

Kerr-McGee Chemical Corp Site – Navassa

Market Analysis
Summary of Key Findings

February 2018

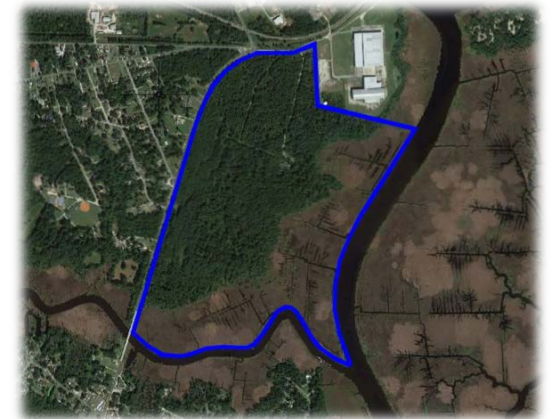
Prepared for
Greenfield Environmental Multistate Trust
Trustee of the Multistate Environmental Response Trust



Prepared by Greenfield Development
and Benchmark Planning

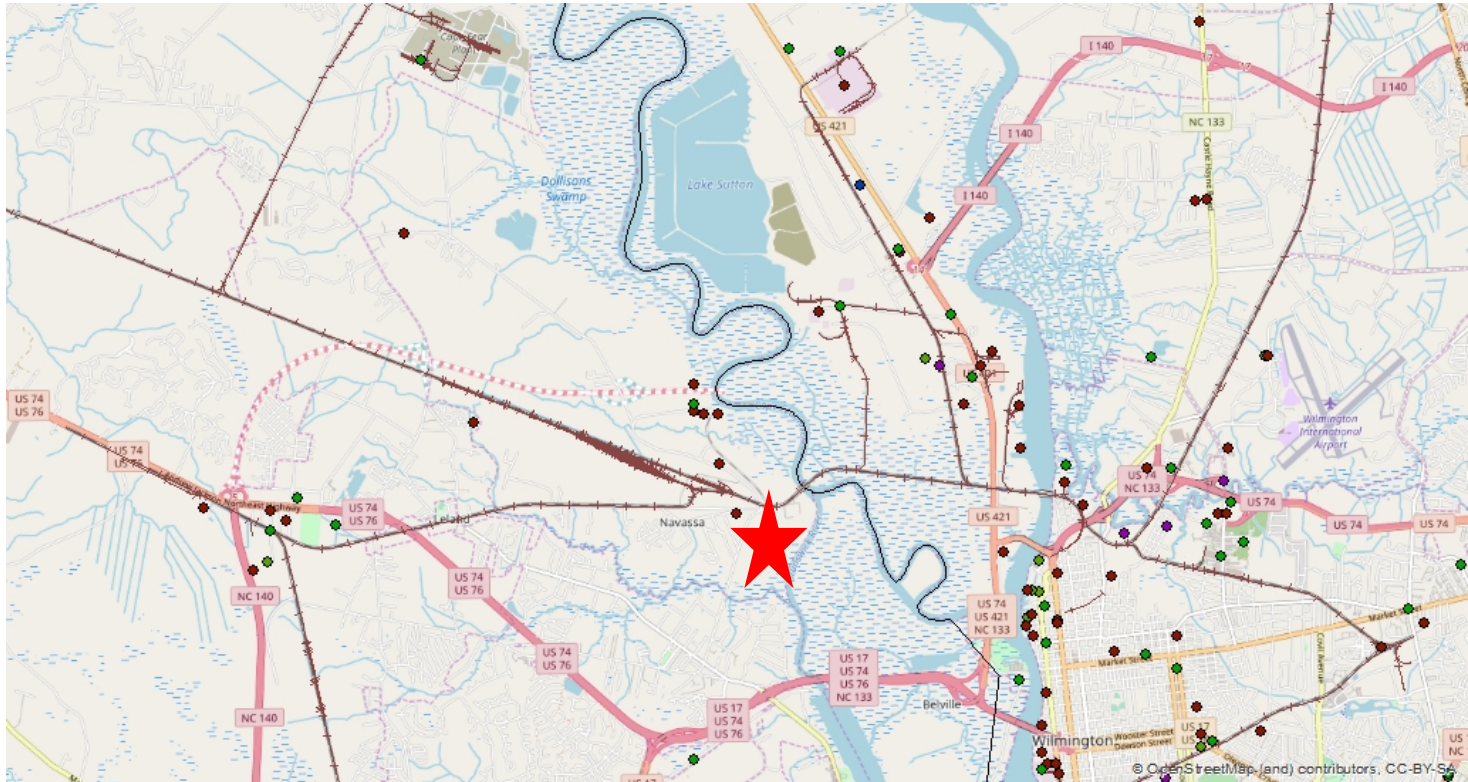
Market Analysis Summary

