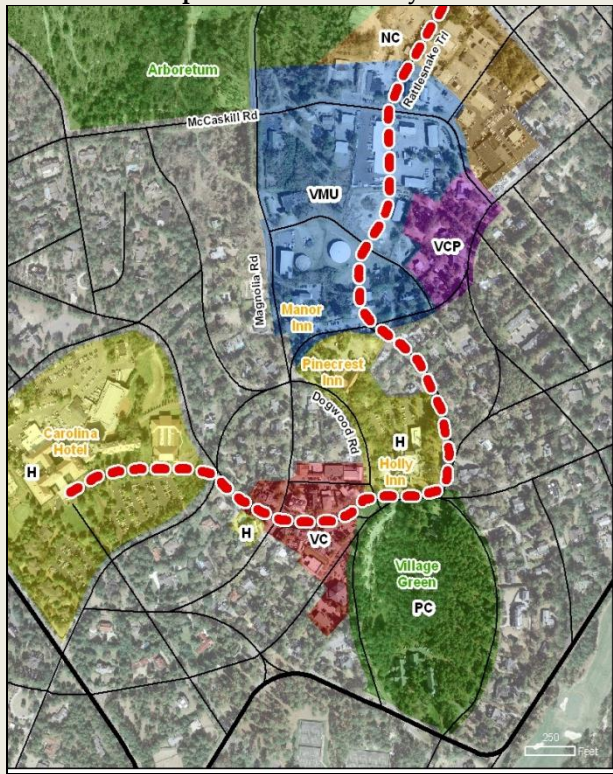
For the Village Center expansion, it is intended that some sort of organizing spine be created with a strong pedestrian focus and strong pedestrian interest. Just as there is the “yellow brick road” in the Wizard of Oz and a Freedom Trail in Boston, Pinehurst should seek to have a continuous organizing spine to attract and engage shoppers and visitors. This connecting spine should lead from the Carolina Hotel to the existing Village Center and then beyond.

This pedestrian connection needs to be one of the first things to be resolved in order for the Village Center expansion to proceed. A roadway/sidewalk combination would be best. Due to the existing land uses, the most logical direction to pursue this cautious expansion is to the north of the existing Village Center.

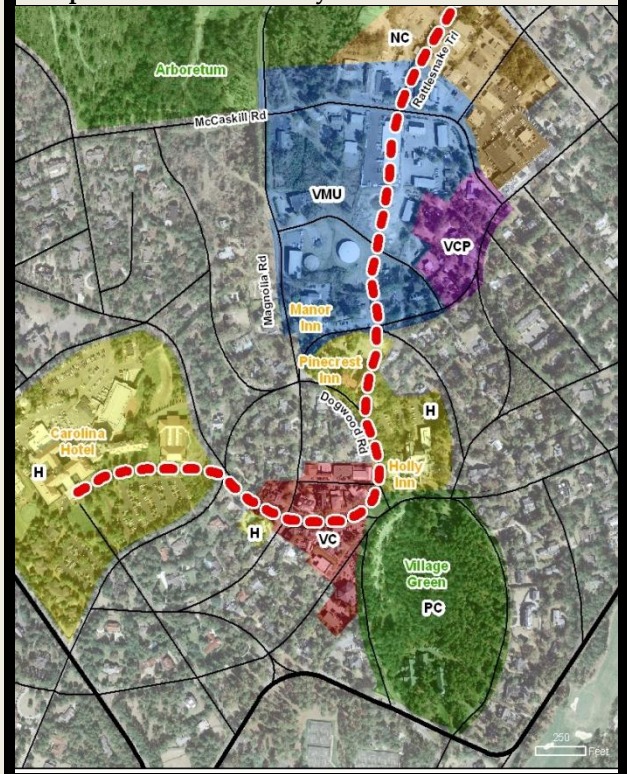
Four alternative locations are shown on the facing page. A location between the Pine Crest Inn and the Holly Inn (Option 2) may be the most favorable since it is the most direct and the most visible.

Option	Possible Advantages	Possible Disadvantages
Option 1 - East of Holly Inn	• Most of route on public roadways	• Most circuitous route • Abuts many residential uses • May result in separated business areas • May be difficult to entice pedestrians along the spine
Option 2 - Between Holly Inn and Pine Crest Inn	• Most direct route • Most visible route • Can develop incrementally and keep business areas connected • Can entice pedestrians	• Parts on private property
Option 3 - East of Manor Inn	• Much of route on public roadways • Interconnects major lodging facilities	• Parts on private property • May result in separated business areas
Option 4 - West of Manor Inn	• Most of route on public roadways • Interconnects major lodging facilities	• Parts on private property • Abuts many residential uses • May result in separated business areas

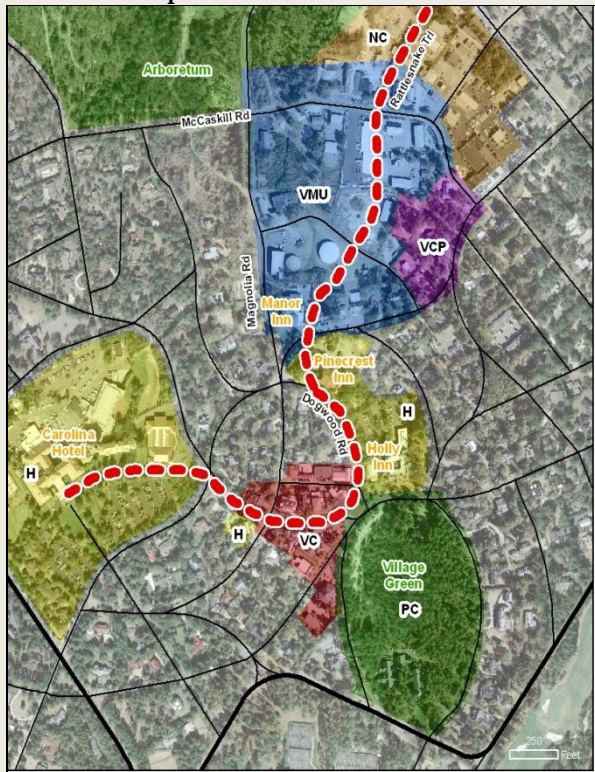
Option 1 - East of Holly Inn



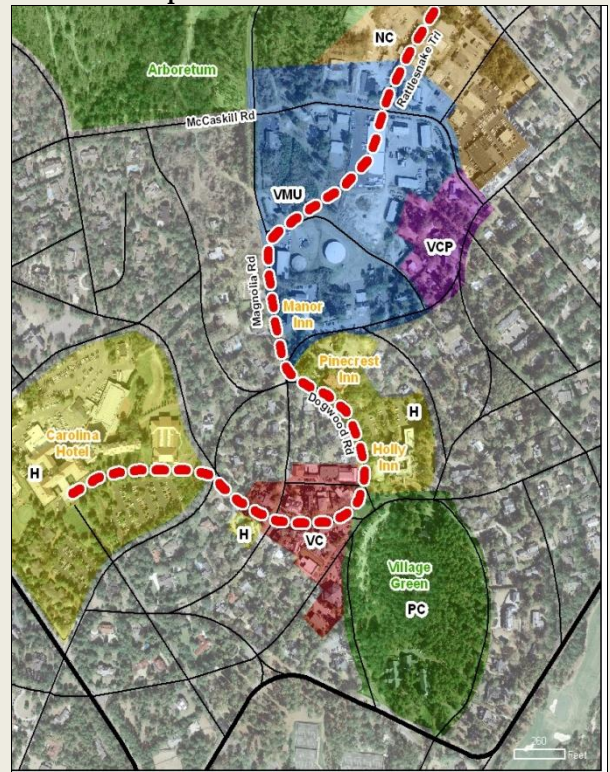
Option 2 - Between Holly Inn and Pine Crest Inn



Option 3 - East of Manor Inn



Option 4 - West of Manor Inn



C. Proceed Incrementally

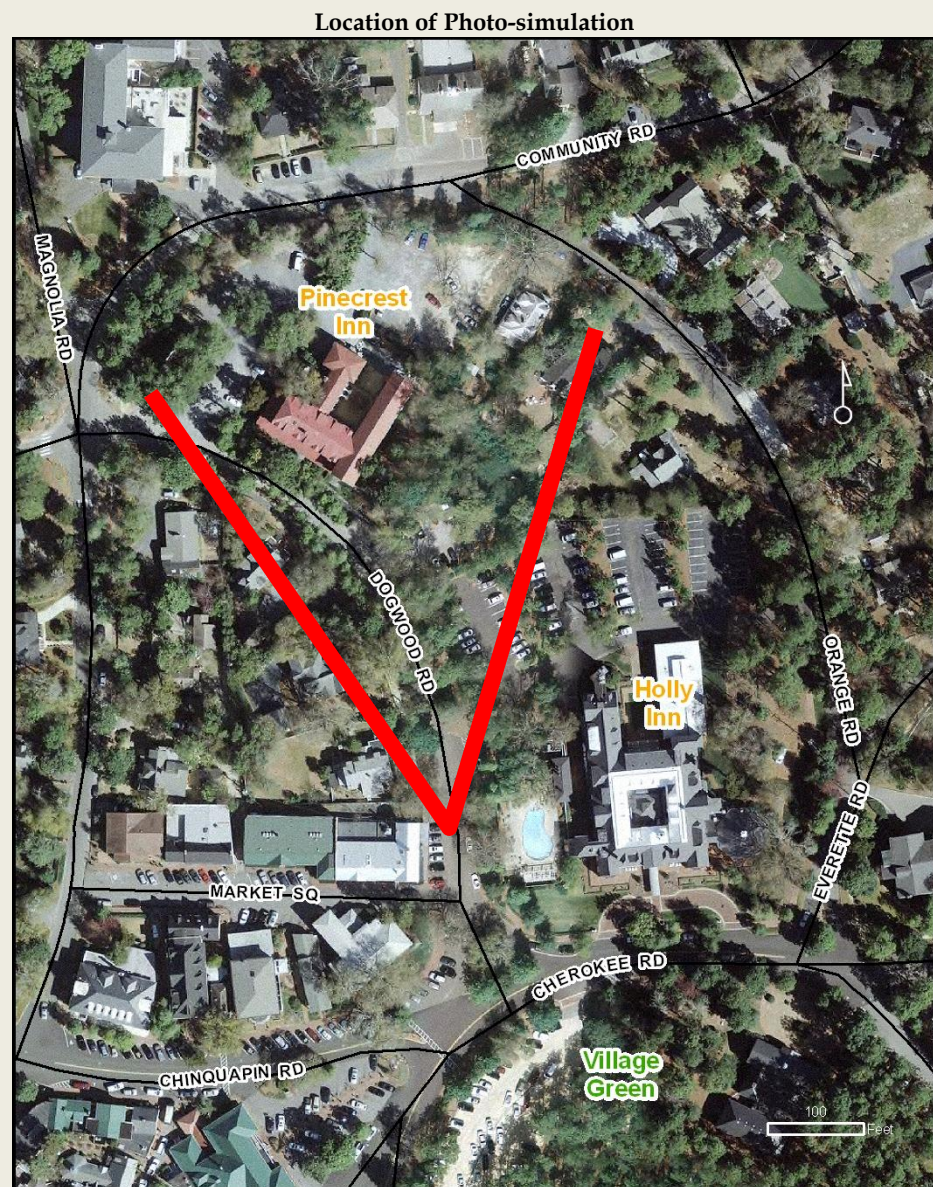
Another key concept for any expansion of the Village Center is the issue of incrementalism in terms of commercial development (retail, office, etc.).

Since the overall health of the real estate market in the Village Center area is important to maintain for existing businesses and property owners and over the long term, the best approach for any expansion will be to proceed incrementally. In other words, some floor area and new buildings would be added and then assimilated before additional development is undertaken. Proceeding with one major development may run the risk that the development might, in some way, harm the existing Village Center area.

The initial efforts should start small. Perhaps it would make sense to add one small building along Dogwood Road, across from Dugan's Pub and next to the Holly Inn.

Once the health of the market for additional space is demonstrated, the pace of expansion could be accelerated.

A concept of how this incremental approach might proceed is shown on the facing page.



Potential Scenario

Dogwood Road -Looking north towards the Pine Crest Inn

(viewpoint is on Dogwood Road with Dugan's Pub to the left and the Holly Inn to the right)

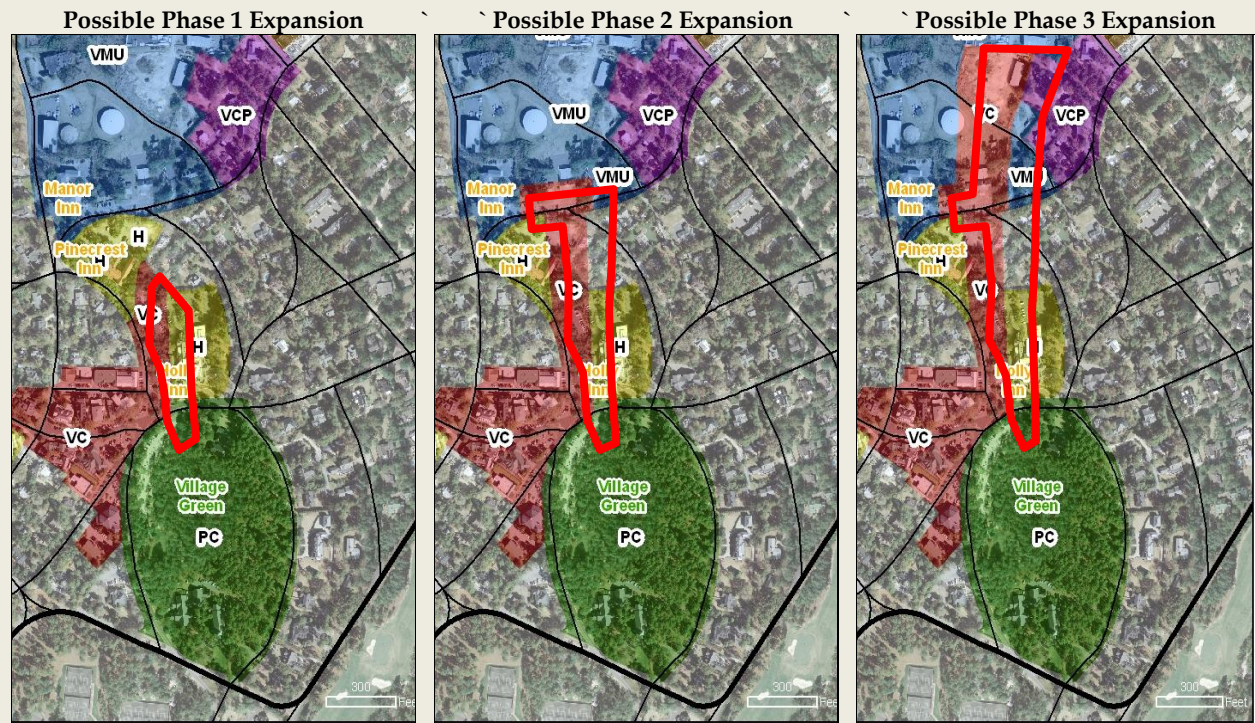
Dogwood Road - Existing Street Level View



Dogwood Road - Possible Phase 1 Expansion (1-3 Buildings)



This incremental approach could be managed through zoning districts. Since it is intended that retail uses will only occur within the Village Commercial (VC) zoning district, **the VC zone should be cautiously extended as the situation warrants.** The following graphic shows how this might happen (boundaries shown are for illustration purposes only).



Since the market for business uses may be the most difficult to gauge, business development might be confined to the VC district (as extended) until the connecting road from the existing Village Center is in place. It may also be wise to limit additional business development (especially retail and restaurant) in the Village Mixed Use (VMU) and Village Cottage Professional (VCP) districts in the Village Center area and in the Neighborhood Commercial (NC) district along Rattlesnake Trail.

Outside of the VC zoning district, residential development can happen independently of this incremental approach if the design and concept will enhance the overall Village Center and not inhibit the overall evolution of the area.

Preparation of a conceptual master plan is an important first step. Preparing such a document will help the community reach agreement on the location of the organizing spine and the extent of the incremental steps towards implementation. The illustrations on the preceding page suggest how an incremental approach along Dogwood might appear.

D. Revise Regulations To Accomplish The Vision

Since the land use regulations administered by the Village of Pinehurst are the key tool for implementing the overall vision for the Village Center and expansion area, we must review and revise these regulations so that they will produce what we want and expect. In addition, we must revise the zoning map to clearly define what uses will be appropriate in what places and at what time.

Uses

Pinehurst residents want a variety of uses as part of their Village Center area.

Restaurants - At the present time, about one-third of all trips to the Village Center are for visiting a restaurant. In addition, about 24 percent of residents indicated that they would like to see more restaurants (including such things as a deli or coffee shop) encouraged in the Village Center area.

Retail Shops - In the telephone survey, about 22 percent of residents indicated that more retail shops might encourage them or others to visit the Village Center more often. Over 50 percent of residents identified at least one type of retail store they would like to see encouraged (specialty food / grocer, bookstore, pharmacy, wine store, convenience store, etc.).

Personal Services - In the telephone survey, almost 10 percent of residents indicated that they would like to encourage some personal service operations in the Village Center (barber / hair salon, dry cleaner, shoe repair, etc.).

Other Activities - In addition, a number of residents expressed interest in other activities that would draw people to the Village Center area such as a theater, more entertainment, more community activities, and more businesses of all types.

It makes sense to revisit the permitted uses in all zoning districts in the Village Center and expansion area (Village Commercial, Village Mixed Use, Village Cottage Professional, Neighborhood Commercial, etc.).

One part of this review should be to ensure that activity-generating uses (retail, restaurant, etc.) are required at street level (at least initially) and that lower activity uses (offices, banks, etc.) are prohibited. Over the longer term, it may be possible to eliminate the restrictions on first floor uses in the Village Center area once there is the opportunity for additional space and occupancy.

It is important that the zoning in the Village Center expansion area clearly delineate the commercial area and where a retail streetscape is required. If this is not done, the overall concept of connectivity will be impaired and the overall vitality of the area will suffer. The maps on the facing page illustrate how the zoning might be configured (using the existing Village Commercial zoning designation) to maintain consistency between what is allowed in all areas.

Likewise, it will be important to carefully manage (or even prohibit) retail development in the Village Center expansion area outside of this retail streetscape (the areas zoned VMU or VCP in the Village Center or zoned NC along Rattlesnake Trail). If retail development occurs outside of the proposed organizing (and connecting) spine, it runs the risk of undermining the overall health of the Village Center area.

Housing units in and near the Village Center area will help create a vibrant center. We should continue to explore ways to provide for more housing in this area with densities and patterns appropriate for a Village Center location.

The types of residential uses allowed should be reviewed. For example, townhouses and live/work units will be a better use of a Village Center location in the VMU and VCP districts than single family, duplex, and/or cluster residential uses. Of course, residential units will continue to be appropriate and desirable on upper floors of buildings along the commercial spine in the VC district.

Townhouses – Georgetown, DC



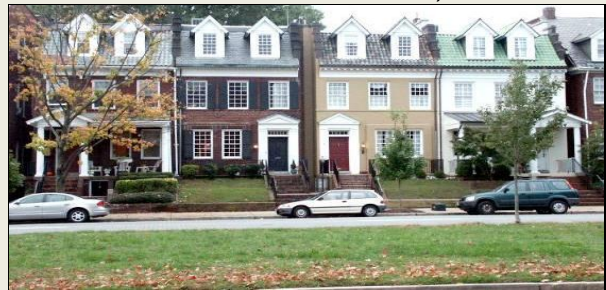
Townhouses – Kentlands, MD



Townhouses – Celebration, FL



Townhouses – Charlestown, SC



Intensity

Any new development in the Village Center should reflect and complement the overall intensity of the existing Village Center area (this is a major part of its overall ambience). In the existing Village Center, the average “floor area ratio” (FAR) of existing uses is 0.97 (on average, for every 10,000 SF of site area, there is 9,700 SF of floor area). On the other hand, current regulations for the Village Mixed Use (VMU) zone limit intensity to a floor area ratio of about 0.275.

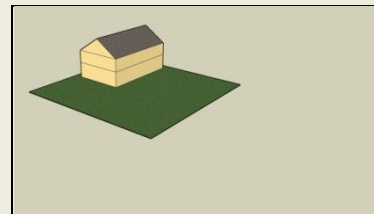
The regulations for the Village Center area should be revisited to ensure that an appropriate intensity is required (a minimum intensity) and regulated (a maximum intensity). If the regulations create an intensity that is too low (and out of character with the area), it will have a negative effect on the overall ambience and character. Likewise, if the intensity allowed is too high, it will also have a negative effect on the overall ambience and character.

We should also consider minimum and maximum limitations on building footprints, floor areas, yard setbacks, and building heights to ensure that the existing character and ambience of the Village Center is replicated and extended. Since the current regulations may not reflect the building character and style that presently exists, these standards should be verified anew (especially building height). Since two-story buildings are the normal building arrangement in the Village Center, one-story buildings should generally be discouraged.

FAR in Existing Center = 0.97



FAR Limit in VMU Zone = 0.275



Design Standards

The “visual preference” work done as part of some of the planning for the Village Center expansion areas was excellent and helped define the building forms and features that residents found acceptable. To help guide future applicants, it might be desirable for these concepts to be expressed in illustrated design guidelines or a pattern book. This might include architectural features and building materials and similar details.

Another option to consider might be what is referred to as “form-based coding”. Rather than “use-based” zoning (with dimensional and other standards) as currently contained in the Pinehurst Development Ordinance (PDO), form-based coding is heavily focused on the design of buildings and creation of streetscapes. It is less involved with allowing or restricting different uses. Because of the importance of ambience and character in Pinehurst, form-based coding may be worth additional consideration.

Two-Story Wood Building (Chinquapin)



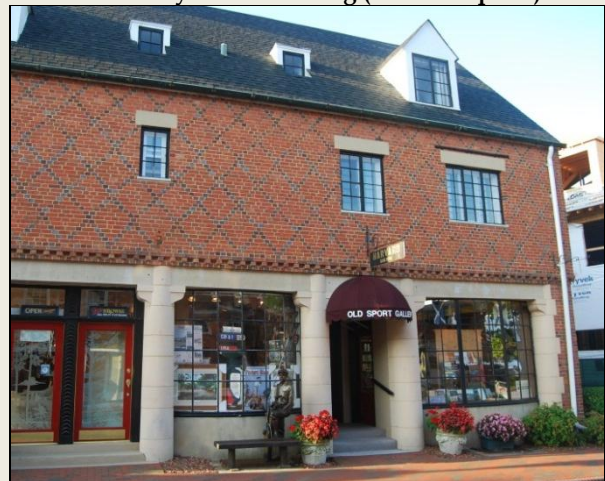
Two-Story Brick Building (Chinquapin)



Two-Story Wood Building (Chinquapin)



Two-Story Brick Building (Market Square)



E. Provide For Parking

Parking and the perception of parking in the Village Center have been a discussion topic in Pinehurst for some time. In the telephone survey, 61 percent wished more parking could be provided in the Village Center area and 59 percent felt that the Village should improve the existing sand parking lot next to the Village Green. This mirrors results from the 2002 telephone survey where 59 percent of Pinehurst residents felt that there was a parking problem in the Village Center area and 56 percent felt more parking was needed in the Village Center area.

An inventory conducted as part of the planning process found about 487 on-street and off-street parking spaces in the Village Center area (276 public spaces, 50 semi-public spaces, and 161 spaces in private lots).

While the current parking ratio in the Village Center (about 2.0 public spaces per 1,000 SF of floor area) is lower than typical, it appears to be adequate at the present time. This conclusion was reached because:

- there are a number of parking spaces available in and near the Village Center even at the busiest times of day (around lunchtime),
- the Village Center attracts walking traffic from tourists and nearby residents, and
- people typically perceive a parking problem because they feel they are entitled to the most convenient parking space.

The Village Center is fortunate to have a large number of on-street and public parking spaces available. On-street parking is incredibly efficient since the spaces are readily visible, easily accessible, and allow people to park once and visit two or three places. In addition, such spaces:

- help people believe that they will find a parking space in front of where they wish to visit,
- protect pedestrians in the sidewalk area from moving vehicles, and
- allow more private land area to be devoted to building when new construction occurs (such as with Village Center expansion) since some of the parking is located in the public right-of-way.

On-Street Public Parking



Off-Street Public Parking



Informal Parking



Private Off-Street Parking



As the Village Center is expanded, parking will be a key consideration. Overall, the Plan recommends the following parking strategies:

- re-establish on-street parking time limitations, especially during the mid-day period to ensure there is adequate turnover of spaces (supported by 51 percent of residents),
- require all new floor area to provide on-street parking spaces (first priority), off-street parking spaces, or make a fee-in-lieu payment to the Village to support the provision of public parking spaces to support that use, and
- consider adopting either an overall parking ratio (such as 3.0 spaces per 1,000 SF for new development) or compute each use individually with credit given for mixed / shared use.

Over the long term, Pinehurst should reconsider its philosophy in terms of parking facilities. In the short-term, development in the Village Center expansion area could be supported with surface parking lots. Eventually, it might be desirable to replace those parking lots with buildings and provide a parking facility of some type. Any such facility must be well-designed and screened from view in order to be compatible with the character and ambience (and historic district designation) in the Village Center area.

Also, over the long term, the Village may wish to consider removing parking from the Village Green in order to make it a more park-like setting as originally envisioned by the Tufts family and Frederick Law Olmsted.

Proposed Parking Facility (Folsom, CA)



Parking Facility (Wilmington DE)



Parking Facility (East Lansing, MI)



Parking Facility (Annapolis, MD)



F.

Address Traffic Circulation

Organizing Spine

Traffic circulation for vehicles and pedestrians is important for the Village Center and the expansion area. The recommended program is to set up a *vehicular and pedestrian travelway* along the “organizing spine” and encourage or require abundant on-street parking facilities along it. This is considered critical to the overall health and vitality of the Village Center and the expansion area.

It is anticipated that the Village may need to get involved in road construction in the Village Center expansion area and fund such improvements as a capital project. In any event, the roadway cross-section needs to be defined in more detail (and compared to the existing roadway cross-sections in the Village Center area) before proceeding. Since the relationship of building height to building separation is a key component of the streetscape ambience, this relationship should be determined with some research.

