



cultivating a resilient urban lifestyle

Design and Development Strategy

The Sulphur Dell Market District is a healthy lifestyle community that catalyzes the revitalization of downtown Nashville in response to a burgeoning economy, a growing food-scene and an established healthcare industry. Based on the idea that a healthy lifestyle starts with a healthy landscape, the proposal is rooted in a framework comprising layered strategies of ecology, mobility and food. Drawing from the heritage and identity of the site, and leveraging the current construction of the ballpark, the framework creates the conditions for a diverse and resilient urban district which supports a healthy urban life.

Sulphur Dell presents challenges to development as a historic bottomland post-industrial site compromised by seasonal flooding and soil contamination. The site hosts Nashville's largest farmers' market, open 7 days a week, which helps to address the national problem of food scarcity and supports local businesses. Though the greater area that the site lies within is going through a process of gentrification, the surrounding neighborhoods are some of the poorest in the country with income levels under \$20,000/year and with over 60% of children living in poverty. The vehicle-centric street grid of the site creates a barrier between the fine grain of the residential fabric of Germantown and the historic grid of laneways and alleys in the city center. This proposal rethinks these challenges as opportunities for generating a diverse neighborhood rooted in the site's past identity yet able to adapt over time.

The Nashville Farmers' Market is strategically relocated to a new Market Hall and public plaza on the riverfront, celebrating Nashville's food culture and reconnecting the city to the Cumberland river. The market relocation creates development opportunity for the western edge of the site; a new medical research campus - a joint venture between the Meharry Medical College, Fisk and Vanderbilt Universities - reinforces health education and serves the broader community with outpatient care, clinics, and a community wellness centre. A network of public spaces along a storm-water swale connects the two anchors of the site and reinforces the pedestrian and transit-oriented aspects of The Sulphur Dell Market District in addition to creating value for future development. The swale uncovers the historic Sulphur Spring and stream in order to strategically reengineer the storm-water sewer line, designed to facilitate floodwater detention during storm events and to protect the surrounding development. Further reinforcing the district's food culture, heritage buildings are adaptively reused as restaurants, a culinary school, and farmers' market. The fabric of the neighborhood combines a diverse mix of uses and housing types in each block with an intricate street network and porous perimeter and courtyard, creating a diverse, walkable neighborhood that engages the greater community.

Sulphur Dell will be a destination for food, health, and iconic public open space, providing prime real estate for offices, institutions and mixed income housing, drawing suburban dwellers back to the city to experience the benefits of urban life. Through the establishment of typological strategies that can be applied beyond the site, the district will be a catalyst for future development and will set a precedent for resilient urbanism that facilitates a healthy urban lifestyle.

Financial Strategy

Sulphur Dell Market District builds upon Nashville's existing healthcare industry and a growing food scene. The healthcare industry in Nashville provides an overall economic benefit of \$30 billion to the local economy, with 250 health care companies located within the city alone. With the passing of the Affordable Care Act, this number is expected to rise significantly. Along with the growing demand for outpatient services to be positioned close to neighborhood centers, dedicated campuses including on-site labs and research are also on the rise. These drivers of change are leveraged as tools to further the development of Nashville's historic center.

The strategic relocation of the existing Farmers' Market into a new Market Hall on the riverfront, opens up the western edge of Sulphur Dell for the development of a research and medical campus, establishing two catalysts for development anchoring both ends of the site.

Phase I - CATALYZE

Development begins with the buyout of available parcels of land before an increase in pricing, as well as to carry out soil-improvement strategies and remediation concerns that might arise from the site's post-industrial nature. Development is undertaken as a public-private partnership with Metro Nashville and the Owners. Metro's interest in revitalizing the area, as well as the proposal's initiative to further improve flood resilience and walkable urban living through the open space network, would likely drive its support for the expansion of the farmer's market along the riverfront with a Community Development Block Grant. Construction also begins on the institutional portion of the Medical campus on the western edge in partnership with Fisk, Meharry and Vanderbilt Universities which act as Joint Venture partners and furnish a large portion of the equity in order to guarantee their purchase of the assets at the end of the hold period by buying out the Owners.

Phase II - CONSOLIDATE

Ownership of the condos on the waterfront property is obtained to consolidate land holdings for the farmer's market via Metro's use of eminent domain in order to relocate the existing Farmers' Market to a new Market Hall. Legal fees associated with the acquisition on the riverfront have been taken into account, as well as a conservative outlook for construction in anticipation of delays.

Phase III - CAPITALIZE

Development on both edges can leverage the value creation strategies implemented earlier to capitalize on the market and medical campus, providing for increased upscale housing, along with market rate and affordable units developed along the swale, with ground-floor retail kept on most assets to create an urban, diverse, mixed-use environment. The assets and strong community identity established by this phase will catalyze future development to extend further north and south connecting to Germantown and Downtown Nashville.

The debt balance is ~ \$485m with an LTC ratio of 63%. The owners' significant land holdings serve as collateral for a series of construction loans, in coordination with the start of each phase, which are then rolled over in to a permanent loan. The attached pro forma signals a significant return to Owners on capital (13% unlevered and 24% levered btirr). Public subsidies such as LIHTC and Sales TIF act as supplement to the existing equity. The pro forma returns are not dependent upon a subsidy, but rather the latter provides a supplement to traditional sources of debt and equity.