- Introduction
- Data
- Residential Development Potential
- Commercial Development Potential
- Industrial Development Potential
- Recreation Development Potential
- Conclusions



Brownfield site redevelopment is a growing trend in US

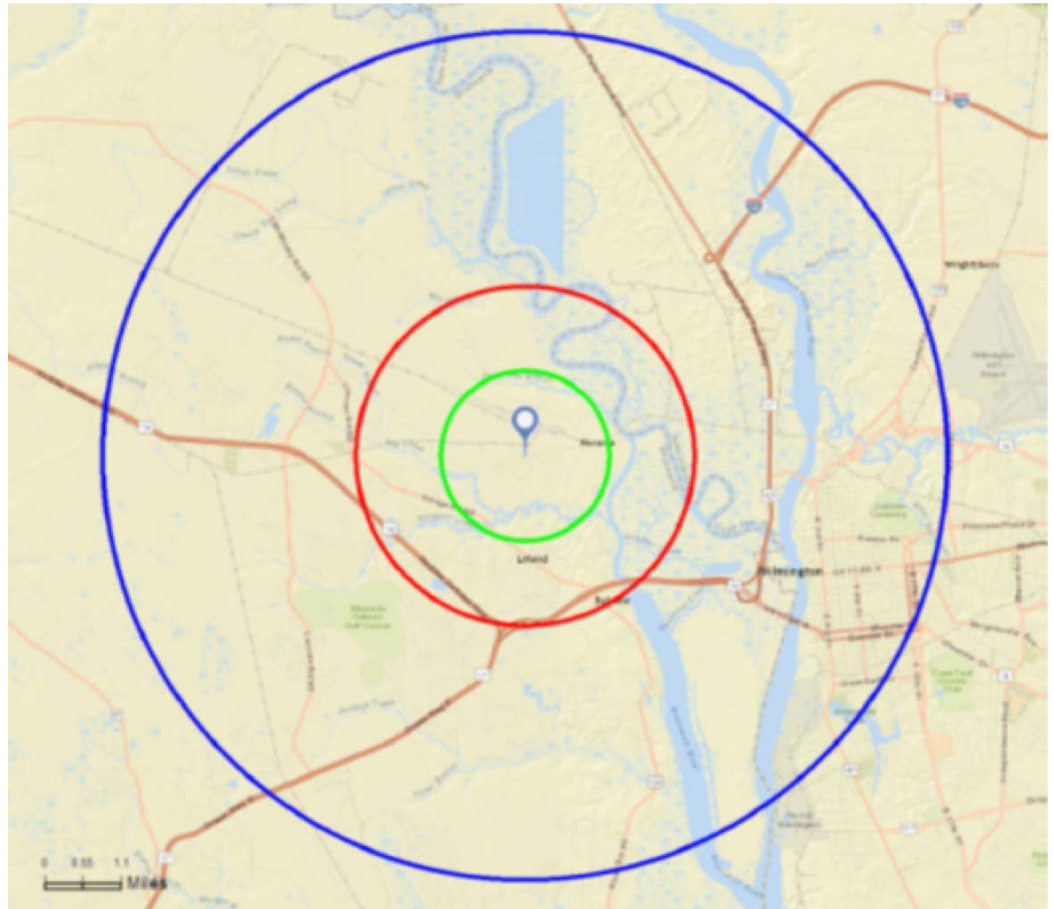
- Many examples of redevelopment planning, just in NC
- Other environmentally impacted sites in and near Navassa