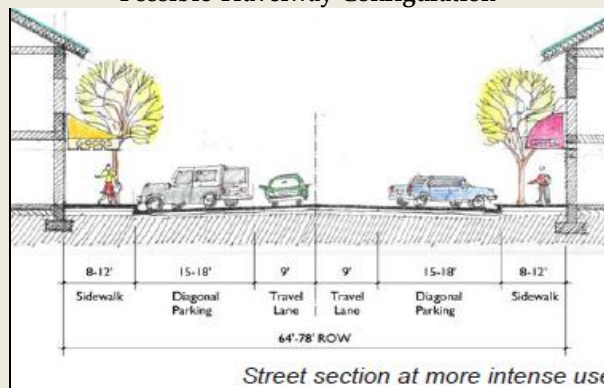
Traffic and Way Finding

Traffic volumes are not an issue in the Village Center area at the present time and are not expected to be a major consideration as a result of Village Center expansion. Traffic counts conducted by the Village Staff as part of this planning process found that the average daily traffic into the Village Center area is about 60 percent of what would be expected based on the land uses and activities located there. Traffic and activity is a sign of a successful area that is meeting the needs of residents and piquing the interests of potential visitors. The Village Center area can actually accommodate *more* traffic.

Part of the reason traffic volumes may be so low is that residents do not go there very often (maybe once a week, on average, according to the telephone survey) and because the Village Center can be hard to find for visitors or shoppers. We should consider:

- Finding ways to make the Village Center more a part of residents’ everyday lives, and
- Creating a better system for people to be able to find the Village Center, such as:
 - Better defining access points to the Village Center from NC 5, NC 211, and NC 2 (perhaps by installing a roundabout at Midland / Fields to create a more logical entrance and gateway to the Village Center), and
 - Create a wayfinding system to the Village Center / the Resort Clubhouse / and to lodging facilities.

Possible Travelway Configuration



Possible Roundabout
at Midland / Fields / Cherokee



G. Plan Out The Approach and Schedule

Since the Village of Pinehurst owns a number of the properties in the Village Center expansion area, it will need to get involved in the development. Possible approaches include:

1. Selling all the land to a developer outright.
2. Selling all the land to a developer under specified conditions (such as retaining a certain amount of floor area to be leased by the Village to “mom and pop” retailers).
3. Becoming an equity partner in the development with a developer.
4. Undertaking a land lease to one or more developers.
5. Subdividing and developing the land and selling parcels to individual developers.
6. Developing the land area and buildings itself.

At this time, the Plan makes no recommendation as to the preferred approach.

Also, with both the men’s and women’s US Open golf championships scheduled in Pinehurst for 2014, it may make sense for any major enhancements to the Village Center to either be completed in advance of that date or started after the tournaments are completed.

Major Activities		Possible Other Activities
Before 2014	• Identify location for “connecting spine” • Refine planning recommendations • Revisit VC/VMU / VCP regulations • Allow Phase 1 of VC-zone expansion along connecting spine (1-3 buildings) • Finalize travelway design • If ready, construct travelway and create on-street parking along connecting spine • If ready, consider allowing Phase 2 of VC expansion	• Stabilize the fire station building and redevelop the building once the travelway along the connecting spine is in place • Consider allowing residential buildings in rear of business expansion areas • Provide common open space and connect to Arboretum
2014	US Opens	
After 2014	• Allow Phase 2 of VC expansion • When appropriate, consider allowing Phase 3 of VC expansion • Construct additional new streets	• Move Public Services facility • Decide what to do about water tanks • Consider replacing surface parking lots with parking facilities, if desirable

H. Nurture The Village Center

We should also undertake other tasks and actions to maintain, support, and enhance the Village Center.

See the “Implementation Element” of the Pinehurst Long Range Plan for information on tasks and actions currently programmed for implementation of these Village Center strategies.



VILLAGE PLACE PROJECT IMPLEMENTATION

A report of Phase 1 Findings
Development Concepts, Inc.
April 9, 2013

Recap / Overview

- Development Concepts proposed to work with Village of Pinehurst on a process to implement the NewCore (now Village Place) Master Plan
- The process is designed to update development analysis and assumptions, work the community and council for an approved development concepts that are economically feasible, and solicit/recruit a developer or development partnership.
- In 2012, the Village approved the first phase of this process, intended to conduct necessary “due diligence” to examine whether a development project or projects would be possible



Credit: NewCore Master Plan

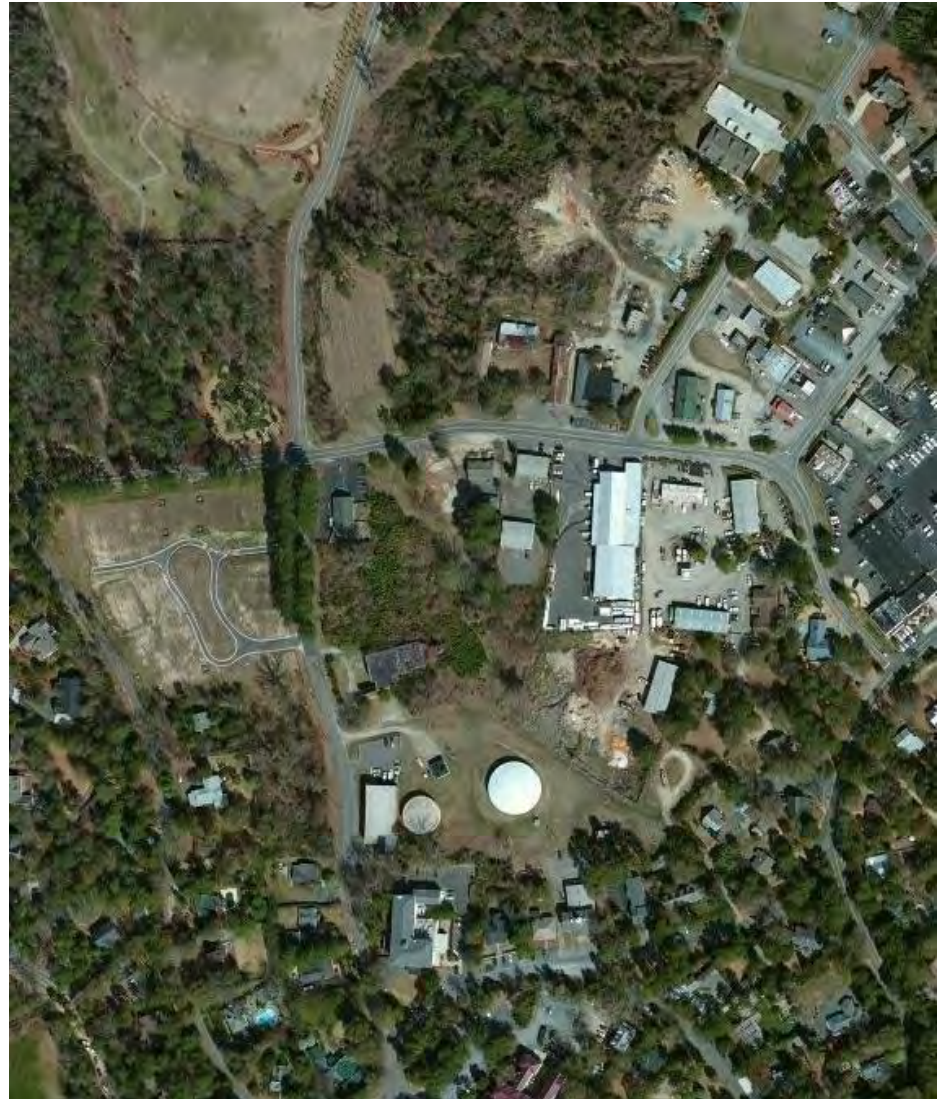
Overview

DCI's assignment included the following:

- 1. *Key property inventory and outreach*** – survey the property within the Village Place project area and determine if enough land could be assembled for an appropriate redevelopment project given willing ownership and the ability to assemble contiguous parcels
- 2. *Infrastructure and relocation plan*** – research designed to understand and document the feasibility of including publicly owned properties within the project area, including the relocation of existing uses
- 3. *Market Assessment*** – update the market “reconnaissance” conducted during the original master plan and determine opportunities within core market areas including residential, retail,

Property Inventory & Outreach

- Objective: *determine whether enough land can be assembled for a development project.*
- Talked with 11 owners or owner's representatives of 18 parcels within or adjacent to NewCore study area
- Conducted review of past and current planning relative to the project, toured project area multiple times



Property Inventory & Outreach

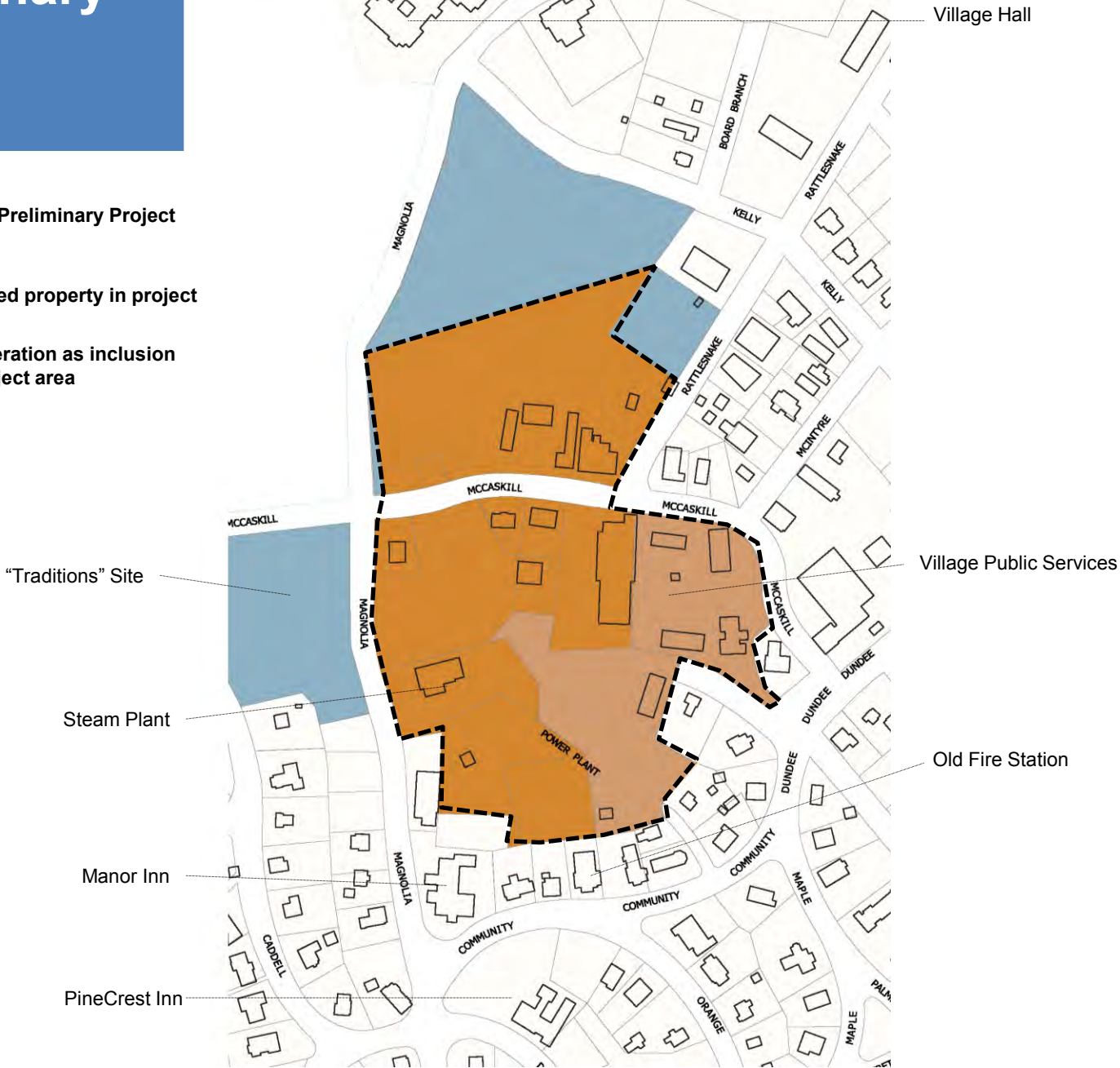
Finding #1

- Approximately 20 acres of property can potentially be assembled for a 1 or more development projects. This area will be referred to as the “*primary project area*”
- There is an additional 11 acres of land that could potentially be added into the primary project area.
- Approximately 3.5 acres within the project area have buildings that should be incorporated, but are unlikely to be redeveloped.



Preliminary Project Area

- Property in Preliminary Project Area
- Village owned property in project area
- For Consideration as inclusion into the project area



Property Inventory & Outreach

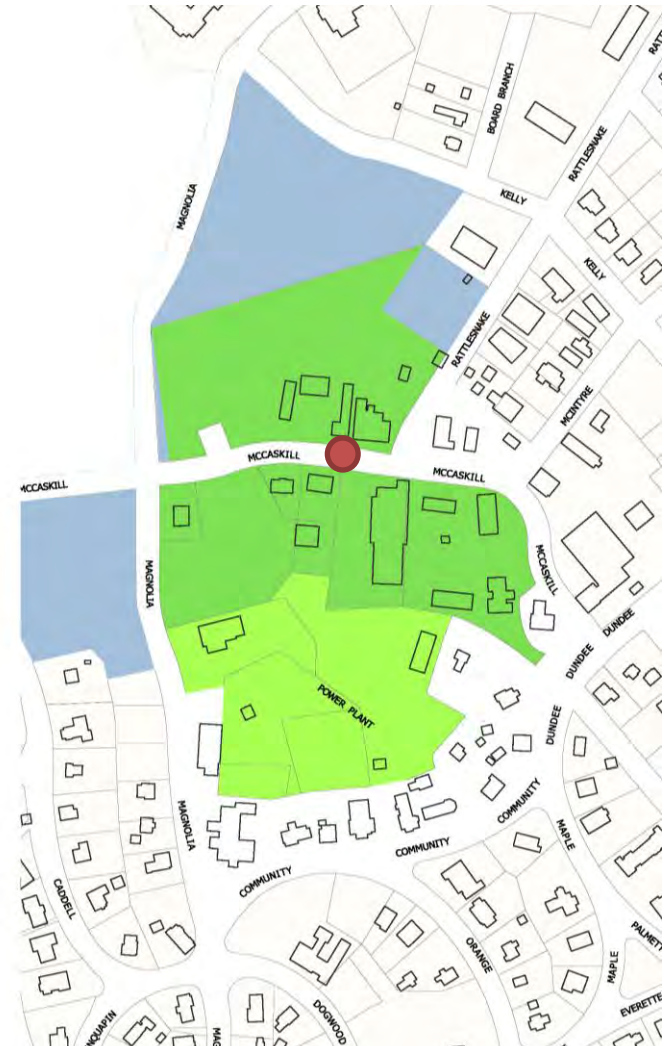
Finding #2

- The NewCore / Village Place project area has shifted to the north.
- This is likely to result in an adjustment of some previous development assumptions

NewCore



Village Place



Property Inventory & Outreach

Ridge

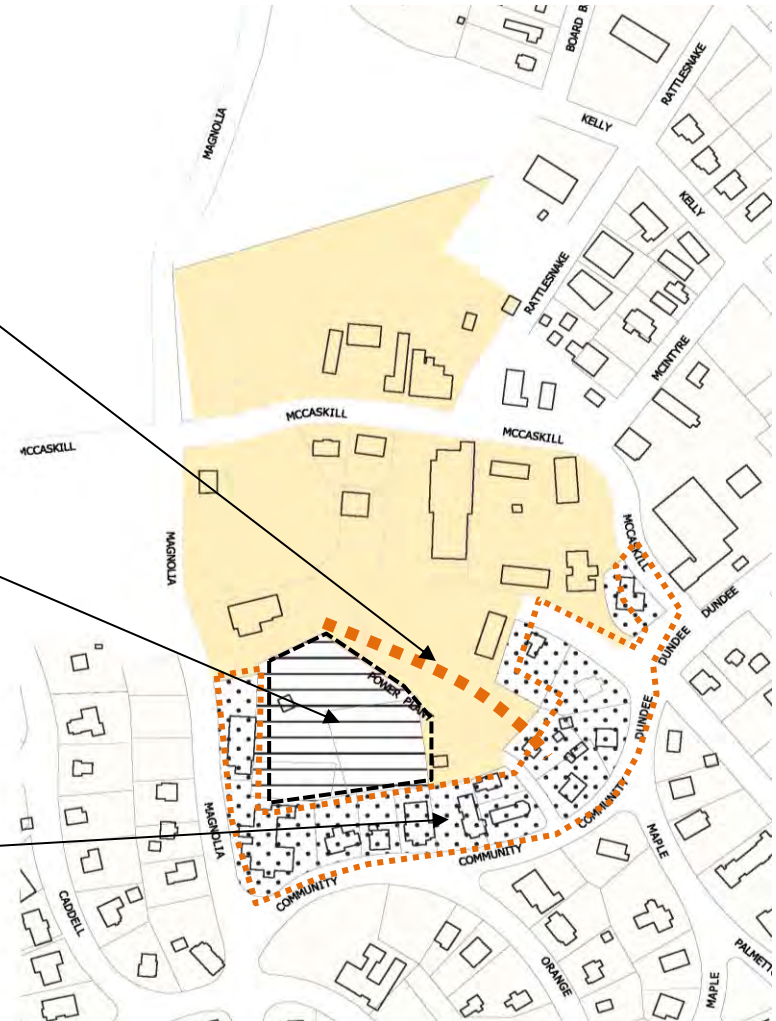
Topographical change separates southern and northern parts of the block

County Owned Land

Costly and difficult to move water tanks

Existing Users

Southern portion of the site made up of contributing users, existing built fabric is strong and reflective of rest of Pinehurst



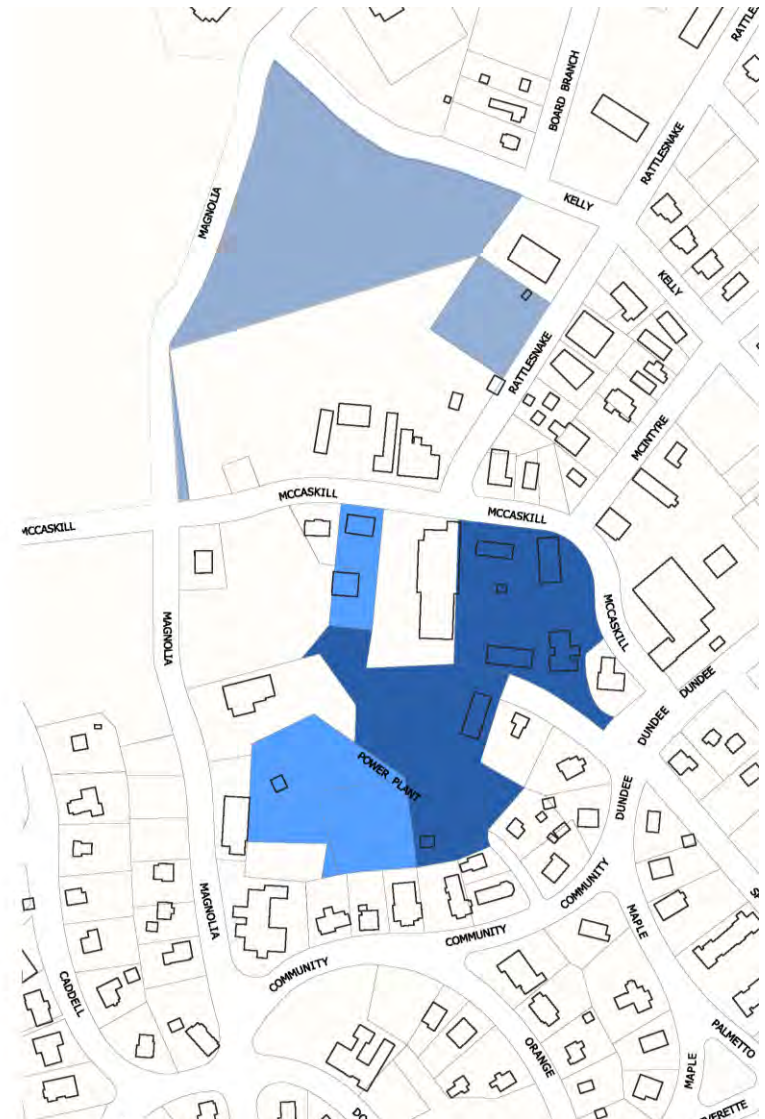
Infrastructure & Relocation Plan

Village Owned Property

- Used by public services – new property for use acquired and plans in place to move.
- ~6.5 acres of vacant or leased land to the north of the project area that should be considered for inclusion.

County Owned Property

- Existing well can be moved if better location is found, but water tanks are expensive to move.
- Public Safety office (Rescue Squad property) willing to update building or relocate if better site in the area is found



Infrastructure & Relocation Plan

Findings

- Public Services property not a “critical path” site for Village Place development – located apart from other development opportunities
- Separation enhanced if proposed road networks from master plan are put into place
- This property can be later phase, allowing Village to plan property for relocation to new site
- BUT – relocation is still important – uses are non-compatible with future development and can hinder lease-up/sales
- Strategy to incorporate the county water tanks and improve security seems most appropriate in the short-term.
- Strategy to re-locate county public safety facilities needs to be a priority.



Market Assessment

- Objective: *Were core assumptions made during Master Plan phase correct, how have they changed, and is there opportunity for development within the project area?*
- Data collected from primary and secondary sources – 13 interviews with brokers and others involved in regional real estate / economic development
- Availability of secondary sources traditionally used to track markets in larger cities not as prevalent

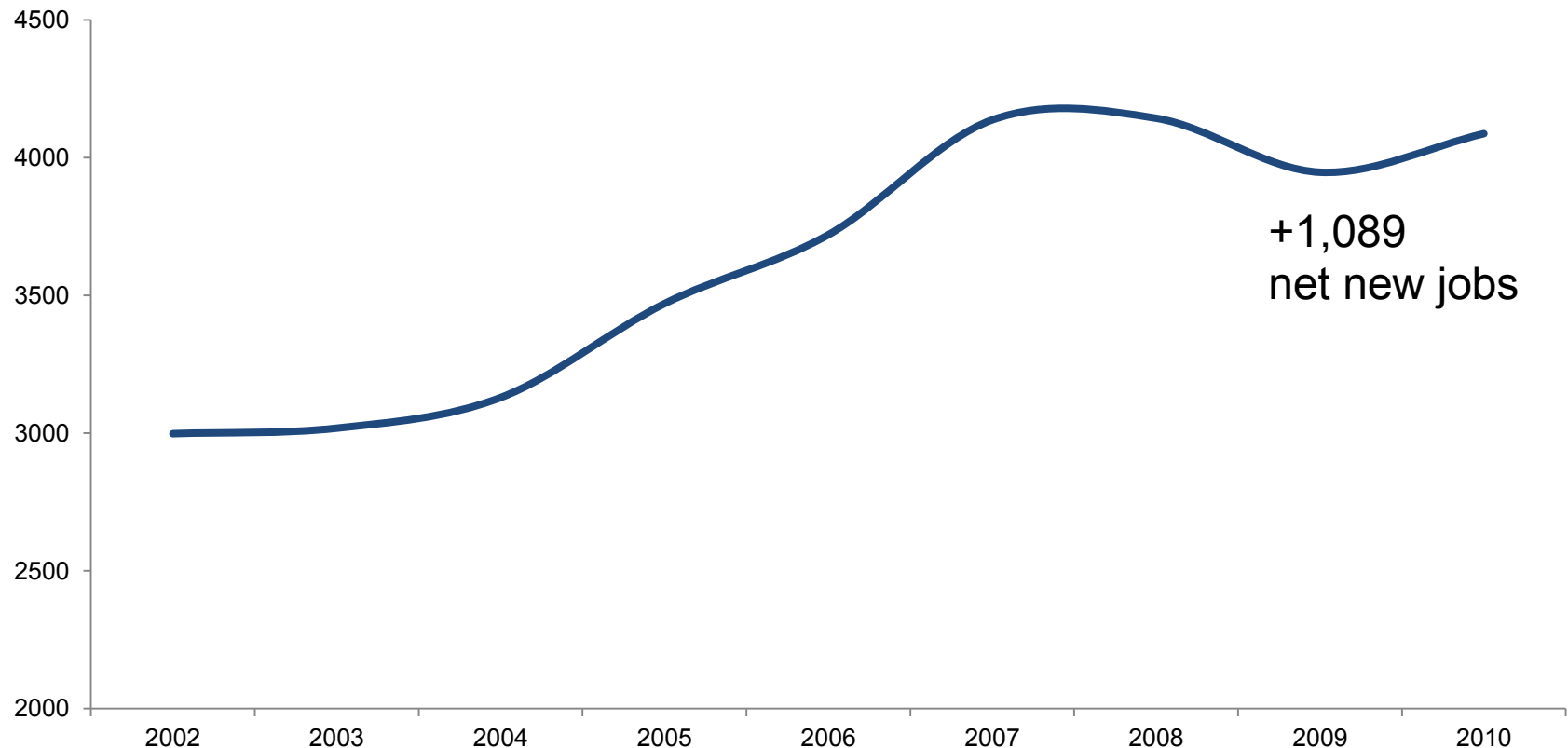
Market Assessment – Office Market

- Commercial office market is strong, with high occupancy
- Undersupply of Class A space, particularly in the Pinehurst sub-market
- Medical office space has grown significantly over last decade, and the medical campus along Route 211 is running out of space for new development
- Large portion of the office market leases between \$15-18 / square foot

