

MAKING A DISTRICT:

A MIXED - USE DESTINATION IN MORGANTON, NC



MUSEUM AND HOSPITALITY VILLAGE

BROUGHTON DISTRICT VISION

The Broughton District master development plan will reinvent a historic hospital campus and build from its legacy of wellness and stewardship to inspire \$182-\$192 million of new private investment in a mixed-use village. Development will focus on a cluster of adaptively reused historic buildings and site-specific new construction for housing, commercial, and hospitality uses. This private investment will be supported by \$81 million of public investment in amenities and infrastructure. Walking trails will connect schools, homes, restaurants, shops, a Western North Carolina history and science discovery center, and a hotel as they weave through stands of mature trees, around working farms, along a quiet creek, through a central park, and ultimately into the vibrant Morganton downtown.

In addition, the District is welcoming a new campus of the North Carolina School of Science and Mathematics, a UNC system school, set to open in 2021. As an Opportunity Zone within a State-designated Hometown Strong Initiative community, the District will be girded by a robust public-private partnership with support from both State and local governments.

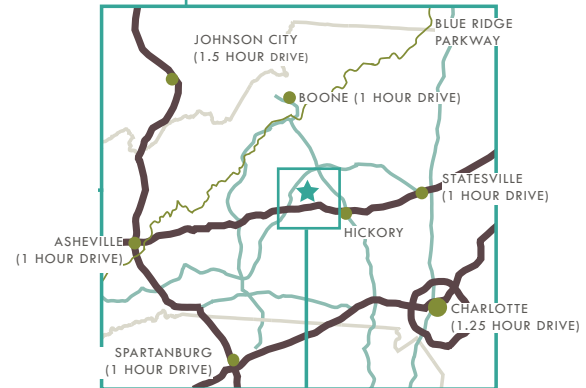
DEVELOPMENT PROGRAM (LEADING SCENARIO)

- **Burkemont Avenue Hotel:** The new construction of a 120-room limited service, mid- to upscale conventional flag hotel oriented to the primary transportation corridors.
- **Silo Ridge:** A mixed-use village including the adaptive reuse of 45,000-SF of historic barns into artisan retail shops and restaurants coupled with the new construction of 81 for-sale residences.
- **Broughton Terrace:** New construction and adaptive reuse of four historic buildings in the historic hospital campus to create 203 market-rate apartments.
- **Colony Commons:** New construction and the adaptive reuse of the historic agrarian colony buildings as a 144-unit independent living rental community with amenities for active senior adults.
- **Hotel Avery:** The adaptive reuse of the landmark Avery Building in the core of the historic hospital campus into a 118-room full-service, luxury hotel with conference center, restaurant and spa amenities. Adjacent to the hotel will be a 53-unit multi-family residential project and a new 51,000-SF Western NC Discovery Center museum complex.

CONTEXT AND SITE FEATURES

Nestled in the foothills of western North Carolina is the charming city of Morganton (2016 pop. 16,900)—a principal city of the Hickory-Lenoir-Morganton metropolitan area (pop. 365,000) that is poised to capture demand for housing, retail and commercial development over the coming years. Its lively downtown, steady economy, and centrality to the Blue Ridge outdoor recreation opportunities have made it a destination for in- and out-of-state households. Once dependent on textiles and manufacturing, the region now sees a flourishing tourism industry and economic investment from Fortune 500 companies, including General Electric, Google, and Apple. Sustained growth in the surrounding cities of Charlotte, Asheville, and Boone—all within a 1-hour drive of Morganton—complement the advanced manufacturing, healthcare, and emerging technology industries in this region. The District lies at the heart of the region and draws on the following strengths:

- **High Visibility:** The District is situated between exits 103 and 104 on the I-40 corridor and is bounded by three other business highways. In total, more than 125,000 cars pass the District each day.
- **Historic Grounds:** The Historic Broughton Campus was developed over 140 years ago and was listed in the National Register of Historic Places in 1987, based on 60 contributing buildings built between 1875 and 1940. In addition, large specimen ginkgo, catalpa, oak and other variety of trees have matured across the entire District, adding to its historic and grand aura.
- **Natural Beauty:** The topography of the District offers dramatic and picturesque views of the surrounding mountains. Hunting Creek, a tributary of the Catawba River, has carved out a steep valley through the center of the District, where slopes reach 55 degrees in some areas. The most fertile land for agricultural development is found along Hunting Creek, where Western Piedmont Community College has installed a 10-acre agricultural plot, as well as a model sustainable farm.
- **Permissive Zoning:** The entire District is located within the city limits and is covered by two zoning designations: high intensity district (HID) and state institutional district (SID). Within these zoning designations, a variety of residential and commercial land uses are permitted, as well as farming and livestock. There is a max density (with provisions) in HID of 20 dwelling units per acre and a max building height of 65 feet. There is no max density within SID and a max building height of 65 feet. These restrictions do not pose barriers to a market- and site-appropriate scale of new development.
- **Available Infrastructure:** The existing anchor institutional tenants have brought all critical utilities to the District. With a development strategy centered around adaptive reuse of historic buildings, extensions of water and sanitary sewer lines will be a modest investment for new construction sites. A regional stormwater pond to serve the eastern half of the District is part of planned public investments. In addition, the District is already served by high-speed broadband Internet.



DISTRICT OPPORTUNITY SITES

BROUGHTON DISTRICT PUBLIC AMENITIES AND INFRASTRUCTURE



A set of public amenities, including greenways, park space and a pond, will stitch together the development sites within the District and provide both visitors and residents with access to unique outdoor recreation areas. Hunting Creek, a primary tributary of the Catawba River, which flows South to North through the center of the District, serves as the backbone for many of these significant public amenities.

HUNTING CREEK GREENWAY (\$4.8M)

The first phase of the Broughton District Hunting Creek greenway, a 1.4-mile 10'-wide paved path, begins at the historic stone arches of Broughton Hospital at Sterling Road, meanders along Hunting Creek past the newly developed NC School of Science and Math campus and ends at the culverts that pass under I-40. This path serves as the central pedestrian corridor of the District which will join up with the planned greenway along College Street and provide direct access for cyclists and walkers into downtown Morganton and beyond to the Catawba River greenway. This proposed greenway has already been incorporated into the City of Morganton 2018 Parks and Recreation Master Plan. A future phase of the Hunting Creek greenway spine uses one of the culverts under I-40 to extend the trail south to the J. Iverson Riddle Center as well as Patton Middle School and Liberty High School on Enola Road.

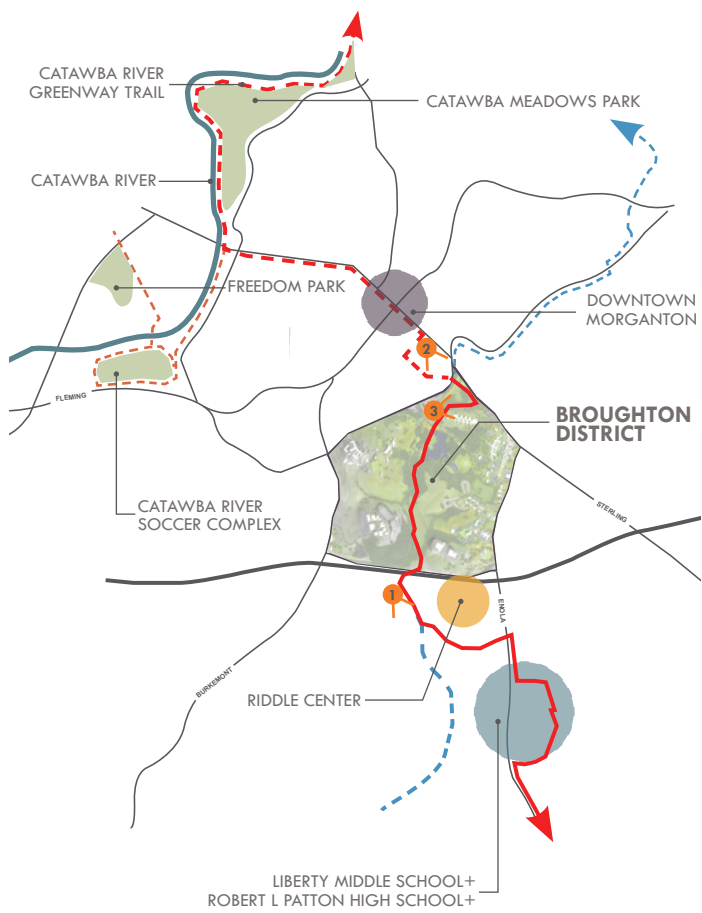
ESTC RELOCATION (\$4.3M)