Map of NCDEQ database sites

Navassa Data

- 1 mile ring
 - Old Navassa
- 2 mile ring
 - Navassa and N. Leland
- 5 mile ring
 - Includes Downtown Wilmington



Demographics 2017

	1 mile	2 mile	5 mile
Population	1,429	5,499	42,713
Median age	37.0	37.1	38.9
Households	512	2,175	17,903
Median income	\$42,000	\$43,753	\$42,272
Mean income	\$50,902	\$55,166	\$59,268
Housing units	575	2,423	20,758
Owner occupied	59.5%	54.4%	49.9%
Renter occupied	29.6%	35.3%	36.3%
Vacant	11.0%	10.2%	13.8%
Median home value	\$136,321	\$151,051	\$193,594

Data source: ESRI



Demographics 2017 (2016)

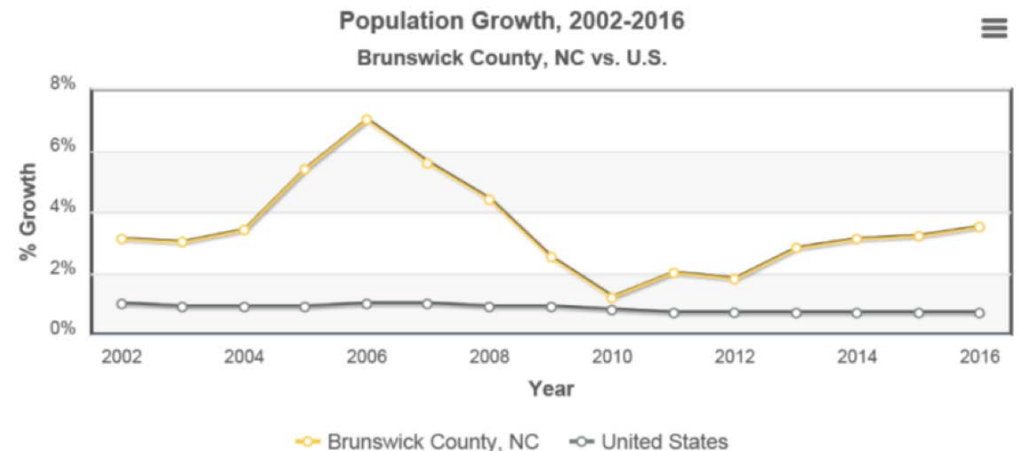
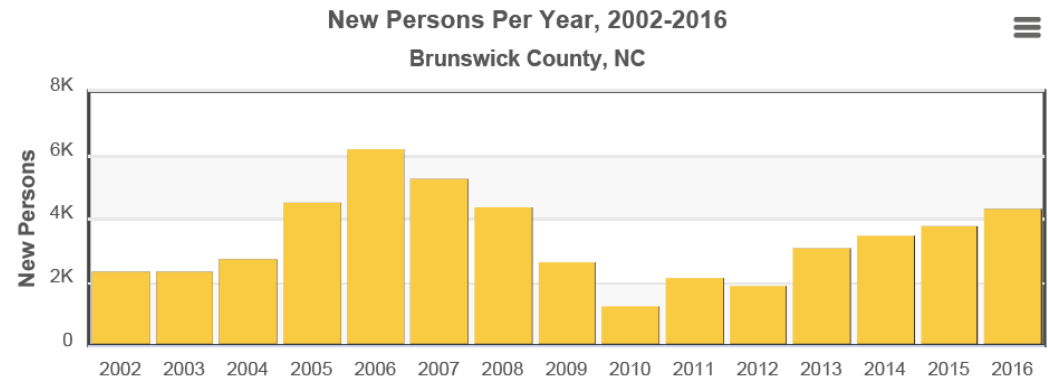
	1 mile	2 mile	5 mile
Population	1,429 <small>1404</small>	5,499 <small>5367</small>	42,713 <small>42543</small>
Median age	37.0 <small>36.6</small>	37.1 <small>36.7</small>	38.9 <small>38.7</small>
Households	512 <small>499</small>	2,175 <small>2126</small>	17,903 <small>17905</small>
Median income	\$42,000 <small>42,318</small>	\$43,753 <small>43,974</small>	\$42,272 <small>40,770</small>
Mean income	\$50,902 <small>52,126</small>	\$55,166 <small>55,102</small>	\$59,268 <small>56,937</small>
Housing units	575 <small>565</small>	2,423 <small>2,398</small>	20,758 <small>20,878</small>
Owner occupied	59.5% <small>59.5</small>	54.4% <small>54.4</small>	49.9% <small>49.9</small>
Renter occupied	29.6% <small>28.8</small>	35.3% <small>34.2</small>	36.3% <small>35.9</small>
Vacant	11.0% <small>11.7</small>	10.2% <small>11.3</small>	13.8% <small>14.2</small>
Median home value	\$136,321 <small>130,851</small>	\$151,051 <small>149,262</small>	\$193,594 <small>190,697</small>