Market Assessment – Office Market

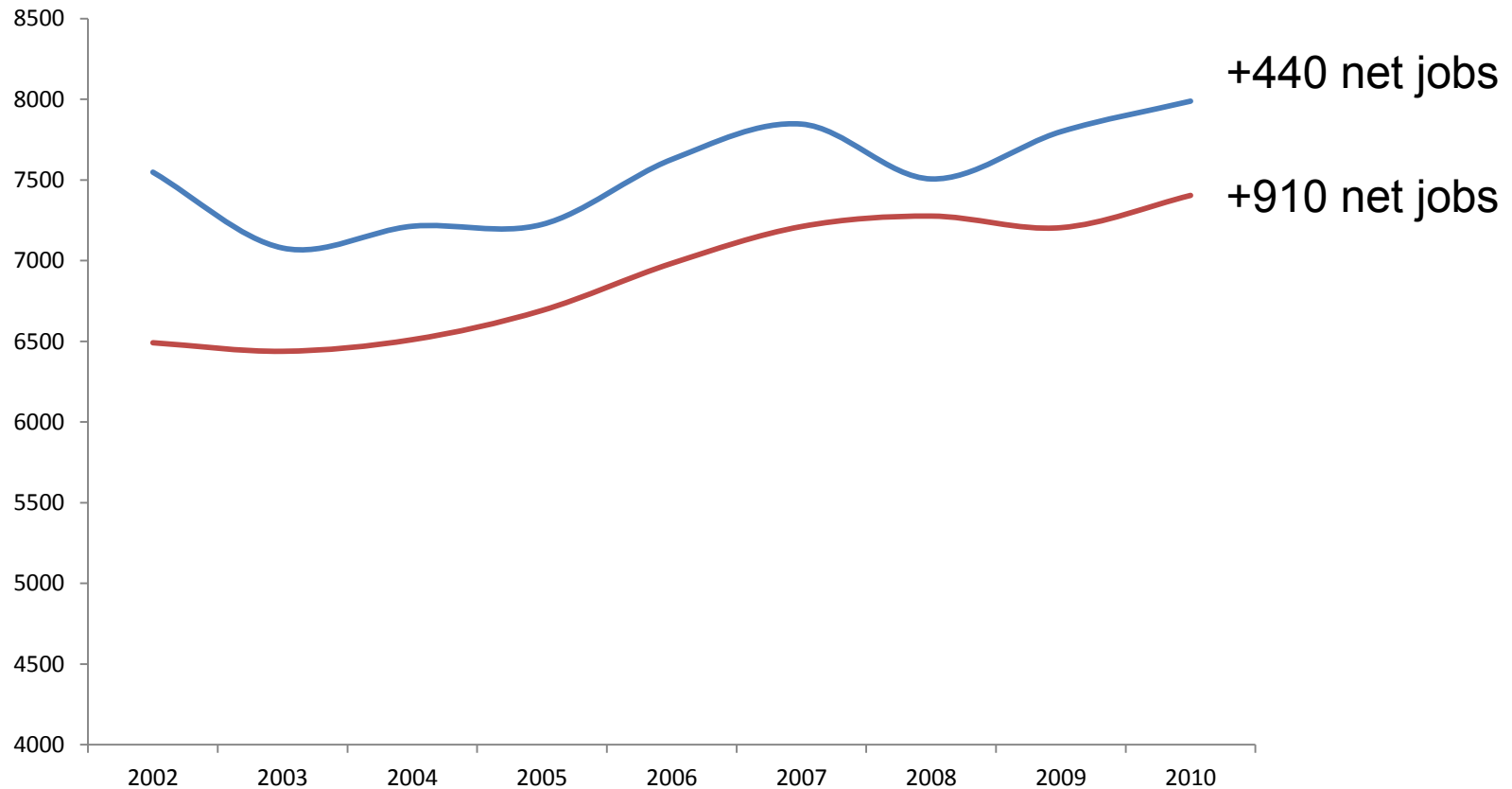
Office related employment rose 36% between 2002 and 2010

(Information, Finance & Insurance, Real Estate, Professional & Technical Services, Management of Companies, Administrative Services)



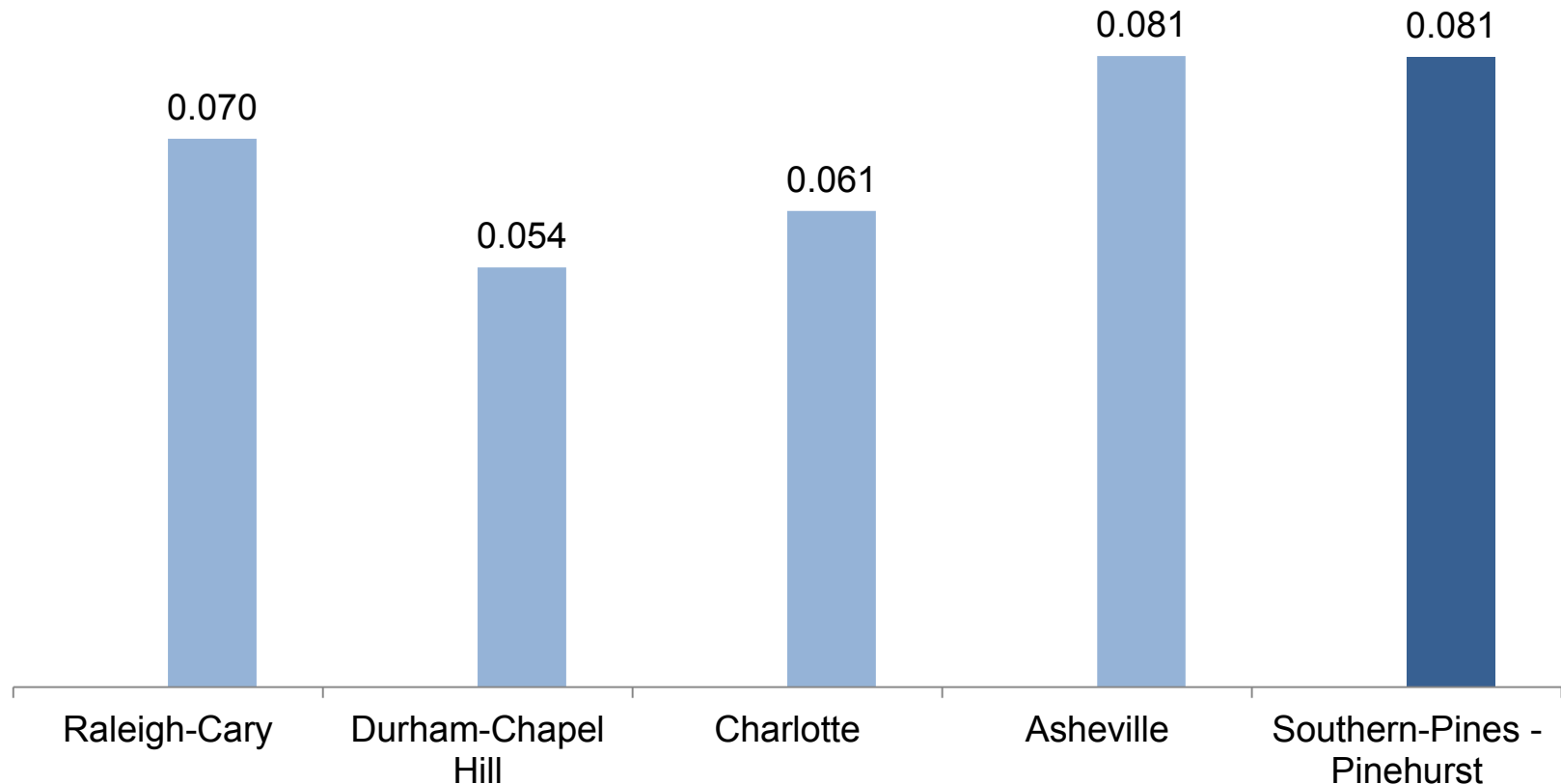
Market Assessment – Office Market

Health Care employment rose 5-15% between 2002 and 2010
Employment for Physician's offices rose 22%



Market Assessment – Office Market

The Southern Pines-Pinehurst Micropolitan Area has one of the highest establishments per employee in the state – indicating it has a high concentration of small businesses



Market Assessment – Office Market

POTENTIAL ISSUES

- Price point – despite demand for new, high quality space, there may be a gap in what office tenants are willing to pay vs. the cost to provide the space
- The ability to draw medical office tenants to the property
- Absorption – aggressive capture of employment growth only yields incremental (5,000 – 15,000 sf) space

POTENTIAL SOLUTIONS

- Integration with other uses like retail to offer an amenity to office users
- Partnerships with economic development efforts that support small business incubation / acceleration
- Specifically target medical professional office as primary tenants, as well as banks / other service businesses that may wish to move from Village Core

Market Assessment – Retail Market

- Southern Pines-Pinehurst-Aberdeen not only a growing micropolitan area, but is a market for several hundred thousand residents in surrounding counties.
- With only the Village Core / Old Town and Olmstead Village / Central Park South as supply (in Taylortown) the Pinehurst sub-market is significantly underserved
 - (retail demand leaks to Southern Pines/Aberdeen)
- Retail Supply:
 - Village Core \$15-18 / sf (\$20-22 appears to be top of the market at the moment)
 - Downtown Southern Pines - \$15-20 / sf
 - Olmstead Village - \$18-25
 - Regional retail on US1 / 15-501 - \$20-40 / sf

Market Assessment – Retail Market

- Resident Supply / Demand - 2 Miles from Project Site

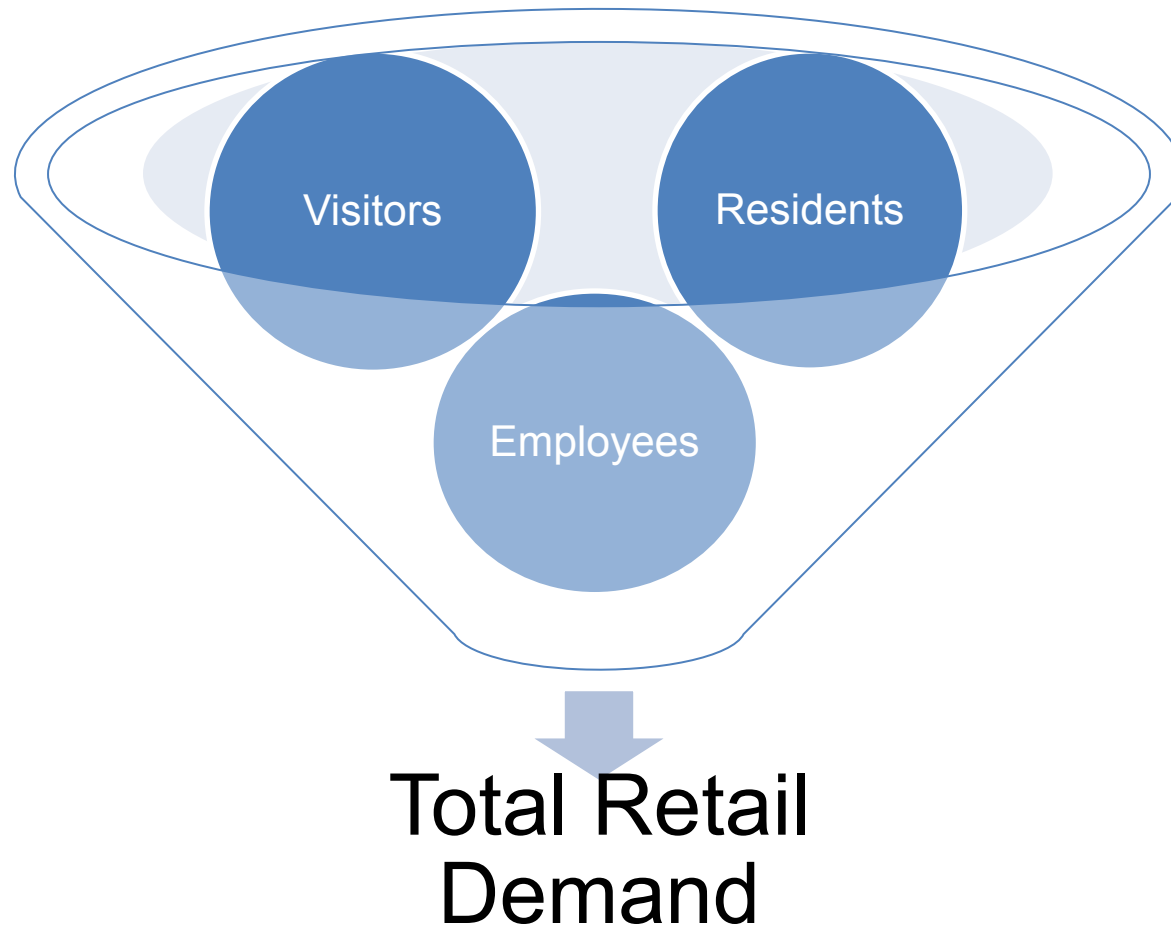
Category	Demand	Supply	Gap
Food & Drink	\$21.5 million	\$25 million	\$(3.5 million)
Retail Goods	\$67.9 million	\$20.4 million	\$47 million

- Resident Supply / Demand - 3 Miles from Project Site

Category	Demand	Supply	Gap
Food & Drink	\$33.2 million	\$32.6 million	\$600k
Retail Goods	\$110.2 million	\$54.7 million	\$55.5 million

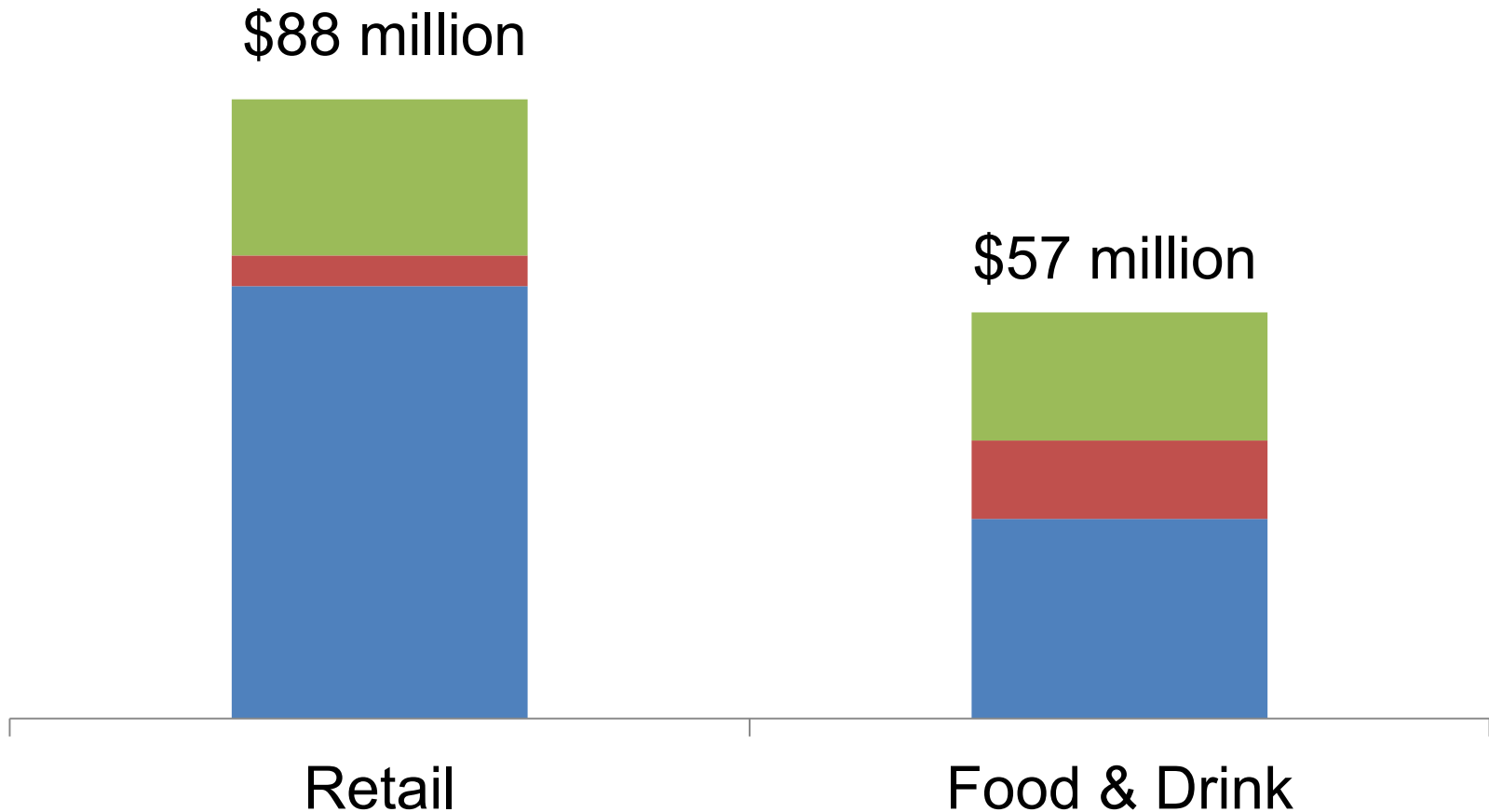
Market Assessment – Retail Market

MERGING MARKETS ANALYSIS



Market Assessment – Retail Market

MERGING MARKETS ANALYSIS



Market Assessment – Retail Market

- Merging markets analysis just shows potential
- Retail demand not being met
- Why? Several Likely Reasons
 - Lack of anchored centers
 - Easier development opportunities for anchors in Southern Pines / Aberdeen – retailers follow anchors
 - Lack of integration with visitor market
 - Local (Pinehurst) retail not located in accessible / visible location
 - Lingering impacts of the recession

Market Assessment – Retail Market

- Can Village Place capture opportunity and enhance existing business offerings?
- Yes, but there are several likely needs:
 - Integrated housing or office to enhance primary market
 - Anchor businesses or destination uses needed – unanchored retail center is risky
 - Integration with Village Core to create “critical mass” of businesses
 - Signage, ease of access off of arterials and (relatively) easy parking
 - Retail opportunities for businesses that can capture both visitor and resident demand (dining, convenience goods, services)
 - Better connections with visitor market

Market Assessment – Residential Market

- Housing Demand
 - Household formation – past regional population growth with expected growth through this decade
 - Employment growth – recovering from recession, slow but steady
- Proximity to Old Town / resort amenities drives high value real estate and housing – good location for housing
- Clustered / attached product most appropriate for project area

Market Assessment – Residential Market

- **Single Family – Cluster Homes**
 - Suggested opportunity from master plan
 - Appropriate for SF detached market predominate in Pinehurst
 - Very low vacancy in single family detached housing combined with location drive high opportunity
 - Alone, density / price points of detached housing may not be enough to support likely cost of land
- **Multi-Family Rental**
 - Very low regional supply in high quality, mid-market or luxury apartments, or rental projects at scale to support amenities the market looks for
 - Estimated 5 year regional (Southern Moore County) demand for ~ 780 – 830 rental units
 - Virtually non-existent in Pinehurst, growing need for rental product near growing employment centers like First Health

Market Assessment – Residential Market

- Condominium / Townhome
 - Sales per square foot equal to detached housing despite majority of supply being 30-40 years old and (partly) in poor repair
 - Old Town sales are top of the market, indicating higher value closer into Village
 - Downtown Southern Pines driving growth in sub-market, also indicating local potential
 - Key demographic target (older households / empty nesters) suggest opportunity for flats over townhomes (single story product) but market needs to be studied more.
 - Interviews indicate demand for product, but price point needs to be right (\$250,000 - \$400,000) and density is likely an issue for approvals (i.e. Traditions property)

Market Assessment – Residential Market

- Housing is likely the “keystone” use – the best opportunity, the use best able to stand on its own (apart from other uses), and needed to support other uses because of lease/sales rates
- Several potential hurdles:
 - *Absorption* - 50% capture of expected market growth is only 20-40 units annually, meaning that additional market may need to be captured from the region
 - *Cost of property acquisition* - land value could be high, meaning density, high price point, or both is required to make project feasible
 - *Political approvals* - one of the largest hurdles mentioned during interviews was approvals – specifically the Village Council’s willingness (or unwillingness) to allow certain product types and densities. Lack of predictability will mitigate development potential

Conclusions

- Enough land to support one or multiple development phases
- The relocation of Village owned uses will not be a hindrance to short-term development
- Difficulty / cost of moving County owned water tanks adjusts project boundary further to the north than previous development concepts
- Opportunity in three key real estate markets to believe that a project will be supportable, additional data collection as project moves forward will enhance feasibility analysis
- Village should examine relocation opportunities for the County Public Safety offices



VILLAGE PLACE PROJECT IMPLEMENTATION

Appendix: Market Assessment

A detailed assessment of market potential for the Village Place development initiative.

DRAFT April 2013



PREPARED FOR:

The Village of Pinehurst
395 Magnolia Rd.
Pinehurst, NC 28374

PREPARED BY:

Ian C. Colgan, AICP
Principal

Development Concepts, Inc.
1236 East 16th Street
Indianapolis, IN 46201



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INTRODUCTION

OVERVIEW

In January of 2013, the Village of Pinehurst contracted with Development Concepts, Inc. to perform professional services to examine the feasibility of the proposed Village Place / NewCore development project as proposed in the 2008 NewCore Master Plan. This report summarizes the findings and recommendations relative to the initial phase of this work - a "Due Diligence" phase intended to study three critical path items in order to determine whether further time and investment was warranted to move this project forward.

The Due Diligence phase includes three specific tasks:

- 1) *Key Property Inventory and Outreach* - survey the property within the Village Place project area and determine if enough land could be assembled for an appropriate redevelopment project given willing ownership and the ability to assemble contiguous parcels;
- 2) *Infrastructure and Relocation Plan* - research designed to understand and document the feasibility of including publicly owned properties within the Village Place development area, including the relocation of existing uses;
- 3) *Market Assessment* - update the market "reconnaissance" conducted during the original master plan and determine opportunities within core market areas, including residential, retail, office and hospitality.

This document is an appendix for task 3 - Market Assessment - intended to provide a more detailed review and analysis relative to the four core markets studied for the Village Place project: Housing, Retail, Office and Hospitality.

THE PROJECT SITE

The Village Place project site consists of approximately -20 acres of property fronting McCaskill Rd, to the north of the Village Core or "Old Town", and directly to the south of the Village government center. Its location and proximity to key Pinehurst landmarks, including demographics within a 1, 2, and 3 mile radius are illustrated on page 4.

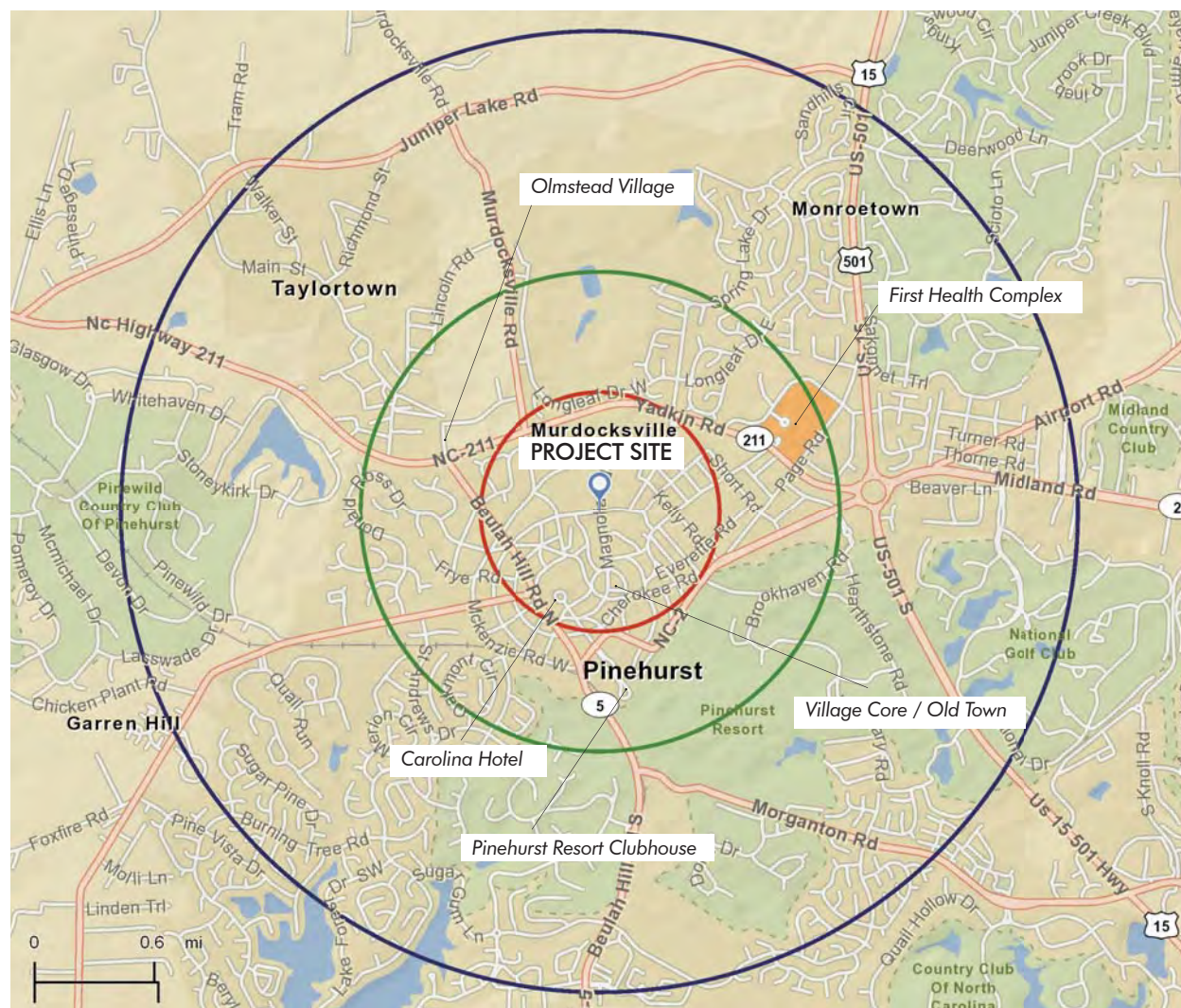
SUMMARY OF MARKET ASSESSMENT

This market assessment is summarized in the Summary Report delivered to the Village Council. A summary table of this market assessment can be found on page 5, with conclusions for individual markets found in each sub-section.

DISCLAIMERS

This market assessment was put together between January and March of 2013. It was created using the best information available from publicly accessible sources, interviews with real estate professionals in the Pinehurst and Southern Pines region, and any local information provided through those sources. The conclusions are based on this information, and the general understanding of real estate analysis and local market by the analyst. In some cases, it is noted where additional research may be necessary to better determine market absorption relative to a proposed real estate development project.

