ANCHOR
Affordable North Carolina Housing Organization

We build communities. We create homes.

Addendum: County Demolition and Transfer of a Vacant Lot to ANCHOR

Adaptive Reuse Proposal Supplement

A County-Led Demolition and Land Transfer Is the Most Cost Effective Strategy

1. It significantly reduces total development cost.

Demolishing the 1970s Hall of Justice avoids the highest cost drivers in adaptive reuse work, including costly mechanical, electrical, and plumbing replacement, structural adaptations for new shafts, and interior reconfiguration designed around courtroom layouts. National adaptive reuse studies show that these conditions routinely drive total development costs into the mid-300s per square foot range or higher, *especially* in concrete civic buildings. New construction of a midrise, mixed-use building generally falls into the $200 to $300 per square foot range depending on scope and market conditions. If the County handles demolition and transfers a clean site, the overall project budget becomes lower and more feasible for affordable housing.

2. It eliminates a major source of uncertainty and delay.

Adaptive reuse requires extensive reconfiguration, environmental testing, and engineering design around unknown structural and mechanical conditions. A shovel-ready lot removes these risks and shortens the schedule. The project timeline becomes shorter, more predictable, and more attractive to lenders and tax credit investors.

3. Demolition is more efficient when completed once and at scale.

Counties can competitively bid demolition, abatement, and hauling as a single procurement. Commercial demolition typically ranges from $4 to $8 per square foot, with heavy concrete potentially costing more. For a building of approximately 171,750 square feet, demolition is likely in the $700,000 to $1.4 million range plus abatement and disposal. Once the building is removed, the County can deliver a fully cleared pad to ANCHOR and remove decades of deferred maintenance liability.

4. A new building allows correct integration of a grocery tenant.

A grocery tenant requires very specific loading, refrigeration, electrical, and backbone infastructure layouts that are difficult and costly to retrofit into a former courthouse. Designing the ground floor from scratch allows a right sized grocery footprint, a functional loading dock, and modern building systems. Tenant improvements for grocers often run between $117 and $155 per square foot, and developers typically provide a shell in the $200 to $300 per square foot range for retail. Purpose built space improves leasing success and tenant operations.

Main Office • 2585 W. Clemmonsville Road, Ste 102, Winston-Salem, NC 27127 • 336.765.3906 tel • 336.765.3909 fax

5. Free land improves long-term affordability and competitiveness.

Land cost is one of the largest barriers to deeply affordable housing. A zero-cost land transfer strengthens LIHTC scoring and allows the units to remain targeted at 30% AMI. It also improves the overall debt service ratio and supports long-term sustainability.

What Can Be Built on the Current 1.69 Acre Parcel

The parcel is currently zoned CB Commercial. Given its size and location it could easily be rezoned as RM-18, which supports 18 dwelling units per acre. On 1.69 acres, this equals roughly 30 to 31 units. However, RM-18 does not permit a grocery store or most forms of ground floor retail.

To deliver a full mixed-use development that includes both affordable housing and a neighborhood grocery store, the site should be rezoned to a mixed-use district such as PB (Pedestrian Business) or MU-S (Mixed Use Special Use). These districts explicitly allow a combination of residential, retail, grocery, and service uses, along with the height and density needed for a multi-story building.

ANCHOR would propose a five to six story mixed-use building, with a one-story grocery and services podium and four to five stories of affordable housing above, which is the same midrise format used successfully in mixed-income, grocery-anchored projects across the country. We know that strong, demonstrable, community outcomes result from pairing housing and food access. These precedents support Forsyth County and the City's desire to improve downtown vitality, increase food access, and grow the supply of units targeting 30% AMI and similar income levels.

After rezoning, the following program concept is most feasible:

A Neighborhood Market Podium w/ Courtyard Residential Wrap

- Grocery footprint between 12,000 and 15,000 square feet
- Housing between 90 and 120 affordable units
- Simple circulation pattern and strong pedestrian engagement
- Parking located under the podium (covered) and behind the building (uncovered)

Final unit counts would depend on height allowances in the approved rezoning, final parking strategy, site plan configuration, and the selected grocery tenant's operational requirements.

Examples of Similar Mixed-Use Developments w/ Grocery Stores

Goat Blocks
Portland, Oregon
Residential: multi building mixed use community with several hundred apartments
Grocery: Market of Choice Belmont, a neighborhood format grocery in the 15,000 to 25,000 square foot range

Additional retail: restaurants and neighborhood serving shops
Structure type: residential wrap around podium retail, mostly 4 to 6 stories

- Demonstrates residential units directly above and beside a modest footprint grocery
- Shows successful operation of a neighborhood-oriented grocer rather than a full supermarket
- Located on a constrained urban infill site similar to downtown parcels
- Illustrates the practicality of a mid-rise wrap configuration

Henderson Place
Atlanta, Georgia, Old Fourth Ward
Residential: approximately 76 to 100 units of affordable housing depending on source info
Grocery: ground floor space reserved for a small grocery store or community market of neighborhood scale
Mission: affordable housing on the BeltLine with direct access to food

- Affordable housing directly above a small footprint grocery-oriented retail space
- Designed for a community market that matches the 12,000 to 15,000 square foot concept envisioned for Forsyth County
- Demonstrates successful rezoning and redevelopment of older housing into a modern mixed use program

Wheaton Safeway Mixed Use
Wheaton, Maryland, Montgomery County Planning Case Study
Residential: multi story apartments
Grocery: full service Safeway on the ground floor
Structure type: apartments above a medium scale neighborhood grocery
Planning notes: cited as a successful example of vertical mixed-use retail and housing

- Demonstrates a large grocery below residential units in a suburban to urban transition zone
- Confirms that podium and wrap strategies work in a variety of jurisdictions
- Strong retail tenant paired with housing is a tested model in this county level planning study

Approximate Cost Per Unit Estimates

Assuming the County transfers land at no cost.

Residential development costs for new mid-rise construction typically include:

- All in cost range between $200 -$300 per square foot (including parking, community spaces, services spaces, build-out, etc)
- Average of 900 to 1,000 square feet per residential unit

This results in approximate cost per unit between $180,000 and $300,000 dollars depending on final design and material selections.

Retail and grocery shell costs:

Typical developer provided grocery shell cost ranges from $200-300 per square foot. Tenants generally fund interior build out using budgets of $117-155 per square foot. If we chose to fund a smaller CSA or co-op style market, costs would vary, but grants are widely available.

County demolition costs:

Estimated between $700,000 -1.4 million based on national averages for commercial demolition and the size of the existing courthouse.

Parking:

These cost projections provide for between 95 and 135 total parking spaces, including 40 to 55 spaces dedicated to the neighborhood grocery and 55 to 80 spaces dedicated to residents. This approach matches national best practices for mixed use developments that pair a smaller format grocery store with mid-rise affordable housing.

Why This Path Helps the County Achieve Its Goals

1. It is more cost effective and reduces overall financial risk.
2. It produces a clean, shovel ready site that accelerates the development timeline.
3. It allows a purpose-built grocery store that meets community needs.
4. It delivers more housing units on the same site than adaptive reuse.
5. It supports deeper affordability through zero land cost and zoning designed for mixed use.