Data source: ESRI



Brunswick County Growth

- Fastest growing county in NC
 - Up 18% from 2010 to 2016
- One of the fastest growing counties in the US



Average Weekly Wages 2016

Brunswick County Data
Source: NC Commerce

Utilities	\$2151 (\$111,852)
Professional Technical Services	\$1157
Finance Insurance	\$1081
Management of Companies	\$990
Manufacturing	\$938
Information	\$933
Wholesale trade	\$911
Public Administration	\$842
Transportation, warehousing	\$815
Construction	\$804
Healthcare, social assistance	\$775
Brunswick County average	\$711 (\$36,972)
Real estate	\$638
Educational services	\$606
Other services	\$588
Administration and waste services	\$561
Retail	\$458
Arts, entertainment, recreation	\$370
Accommodation, food service	\$311 (\$16,172)



Navassa Employer Data

- Only 44 existing employers listed with Navassa address*
 - Only 2 businesses with more than 10 employees
 - Coastal Home Health (53 employees)
 - Tatum Insulation (47 employees)
 - Other employers with more than 10 employees
 - Town of Navassa
 - Navassa Fire Departments
 - Only 4 retail establishments in 1 mile ring

*Some businesses located in Navassa have a Leland address

Data source: D&B Hoovers



Area Employer Data

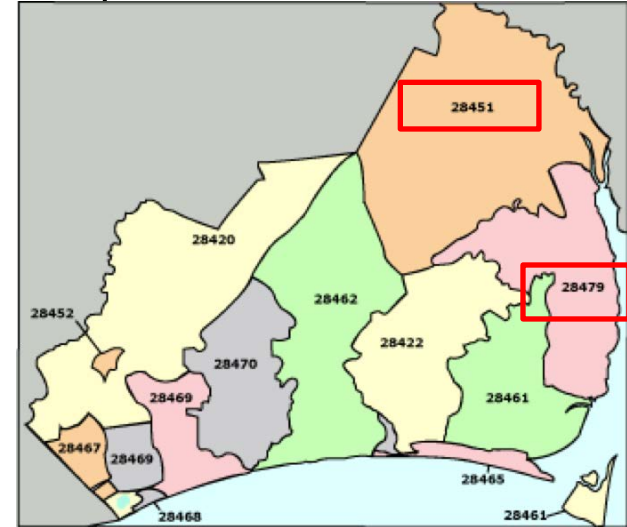
- 1711 employers in the area (zip codes 28451, 28479)

- 7 employers with over 100 employees

- Walmart, Leland - 345
- Victaulic, Leland - 260
- Coating and Adhesives Corp, Leland - 180
- Brunswick Cove, Winnabow - 160
- D.H. Griffin, Leland - 108
- Harris Teeter, Leland - 100
- Belville Elementary - 100