PROJECT SITE DEMOGRAPHICS



	1/2 MILE	ONE MILE	TWO MILES
Population	722	2,580	10,025
Households	308	1,156	4,676
Median Household Income	\$69,875	\$60,159	\$57,264
Per Capita Income	\$42,124	\$36,206	\$34,499
Median Disposable Income	\$53,160	\$49,641	\$46,722
% of College Graduates Aged 25+	28.8%	37.1%	38.2%
Employment	3,061	6,516	9,967
Professional Employment	388	616	1,089
Medical Employment	263	2,833	4,521
Hotel Rooms	508	608	752
Source: US Census, ESRI Business Analyst			

SUMMARY OF MARKET ASSESSMENT

This chart summarizes the market potential for Village Place, combining opportunity with risk associated in the short-medium and long term.

lower risk
 some risk
 higher risk

	Short-Term (1-3 Years)	Mid-Term (3-5 Years)	Long-Term (5-10 Years)	
Single Family Housing (Detached - 6-12 units per acre)				Single family vacancy is extremely low, and housing in proximity to the Village Core is in high demand
Single Family Housing (Attached - Townhomes - 10-25 units per acre)				Only 1/3 of condo market has 3+ bedrooms, and many others are duplex/triplex product with 1 story living. 2-3 story townhome product needs more testing in the market
Single Family Housing (Attached - Condominium/ Flats - 15-30 units per acre)				All recent condominiums sales in Old Town Pinehurst are 1-2 bedrooms and sell for double the price per square foot of the rest of the market.
Multi-Family Rental (15-40 units per acre)				High demand for good quality, mid-level to luxury apartments throughout market.
Commercial Office Space				Strong demand potentially tempered by mis-match in cost to supply space vs. willingness to pay Class A prices. Small biz support greatly increases feasibility.
National Retail Anchors (Grocery, Pharmacy, etc.)				Location off of major arterial drastically limits ability to draw national tenants. Recruitment will need work.
Small retail / service businesses				Strong potential for retail, but a anchor / destination use is needed to support more than a token amount of storefront space.
Hotel				Risky proposal considering density required and proximity to the Resort - better locations in the regional market.

FIGURE 1.1: POPULATION GROWTH AND PROJECTIONS - MOORE COUNTY, SOUTHERN MOORE COUNTY & VILLAGE OF PINEHURST

Source	1990	2010	2017 Projected	2020 Projected	Projected Future Annual Growth	Projected Annual Households
Moore County						
ESRI Business Analyst	59,005	88,247	99,165	n/a	1,560	666
State of North Carolina			n/a	97,181	893	382
1990-2010 Growth Trend			n/a	n/a	4,412 ¹	1,886
Southern Moore County Urban Cluster ²						
ESRI Business Analyst	22,214	36,795	43,630 ³		686	319 ⁴
State of North Carolina	(38%)	(42%)		42,760 ³	393	183
Village of Pinehurst						
ESRI Business Analyst	6,238	13,124	14,875 ³		234	35 ⁵
State of North Carolina	(11%)	(15%)		14,577 ³	134	20
1 - both ESRI and the State estimates have growth in Moore County to be much slower than the past twenty years, thus future projections based on past growth are deemed to be an outlier and the other two used for the Urban Cluster and Village geographies.						
2 - The Southern Moore County "Urban Cluster" is a geography compiled for this report to represent the urban population center of Moore County, consisting of Pinehurst, Southern Pines, Aberdeen, Whispering Pines, Taylortown and Pine Bluff.						
3 - Population projections taken as a percentage of county growth projections - Urban Cluster = 44% of county (assuming ongoing growth in percentage of total population) and Pinehurst = 15% of county (assuming no growth in percentage of population).						
4 - Household Demand uses Urban Cluster average household size of 2.15						
5 - Household Demand uses Pinehurst average household size of 2.01.						
Source: US Census, State of North Carolina, ESRI Business Analyst and DCI Analysis						

FIGURE 1.2: SHIFTS IN AGE COHORT 1990-2017, VILLAGE OF PINEHURST

Age Cohort	Percentage Growth				Numeric Growth				
	1990	2000	2010	2017	1990	2000	2010	2017	90-10
	6238	9706	13124	14273	6238	9706	13487	14273	
0 - 4	3%	3%	4%	4%	181	320	566	571	212%
5 - 9	3%	3%	5%	4%	206	301	607	614	193%
10 - 14	3%	3%	5%	4%	168	330	607	614	266%
15 - 24	6%	4%	5%	5%	362	369	728	685	89%
25 - 34	9%	8%	7%	7%	530	728	998	999	78%
35 - 44	9%	9%	10%	9%	543	893	1322	1313	151%
45 - 54	8%	11%	11%	9%	468	1068	1403	1313	195%
55 - 64	18%	16%	15%	16%	1107	1582	2158	2312	83%
65 - 74	29%	22%	18%	21%	1821	2106	2468	3054	28%
75 - 84	11%	17%	14%	13%	674	1611	1713	1841	165%
85 +	3%	4%	6%	7%	206	388	890	971	302%
Source: US Decennial Census 1990, 2000, 2010 and ESRI Business Analyst									

1.0 HOUSING

1.1 OVERVIEW

Demographic trends point to opportunity in several housing types, but there are also several hurdles that need to be addressed in order to deliver successful housing on the Village Place site. The first is absorption - the capture of 50% (a high rate) of local market growth will only result in 20-40 units, meaning that additional market may need to be captured from the region, and any planned units will need to be very precisely positioned within the marketplace to prevent long-term carrying costs. This may impact the economics of a project.

The second is property acquisition. As discussed above, land value in Pinehurst and surrounding areas have risen fast enough to make the construction of middle market units (\$200,000 - \$400,000) very difficult. The best way to accommodate this is through density, which may be difficult to sell to the community. Third, one of the largest hurdles mentioned during interviews was approvals - specifically the Village Council's willingness (or unwillingness) to allow certain product types and densities. The unpredictability of the approvals process is not only a hurdle to consider moving forward, but is likely a major reason why many similar types of housing projects have not been recently built within Village limits and subsequently why it is difficult to examine in detail the potential for these housing sub-markets.

1.1 DEMOGRAPHIC TRENDS

There are two notable demographic trends that will influence the Pinehurst housing market in the near future. The first is the on-going growth of Moore County and communities within. The county grew by 29,242 people between 1990 and 2010 - a 50% growth rate. This spurred demand for more than 16,500 housing units over the same time span. The Village of Pinehurst shared in this growth, expanded from 6,238 people and 2,900 households in 1990 to 13,000 people and 6,000 households in 2010. Demographic projections from ESRI and the State of North Carolina project further growth throughout the 2010s. A range of each projection calls for a population between 97,000 - 103,000, with an annual population growth of between 900-1,600 residents. This growth rate will certainly have an impact on Pinehurst as the Southern Moore County region grows, regardless of how much of this growth the Village itself captures.

The second major trend is the growing number of younger households in Pinehurst over the same time period. In 1990, 61% of Pinehurst residents were aged 55 or older, following the Village's history as a resort and popular retirement area. In 2010, the percentage of residents aged 55+ dropped slightly to 53%, but the growth of the town has seen large increases in younger households - primarily family households. The number of children aged 0-14 in Pinehurst grew from 555 in 1990 to 1,785 in 2010, and the number of residents aged 35-54 rose from just over 1,000 to 2,725. Overall growth has drawn in families that have slowly been changing the overall demographics of the Village. However, the senior population is still very much a large part of the community and will continue to be for at least the next decade.

1.2 SUPPLY

The Pinehurst and larger Southern Moore County housing market is predominantly made up of single family, detached homes. 85% of Pinehurst's housing is made up of this unit type - 72% for Southern Moore County. In

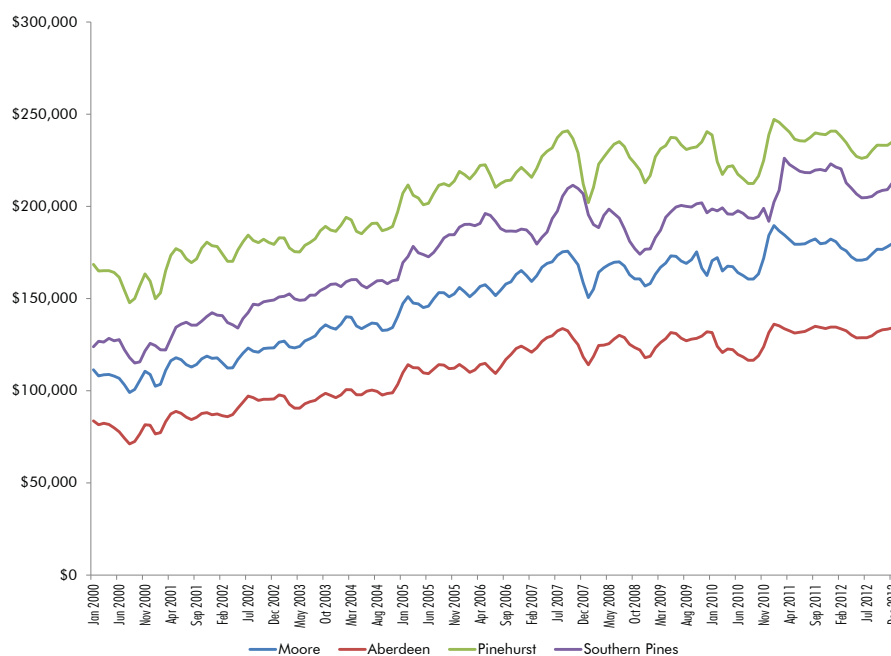
FIGURE 1.3: HOUSING VALUE BY MONTH 2000-2013 - SELECTED GEOGRAPHIES

Median Value 2005-2013

Pinehurst: \$226,800

Southern Pines: \$195,950

Aberdeen: \$125,300



Source: zillow.com*

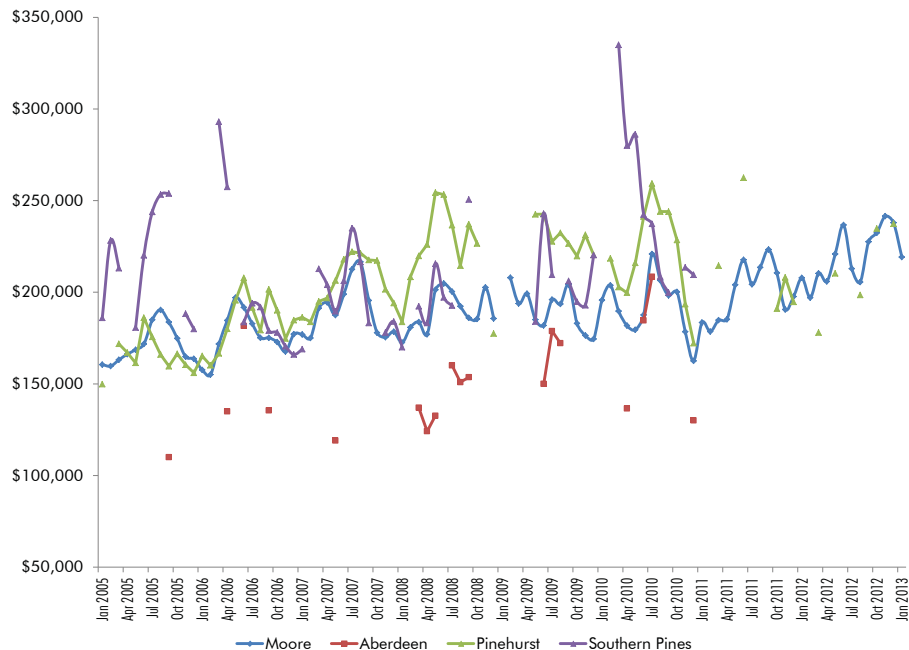
FIGURE 1.4: MEDIAN HOMES SALES BY MONTH - SELECTED GEOGRAPHIES

Median Price 2005-2013

Pinehurst: \$202,800

Southern Pines: \$205,050

Aberdeen: \$143,500



Source: zillow.com*

* note: this report was not able to obtain data for single family home sales in Pinehurst and Moore County. Long-term data from zillow.com is used as a proxy. This data has a relative level of accurate when comparing geographies, though it often is less comprehensive than an mls.

Pinehurst, this translates into a high percentage of owner-occupied homes - 70% - which is 10% higher than the State of North Carolina.

Pinehurst has a very small number of medium to large-scale multi-family developments, with only about 75 units (1%) being located in developments with more than 10 units. The rest of Southern Moore County also has a very low percentage - at 3.5%. The Village was estimated to have added approximately 1,900 housing units between 2000 and 2010, and almost 100% of these were single family detached homes. Unlike other areas of the state, housing construction in Southern Moore County has stayed within the range of anticipated demand. Approximately 4,300 households were formed between 2000-2010 in the "Cluster" of Pinehurst, Southern Pines, Pine Bluff, Whispering Pines, Taylortown and Aberdeen, with a corresponding 4,900 housing units built. Many of these, however, were seasonal units, which rose from 800-1250 units in the region. Both owner-occupied and renter-occupied units have reduced in vacancy throughout the region, which is the opposite of the trend during the 2000s, when housing markets were by and large overbuilt prior to the 2007-2009 recession.

Sales Trends

On average, Pinehurst has long been the highest priced and most valuable housing market among major Moore County communities, with the small incorporated Whispering Pines holding similar but slightly lower owner occupied home value. However, the housing market in adjacent Southern Pines has grown in value considerably over the past two decades, and now stands alongside Pinehurst as one of the region's most valuable housing markets. Both the census and zillow.com estimate that Southern Pines' median home value in 2010 is approximately 85% of Pinehurst's (see Figures 1.4 and 1.5). While still 15% below Pinehurst's overall housing value, for Southern Pines this represents a rise from 58% of Pinehurst's median value in 1990 and 70% in year 2000. Furthermore, home sales data tracked by zillow.com between 2005 and 2013 has the median sales price of homes sold in Southern Pines to be slightly higher (\$205,000) than all of those sold in Pinehurst (\$202,800).

Of course, Pinehurst still owns a notable advantage in high end homes, with over 1,200 housing units estimated with a value of more than \$400,000 according to the Census. This is 25% of all owner-occupied units in the Village and compares to only 740 in Southern Pines.

However, this sum of higher end homes still represents an estimated 20% of all Southern Pines homes. With its rapid growth in both population and housing value, Southern Pines has attracted a considerable amount of momentum towards its housing market over the past decade. This is particularly important relative to Southern Pines' burgeoning downtown district, which has overtaken Pinehurst's Village Core in terms of overall retail offerings and performance. Though limited data was available, reports from market interviews report that housing within proximity of Downtown Southern Pines has increased in demand, and this district

FIGURE 1.5: MEDIAN HOME VALUE - PINEHURST & SOUTHERN PINES 1990-2010

	1990	2000	2012
Pinehurst	\$145,279	\$185,342	\$274,009
Southern Pines	\$85,062	\$130,720	\$235,743
% of Pinehurst Value	58%	70%	86%
Source: US Decennial Census 1990, 2000, 2010			

FIGURE 1.6: OWNER VS. RENTER OCCUPIED HOUSING UNITS 1990-2010

	1990	2000	2010	2017 ¹
Moore County				
Total Units	27,356	35,151	43,940	49,563
Owner-Occupied / For-Sale	18,975	24,857	28,687	31,365
# of Vacant	480	700	641	
% Vacant	2.5%	2.8%	2.2%	
Rental (Non-Seasonal)	5,924	7,554	10,669	11,036
# of Vacant	594	998	1,175	
% Vacant	10.0%	13.2%	10.9%	
Southern Moore Urban Cluster				
Total Units	11,502	14,683	19,868	22,395
Owner-Occupied / For-Sale	7,376	9,781	12,034	13,218
# of Vacant	277	371	423	
% Vacant	3.7%	3.8%	3.5%	
Rental (Non-Seasonal)	3,262	3,691	5,933	5,861
# of Vacant	540	584	708	
% Vacant	16.6%	15.8%	11.9%	
Pinehurst				
Total Units	3,843	5,668	7,634	8,360
Owner-Occupied / For-Sale	2,565	4,123	5,305	5,392
# of Vacant	110	151	190	
% Vacant	4.3%	3.7%	3.6%	
Rental (Non-Seasonal)	784	841	1,342	1,242
# of Vacant	300	303	402	
% Vacant	38%	36%	30%	
1 - 2017 population / household projections by ESRI Business Analyst				
Source: US Decennial Census 1990, 2000, 2010, ESRI Business Analyst				

FIGURE 1.7: REGIONAL VACANCY ADJUSTMENT¹

	1990	2000	2010	2017
Moore County % Vacant	6.9%	10.7%	9.1%	n/a
Urban Cluster % Vacant	10.9%	10.8%	8.6%	n/a
1 - the number of year-round rental units available in Pinehurst was determined to be skewed by the seasonal rental product supply. The Village's rental vacancy was adjusted down to a conservative 15% and the rental vacancy rates for the Urban Cluster and Moore County were adjusted accordingly to better represent regional rental vacancies.				
Source: US Decennial Census 1990, 2000, 2010, ESRI Business Analyst				

FIGURE 1.8: UNITS BY STRUCTURE 1990-2007/2011

	1990	2000	2007-2011	Change	% Total
Pinehurst					
Total Units	3,842	5,738	7,699	1,961	
1 unit, detached	2,612	4,598	6,570	1,972	85.3%
1 unit, attached	296	365	299	-66	3.8%
2 units	61	48	35	-13	0.5%
3 or 4 units	465	338	399	61	5%
5 to 9 units	175	344	320	-24	4.2%
10 to 19 units	62	25	38	13	0.5%
20 or more units	6	8	38	30	0.5%
Southern Moore Urban Cluster					
Total Units	11,505	14,932	17,891	3,499	
1 unit, detached	7,584	10,593	12,937	2,344	72.3%
1 unit, attached	733	1,035	956	-79	7.3%
2 units	406	526	384	-142	2.1%
3 or 4 units	1,089	958	1,310	352	7.3%
5 to 9 units	599	712	1,290	58	7.2%
10 to 19 units	223	162	295	133	1.6%
20 or more units	126	589	334	-255	1.9%

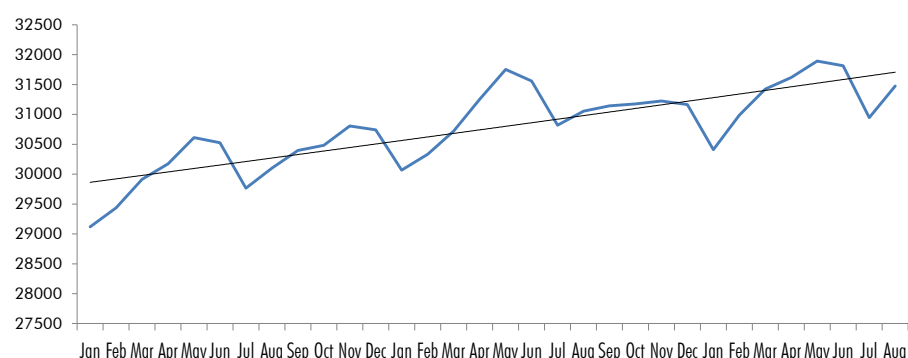
Source: US Decennial Census 1990, 2000, American Community Survey Five Year Estimates 2007-2011

FIGURE 1.9: HOUSEHOLDS AND HOUSEHOLD CHANGE - SELECTED GEOGRAPHIES

	1990	2000	2010	2017	1990-2010	2000-2010
Moore County	23,825	30,713	37,540	42,401	13,715	6,827
Urban Cluster	9,820	12,517	16,836	19,079	7,016	4,319
Pinehurst	2,939	4,510	6,047	6,633	3,108	1,537

Source: US Decennial Census 1990, 2000, 2010

FIGURE 1.10: TOTAL EMPLOYMENT IN MOORE COUNTY BY MONTH 2010 - 2012



Source: Bureau of Labor
Statistics

has become a major competitive center for similar types of housing that are the most viable candidates for the Village Place project site.

2.3 DEMAND

Household formation and employment growth are the two primary sources of housing demand from which to assess development potential. As discussed previously, the Moore County / Southern Pines-Pinehurst micropolitan area has grown considerably over the past two decades, and is expected to grow even more over the next, though at a more modest pace. Future projections are based in part on employment growth, which is modest but steady, with most post-recession employment loss re-gained in important growth sectors like professional services, education and medical services. With a steadily increasing total employment base in Moore County, the projected range of 380-670 new households annually seems to be a reasonable expectation for regional housing demand. Assuming that the Southern Moore Urban Cluster absorbs its traditional 38-42% of county growth, the Pinehurst sub-market will be competing for annual demand of 390 - 555 housing units. This includes an estimate of 190-203 units of annual "pent-up" demand for single family ownership throughout the Southern Moore County Urban Cluster. An overview of potential market demand within the urban cluster is below.

FIGURE 1.11: DEMAND ESTIMATES FOR SOUTHERN MOORE URBAN CLUSTER

	Low	High
Household Growth	180	320
Replacement Need	20	30
Pent-Up Demand	190	205
Total Annual Housing Demand	390	555
5 Year Housing Demand	1,950	2,775
Rental Demand	30%	40%
Total Annual Rental Demand	156	166
5 Year Rental Demand	780	830
For-Sale Demand	60%	70%
Total Annual For-Sale Demand	273	333
5 Year For-Sale Demand	1,365	1,665
Historic Pinehurst Capture - Moore County	20%	25%
Annual Demand for Housing	78	122
Source: DCI Analysis		

2.4 OPPORTUNITIES FOR PROJECT SITE

The Village Place project site offers a somewhat different residential opportunity than the overall Pinehurst market, which is primarily (85%) made up of single family detached units. Its physical characteristics and project area orientation are much more suited to higher density cluster or attached product. Therefore, an analysis of housing product like townhomes, condominiums, and apartments is necessary to understand demand potential.

Cluster Homes

The previous market reconnaissance performed as part of the NewCore master plan recommended that clustered, zero lot line patio homes or something similar would be a product type worth considering for Village Place. This report concurs with this assessment, since such a product would be more in-line with past and present expectations of the Pinehurst market, and still offer a similar product as a townhome or condominium / flat. Vacancy for single family, owner occupied units in Pinehurst is estimated to be 3.6% - well-below the equilibrium amount of 5%. Given the high value of properties close to the Village Center, the addition of new single family product is likely to be extremely popular across a wide range of customers despite a more dense, urban configuration.

A popular housing unit that is emerging across the country is the “pocket” neighborhood, which includes small homes sized 800-1,200 feet clustered around common open space and indoor gathering facilities. Other emerging trends include rear-loaded “detached townhomes” which are detached units placed only 5-8 feet apart with limited yard space, instead creating a maximum amount of indoor space with patios or decks and relying upon nearby parks and commercial areas to provide outdoor space. A caveat to this housing type is that it (as well as other housing types) need to be built at a certain density to overcome land costs. Several developments in the region - including the former “Traditions” site have struggled with meeting a price point deemed acceptable by the marketplace which also pays for land, infrastructure and construction costs necessary to deliver the units. Any detached unit will run the risk of being priced out of the market if land acquisition costs are too high.

Multi-Family Apartments

Rental units have historically accounted for a very small (12%) proportion of housing units in Pinehurst. Virtually all new rental product supplied within the region has been in adjacent communities, and what new rental product does exist is found in single family homes that are rented out.

At first glance, the rental market for both Pinehurst and Southern Moore County appears to be weak - with rental vacancies around 11-15%, far above the equilibrium amount of 5%. However, many of the rental units tracked by the census in Pinehurst are not necessarily year-round rentals as indicated. They fall in-between short-term seasonal units and long-term, year-round units. This is common in tourism markets like Pinehurst, Hilton Head or Carolina Beach, which all have disproportionately high percentages of rental vacancy due to this factor. Since Pinehurst’s vacancy impacts the entire region, an adjustment was made by assuming a 15% vacancy rate - still a conservative, high rate for rental vacancy. After this adjustment, the Southern Moore rental vacancy drops to 8%. This may be even lower considering the additional number of mis-allocated rental units, combined with the conservative assumption for rental vacancy in Pinehurst.

This fairly tight rental market is supplied with only 630 units of multi-family housing in developments of 10 units or above, and only 334 units in developments of 20+ units. Thus, the Southern Moore trade area is significantly underserved in high-quality rental units that are of the proper scale to offer amenities like pools, fitness centers, clubhouses, etc. - all preferences of modern renters, a growing market and a market that cannot always be served by rented single family homes, which can be expensive.

Growth projections estimate that Southern Moore Urban Cluster should expect between 780 - 830 new renter households between 2012 and 2017 -150-160 households annually. At this rate, it will take about 3 years to reach equilibrium for rental vacancy. Regional developers are already seeing the gap in this market, evidenced by the planned luxury apartment complex stated to be constructed on the north side of Morganton Road - 288 units with a clubhouse and hotel-like amenities.

Pinehurst is not traditionally a rental or a multi-family market, but opportunities within this market may offer opportunities for Village Place. Given the cost of land and a likely tenant base from nearby employment centers, like the First Health campus, it is unlikely that any rental units would be affordable or low-quality product, but they would help meet a demand for housing that can appeal to people like nurses, doctors or professionals that want to live in Pinehurst but cannot or are unwilling to commit to a long-term home purchase.

Condominiums / Townhomes

Single family attached product is typically supplied in the form of townhomes to offer a more cost-effective single family home than existing detached product (Wake County is a good example), or in the form of condominium / flats in areas with high levels of amenities, often for elderly couples / empty nester households, or young professionals and couples. The Village Place site offers both market positions, as real estate close-in to the Village center is among the most expensive in the region, and proximity to the Village Core and the Resort within walking distance is a major amenity that can be used to drive housing. A key demographic - empty nester households - are prevalent throughout the market.

The viability of the condominium market is shown, in part by its sales value. Existing condominium product in Pinehurst appears to be valued at a similar price per square foot as single family detached product. Between 2005 and 2013, the median price per square foot for single family homes in Pinehurst was \$117, while the same for condominiums and townhomes was \$119. This is despite the fact that a majority (75%) of the Pinehurst condominium supply is made up of product built in the 1970s and 1980s, much of which is reportedly in poor shape.

Other data from an analysis of condominium sales indicates opportunity. Very little product has been built in the past two decades, and much of the most recent construction are large scale, 3+ bedroom attached homes. The older 1970s product, found in developments like Lakeview and St. Andrews condominiums are largely made up of 1 and 2 bedroom, multi-story units that carry some of the highest sales per square foot among all condo sales - about \$100 - \$180 / sf. Twelve condominium units were sold in Old Town between 2006 and 2013. These units sold for a median price of \$212,000 and \$198 per square foot, indicating a strong market for units located near the Village Core.

Broker interviews suggest that there is a demand for attached housing units that meets a reasonable price point (\$250,000 - \$350,000), and that similar product is beginning to appear near Downtown Southern Pines. Preferences are likely to be more towards single story product vs. 2-3 story townhomes, simply because of the older demographic which tends to prefer single story living, but good product design may be able to overcome this. Overall, the location of the project site, existing amenities, and ongoing market response to what condominium product exists in the market, all point to a potential condominium market. This potential is enhanced by the potential integration of amenities on-site, including retail, dining and other businesses. Further analysis, including more interviews and field work, is likely necessary to determine more detail relative to specific product types and price points.