At the center of the Broughton District is currently the Burke County Emergency Services Training Complex (ESTC) that will be relocated to a site outside of the 800-acre District, opening up this highly visible portion of land for public space development.

BROUGHTON POND AND PARK (\$8.3M)

The relocation of the Burke County ESTC facility opens up 18 acres for the development of a park and pond that includes a loop trail, wetland boardwalk, passive open spaces and pavilions for public gatherings and events. Direct access to the Broughton Pond is through the park.

The Broughton Pond serves multiple purposes within the District. The 11-acre water feature, built primarily within the 100-year floodzone, is designed to collect and filter the stormwater runoff from the eastern half of the Broughton District, serve as an educational laboratory to teach visitors about regional water quality issues, as well as establish a visually stunning centerpiece to the District redevelopment. Many of the development opportunities within the District have impressive views to this feature, and greenway trails have been planned to link the individual development projects within the District down to this feature. Along with the greenway, this proposed park space has already been incorporated into the City of Morganton 2018 Parks and Recreation Master Plan.



1 GREENWAYS AND TRAILS



2 ROADWAY IMPROVEMENTS



3 GREENWAYS AND TRAILS

BROUGHTON DISTRICT REGIONAL OVERVIEW

A STRONG CONNECTION TO NATURE

Claiming one of the most scenic locations on the east coast, Morganton sits in the foothills of the Blue Ridge Mountains and is known originally as “nature’s playground” due to its easy access to outdoor recreation. Morganton is situated along major transportation corridors that make it a gateway to several of the most popular outdoor attractions in Western North Carolina—Linville Gorge, South Mountains State Park, Pisgah National Forest, and Lake James. The region’s national forests, state parks, farms, orchards, and vineyards draw tourists, while Morganton itself offers trails, golf courses, athletic facilities, and historic sites within minutes of downtown.

A DIVERSE AND RESILIENT ECONOMY

One of the region’s primary industry specializations is manufacturing, which has historically served as the economic backbone of Western North Carolina. Indeed, legacy industries in furniture and textile manufacturing still maintain large workforces in the region and have spurred a cluster of specialized machining businesses that offer well-paid, skilled jobs. In addition to this stable industrial base, technology firms have made large investments in the region in recent years. Government-sponsored public service facilities such as the local hospitals and schools have also provided a steady base of employment.

The Hickory-Lenoir-Morganton Metropolitan Statistical Area (MSA) represents a regional economy anchored by Interstate 40 and Route 321. The MSA is specialized in healthcare services and education, and contributes to Western North Carolina’s competitive advantage in advanced manufacturing industries – industries using technology and improved processes to increase productivity across a range of manufactured products. Major employers in this sector include Case Farms (food processing), Leviton (electrical component manufacturing), Continental (automotive manufacturing), and Viscotec (automotive textiles manufacturing), which together account for 3,400 jobs in the region.

Morganton itself contains several prominent healthcare centers, including the Carolinas HealthCare System–Blue Ridge Hospital, one of the largest employers in the region, and the new Broughton Hospital, which represents a \$130 million investment by the State into the city. Morganton also benefits from strong regional educational institutions, many of which have long focused on preparing the workforce for advanced and post-manufacturing employment. These include Appalachian State University (Boone), Western Carolina University (Cullowhee) and UNC-Asheville (Asheville). Alongside its access to these institutions, the City of Morganton is home to Western Piedmont Community College, North Carolina School for the Deaf, and now, the new western campus of the North Carolina School of Science and Mathematics, an elite residential high school in the UNC system. These Morganton-based institutions account for over 7,000 students receiving specialized training in preparation for well-paying careers in technology, healthcare, and other industries.