- Other significant employers closer to Navassa

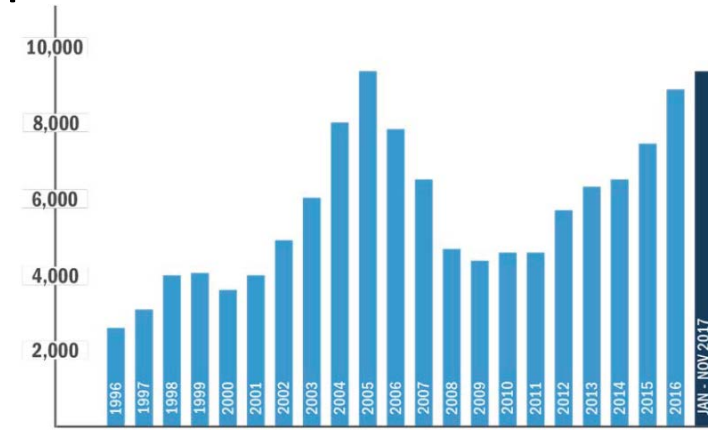
- General Wood Preserving, Leland - 99
- Bradford Products, Leland - 92
- Bolivia Lumber Co, Leland - 85
- American Distillation - 20
- HSM Machine Works - 20
- CSX Davis Yard (not on list)



Residential Development Potential

- High growth market in Navassa and region

- 2017 all time high for Cape Fear Region
- N Brunswick 4647 units sold
- N Brunswick 22.5% increase over 2016
- N Brunswick average Dec price - \$264,769



- Site's waterfront location is high value opportunity

- Significant need for workforce and affordable housing

- 30+% of Brunswick households are cost burdened (pay more than 30% of their income on housing)
- Brunswick Co. has twice as many mobile homes and half as many multifamily units as the NC average

- Large supply of housing lots approved and in development stage

- River Club
- Indian Creek
- Lena Springs



Residential Development Potential

- Limitations
 - Superfund sites can carry a negative perception for residential development
 - » Perception only – remediation to safe levels
 - Soil conditions create higher costs for tall, multi-story buildings (multifamily, condos)
 - » Common to all coastal properties
 - Proximity to water (coastal salt air and high water table) creates higher maintenance costs
 - » Less favorable for affordable housing
 - Adjacent to existing industrial use and railroad



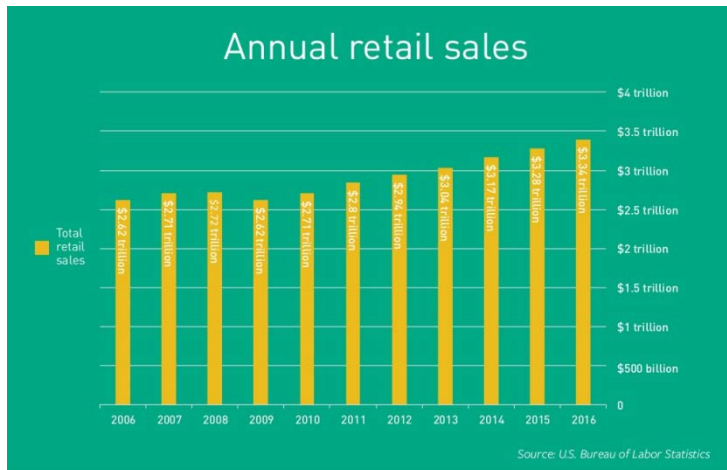
Residential Development Potential

- Ideas



Commercial Development Potential

- Retail follows rooftops
- No existing town center in Navassa
 - Only 4 retail businesses in 1 mile ring
- US retail sales growing 4% per year since 2010