2.0 RETAIL

2.1 OVERVIEW

The recent population growth of Southern Moore County has driven a significant amount of retail development as the Southern Pines-Pinehurst-Aberdeen area has not only emerged as an urban cluster of 50,000 people, but it has become a regional “catchment” area for a larger, mostly rural area of central North Carolina, including the balance of Moore County and areas of adjacent Lee, Chatham, Hoke, Scotland, Richmond, Montgomery and Randolph counties. Approximately 450,000 people live within this regional trade area in which the Southern Pines-Pinehurst urban cluster would expect to capture at least a portion of consumer expenditures for retail and dining as opposed to regional centers in Raleigh, Chapel Hill, Fayetteville, Greensboro and Charlotte. Approximately 225,000 people live within a primary trade area in which one would expect Southern Pines-Pinehurst to capture up to 75-90% of all retail expenditures, other than specialty goods found only in super regional and specialty centers in Raleigh or Charlotte.

This regional trade area of 225,000 residents added 15,000 people over the last decade, and is projected to grow by a similar annual percentage over the next 5-10 years. Despite the addition of new retail over the past decade, the Southern Pines-Pinehurst retail market is nowhere near meeting the needs of the region - with a supply of \$500 million in retail sales against an estimated demand of \$1.8 billion, some of which is served through local retailers in rural centers, but much of which leaks to regional and super regional shopping centers in Raleigh, Durham, Greensboro and Fayetteville.

While Southern Moore County serves as the primary retail market for Pinehurst residents, the Pinehurst market itself is significantly underserved. With an annual retail demand of nearly \$90 million for Pinehurst Residents, there is only \$17.5 million in retail supply to match (inclusive of retail properties in Taylortown), meaning that nearly 81% of the retail demand generated by Pinehurst residents is spent outside of Pinehurst or neighboring Taylortown.

2.2 MARKET CHARACTERISTICS

Interviews with those working in commercial real estate indicate that there is high demand for retail in the Pinehurst market since so little supply exists. Apart from existing retail, detailed below, most residents in Pinehurst and surrounding areas must go to Southern Pines or Aberdeen for a large proportion of daily and leisure goods. The majority of the retail supply in the micropolitan area is located in Southern Pines and Aberdeen, where traditional retail strip centers are mostly full and generate average triple net rents of \$24-45 a square foot. There are no retail centers in the region that can be considered regional, or “super-regional” properties by ULI or ICSC. The largest retail center is Pinecrest Plaza, at the intersection of US 15-501 and Morganton Road, with 250,000 sf of space anchored by a Belk’s department store and Food Lion Grocery Store. The second largest is Southern Pines Place, consisting of 200,000 square feet and anchored by a Kohl’s department store and Dollar Tree. This is followed by a free-standing Wal-Mart, and two additional ~150,000 square foot centers at the intersection of 15-501 and US 1.

Downtown Southern Pines is the region's largest downtown / urban retail center. Total square footage is unknown, but the four "main street" blocks are almost entirely occupied, with rents between \$15-18 per square foot, triple net.

2.3 LOCAL RETAIL CENTERS

There is only one retail center within the boundaries of Pinehurst, - the "Old town" or village "core" located along Cherokee Rd, Chinquapin Rd and Market Square. This area has approximately 118,000 square feet of retail, office and dining businesses located in compact, urban cluster setting, 60% of which is located in first floor "storefront" space. According to an inventory of Village Core space during the NewCore Master Plan, about 69% of all Core space was made up of various types of office space, with 23% of the total space in retail goods and personal services, and the remaining 7% in eating & drinking. A little less than 48% of first floor space was retail goods or dining, leaving a considerable amount of storefront retail space taken up by office uses.

This market assessment did not update this business inventory, but the general percentages remain similar in 2013. Current retail lease rates were reported to be in a range between \$15-\$18 / sf triple net, with the exception of the Magnolia Place building, which offers updated Class A space for between \$20-22 / sf. It should be noted that Magnolia Place has yet to lease all of its retail or office space, indicating that lease rates in the \$20 / sf range is above the market for the Village Core.

Immediately adjacent to the Village Place site, there are a small number of dining establishments - including Maxie's Grill & Tap Room, Linda's Cafe and Tater Barn Tavern

A number of retail centers are located just outside of the Village's boundary. The closest are two projects - Olmstead Village and Central Park South, developed by the same developer on the north side of Route 211 in Taylortown. Olmstead Village is anchored by a Lowes Foods Grocery Store and a Rite Aid Pharmacy. Central Park South is an unanchored retail center at the intersection of 211 and Murdocksville Road. The 20,000 square foot center has four tenants - a Jos. A Bank Clothing Store, the Marketplace Restaurant, a Physical Therapy Business, and a Yoga studio.

Available retail indicators suggest that the retail market in Pinehurst/ Taylortown is weak, and perhaps oversupplied. However, the particular circumstances of each retail center must be taken into account. The high vacancy of Central Park South, despite its age (~8 years) suggests, at first glance, that demand for new retail in the Pinehurst market is limited, since it has so much available space and is well-positioned along a major arterial. However, in interviews with the brokers representing the center, it was communicated that the center has had particular problems unrelated to overall demand within the market. It has no anchor, has had transitions in ownership, including foreclosure, was built prior to the 2007-2009 recession, and is old enough to be generally seen as a troubled property throughout the market. It was noted that the existing tenants do very well despite 66% vacancy, and the Jos. A Bank recently renewed its lease,



The Village Core or Old Town (top two photos) is Pinehurst's primary retail center. It is primarily made up of small businesses leasing space for \$15-18/sf. Magnolia Place (top) has had trouble leasing space at \$20-22 / sf. Central Park South (bottom) is a mostly vacant shopping center, but due to factors unrelated to the market, as existing tenants do well and have signed long term leases.

FIGURE 2.1: RETAIL SUPPLY, DEMAND, AND "GAP" FOR SELECTED GEOGRAPHIES

1/2 Mile From Project Site			
	Demand	Supply	Gap
Total Food & Drink	\$1,844,156	\$14,450,860	\$(12,617,771)
Total Retail Trade	\$6,167,611	\$4,989,782	\$821,908
1 Mile From Project Site			
Total Food & Drink	\$6,069,541	\$20,707,195	\$(12,617,771)
Total Retail Trade	\$20,236,876	\$8,852,454	\$(4,156,924)
2 Miles From Project Site			
Total Food & Drink	\$21,533,860	\$25,186,938	\$(12,617,771)
Total Retail Trade	\$71,535,275	\$17,518,067	\$54,017,208
Urban Cluster			
Total Food & Drink	\$59,797,515	\$105,902,186	\$(12,617,771)
Total Retail Trade	\$194,835,498	\$206,148,475	\$(11,312,977)
Moore County			
Total Food & Drink	\$123,563,743	\$146,882,175	\$(12,617,771)
Total Retail Trade	\$407,440,152	\$400,645,559	\$6,794,593
Source: ESRI Business Analyst			

FIGURE 2.2: DEMOGRAPHICS NEAR PROJECT SITE

	1/2 MILE	ONE MILE	TWO MILES
Population	722	2,580	10,025
Households	308	1,156	4,676
Median Household Income	\$69,875	\$60,159	\$57,264
Per Capita Income	\$42,124	\$36,206	\$34,499
Median Disposable Income	\$53,160	\$49,641	\$46,722
% of College Graduates Aged 25+	22%	27.1%	38.2%
Employment	3,061	6,516	9,967
Professional Employment	388	616	1,089
Medical Employment	263	2,833	4,521
Hotel Rooms	508	608	752
Source: ESRI Business Analyst			

something that would be unlikely for the retailer to do if it wasn't profitable at this location.

The Village Core has high occupancy and mid-range rents, but what would normally be considered prime retail space is largely taken up by banks, real estate offices or other professional services and high quality space has difficulty with leasing. However, the Core is also an un-anchored center, and due to its unique planning and layout is not located or easily accessible from major transportation routes or arterials, thus limiting its retail viability. It also has a large number of small and awkwardly configured retail space. The high spending power of Pinehurst residents and proximity to the Resort makes up, in part, for these deficiencies but overall its hurdles limit opportunities to for retail sustainability. Indeed, many shops and restaurants do very well, despite lacking anchor destinations or a critical mass of either shopping or dining.

2.4 PLANNED DEVELOPMENT

There are two projects of note that have the potential to impact the Pinehurst market. The first is a parcel west of Olmstead Village that is owned by Harris Teeter - the grocery chain. In partnership with Argus Properties - a Charlotte based developer - they have proposed a retail project anchored by a ~50,000-60,000 square foot grocery store, including four "outlots" of 1.3-1.7 acres each, retail space attached to the grocery of approximately 11,000 square feet, and freestanding "in-line" retail space of 17,000 square feet. However, plans for this site have been discussed as long as 7 years ago, and to date nothing has been constructed on the site, and there is no certainty as to when or if the project will ever break ground.



Anticipated site plan for the retail / entertainment complex being developed by Lincoln Harris on Morganton Road. The project will include a grocery core and entertainment complex (source: The Pilot)

The second is a multi-phase project proposed for land south of Morganton Road in neighboring Southern Pines. The proposal has the project anchored by a large grocery store and a proposed IMAX theater entertainment complex. The complex will take over the existing Sandhills Cinema 10 and re-name it Frank Theatres, add three more movie screens, and build a new 300-seat IMAX theater. Adding to that will be a 24-lane bowling center, a sports stadium dining room and about a 50- or 60-game arcade with billiards.

2.5 RETAIL DEMAND FOR PROJECT SITE

The retail "leakage" discussed in the overview of this section is only part of the assessment of the retail market for the project site. The Village Place project site is located in an area that can benefit from at least three primary markets for retail and dining expenditures: (1) Local and regional households; (2) Visitors and Tourists; and (3) Employees. To fully analyze the retail potential for the project site, as "merging markets" analysis was performed.

The merging markets model combines two additional factors that goes beyond retail leakage / gap data available through ESRI. First, it integrates additional markets - in this case employees and tourists - to the residential market to get a better sense of what total demand is expected to be, and determine which are

primary markets in order to estimate what type of retailer is more important based on sub-markets for different retail categories. One example would be a restaurant that focuses on lunch vs. dinner since its primary market is employees during the daytime. Another would be a retail center positioned to offer “leisure” items like clothing, sporting goods or shoes that attracts shoppers on a less regular basis as opposed to a “daily goods” center like Olmstead Village which targets the basic goods residents look for on a daily or weekly basis.

Second, the model attempts to take into consideration competitive retail centers and estimate a “capture” rate for certain retail categories. For example, one would expect that Pinehurst could capture market share from Carthage for certain retail activities, but that Southern Pines, Aberdeen and Fayetteville would all also expect to capture market share, and thus Pinehurst cannot expect 100% of retail expenditures from that particular market just because it is near.

A description of each market is below, along with the assumptions used in the merging markets model. It is important to understand that these assumptions represent logical estimates by the analyst based on research conducted as part of this market study, and not firm representations of what precisely the market would respond to. The purpose is to estimate, in broad numbers, the potential demand for the project site. Additional analysis, supplies in this section, is necessary to examine the end result and determine why the site is or is not meeting that estimated demand.

For purposes of analysis, this merging markets model includes *both the Village Place project site and the existing Village Core*. Since it is the intention to try to link these areas, it is difficult to separate the two. Therefore, the analysis estimates total potential demand for any retail offerings in the center of Pinehurst.

Residential Market

Three trade areas were used for the analysis, focusing primarily on area close to the project site and Pinehurst in general. Any anticipated spending potential from the regional retail trade area was isolated for the purposes of this analysis. All numbers came from data collected from ESRI Business Analyst.

1 Mile Trade Area - 1,243 households with an expected capture rate of 90% of total retail / dining demand.

2 Mile Trade Area - 4,558 households with an expected capture rate of 75% of total retail / dining demand.

Southern Moore County - 10,362 households in Pinehurst, Southern Pines, Aberdeen, and smaller adjacent communities, with a mixed capture rate based on the retail leakage of individual retail categories like grocery stores, clothing stores, general merchandise, etc.

Employee Market

Research by the International Council of Shopping Centers found that, in 1989, a typical office worker spends \$1,900 a year on dining, day-time and after-work shopping. Adjusted for inflation to 2013, this equals \$3,550 dollars per worker. This number does not include more detailed figures for dining or retail spending, so the following assumptions were made: (1) Employees would be expected to spend 75% of this amount on food & drinks and the remaining amount on retail goods; and (2) There is a difference between professional office workers and other

employees in goods producing or service industries, who are estimated to spend 50% of what a professional office worker would spend.

In 2012, ESRI estimated that there were 9,967 employees working within 2 miles of the project site and Village core. 1,023 of these would be considered professional positions. The model estimated a 75% capture rate for professional workers and 30% capture for all others.

Visitor Market

Based on data from the Convention & Visitors Bureau, there are 1.17 million visitors to Moore County who (in travel parties) spend an average of \$51.65 per day shopping, and \$66.83 per day dining. The visitor market is broken down into three segments:

Hotel Guests (2 Miles) - Based on an occupancy rate of 55.1% - 151,238 annual room nights and 1.8 people per travel party. 100% capture for shopping, but 60% capture for dining considering availability of dining options in the Pinehurst Resort hotels.

Hotel Guests (Southern Moore County - 350,543 room nights with same occupancy and spending. 15% capture for both shopping and dining.

Day Visitors - CVB estimates 41% of total visitation market to be day visitors, with 30% of all visitors going specifically to Pinehurst, equaling 143,000 day visitors with a 75% shopping capture rate and 50% dining capture rate.

Results

Between these three primary categories, there is an estimated annual demand for \$88 million in retail goods, and \$57 million in food & drink (see Figure 2.4). With only \$18-25 million in retail sales and \$26 million in food & drink sales within Pinehurst and Taylortown, clearly large percentages of potential retail and dining expenditures are leaking outside of Pinehurst. This equates to 75-80% of retail spending and 55% of food & drink spending. A majority of these dollars would be expected to leak to retail and dining options in Southern Pines or Aberdeen, but some may be considered "latent" demand - expenditures that are never actually made due to lack of supply. Since the assumptions in this model are intended to adjust for regional retail options that are unlikely to exist within Pinehurst proper (like traditional big box stores / shopping centers, etc.) this total of \$145 million in retail and dining spending is money that Pinehurst should be able to capture within its boundaries, if the right supply was created.

This demand has likely existed for some time, but there has been little to no retail development within Pinehurst to capture it. Recently built projects like Olmstead Village and Central Park South, and planned developments like the Harris Teeter center show that developers both see and have been able to capture this market - though the development has all (or will) occur in Taylortown, which has both more streamlined approvals and available land along Route 211.

Potential Retail Mix

Proposed developments like the Harris Teeter center and the Morganton Rd retail/entertainment complex will likely absorb some of this demand, but a notable portion of it can potentially be captured within the Village Center given the right circumstances. Residents living within 1 mile of the Village Center, employees working at First Health and other offices nearby, and visitors represent primary

FIGURE 2.4: POTENTIAL RETAIL DEMAND FOR PINEHURST CENTER (VILLAGE CORE + VILLAGE PLACE PROJECT SITE)

	Retail Trade	Food & Drink
Residential Demand		
Primary Trade Area	\$18,213,188	\$6,069,541
Secondary Trade Area	\$38,473,799	\$11,598,239
Regional Trade Area	\$4,775,998	\$10,700,571
	\$61,462,986	\$28,368,351
Employee Demand		
Secondary Trade Area	\$4,377,000	\$11,161,350
Visitor / Tourist Demand		
Pinehurst Hotels / Overnight Guests	\$14,060,641	\$9,096,541
Regional Hotels / Overnight Guests	\$4,888,504	\$6,325,241
Day Visitors to Region	\$3,251,287	\$2,805,525
	\$22,200,432	\$18,227,307
Total Potential Demand	\$88,040,417	\$57,757,008
Source: ESRI Business Analyst, Convention & Visitors Bureau, DCI Analysis		

sources of demand. This suggests a retail mix that is part convenience goods and services, part tourism / boutique, and part dining.

2.6 CONCLUSIONS

Hurdles to Sub-Market Retail Development

When faced with a scenario such as this, one must examine the reasons why such high levels of estimated retail demand are not materializing within a particular sub-market. It is not enough simply to estimate demand - if supply is not matching demand there must be reasons why this is not occurring. These hurdles need to be addressed in order to plan for retail growth potential.

Below are several potential reasons why the mis-match in demand and supply is occurring within the Pinehurst sub-market.

- Development opportunity in terms of cost, regulatory environment, and regional access, is better in Southern Pines and Aberdeen, leading most national and regional chains to choose locations in existing or new centers along 15-501 and US 1 in these communities;
- The lack of anchor businesses to draw into the Pinehurst sub-market, combined with historic preference by the Village to preclude construction of large-scale retailers or retail centers, limits the viability of new retail centers;
- The Village's most important retail center - the Village Core - is not located on an arterial and is difficult to find, reducing retail viability despite other locational advantages.

Potential for Village Place Site

The major strengths of the Village Place site are a central location within a high income, under-served market, access to a strong visitor/tourism market, and potential connectivity with an existing retail center, offering opportunities to create a "critical mass" of retail and dining that could benefit both the Village Core and Village Place. Major constraints include limited visibility or access along a high-traffic street, physical constraints such as topography and existing buildings, and low density/intensity of uses that surround it.

Based on this market assessment, there should be potential for a number of different types of businesses on the site. This potential increases with the construction of office and/or housing built as part of the same development in a mixed-use fashion. The most successful types of businesses will be those that can draw from multiple markets - convenience & dining are the two most obvious types, followed by small specialty shops and boutiques. Additionally, new space may appeal to office/professional businesses currently located in the Village Core.

However, retail/dining potential will be constrained by the lack of traffic count, which will limit the ability to draw national or regional chain businesses, which are typically more stable than independent businesses. Price point may also be an issue, as the costs of new construction will equal or exceed the top price points of the local market - currently around \$20-22 / sf. Planning for the Village Place will need to take into account several factors:

Accessibility - Any retail in Village Place will require signage and a direct path to/from Route 211 along Rattlesnake Trail, and to/from the Village Core. It will also need easy and predictable parking;

Connectivity to Tourist Market - As a business, the resort's primary focus is to draw people in to play golf and interact with other amenities. The shifting golf / tourism market within the region requires more diversity in amenities, which shopping can assist. A partnership with the Resort to guide visitors to retail in both Village Place and the Village Core is crucial to maximizing the capture of tourism dollars;

Mixed-Use - Integrating housing and/or office uses with retail will greatly assist the viability of retail/dining in both Village Place and the Village Core. It is not recommended to rely solely upon retail as a first phase development without supporting uses.

Anchors / Destinations - An un-anchored retail center is unlikely to be successful on the Village Place site. Destinations such as anchor grocery or pharmacy businesses, entertainment / dining uses, key services like banks, or similar uses must be integrated into any development project in order to ensure success and short-term leasing. Reliance upon a cluster of storefront spaces for small businesses comes with significant risk. A solution may be a mixture of different market drivers, but the lack of securing an anchor or similar destination use may lead to retail uses lagging behind others.

If an anchor use or uses can be secured, a successful first phase of retail could consist of 10,000 - 20,000 square feet of space. Without an anchor, first-phase retail should be limited to 1-3 bays for restaurants or small shops unless incentives are put into place, or the developer is able to pre-lease space prior to financing and construction.

3.0 OFFICE

3.1 OVERVIEW

There is limited available information that quantifies the Southern Pines / Pinehurst Micropolitan Area commercial office market in terms of total available space or market characteristics. Overall, it is a relatively small market with little to no concentration of commercial office space due primarily to historic employment patterns in the region, as well as the lack of a central city business district, with population and commercial activities traditionally distributed among the three core Micropolitan Area municipalities. The core employment sectors that drive demand for office growth (Information, Finance & Insurance, Real Estate, Professional & Technical Services, Management of Companies and Administrative Services) make up between 12-12.7% of the total Micropolitan economy. By way of contrast, the same percentage for the Raleigh-Cary and Durham-Chapel Hill Metro Area is 22% (each), and 16.6% for the Fayetteville Metro Area.

Yet, a crucial component of the economic growth in Southern Moore County are these same employment sectors. Between 2002 and 2010, Micropolitan employment grew by only 1.2%, a growth rate impacted by the national recession of 2007-2009 (the rate between 2002-2007 was still a mild 7.6%, an annual rate of 1.2%). However, the growth rate in the core office driven sectors listed above was a robust 36% - 1,089 new jobs. Furthermore, secondary office-related sectors such as Educational Services and Ambulatory Health Services grew by another 665 jobs - 13.5% growth rate. The total share of office-related employment sectors in the region has grown from 9.7% in 2002 to the aforementioned 12%. This growth has gone a long way towards counterbalancing losses in manufacturing and tourism sectors experienced by the region over the past decade.

3.2 REGIONAL DEMAND

The Southern Pines / Pinehurst Micropolitan Area was estimated by the US Census to have added 1,089 net jobs since 2002 in the core office-related employment sectors to the right, and an additional 665 jobs in other related sectors like Educational Services and Ambulatory Health Services. Together, these have formed the core of net job growth in the region, eclipsing traditional sectors like manufacturing and tourism. The Village of Pinehurst has shared in this growth, with an estimated growth of 271 office-related jobs between 2002* and 2010 - a growth rate of 41% - slightly ahead of the region on the whole.

3.3 FUTURE EMPLOYMENT DEMAND

There is reason to believe that growth in office-related employment has and will continue through this decade. Three indicators highly correlated to job growth, according to Edward Glaeser, are: (1) January Temperature; (2) The number of college educated residents; and (3) the number of establishments per employee, an indicator of a robust start-up / entrepreneurial sector.

The first indicator correlates with the overall economic and population shift to the "sun belt" corridor from the Atlantic to Pacific oceans - a corridor to which North Carolina belongs and has played a major role in driving economic shifts over the past 30 years.

Traditional Employment Sectors used to Estimate Demand for Commercial Office Space:

Information
Finance & Insurance
Real Estate
Professional & Technical Services
Management of Companies
Administrative & Waste Services

Alternative Employment Sectors Driving Recent Growth

Health Care (Ambulatory Services)
Educational Services.

** 2002 was the year that the old Standard Industrial Classification (SIC) system of tracking employment shifted to the current North American Industrial Classification System (NAICS). Due to the tracking of employment in slightly different categories, it is more accurate to track employment trends from 2002 as opposed to the beginning of the decade.*

FIGURE 3.1: EMPLOYMENT GROWTH IN PRIMARY COMMERCIAL OFFICE RELATED SECTORS 2002-2010

Employment Sector	Village of Pinehurst			Micropolitan Area		
	2002	2010	Growth	2002	2010	Growth
Information	22	54	32	273	340	67
Finance & Insurance	165	187	22	627	693	66
Real Estate	71	107	36	319	313	-6
Professional & Technical Services	169	344	175	1,006	1,323	317
Management of Companies	1	0	-1	25	303	278
Admin & Support	227	234	7	748	1,115	367
Total	655	926	271	2,998	4,087	1,089
	growth rate		41%	growth rate		36%

Source: US Census Longitudinal Employment Patterns

FIGURE 3.2: DEMAND FOR OFFICE SPACE GENERATED BY EMPLOYMENT GROWTH

	Village of Pinehurst	Micropolitan Area
Total Growth 2002-2010	271	1,089
Estimated Square Foot Demand from Growth	81,300 - 94,850 sf	326,700 - 381,150 sf
Annual Demand	10,100 - 11,850 sf / year	40,830 - 47,625 sf / year
Annual Employment Growth	34 jobs / year	120 jobs / year

Source: US Census Longitudinal Employment Patterns

The Micropolitan area has a mid-level amount of educational attainment, with 27.9% of residents having a bachelor degree or higher. This is lower than the Raleigh-Cary, Durham-Chapel Hill, Charlotte and Wilmington metropolitan areas (41.2%, 42.2%, 31.9% and 28.3% respectively) but ahead of the Asheville, Winston-Salem, Greensboro-High Point Metro Areas, and the state of North Carolina. It is worth noting, however, that a considerably larger proportion of the population Southern Pines-Pinehurst Micropolitan Area (all of Moore County) is located in non urban or suburban areas, where educational attainment levels tend to be lower. The college educational Attainment level in southern Moore County - the core driver of the regional office market - is 36.2%, a rate that falls just behind the Raleigh-Durham region, one of the country's most concentrated areas of college graduates.

Third, in his research, Glaeser has shown that there is a strong correlation between metropolitan areas that have strong job growth and those that have a high number of establishments per worker. For Southern Pines/Pinehurst, this number is 0.082. Interestingly, this number is higher than Raleigh-Cary (0.070), Durham-Chapel Hill (0.054), Charlotte (0.061) and Asheville (0.081) all areas with a thriving business sector.

When put together, all three indicators, while not necessary a guarantee of success, all point towards the Southern Pines / Pinehurst micro area to be in a strong position for future growth in employment - particularly office-related employment.

FIGURE 3.3: EMPLOYMENT GROWTH IN PRIMARY COMMERCIAL OFFICE RELATED SECTORS 2002-2010

	Zip Code 28374		Micropolitan Area		North Carolina	
	2002	2010	2002	2010	2002	2010
Total # of Establishments	372	382	2,122	2,204	207,562	218,104
% of Establishments with 1-9 Employees	78%		77%		73%	
Total Employees	7,629	8,565	25,911	27,203	3,322,004	3,234,595
Establishments per Employee	0.49	0.045	0.082	0.081	0.062	0.067
<i>Source: US Census Zip Code / County Business Patterns</i>						

3.4 LOCAL MARKET CHARACTERISTICS

The Southern Pines / Pinehurst region has several small office clusters, including Downtown Southern Pines, Turnberry Woods - an office park at the corner of Morganton Road and 15-501 that consists primarily of office condos, the First Health medical complex off of Hwy 211, home to a number of doctors and medical professional offices and to a smaller extent - the village "core" of Pinehurst. Apart from these clusters, office space is made up primarily of small-scale buildings with 2-6 individual office suites, or small clusters of buildings.

Within 3 miles of the center of the Village, the only office product available not located within the core First Health medical campus is located either in the Village Core, the Biltmore office suites in Taylortown, or scattered in small 2-5 unit buildings throughout the Village, at least four of which are located within or adjacent to the preliminary project area. Available space in Central Park South is marketed as office space, but is primarily meant to be retail.

Interviews with commercial real estate professionals revealed that lease rates for office product in the region are typically between \$10.00 - \$15.00 "triple-net". A review of available office properties for lease through LoopNet confirms this range. A small sample of office condo product for sale revealed asking prices of \$95-\$105 per square foot.

The same interviewees indicated that occupancy in office product across the micropolitan area is very high - 95-100%, and that there is a "desperate" need for Class A space, which is virtually nonexistent in the area.