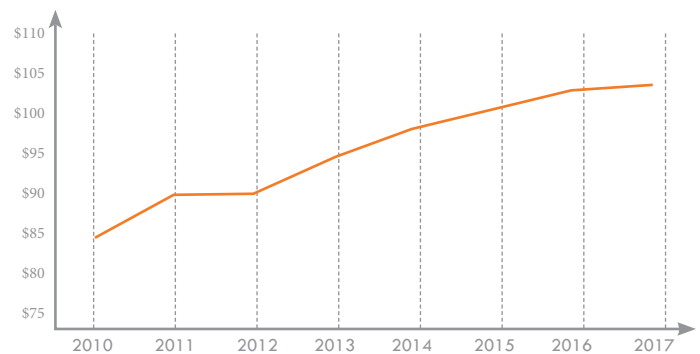
The MSA experienced strong job growth in 2016 and early 2017, and recent industrial recruitment alone will add more than 250 jobs to Burke County over the next five years. Nearby data centers for large tech companies, including Google, Apple, and Facebook, are recruiting a new skilled tech workforce to the area.

The MSA has begun to attract high-skill industries that will enhance the employment base and raise wages in the coming years.

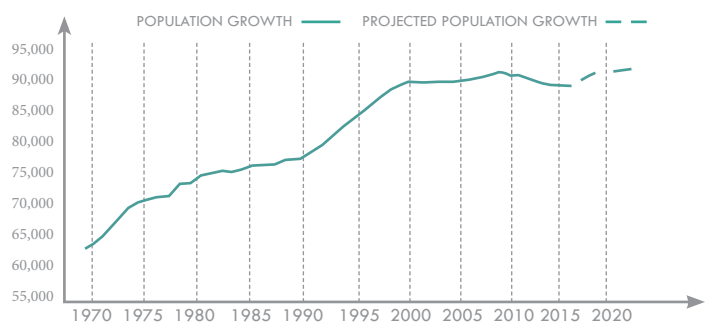
CONNECTED TO HISTORY, PREPARED FOR THE FUTURE

Historic downtown Morganton is seeing this renewed energy in the form of investment in craft breweries and farm-to-table restaurants that attract visitors seeking an authentic culinary experience. The adaptive reuse of several historic commercial buildings has rejuvenated the city’s downtown, which is flourishing with boutique shops, a first-run movie theater, and a performing arts venue with a full slate of Broadway shows and national acts. The repurposed historic Premiere Mill – now an award-winning mixed-use project, home to city hall, event space, and luxury apartments – anchors one corner of downtown and has spurred new investment in surrounding blocks while also contributing to Morganton’s historic character and charm.

VISITOR EXPENDITURES IN BURKE COUNTY (\$ MILLIONS)