nrf.com/futureofretail



nrf.com/futureofretail



Commercial Development Potential

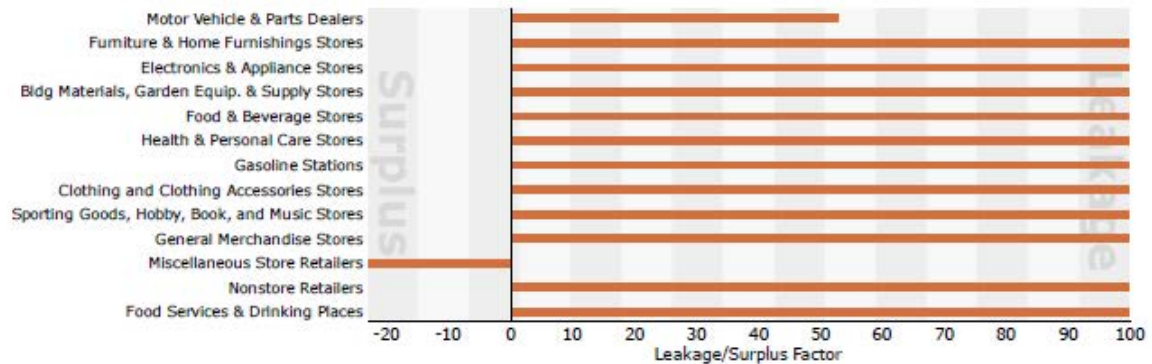
- Retail leakage* and opportunity (1 mile ring)

- In all but 2 sectors
- Most sectors 100%

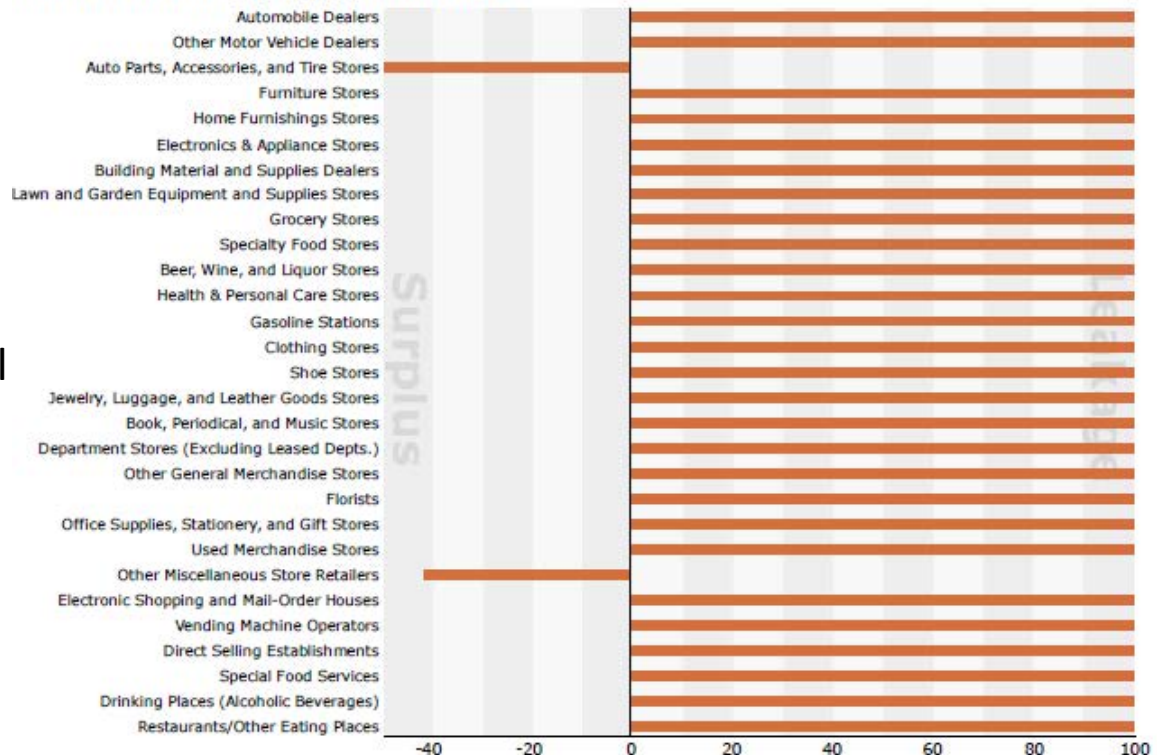
- Local developer's prediction

- New convenience retail likely in 2-5 years
- Neighborhood retail likely in 5+ years