An recent trend in the region is consolidation of military units at Fort Bragg, immediately to the east of the Micropolitan area. Military families are increasingly choosing the area to settle and commute to the Fort. Southern Pines has received the bulk of interest but military families have moved to Pinehurst, Whispering Pines, and Aberdeen as well. With this consolidation has come an increase in retired military personnel who choose to stay in the region and start businesses. Some of these are defense related, offering services to the government utilizing a former soldier's expertise.

The office related employment growth experienced in the Southern Moore County region would be anticipated to generate demand for a minimum of approximately 165,000 square feet of new or newly occupied office space, and as much as 320,000 - 380,000 square feet, depending on the specific size and operation of the business. Actual construction of office space on this scale has not occurred.

This is likely due to several reasons. One is the recent recession and real estate bubble, which hindered commercial real estate development for several years. Another is the high price of land in the region - many properties purchased prior to the recession are now "red fields" - properties with more debt owed on them than their value can sustain. A third is the annual job growth. The regional office-related employment sectors grew by an average of 120 jobs per year (not including Educational Services and Health Care). Normally, this would translate into approximately 30,000 - 45,000 square feet of space. Over the past decade, a developer who hopes to capture even 50% of the regional market growth with one project could only expect to lease 15,000 - 23,000 square feet of space annually. Except for special circumstances, like the inclusion of this space into a larger master planned development, this is not enough absorption to counter-balance the cost of land and construction for a commercial project of this size.

Without new supply, one would expect limited vacancy in existing product, and that is what the market is currently experiencing. Corresponding increases in price have likely been kept in check due to quality of space, and the highest quality space being sold as condominium product. All signs point to a tight commercial office market that would respond well to new, high quality product. Occupancy, though anecdotal, is extremely high across the region, a rare position across the nation as most metropolitan areas over-built their office markets prior to the 2007-2009 recession. Even the Triangle region, one of the most robust areas of new employment in the country - has a regional office market vacancy between 14-15%.

3.5 POTENTIAL FOR VILLAGE PLACE SITE

Limited nearby office supply, matched with a tight regional office market, lack of Class A space, and growth in office-related employment suggests that there is an opportunity for office related uses at the Village Place site. Five sub-markets are identified as targets:

Standard Class A, Small Space Tenants - Professional offices such as lawyers, doctors, accountants and small firms looking for high quality office space with corresponding amenities and finishes.

Medical professional offices - More than 270,000 square feet of medical uses have been built over the past 10 years (not including the heart hospital) but the First Health complex is rapidly running out of space, leaving an opportunity to capture on-going growth in the medical office market.

Military Defense Contractors - Commercialization opportunities spinning out of Fort Bragg and former military families who have chosen to live in Southern Moore County.

Incubation Space - Traditional incubation / acceleration space to assist small enterprises move through first stages of business growth, including rent-assisted space, business training, and shared expenses - as of 2012, the Southern Pines-Pinehurst had a higher percentage of business establishments with 1-9 employees (77%) than Raleigh-Cary, Durham-Chapel Hill, Charlotte, Asheville, or Wilmington (72-75%).

Co-Work / Office Share - Opportunities for very small businesses (1-4 people) to work in space with access to business equipment but which is also significantly cheaper than traditional offices space - a trend growing increasingly throughout the country (70% of all office related business establishments have 4 or fewer staff, and the region leads North Carolina cities in the # of establishments per employee).

It is believed that the Village Place could absorb up to 10,000 square feet of traditional office space in the near-term (1-3 years). The short and long term demand is likely to be higher, but a number of market considerations must be taken into consideration. This opportunity, however, does not come without its caveats. The first is the amount of potential absorption. If office-related employment continues to grow this decade as it has in the past, then a 25% share of regional growth would be approximately 10,000 square feet. The downside of this amount is that it is likely too small an amount to rely upon as a primary use to finance through new construction. However, if integrated into a mixed-use development, office space can be used as a “filler” use adjacent to or above other uses like retail or residential.

The second caveat is price. Interviews suggested that there is a potential demand paradox regarding new, higher quality Class A space. There is large demand for this product, but existing office tenants may be unwilling to pay more than the \$10-15 rent range that they can pay elsewhere in the market, despite tangibly higher quality. The same goes for the \$95-105 sales price for office condos. It would be difficult to support new commercial grade construction at these lease rates (unless matched with another retail or residential use) and therefore the reality of this paradox will have to be vetted through further research.

A third is the unstable nature of many small businesses in potential growth areas. Nascent business opportunities tied to former military personnel in working with the government is a good example. Several sources indicate that there are businesses in this field who are looking for traditional office space, but since their work is tied to unpredictable funding from the Federal Government, they are unable to commit to the long-term leases more typical of office tenants.

There are at least three ways to hedge against these potential issues. The first is the successful recruitment of professional medical office users, who are typically more stable and pay higher lease rates than other office tenants in the local market. The second is the integration of retail into a mixed-use commercial project, which would create an amenity from which to market office space that is differentiated from the rest of the market. The third would be an initiative to link potential Village Place office space with regional economic development efforts to spur small business development and commercialize business opportunities from military professionals. A partnership to incentivize and subsidize office space for these types of businesses could double or even triple the amount of office space demand as well as assist a project in becoming more financially feasible given anticipated land and construction costs.

4.0 HOSPITALITY

4.1 HOTEL MARKET

According to the County Convention & Visitors Bureau, Moore County drew 1.17 million annual visits in 2012, ranking it 11th among all North Carolina counties in terms of total travel expenditures and resulting in a share of state domestic tourism of \$374 million. This level of tourism has resulted in a strong hospitality market, with almost 2,500 hotel rooms - primarily located in southern Moore County.

The largest hotel property in the county is the Carolina Inn in Pinehurst, with 334 rooms. However, there are only a limited number of properties with room totals above 100, leaving the Carolina as by far the largest regional property. Overall, the local hotel market is primarily made up of small-scale, resort properties. 70% of all hotel properties are non-hotel chain operated, and 58% have 80 or fewer rooms, or "keys". 44% have fewer than 52 rooms.

FIGURE 4.1: MAJOR MOORE COUNTY HOTEL PROPERTIES BY CATEGORY

Hotel Category	# of Properties	# of Rooms	% of Market
Budget	3	196	8%
Budget-Mid-Range	4	413	17%
Mid-Range	5	466	19%
High End	0	0	0%
Luxury	0	0	0%
Boutique	0	0	0%
Resort (Small)	16	454	18%
Resort (Medium)	4	391	16%
Resort (Large)	1	334	13%
Resort (Seasonal / Special)	3	241	10%

Source: County CVB & DCI Analysis

There are only 12 chain properties operating in Southern Moore County, and all of them are positioned in budget or mid-range tiers. The slight exception is that the market is heavily represented by many upscale extended stay suite products, including Homewood Suites, Springhill Suites, Hampton Inn & Suite and Residence Inn. However, this category is still considered mid-range as compared to flagship high-end or luxury brands. The high-end, full service segment is made up almost entirely of non-chain properties tied to golf, such as the Carolina, Little River, Mid Pines, and Pine Needles Resorts.

Considering the traditional focus of the region on golf focused tourism, the current make-up of the market is unsurprising but it does have implications on future hotel growth in the region. This primarily has to do with size - a large number of existing properties are very small. However, the requirements of a new hotel, which would almost certainly be managed by a national hotel operator, would be a product with at least 80-120 rooms. 11 of the properties with 75+ rooms are national operators, and 5 of the

8 properties with 100+ rooms are national operators. This has implications on the size of a particular site, as well as market absorption.

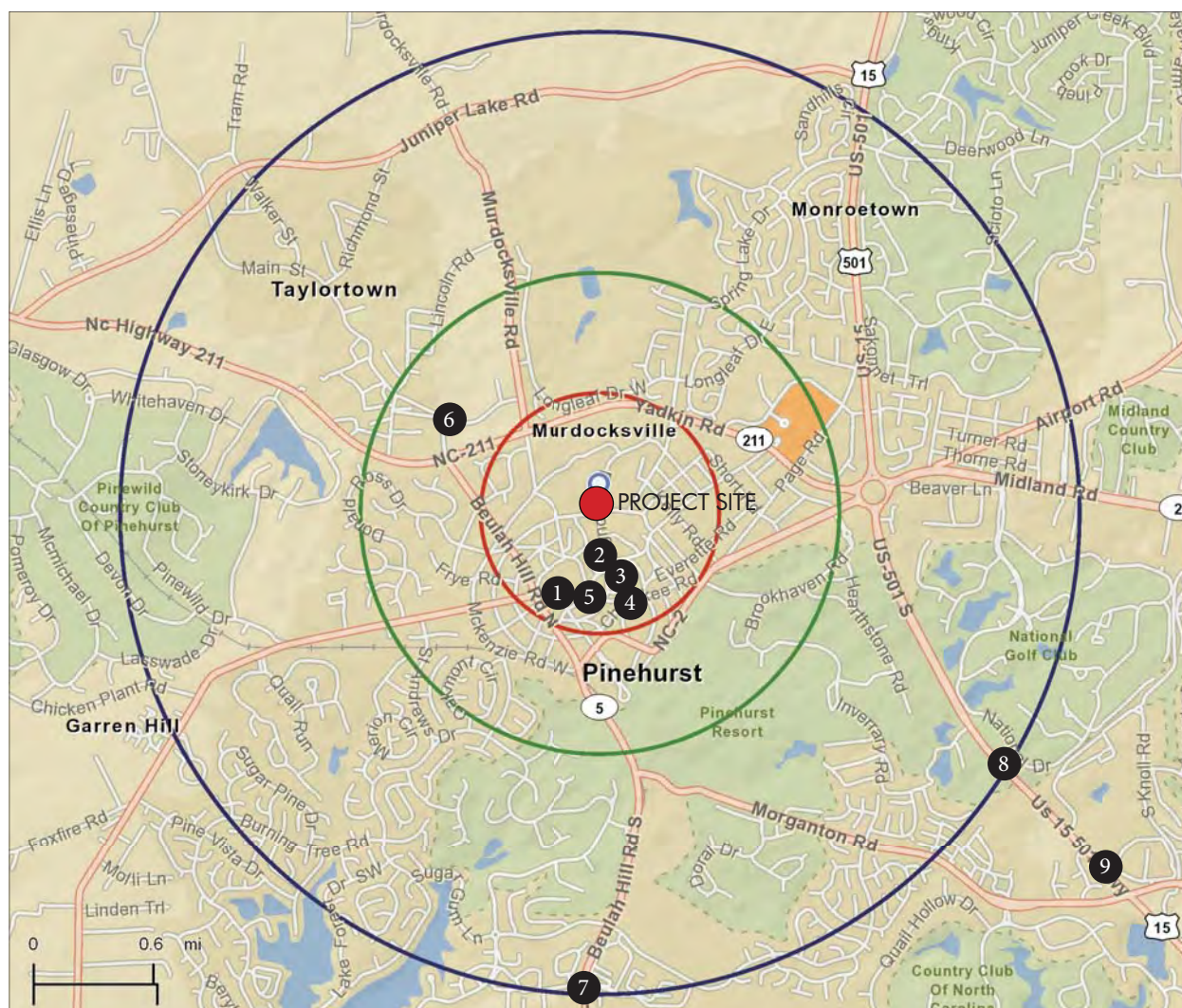
4.2 SUPPLY NEAR PROJECT SITE

Within 3 miles of the project site there are 752 rooms in 8 properties - 859 if one counts the Springhill Suites located just beyond this boundary. This represents about 1/3rd of the entire Moore County hotel market. 508 rooms are located within one mile of the site in the three Pinehurst Resort Properties (Carolina Inn, Manor Inn, Holly Inn) as well as the Pinecrest Inn and the Magnolia Inn. Recently constructed national chain products include the Homewood Suites located in

FIGURE 4.2: SUMMARY OF MOORE COUNTY LODGING & PROXIMITY TO VILLAGE PLACE SITE

Hotel/Motel/Resort	# of Rooms	Full Service	Meeting Space	Notes
Beacon Ridge Country Club	24	24	N	
Best Western	125		Y	
Carolina Hotel & Villas/Condos	334	334	Y	1/2 Mile
CC of Whispering Pines	41	41	Y	
Comfort Inn	80		Y	2 Miles
Condotels	64		N	2 Miles
Country Hearth Inn	88		N	
Days Inn	120	120	Y	
Econo Lodge	37	37	N	
Foxfire Resort	52	52	Y	
Greenleaf Inn	40	40	N	
Hampton Inn & Suites	103		Y	
Holiday Inn Express	76		Y	
Holly Inn	82	82	Y	1/2 Mile
Homewood Suites	100		Y	1 Mile
Inn at Eagle Springs	5		N	
Jefferson Inn	15	15	N	
Knollwood Village	40		Y	
Legacy Golf Packages	85		N	
Little River Golf & Resort	128	128	Y	
Longleaf Golf & CC	20	20	Y	
Magnolia Inn	10	10	N	1/2 Mile
Manor Inn	42	42	N	1/2 Mile
Maples Golf Packages	92		N	
Microtel	78		N	
Mid Pines Resort	103	103	Y	
Mid South	32		N	
Midland Country Club	10		N	
Motel 6	81		N	
National	42		Y	
Old Buggy Inn	4		N	
Pine Crest Inn	40	40	Y	1/2 Mile
Pine Needles Resort	78	78	Y	
Residence Inn	80		N	
Springfill Suites	107		Y	
Woodlake Country Club	37	37	N	
Source: Moore County Convention & Visitors Bureau				

FIGURE 4.3: HOTELS LOCATED WITHIN 1, 2 AND 3 MILE RADIUS OF PROJECT SITE



Inventory of Hotel Rooms Within Primary Trade Area			
Site	Hotel	Rooms	Owner
1	Carolina Inn	334	Pinehurst Resort
2	Manor Inn	42	Pinehurst Resort
3	Pinecrest Inn	40	Local Private Owner
4	Holly Inn	82	Pinehurst Resort
5	Magnolia Inn	10	Local Private Owner
6	Homewood Suites	100	Corporate Franchise
7	Condotels of Pinehurst	64	Local Private Owner
8	Comfort Inn	80	Corporate Franchise
9	SpringHill Suites	107	Corporate Franchise

Source: County CVB & DCI Analysis



The Carolina Inn, flagship of the Pinehurst Resort, has 334 rooms, meeting space for conferences, and a Spa. It is only several minutes walking distance from the Village Place site.



The Holly Inn is located in the center of Pinehurst's Village Core, and dates back to 1895. It has 82 rooms.



The Pinecrest Inn has 40 rooms and was built in 1913. It is a historic market within Pinehurst, a favorite of golfers such as Bobby Jones, Arnold Palmer, Payne Stewart, and Ben Crenshaw. It is located just to the south of Village Place project area.



The Manor Inn is located within the Village Place project area. It has 42 rooms.



The Magnolia Inn is a privately owned bed and breakfast located in the heart of the Village Core.

Olmstead Village in Taylortown, and the Comfort Inn / Springhill Suites properties located on 15-501 (see Figure 4.3).

4.3 ECONOMIC INDICATORS

Available hotel occupancy for 2012 was reported to be 55.1% in October of 2012, with an Average Daily Rate (ADR) of \$117.76. According to data from the Convention and Visitors Bureau, these numbers are down from earlier in the decade due to the impact of the 2007-2009 national recession on tourism, but they are on the rise compared to similar indicators in 2011. Between 2001-12, total room night demand increased by 19%, occupancy increased by 17%, RevPar increased by 17%, and the ADR stayed about the same with a slight increase of 0.1%. These numbers suggest a positive rebound of the tourism / hospitality industry in Moore County.

4.5 POTENTIAL FOR VILLAGE PLACE SITE

The large number of hotel properties, combined with a lackluster (though growing) industry-wide occupancy rate indicate limited overall growth potential for hotels except for those that tie into specific market niches. There is little doubt that the current market segmentation has left openings for new products to fit into underserved segments. A national operated high-end luxury product is one. With the supply of luxury / resort product primarily consisting of older properties, there is an opportunity for a new, high quality hotel, though it will likely need to be tied to a resort. At least three high-end products have been proposed in recent years, all on large-scale proposed gold / resort / residential projects in Taylortown, Foxfire and Southern Pines, indicating at least some interest in entering the local market.

Another growing market segment is business travel. The Southern Moore County economy is growing and diversifying, leading to increasing demand for more traditional hotel product. So far, many of the hotels that cater to tourism have doubled as business travel properties, but there is a vast amount of room in the mid-range and full-service hotel tiers for a traditional hotel serving multiple markets, such as a Courtyard Marriott, Hilton Garden, Inn, etc.

There are certainly advantages to the Village Place site for a hotel. It is located near growing employment centers like the First Health campus that would drive both business and family visitors to the region. It is also centrally located to the Pinehurst tourism market, with good access to the Pinehurst Resort as well as other publicly accessible golf courses. However, the same can be said of many other locations in Pinehurst or Southern Moore County. Hotels can serve both of these markets at a distance and still only be 10-15 minutes away. Also, the scale of a new hotel - likely to be at least 80-120 rooms - may be too intense of a use on the project site.

Subsequently, there is a fairly narrow market for a hotel located on the Village Place site. The 3 mile trade area is already well served with a variety of product, and the key gaps in the regional market - high-end resort and business travel product - do not necessarily benefit from the site's location, which is disconnected from a golf course and located off of a major arterial. Furthermore, it has been much easier to gain approval for new hotel development in the communities located outside of Pinehurst (i.e. Taylortown and Southern Pines) than within the Village. A hotel product may be viewed upon negatively by Pinehurst Resort, with which it would directly compete for a customer base.

5.0 SOURCES

5.1 PRIMARY SOURCES

Tom Pashley, Resorts of Pinehurst, Inc.
Marty McKenzie - Property Developer
Kay Beran - Prudential Pinehurst
Jim Saunders - Old Town Property Owners
John May - Partners in Progress
Pat Corso - Partners in Progress
Jim Garrett - ReMax
George Manley - Kuester Companies
Holly Spofford Bell - Kuester Companies
Dave Kilarski - First Health
Caleb Miles - Convention & Visitors Bureau

5.2 SECONDARY SOURCES

US Decennial Census
American Community Survey
Census Longitudinal Employment Data
ESRI Business Analyst
Bureau of Labor Statistics (BLS)
Moore County Convention and Visitors Bureau
Moore County Multiple List Serve
Zillow.com



VILLAGE PLACE PROJECT IMPLEMENTATION

Summary of Phase 1 Findings

A Summary Report presented to the Village Council of Pinehurst, North Carolina

April 2013



PREPARED FOR:

The Village of Pinehurst
395 Magnolia Rd.
Pinehurst, NC 28374

PREPARED BY:

Ian C. Colgan, AICP
Principal

Development Concepts, Inc.
1236 East 16th Street
Indianapolis, IN 46201



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1.0 OVERVIEW / KEY FINDINGS

In January of 2013, the Village of Pinehurst contracted with Development Concepts, Inc. to perform professional services to examine the feasibility of the proposed Village Place / NewCore development project as proposed in the 2008 NewCore Master Plan. This report summarizes the findings and recommendations relative to the initial phase of this work - a "Due Diligence" phase intended to study three critical path items in order to determine whether further time and investment was warranted to move this project forward.

The Due Diligence phase includes three specific tasks:

- 1) *Key Property Inventory and Outreach* - survey the property within the Village Place project area and determine if enough land could be assembled for an appropriate redevelopment project given willing ownership and the ability to assemble contiguous parcels;
- 2) *Infrastructure and Relocation Plan* - research designed to understand and document the feasibility of including publicly owned properties within the Village Place development area, including the relocation of existing uses;
- 3) *Market Assessment* - update the market "reconnaissance" conducted during the original master plan and determine opportunities within core market areas, including residential, retail, office and hospitality.

Key Findings

Key Property Inventory & Outreach

- Enough property owners indicated a willingness to participate the Village Place initiative to construct an initial project area of up to 20 acres of land that could be assembled for one or more development projects;
- There is an additional 10+ acres of Village and bank owned land that should be considered for inclusion into the Village Place project area;
- Unlike the original NewCore Master Plan, very few of the properties south of the proposed Spur Road are likely to be included in the project area. Properties along Community Rd fit well within the existing built context, and it will be difficult and costly to move the County's water tanks, or the CenturyLink building. Accordingly, the center of the project area has shifted to the north, as opposed to the center of the existing "block" defined by Magnolia, McCaskill, and Community.

Infrastructure and Relocation Plan

- Despite preparations to relocate existing Village Public Services uses, it will likely take several years to fund and complete such a move. This is not considered to be significant problem, as the Village owned property is not considered to be a "critical path" site. Other land can be assembled for development, and the refined project area puts the Village property at the edge of the most developable property;
- Timing related to implementing the proposed Rattlesnake Extension and Spur Rd Extensions will likely delay inclusion of the Public Services property into the rest of the project area, since it will be disconnected with other development sites.

Market Assessment

- There is market potential for numerous uses, including housing, commercial office and retail;
- Conservative projections for each show short-term potential for development in a manner consistent with the original vision of the Master Plan;
- Target commercial markets will likely work better as an integrated mixed-use development, as opposed to built separately. Housing, in the form of condominiums, apartments or clustered single family housing, could be built separately from other uses;
- Despite a location in the center of Pinehurst, price-point sensitivity in terms of lease rates and sales prices mean that a detailed analysis will be needed to study the necessary density of a mixed-use development to overcome anticipated land prices and construction costs in order to be feasible and attractive to a developer;
- Anchor or destination uses that draw in customers are crucial to the success of a retail center of any size on the site - despite high levels of demand, the immediate resident and visitor market cannot be relied upon to support retail in and of itself.

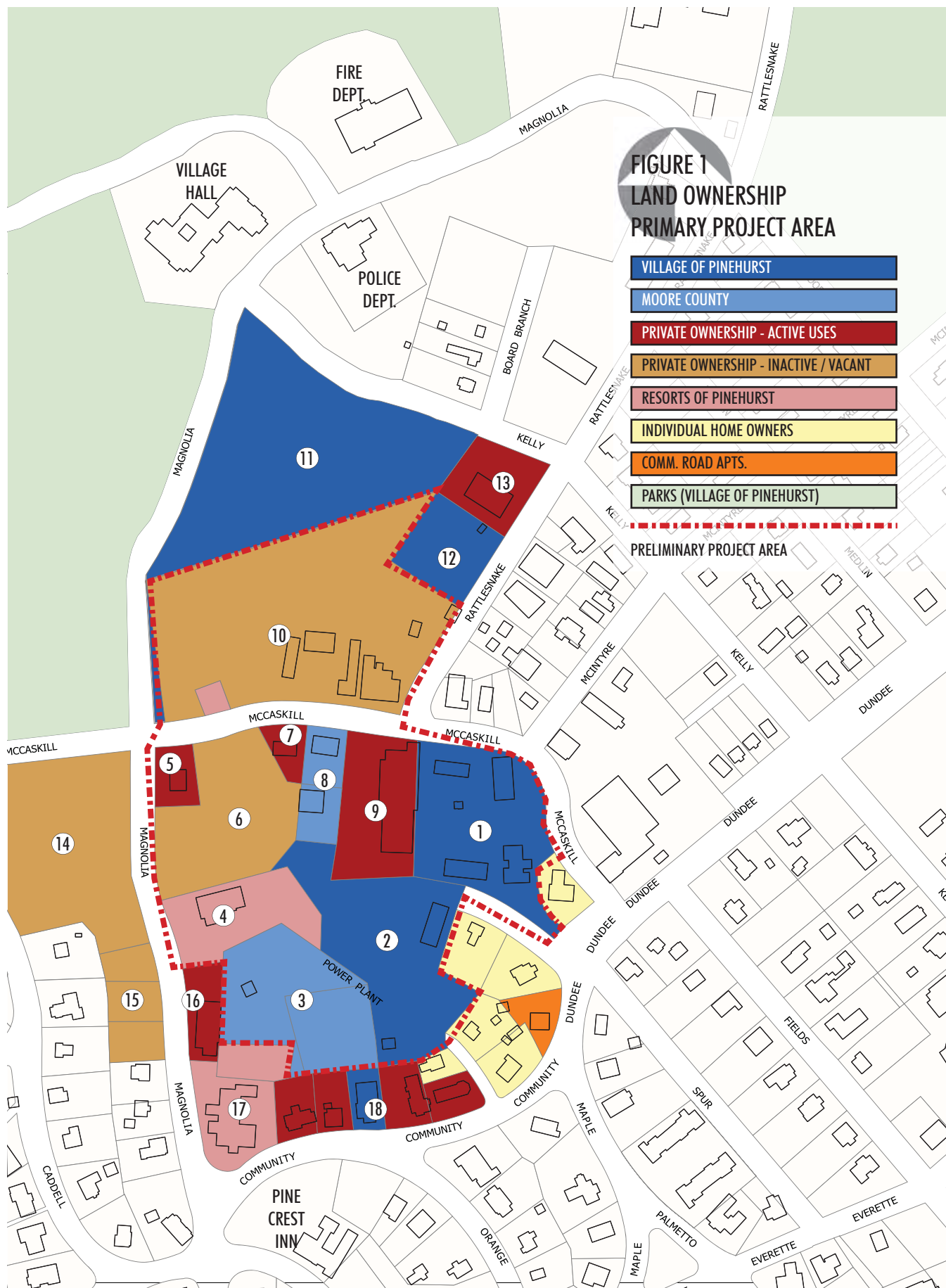


FIGURE 1
LAND OWNERSHIP
PRIMARY PROJECT AREA

- VILLAGE OF PINEHURST
- MOORE COUNTY
- PRIVATE OWNERSHIP - ACTIVE USES
- PRIVATE OWNERSHIP - INACTIVE / VACANT
- RESORTS OF PINEHURST
- INDIVIDUAL HOME OWNERS
- COMM. ROAD APTS.
- PARKS (VILLAGE OF PINEHURST)

PRELIMINARY PROJECT AREA

FIGURE 2 - PROPERTY INVENTORY

1	500-700 McCaskill (Village of Pinehurst) Public Services offices and storage facilities for Village. Basic plan framework for moving facilities to \$5 million facility on Juniper Lake Road (2.6 acres).
2	Village of Pinehurst Additional land owned by the Village, includes some public service facilities but is largely vacant due to topographical change (2.97 acres).
3	105 Powerplant (Moore County) Well and water tanks owned and operated by Moore County Utilities. Well has limited capacity and County has indicated that they would discontinue if another site is found (well currently has 100 foot buffer around it for development). Tanks are necessary and can be moved but at cost (2.3 acres).
4	270 Magnolia (Steam Plant) Efforts to rehab for brewery and other uses. Last efforts fell through but new opportunities potentially available (1.28 acres).
5	Grumpy Pumpkin LLC Office building owned by Clark Campbell. Willing to sell / participate. Bought building for \$450,000 (0.34 Acres).
6	250 McCaskill (Punch Jones, Inc.) Property owned by Heidi Hall-Jones. Old laundry with potential remediation issues. Willing seller if part of impactful and well-designed project (2.3 acres).
7	270 McCaskill (CLBD LLC) Property owned by Lynlee Long. Owner is willing to sell / participate in development project (0.25 acres).
8	290 McCaskill (Moore County) Former Rescue Squad property now owned and managed by Moore County Public Safety. Deeded to them by the Resort. Willing to work with building and to upgrade building to integrate with any potential development. However, also open to moving as the buildings / site are not ideal for their purposes (0.65 acres).
9	300 McCaskill Hughes Plumbing Supply – Representative of owner has indicated willingness to sell but has a long-term lease with the supply company, who may need to be moved. Manager of Plumbing Supply company indicated difficult in logistics of relocation and overall reluctance to move but recognized that area was likely to result in redevelopment (1.48 acres).
10	205 McCaskill (Moore Investment Group, LLC) Partnership between Van Camp family and John Karscig. Represented by Dave Crisafulli. Interested in working with the Village on a Joint Venture (6.2 acres).
11	Village Land – Rattlesnake and Kelly Village owns property between 205 Rattlesnake and Village Hall. County has recently cleared/stubbed in a sewer easement which defines parcel better. Village may wish to consider this parcel as part of larger initiative (5.3 acres).
12	55 Rattlesnake (Village Lot – County Maintenance) County leases parcel on Rattlesnake from Village. Village has indicated a desire to use property as part of Village Place. County has said they are willing to move operations if given a new location (0.94 acres).
13	300 Rattlesnake Office building owned by Clark Campbell – in good shape and profitable for Campbell. Unlikely to be redeveloped but can be integrated into larger development (0.84 acres).
14	315-363 Magnolia (Traditions of Old Town) Property has been up for auction several times, with auction date continually pushed back. No resolution as of the submission of this memo (3.9 acres).
15	Vacant Lots Vacant residential lots owned by Peter Barrett, could potentially be integrated into project with Traditions property (0.84 acres).
16	CenturyLink Facility Active phone exchange building, contributing architecturally, likely to remain (0.44 acres).
17	Manor Inn (Resorts of Pinehurst, Inc.) Lower end of three hotel properties owned by Pinehurst Resort (Carolina, Holly, Manor). Not in great condition despite \$2 million renovation. Used for overflow space for group settings, with limited use in the low season. Resort has said they have no plans to sell or get rid of property (1.28 acres).
18	45 Community (Village Fire Station) Vacant fire station. Architectural value, potential for re-use. Unlikely to be demolished (0.27 acres).