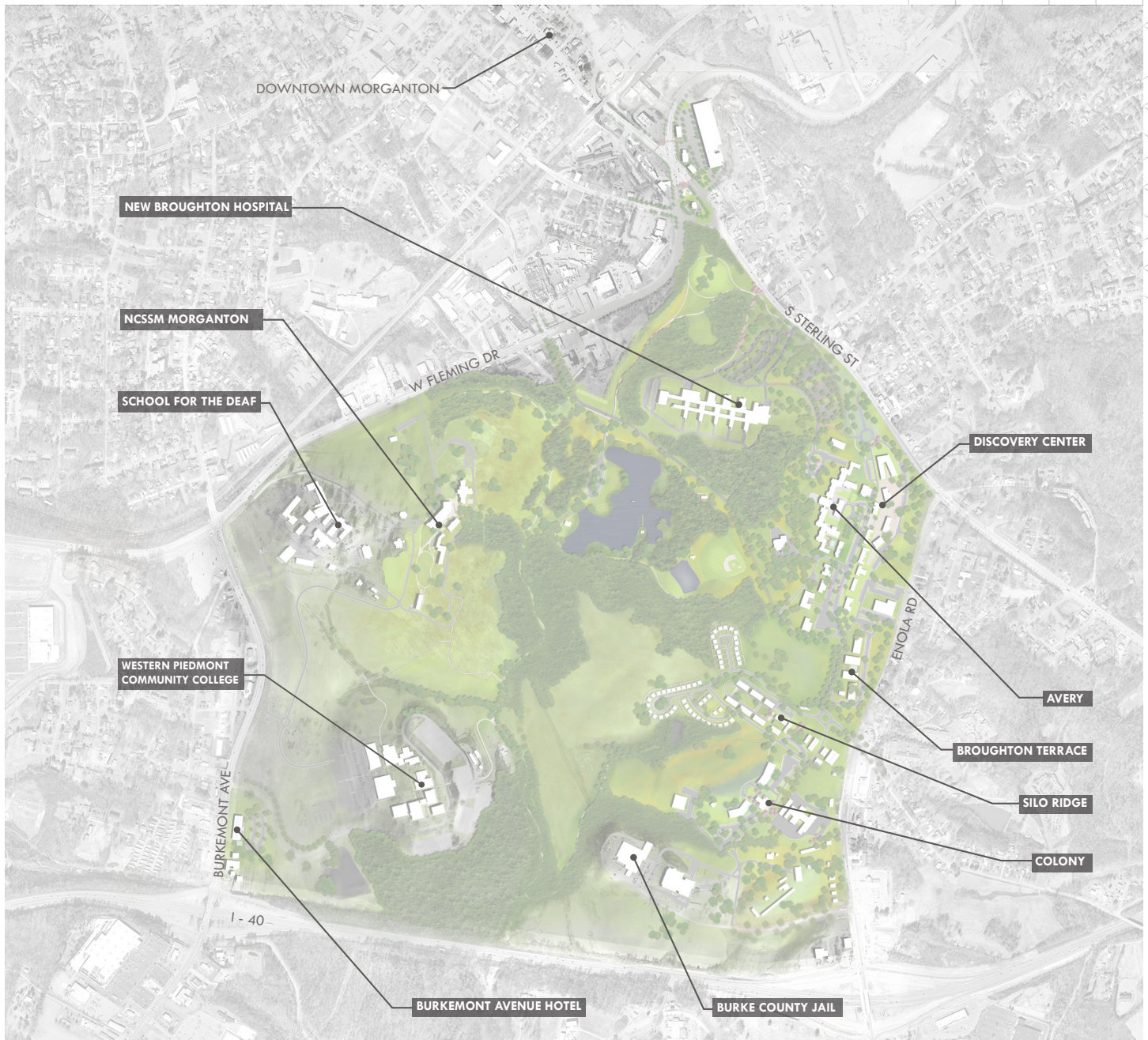


BURKE COUNTY POPULATION PROJECTIONS

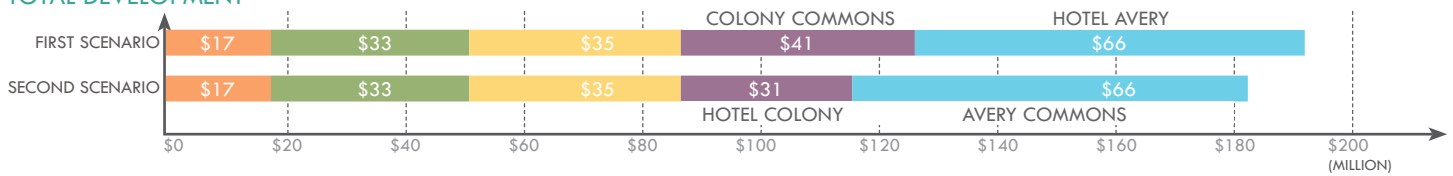


Announced Investments in Burke County in 2018

Organization	Job Growth	Investment
Jackson Corrugated, LLC	42	\$11.5 M
ZRODELTA	151	\$34 M
Sunrise Global Marketing	187	\$8 M
Continental	160	\$40 M
VEKA	102	\$18 M
Molded Fiber Glass	20	\$8 M
NC School of Science and Mathematics		\$78 M
Total Investment in Burke County		\$197.5 M



TOTAL DEVELOPMENT



10 - YEAR DEVELOPMENT TIMELINE