*Expenditures leaving the area



Leakage/Surplus Factor by Industry Group



Commercial Development Potential

- Limitations

- Navassa Rd is not a major thoroughfare - low traffic counts
- Many houses planned but not yet built
- Less leakage in 2 and 5 mile rings
- Leland commercial development moving south of US17
- Interchange retail likely to be developed first



Commercial Development Potential

- Ideas



Industrial Development Potential

- Site has unique and robust infrastructure for almost any industrial project
- US and NC projects increasing
- Industrial jobs are among highest wages
- NC Ports have strategy to significantly grow warehousing / storage facilities, via all transportation modes
- Existing industrial zoning on site and adjacent
- In Foreign Trade Zone #214
 - Can defer, reduce or even eliminate US Customs duties on products admitted to the zone



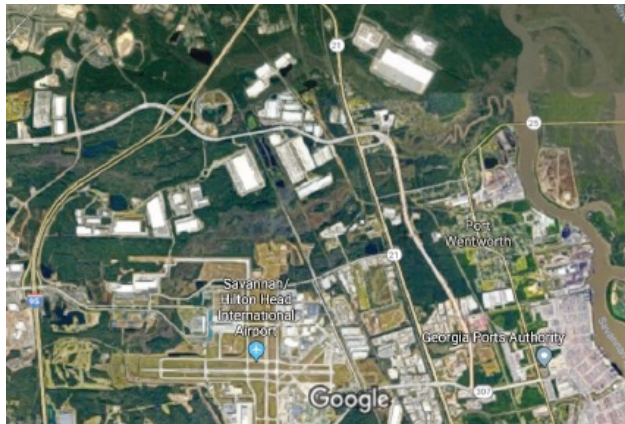
Industrial Development Potential

- Limitations
 - Sewer capacity is limited
 - Issue only for larger projects
 - Expansion discussions already underway
 - Road improvements required to access I-140 and US74
 - NCDOT Industrial Access Funds available
 - Marketing support needs improvement at local level
 - New EDC in place and experienced Executive Director hired
 - Possible Brunswick River limitation on barge traffic
 - Need to confirm 8-9 ft depths



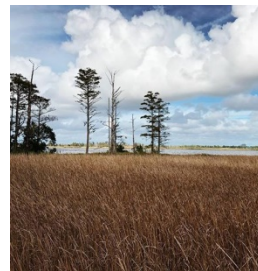
Industrial Development Potential

- Ideas



Recreational Development Potential

- Unique town history. No other cultural assets in the region that tell this story
 - In Gullah Geechee Heritage Corridor (NC to FL)
 - NC has new focus on regional cultural heritage sites related to African Americans
- Important water access and other related physical resources to draw tourists
- Near the coast in a large tourist draw area
 - 2016 tourism expenditures
 - Brunswick Co - \$544M
 - New Hanover Co - \$554M



Recreational Development Potential

- Limitations

- Site is remote in relation to other local tourist attractions

- Funding to develop tourist and cultural assets is scarce and competitive

- Public and private funds required



RECREATION
FUNDING



Recreational Development Potential

- Ideas



Conclusions

- The site is appropriate for any of the reuse types (residential, commercial, industrial, recreation)
 - None should be eliminated as potential opportunities
 - Mixed use possibilities
 - Each reuse type has opportunities and limitations



Conclusions

- Many other properties are for sale between the Site and the new I-140 interchange
 - Owners are receiving many inquiries
 - The first large project that is implemented along this corridor will likely set the market for the Site
 - The CSX railroad track could become the “wall” that separates the Site from a different type of use
 - The Town’s zoning control will play a large part in what the market is allowed to develop