SUMMARY OF PHASE 1 FINDINGS

2.0 KEY PROPERTY INVENTORY AND OUTREACH

During February and March of 2013, DCI Principal Ian Colgan conducted personal or telephone interviews with all owners or representatives of property that the Village and DCI considered to be necessary for a proposed Village Place project. A summary of findings from these interviews can be found in Figure 1, with a full list of those interviews found in Appendix A.

Based on these interviews and a review of the parcels/properties in question, two conclusions were reached relative to this property inventory phase. The first is that it appears feasible that as many as 20.4 acres of contiguous parcels could be assembled for one or multiple development projects within a primary project area, with approximately 3.5 acres of existing uses that can be integrated but are unlikely to be redeveloped (the county owned water tanks and the steam plant). This does not include approximately 6.4 acres of Village owned land that could potentially be incorporated into the primary development area, and 4.75 acres of property on the west side of Magnolia Road that could also be integrated or developed as a secondary development area. This conclusion is based solely on the willingness of property owners and users to sell or participate in a redevelopment initiative, and not on any further details such as final agreements relative to purchase price, the ability to acquire all property in question simultaneously, or solutions for the relocation of existing users.

The second conclusion is related to the location of this primary project area. Previous studies relative to a proposed New Core / Village Place development project focused primarily on the “block” of property bordered by Community to the south, McCaskill Road to the north and east, and Magnolia Road to the west. Based on the above mentioned potential assemblage, which is illustrated in Figure 1, it should be noted that the primary development area has shifted somewhat to include a majority - but not all - of this same block - an area of 14.2 acres - while simultaneously including a separate “block” of property of 13.3 acres to the north bordered by McCaskill Road to the south, Rattlesnake Drive to the east, Magnolia Road to the west, and the incomplete Kelly Road extension to the north. This shift is attributable to favorable land ownership interests in the block to the north of McCaskill Road, as well as a number of existing uses along Community, inclusive of businesses and housing that are viable uses and are not considered to be required components of a proposed development project.

3.0 INFRASTRUCTURE & RELOCATION PLAN

Property Cluster #1 - Village of Pinehurst

The Village of Pinehurst owns two key parcels identified within the primary development area for the Village Place project (see Figure 3), and two others immediately adjacent to the primary development area.

The first two parcels (#1 and #2 in Figure 3) are located off of McCaskill Road and Power Plant Road. Since the completion of the original NewCore plan, the Village has been aware that these parcels may be needed for a NewCore / Village Place project, and have begun preparations accordingly. After interviews with Village staff, I understand the situation regarding these parcels as of March 2013 to include the following:

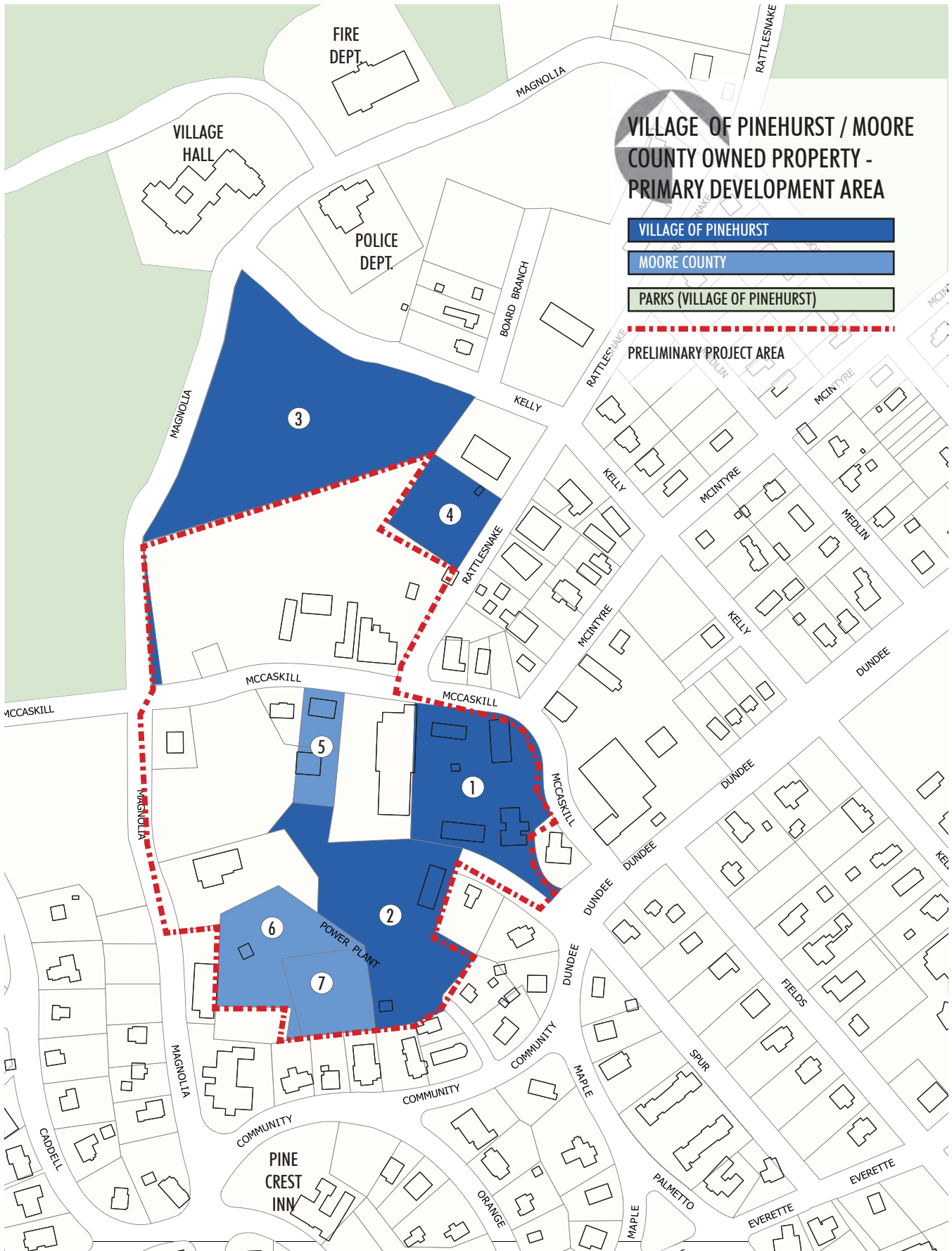
- Uses on these parcels include Public Services Administration offices, Public Services equipment and vehicle storage, bulk storage, yard debris storage, and a fleet maintenance garage;
- Property has been selected and acquired on Juniper Lake Rd for relocation of public services facilities. Approximately \$1 million has been expended for site acquisition and design costs. Site and building plans for a new public services complex have been prepared, reviewed and are awaiting approval;
- Estimated budget for consolidation on the new site per the CIP is \$4.7 million, after the \$1 million already invested.
- Relocation of McCaskill Rd facility can happen only after construction of new facility;
- Existing office building is not likely to be retained by the Village after the move / is available for a new user.

Given that the budget for final relocation/consolidation has not yet been allocated, it will likely take several years to fully relocate these uses to the Juniper Lake Rd site. However, this is not necessarily a major problem. After conducting a key property inventory of the New Core / Village Place study area, it is our conclusion that the Village owned properties along McCaskill Rd and Powerplant do not represent “critical path” parcels for Village Place project land assemblage. That is, they are not critical for development within other parts of the primary development area, and thus will not prevent other phases of development from occurring. For the McCaskill Rd parcel, which constitutes the majority of Village uses, this is especially true if the proposed Rattlesnake Extension connecting Rattlesnake Drive from McCaskill to Community Road is to come to fruition, as the parcel would be separated from other property to the west. The Powerplant parcel should not be considered a key property for short-term development for several distinct reasons: (1) it is aligned along a ridge that exists on the interior of the block and is difficult to develop; (2) a large portion of this parcel would be taken up for the proposed Rattlesnake Road extension; (3) the

VILLAGE OF PINEHURST

MOORE COUNTY

PARKS (VILLAGE OF PINEHURST)



SUMMARY OF PHASE 1 FINDINGS

redevelopment of properties along Community Rd is highly unlikely, therefore its interior position does not mean it is required to connect portions of the primary development area; and (4) portions of the parcel are located within close proximity to the County's 100 foot well-head protection buffer.

However, it is still recommended that the Village go through with the relocation of the Public Works facilities to Juniper Lake Road. These uses are not compatible with many anticipated uses in other parts of the Village Place development area - retaining these uses in their existing location may hinder a developer's interest in other adjacent property, or hurt leasing or sales of developed property in adjacent or nearby areas.

Property Cluster #2 - Village of Pinehurst

The third and fourth Village owned properties are located directly south of the Kelly Rd Extension and the Village Government Complex. #3 is a 5.3 acre parcel that is currently vacant. The second (#4) is a ~1 acre parcel off of Rattlesnake Drive (55 Rattlesnake) that is currently leased to Moore County for vehicle storage and maintenance. The Village should consider using this property in conjunction with the Village Place project, and the County has indicated a willingness to move its vehicles given the availability of a site with good proximity to the Village. The availability of this property is likely to come into play in conjunction with the efforts of the Village to relocate its own public services department, as discussed below.

Property Cluster #3 - Moore County

Moore County owns three properties within the Village Place primary development area. The first (#5 on Attachment A) consists of two buildings used for County Public Safety at 290 McCaskill Road. This property was previously owned by Pinehurst Resort, who transferred ownership to the Rescue Squad, with the property eventually coming under the control of Moore County Public Safety, which operates an emergency services unit at the location. Because of its location directly upon McCaskill Road, as well as the proposed Rattlesnake Extension, this property should be considered a priority acquisition target within the primary development area. Fortunately, even though Moore County Public Safety prefers to be located in the general vicinity, it is not married to the site or buildings, as they are not ideal for their purposes. Instead, they are making do with property that was given to them.

The second and third (#6, #7) are located at 105 Powerplant Drive. Two water storage tanks and a well are located on this property. The well has a 100 foot development buffer around it, while the storage tanks take up a considerable amount of space. In discussions with the County Utilities department, the County indicated the potential for the relocation of the well, considering its output was limited. This relocation would remove the 100 foot development buffer, and a Village-County partnership to relocate the well should be considered. The storage tanks are also movable, but at cost, which could be several million dollars.

Given that the primary development area for Village Place is focused more to the north than originally envisioned in the New Core Plan, the relocation and/or integration of County utilities may not be as critical as prior planning efforts have indicated. It is anticipated that most, if not all, properties to the south along Community Rd will remain with existing uses. Meanwhile, the ridge located in the interior of this block disconnects development pads to the north, along McCaskill, and the County (and Village) owned property. Therefore, the relocation of these utilities may not be necessary.

That being said, the tanks and well do sit on flat land and would front both the proposed Rattlesnake extension and proposed Power Plant Road extension. Accordingly, it is recommended that if a developer or developers are ultimately recruited for this project, that they be consulted as to their preferred outcome regarding these properties. Until then, it does not appear to be necessary to invest in any improvements, unless the County wishes to explore well relocation for other reasons.

Conclusions

After an assessment of each Village and County owned property, we conclude that the relocation of public uses within the designated primary development area do not represent hurdles to short-term (1-3 year) private development opportunities. However, it is recommended that the Village work now to plan for the relocation of the County Public Safety office, either to the to-be vacant public services office, or to the intersection of Kelly & Magnolia. This relocation does not have to happen immediately, but it is important to have a detailed plan to show a developer so that the property is not a hurdle to a development on the southern edge of McCaskill Rd.

4.0 MARKET ASSESSMENT

4.1 Residential Market

Moore County has grown significantly over the past two decades, and Southern Moore County and Pinehurst have shared in that growth. Between 1990-2010, the county added over 13,700 households. Approximately 2/3rds of that growth occurred in the Southern Moore County urban “cluster” that includes Southern Pines, Pinehurst, Aberdeen, Whispering Pines, Pinebluff and Taylortown. Pinehurst itself grew by 3,108 households, 1,500 of which were in the past decade 2000-2010. The county growth has created real demand for housing. Demographic sources anticipate continued growth throughout Moore County, albeit at a slightly slower pace of 900-1,500 households per year to 2020. If Pinehurst were to capture a similar amount of growth as it has in the past, there would be an expected demand of 40-80 units annually to 2020.

The Village Place project site offers a somewhat different residential opportunity than the overall Pinehurst market, which is primarily (85%) made up of single family detached units, a product type which represented between 95-98% of all new housing units added within the Village over the past decade. Its physical characteristics and project area orientation are much more suited to higher density cluster or attached product. Therefore, an analysis of housing product like townhomes, condominiums, and apartments is necessary to understand demand potential.

The following is an excerpt from the NewCore Master Plan - a market reconnaissance summary prepared by Randall Gross. This is included to compare against recommendations made in this updated market study.

Summary of New-Core Opportunities

Demographic Growth, and the cachet of Pinehurst’s name and amenities, helps propel demand for various uses at the NewCore area. Village retail and office space remains filled, despite operating deficiencies and high rents. Housing development is accelerating and prices escalating rapidly in the area as a growing retirement population and younger families opt for the amenity value of a Pinehurst lifestyle.

Retail may be temporarily over-built in the larger Moore County market, but there are opportunities for additional specialty and convenience retail development near the Village core. The addition of perhaps 18,000 square feet (15,000 to 25,000 square feet of retail space in the NewCore may help attract a more diverse retail and entertainment mix to the area. Among the gaps in the existing retail mix are entertainment venues, convenience goods stores, and other businesses that cater to a more local market. There may also be other opportunities to reach the predominantly male and sports-oriented visitor through expanded niche retail markets. However, retail businesses are not likely to be attracted to space in the NewCore unless it is well-integrated with other uses and with the existing Village core. Expanded parking opportunities would also benefit new retail (as well as existing retail) uses.

Some additional office space may also be warranted, given the occupancy of existing space in the Village and in surrounding commercial developments. The addition of 6,000 to 12,000 square feet of office space in the NewCore may allow some existing businesses to reduce their dependence on first-floor retail space in the Village. There may be demand for more office, but there is a need to ensure balance in the office versus retail uses.

There are also opportunities for residential uses in the NewCore, primarily in the form of “O” - lot line or cluster homes, patio homes, and some limited townhouse development. Such housing could be well-integrated with retail and office uses, as well as with the existing Village, to create a more enlivened community village core. However, privacy is also paramount for residential property owners, so integration of uses must be balanced with the privacy needs of potential residents. Given the absorption of higher-density housing in the market, it is possible to envision 30 to 40 units of this housing development within the next five-plus years (and more over the longer term), so long as it is designed for key target markets and includes an affordable option for Pinehurst club membership. Without the memberships, housing demand will be constrained in the NewCore.

SUMMARY OF PHASE 1 FINDINGS

Condominiums / Townhomes - single family attached product is typically supplied in the form of townhomes to offer a more cost-effective single family home than existing detached product (Wake County is a good example), or in the form of condominium / flats in areas with high levels of amenities, often for elderly couples / empty nester households, or young professionals and couples. The Village Place site offers both market positions, as real estate close-in to the Village center is among the most expensive in the region, and proximity to the Village Core and the Resort within walking distance is a major amenity that can be used to support housing. A key demographic - empty nester households - are prevalent throughout the market. Existing condominium product in Pinehurst appears to be valued at a similar price per square foot, than the detached market, indicating that there is sufficient demand for attached product, even with smaller square footage and lower quality in terms of age. The median price per square foot for single family homes in Pinehurst from 2005-2013 was \$117, while the the same for condominiums and townhomes was \$119. This, despite the fact that a majority of the Pinehurst condominium supply is made up of product built in the 1970s and 1980s, and much is reportedly in poor shape. Broker interviews suggest that there is a demand for attached housing units that meets a reasonable price point (\$250,000 - \$350,000), and that similar product is beginning to appear near Downtown Southern Pines. Preferences are likely to be more towards single story product vs. 2-3 story townhomes, simply because of the older demographic which tends to prefer single story living, but good product design may be able to overcome this. Overall, the location of the project site, existing amenities, and ongoing market response to what condominium product exists in the market, all point to a potential condominium market. This potential is enhanced by the potential integration of amenities on-site, including retail, dining and other businesses. Further analysis, including more interviews and field work, is likely necessary to determine more detail relative to specific product types and price points.

Cluster Homes - the previous market reconnaissance performed as part of the NewCore master plan recommended that clustered, zero lot line patio homes or something similar would be a product type worth considering for Village Place. This report concurs with this assessment, since such a product would be more in-line with past and present expectations of the Pinehurst market, and still offer a similar product as a townhome or condominium / flat. Vacancy for single family, owner occupied units in Pinehurst is estimated to be 3.6% - well-below the equilibrium amount of 5%. Given the high value of properties close to the Village Center, the addition of new single family product is likely to be extremely popular across a wide range of customers despite a more dense, urban configuration. A popular housing unit that is emerging across the country is the "pocket" neighborhood, which includes small homes sized 800-1,200 feet clustered around common open space and indoor gathering facilities. Other emerging trends include rear-loaded "detached townhomes" which are detached units placed only 5-8 feet apart with limited yard space, instead creating a maximum amount of indoor space with patios or decks and relying upon nearby parks and commercial areas to provide outdoor space. A caveat to this housing type is that it (as well as other housing types) need to be built at a certain density to overcome land costs. Several developments in the region - including the former "Traditions" site have struggled with meeting a price point deemed acceptable by the marketplace which also pays for land, infrastructure and construction costs necessary to deliver the units. Any detached unit will run the risk of being priced out of the market if land acquisition costs are too high.

Multi-Family Apartments - Rental units have historically accounted for a very small (12%) proportion of housing units in Pinehurst. Virtually all new rental product supplied within the region has been in adjacent communities, and what new rental product does exist is largely found in single family homes that are rented out. An analysis of the regional rental market finds a relatively low vacancy rate of 8%, and a woeful lack of multi-family rental development, as well as high-end rentals available at multiple price points. The Southern Moore "urban cluster" is supplied with only 630 units of multi-family housing in developments of 10 units or above, and only 334 units in developments of 20+ units. Thus, the Southern Moore trade area is significantly underserved in high-quality rental units that are of the proper scale to offer amenities like pools, fitness centers, clubhouses, etc. - all preferences of modern renters. Growth projections estimate that Southern Moore County should expect between 780 - 830 new renter households between 2012 and 2017 or 150-160 households annually. At this rate, it will take only 1.5 years to reach equilibrium for rental vacancy, a rate that may already have been achieved at the time this report was written. Regional developers are already seeing the gap in this market, evidenced by the planned luxury apartment complex stated to be constructed on the north side of Morganton Road - 288 units with a clubhouse and hotel-like amenities. Pinehurst is not traditionally a rental or a multi-family market, but opportunities within this market may offer opportunities for Village Place. Given the cost of land and a likely tenant base from nearby employment centers, like the First Health campus, it is unlikely that any rental units would be affordable or low-quality product, but instead it would help meet a demand for housing that can appeal to people like nurses, doctors or professionals that want to live in Pinehurst but cannot or are unwilling to commit to a long-term home purchase.

Demographic trends point to opportunity in each of these housing types, but there are also several hurdles that need to be addressed in order to deliver successful housing on the Village Place site. The first is absorption - the capture of 50% (a high rate) of local market growth will only result in 10-20 units, meaning that additional market may need to be captured from the region, and any planned units will need to be very precisely positioned within the marketplace to prevent long-term carrying costs. This may impact the economics of a project. The second is property acquisition. As discussed above, land value in Pinehurst and surrounding areas have risen fast enough to make the construction of middle market units (\$200,000

- \$400,000) very difficult. The best way to accommodate this is through density, which may be difficult to sell to the community. Third, one of the largest hurdles mentioned during interviews was approvals - specifically the Village Council's willingness (or unwillingness) to allow certain product types and densities. The unpredictability of the approvals process is not only a hurdle to consider moving forward, but is likely a major reason why many similar types of housing projects have not been recently built within Village limits and subsequently why it is difficult to examine in detail the potential for these housing sub-markets.

4.2 Office Market

Limited nearby office supply, matched with a tight regional office market, lack of Class A space, and growth in office-related employment suggests that there is an opportunity for office related uses at the Village Place site. Five sub-markets are identified as targets:

Standard Class A, Small Space Tenants - Professional offices such as lawyers, doctors, accountants and small firms looking for high quality office space with corresponding amenities and finishes.

Medical professional offices - More than 270,000 square feet of medical uses have been built over the past 10 years (not including the heart hospital) but the First Health complex is rapidly running out of space, leaving an opportunity to capture on-going growth in the medical office market.

Military Defense Contractors - Commercialization opportunities spinning out of Fort Bragg and former military families who have chosen to live in Southern Moore County.

Incubation Space - Traditional incubation / acceleration space to assist small enterprises move through first stages of business growth, including rent-assisted space, business training, and shared expenses - as of 2012, the Southern Pines-Pinehurst area had a higher percentage of business establishments with 1-9 employees (77%) than Raleigh-Cary, Durham-Chapel Hill, Charlotte, Asheville, or Wilmington (72-75%).

Co-Work / Small Office Share - Opportunities for very small businesses (1-4 people) to work in space with access to business equipment but which is also significantly cheaper than traditional offices space - a trend growing increasingly throughout the country (70% of all office related business establishments have 4 or fewer staff, and the region leads North Carolina cities in the # of establishments per employee).

It is believed that the Village Place could absorb up to 10,000 square feet of traditional office space in the short-term (1-3 years). The short and long term demand is likely to be higher, but a number of market considerations must be taken into consideration. The first is the price existing businesses are willing to pay for space - despite the overall demand for Class A space, the existing market is used to paying lease rates under market value for Class A quality. Accordingly, businesses may be reluctant to re-locate if they have to pay higher rents. Second, despite regional growth in office-related employment, it is beneficial to be conservative about how much new growth can be captured to the Village Place site, without understanding the exact amount of corresponding retail and other amenities that may be part of the project. An optimistic projection of a 25% share of regional growth would be approximately 10,000 square feet.

At this size of leasable or for-sale office space, it would be most advantageous to integrate it with additional uses, and thus the viability of office is tied somewhat to the retail and residential markets. Securing medical professional businesses as tenants would greatly enhance the feasibility of office space, and perhaps help push the expected short-term absorption rate beyond 10,000 square feet. Additionally, any opportunity to involve regional resources to enhance the economic sustainability of entrepreneurial enterprises and start-ups, such as incubation / acceleration resources could as much as triple short-term office space potential. Accordingly, potential partnerships with Partners in Progress and others involved in regional economic development should be discussed.

4.3 Retail Market

The Southern Pines-Pinehurst micropolitan area is a major regional retail center, drawing in thousands of consumers from adjacent counties in a rural catchment area equal to at least 225,000 residents. Retail development has kept pace with area growth and its emergence as a regional center, resulting in a surge of new national retail stores and centers, primarily in Southern Pines and Aberdeen. This retail development has reached a point of saturation within Southern Moore County, though it continues to draw in a large consumer base from outside.

SUMMARY OF PHASE 1 FINDINGS

Despite recent retail development, the Pinehurst market remains significantly underserved, with only the small number of businesses within the Village Core and projects like Olmstead Village in Taylortown serving village residents. The same under-supply extends to other markets like employees and tourists, whose anticipated spending leaks outside of Pinehurst, or is not captured within the region at all.

By using a merging markets economic model, one would expect there to be as much as \$88 million in annual retail demand in Pinehurst and immediate environs, broken down by residents (70%), Employees (5%) and Visitors (25%). This does not include a corresponding demand for Food & Drink, estimated at \$57 million (50%/19%/31% split). This demand is matched with only \$18-25 million in retail supply (sales) and \$26 million in food & drink supply in Pinehurst (including Taylortown). Although these figures likely do not include dining establishments within the Resort, it nevertheless represents a significant missed opportunity to leverage an existing consumer base to the benefit of Pinehurst residents.

The Village Place site has the potential to draw from all three major retail markets, but its location off an arterial road limits its attractiveness to national or regional retail chains who prefer higher traffic counts and viability. Thus, the site is better suited as a small mixed-use center made up primarily of opportunities for small retail, service and dining businesses - very much an extension of the Village Core as envisioned by the original NewCore master plan. Businesses that can balance consumers from both the tourist and resident markets will likely do best, with the employee market “layered” in as an added benefit. Any office or residential space that can be integrated into retail space will drastically improve its viability and vitality.

However, it should be noted that the success of retail on the Village Place site will very much be tied to any “anchors” that can be integrated into the project. Consumers will need to be driven to the Village Place site and will need a reason to visit the site as opposed to other locations in the local and regional market. Traditional retail-based destinations include anchors like Pharmacies and Grocery Stores. While these types of businesses are very much in demand and will likely appeal to both resident and tourist markets, there are real challenges in drawing in similar anchor stores, from the amount of land and parking they require to their preference to being located on higher trafficked arterials.

Any development at Village Place that is primarily retail will require some sort of retail based anchor, but an integrated, mixed-use project opens up other alternatives, including important service-based destinations such as banks, destination dining establishments, or entertainment venues not found otherwise in the marketplace. In addition to “anchor” uses, any development will need to ensure that its customer base can both find and access businesses. This includes “gateways” off of Route 211, signage directing traffic off of Route 5, 211 and 2, and connectivity to Pinehurst Resort, such as a shuttle. Connectivity to Village Core is another essential component, as is readily accessible parking.

Demand for new retail and dining uses is very real, but programming such businesses into the Village Place site will require a very focused effort of tenant mix, anchor tenants, strategies to attract customers and connectivity to existing destinations. Integration with other uses like office, hotel or housing will also help. Consideration of how 1 or 2 anchor tenants of 10,000 - 15,000 square feet can be integrated into the project area is necessary until other destination uses are established.

4.4 Hospitality Market

A hotel could offer several advantages within the Village Place project. Specifically, it could help enhance the retail consumer base for retail in the Village Core - including any retail within Village Place itself, and it could assist in making the overall Village Place product more economically feasible. For a hotel operator, there are several advantages to the Village Place site for a hotel. It is located near growing employment centers like the First Health campus that would drive both business and family visitors to the site. It is also centrally located to the Pinehurst tourism market, with good access to the Pinehurst Resort as well as other publicly accessible golf courses.

The large number of hotel properties within the region, combined with a lackluster (though improving) industry-wide occupancy rate indicates limited overall growth potential for hotels except for those that tie into specific market niches, which include name brand high-end or luxury hotels, and mid to high end product targeted towards business travelers. The lack of direct access to golf courses and location off of major arterials reduces options for a hotel in Village Place. Physical and political considerations also limit options. A new hotel product may be viewed upon negatively by Pinehurst Resort, with which it would directly compete for a customer base. The scale of a new hotel - likely to be at least 80-120 rooms - may be too intense of a use on the project site. Finally, the immediate Pinehurst hotel market is well-served in terms of supply, with over 752 rooms within 3 miles of the Village Core (1/3rd of the regional market), with a split between niche historic and resort properties like the Carolina and Holly Inn vs. newer full service product like Homewood Suites and Springhill Suites, and secondary amenities and market drivers like meeting/convention space and on-site dining/shopping already in place.

Ultimately, it is not unreasonable to think that a hotel of a certain size could be a viable use within Village Place, but the overall market offers many opportunities that offer similar (or better) locational access and advantages, including nearby sites in Taylortown and others along 15-501 or US 1 in Southern Pines or Aberdeen. However, if this use is one that could be supported by the Council, residents and perhaps also the Resort, then a deeper analysis may be warranted to examine whether such a site could appeal to local hotel developers looking to fill a gap in the regional hotel supply.

4.5 Conclusions

The findings of this updated market assessment are not significantly different from the findings and assumptions made regarding the original NewCore Master Plan. There are opportunities for multiple markets in a development on the project site, though the success of each individual market is likely tied to the inclusion of one or more markets into a mixed-use development. There are a wider range of housing options believed to be feasible, from single family cluster homes to condominiums and multi-family apartments. The opportunity for a retail center is high, but requires the inclusion of retail anchors or other destination uses in order to make any new businesses truly viable. Professional office space can take advantage of a need in the local market for Class A space and growing employment in office-related sectors, though the site offers a good opportunity to tie in efforts to support the incubation and acceleration of small businesses, something that - in a partnership with regional economic development efforts - could go a long way towards increasing the amount of potential office space. Finally, there are gaps in hotel segments throughout the market, but filling those gaps is most likely to occur in other parts of the region.

Each core market (housing, office, retail) offers potential but also some risk without both a more detailed examination of each market in terms of anchor tenants and potential absorption and the knowledge that these uses can be integrated into a relatively dense/intense development that enhances economic feasibility. With the conservative estimates in this analysis, and a better understanding of the likely land acquisition approach, a phased approach may be warranted in order to flush out the market to its fullest, but this may not achieve effective economies of scale relative to land and construction costs. These items will need to be flushed out more during subsequent phases of work and due diligence relative to the proposed project.

For Pinehurst, key components of whether the market opportunity outlined in this summary will be able to be met will be political and community approval relative to certain development patterns and potential density/intensive of use necessary to integrate uses, draw anchor uses, and make a project economically feasible. There are enough uncertainties relative to the project area where a developer is unlikely to commit to a project unless they know certain uses and building types are allowed and approved. Further analysis of this project will be required to better visualize this market potential in terms of a potential development pattern and to determine economic feasibility based on expected costs and anticipated rental and sales revenue as researched in this assessment.

SUMMARY OF PHASE 1 FINDINGS

FIGURE 3 - MARKET POTENTIAL / RISK

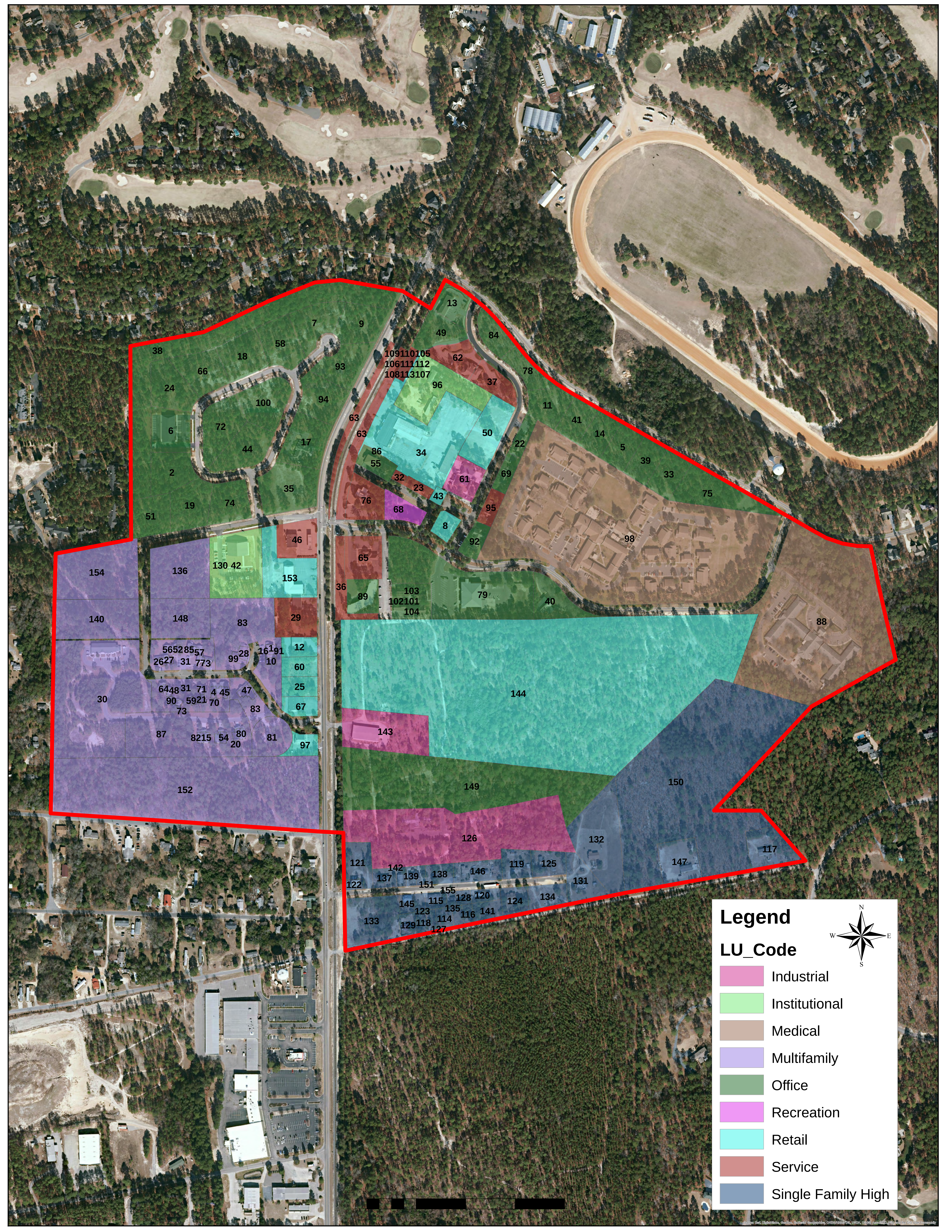
This chart summarizes the market potential for Village Place, combining opportunity with risk associated in the short-medium and long term.

	lower risk	some risk	higher risk	
	Short-Term (1-3 Years)	Mid-Term (3-5 Years)	Long-Term (5-10 Years)	
Single Family Housing (Detached - 6-12 units per acre)				Single family vacancy is extremely low, and housing in proximity to the Village Core is in high demand
Single Family Housing (Attached - Townhomes - 10-25 units per acre)				Only 1/3 of condo market has 3+ bedrooms, and many others are duplex/triplex product with 1 story living. 2-3 story townhome product needs more testing in the market
Single Family Housing (Attached - Condominium/Flats - 15-30 units per acre)				All recent condominiums sales in Old Town Pinehurst are 1-2 bedrooms and sell for double the price per square foot of the rest of the market.
Multi-Family Rental (15-40 units per acre)				High demand for good quality, mid-level to luxury apartments throughout market.
Commercial Office Space				Strong demand potentially tempered by mis-match in cost to supply space vs. willingness to pay Class A prices. Small biz support greatly increases feasibility.
National Retail Anchors (Grocery, Pharmacy, etc.)				Location off of major arterial drastically limits ability to draw national tenants. Recruitment will need work.
Small retail / service businesses				Strong potential for retail, but a anchor / destination use is needed to support more than a token amount of storefront space.
Hotel				Risky proposal considering density required and proximity to the Resort - better locations in the regional market.

ATTACHMENT A - INTERVIEWS

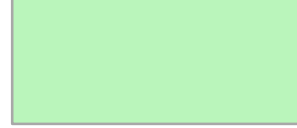
INTERVIEWS CONDUCTED AS PART DUE DILIGENCE RESEARCH

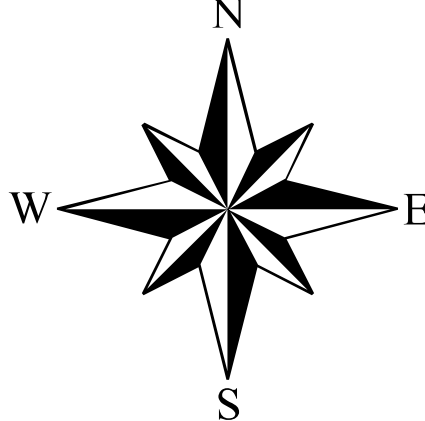
Interviewee	Organization	Relevant Property	Notes
Tom Pashley	Resorts of Pinehurst, Inc.	Manor Inn, Steam Plant	In-Person Interview
Clark Campbell	Grumpy Pumpkin LLC	200 E McCaskill, 300 Rattlesnake Dr	In-Person Interview
Heidi Hall-Jones	Punch Jones, Inc.	250 E McCaskill Rd	Telephone Interview
Lynlee Long	CLBG LLC	250 E McCaskill Rd	In-Person Interview
John Tesei	Nick Manneros II, Inc.	300 E McCaskill Rd	Telephone Interview, Representative to Owner
Manager	Hughes Plumbing Supply	300 E McCaskill Rd	In-Person Interview
Dave Crisafulli	Vardon Advisors / Moore Investment Group LLC	205 Rattlesnake Dr, 315-365 Magnolia	In-Person Interview
Robert Clark	n/a	65 Community	In-Person Interview
Randy Gould	Moore County Utilities	105 Powerplant, 55 Rattlesnake	In-Person Interview
Bryan Phillips	Moore County Public Safety	290 McCaskill Rd	In-Person Interview
Andy Wilkison, Natalie Dean, Andrea Corell, Bruce Gould	Village of Pinehurst	500-700 McCaskill Rd, 55 Rattlesnake Dr, 395 Magnolia Rd	Staff Representation for the Village, In-Person Interviews
Marty McKenzie			In-Person Interview
Kay Beran			Telephone Interview
Jim Saunders	Village Core Property Owner		In-Person Interview
John May	Partners in Progress		In-Person Interview
Jane Deaton			In-Person Interview
Jim Garrett	ReMax		In-Person Interview
George Manley	Kuester Companies		In-Person Interview
Holly Spofford Bell	Kuester Companies		In-Person Interview
Dave Kilarski	First Health		In-Person Interview
Pat Corso	Partners in Progress		In-Person Interview
Jeremy Rust	Moore County Planning		Telephone Interview
Caleb Miles	Convention & Visitors Bureau		Telephone Interview

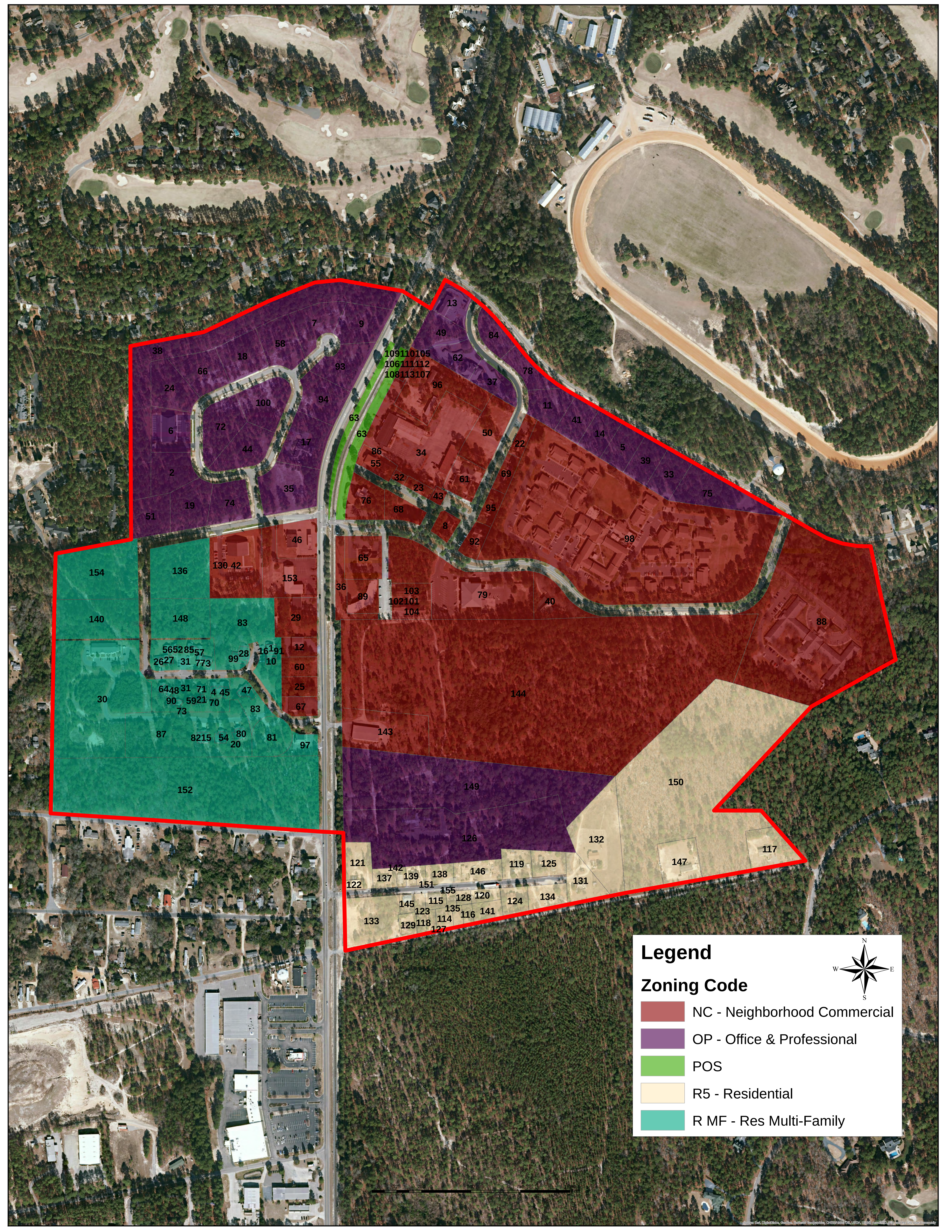


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LU_Code

	Industrial
	Institutional
	Medical
	Multifamily
	Office
	Recreation
	Retail
	Service
	Single Family High

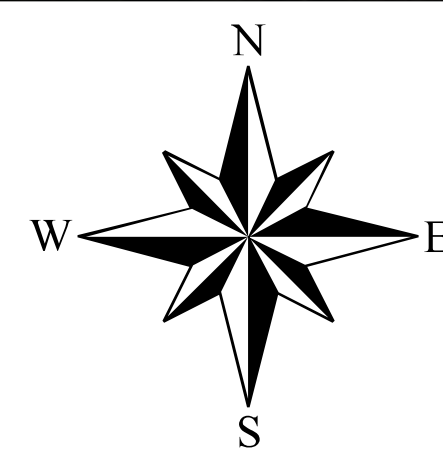


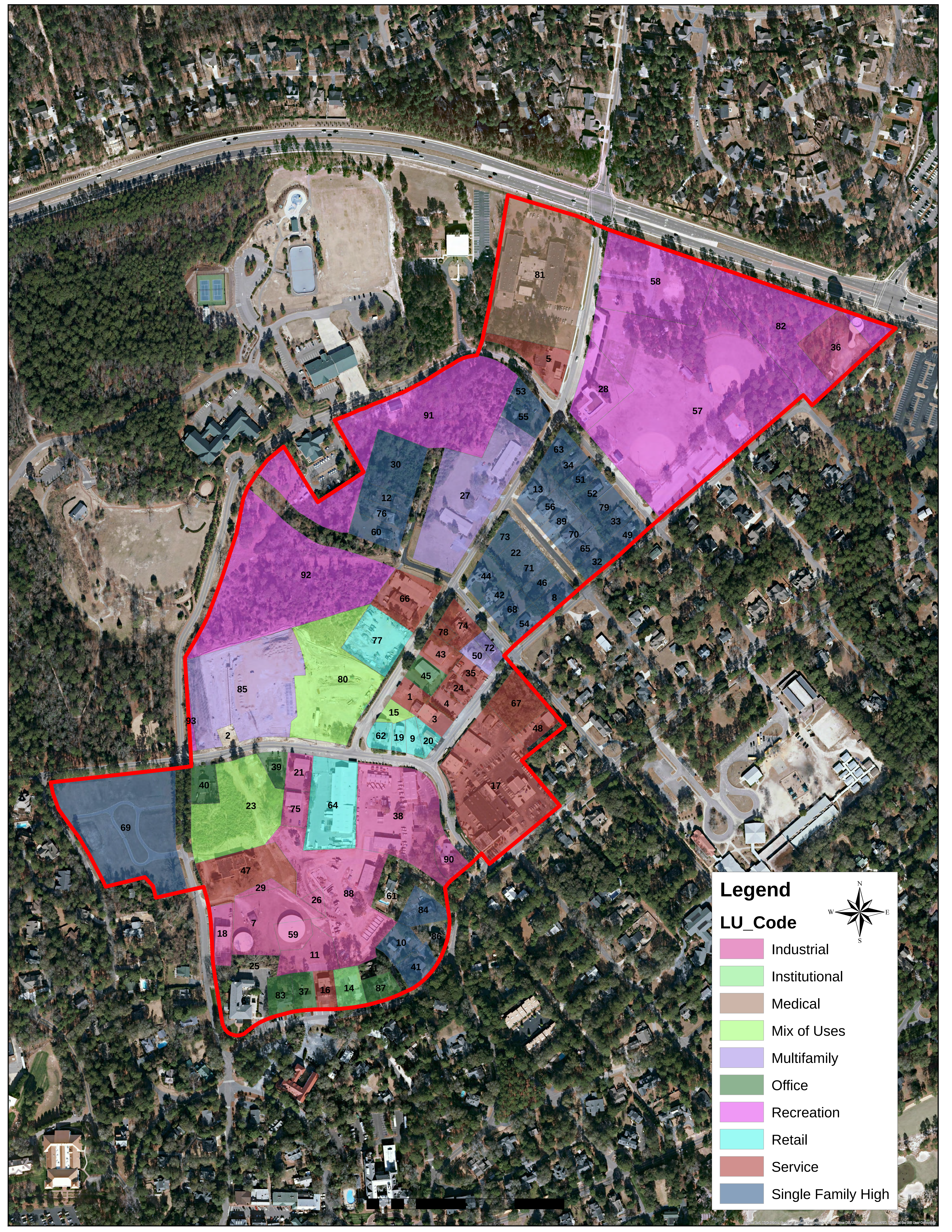


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Zoning Code

- NC - Neighborhood Commercial
- OP - Office & Professional
- POS
- R5 - Residential
- R MF - Res Multi-Family

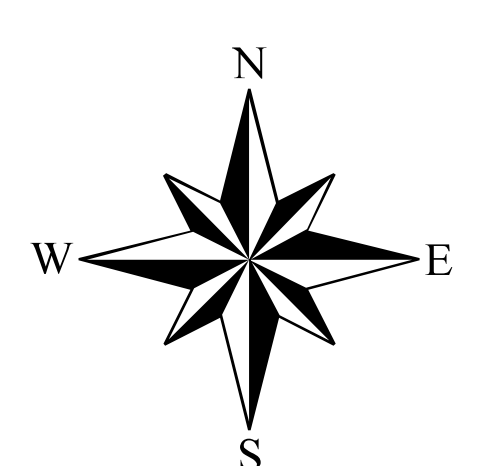




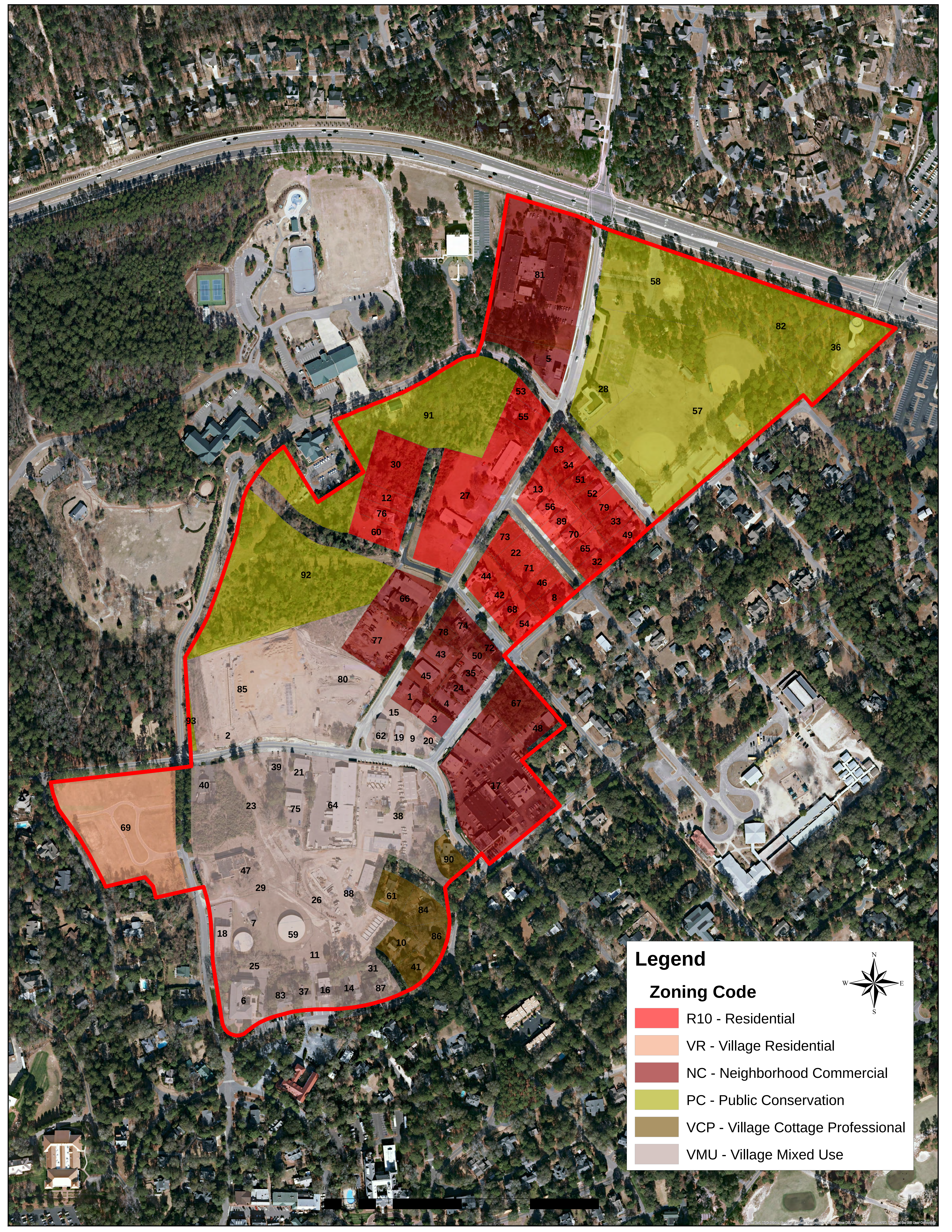
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LU_Code

- Industrial
- Institutional
- Medical
- Mix of Uses
- Multifamily
- Office
- Recreation
- Retail
- Service
- Single Family High



Scale bar: 0 100 200 Feet



Legend

Zoning Code

- R10 - Residential
- VR - Village Residential
- NC - Neighborhood Commercial
- PC - Public Conservation
- VCP - Village Cottage Professional
- VMU - Village Mixed Use

