Investing in Green TODs: Case Studies and Success Factors
Cherokee is an Investor in Green TODs

Cherokee is a leading private equity firm investing capital and expertise in the redevelopment of urban infill sites, transit-oriented development and brownfields.

- >$2.0 billion of assets under management
- >$250 million will be spent on remediation
- >525 properties worldwide
- Current $1.2 billion fund to place
What does Cherokee do?
Perspectives on the Business Case

Sustainability Contributes to Investor Returns

Equal or Better Portfolio Returns
New Product Development or Business Diversification

Sustainable Redevelopment: Value Components

**Economic**
- Enhanced Tax Base
- Value Creation
- Local Providers
- Pricing Efficiency
- Job Creation
- Buying Power

**Social**
- Mixed Demographics
- Faster Absorption
- Stakeholder Engagement
- Risk Reduction
- Affordable Housing
- Public Incentives

**Environmental**
- TOD
- Density & Value
- Low Impact Development
- Acreage & Amenities
- Energy Efficiency
- NOI & Marketing
Case Study #1: Charlotte, NC

Site:
- Contamination -- a former dry cleaners, service station and chemical lab
- Located only a few miles from uptown Charlotte

Development Opportunity:
- Rail service began in late 2007 and ridership is exceeding expectations
- Currently no station exists in this development area
- Largest current developable land assemblage on the rail which allows for:
  - Enhancing community building
  - Improving connectivity for pedestrians and vehicles
  - Providing a better mix of uses and diversity of price points
  - Influencing public realm and creating gathering places
  - Creating synergistic land uses along the rail
- 1.5 million square feet of residential, hotel, office and retail use planned
Charlotte, NC

Investment Details
Estimated Development Value: $406 million
Size: 29 acres
Type: Mixed-use, TOD
Charlotte, NC

**Positive Impacts of Southline TOD**

- **Daily Commute**: 70 minutes vs 17 minutes, 75% reduction
- **Vehicle Emissions**: 14 Lbs. CO₂ equivalents/trip vs 3.5, 75% reduction
- **Land Use**: 94 acres developed vs 23, 75% reduction
- **Use of Alternative Transportation**: 22% public transit, 5% walking/biking, 27% reduction
- **Annual Energy Use**: 77 million natural gas, 63 million electricity, 260 million kBTU/year, 27% reduction

*Based on 2006 research conducted by Sasaki Associates.*
Case Study #2: Boisbriand, Québec

Site:
- Former General Motors automobile manufacturing plant
- Contamination -- hazardous waste storage areas, underground hydraulic hoists, and gas and diesel storage tanks

Development Opportunity:
- Canadian Urban Institute’s (CUI) “Brownie” Award for sustainable design and technological innovation
- Designed to Gold certification in LEED-ND pilot program
- 3-mile pedestrian network; 4-mile bicycle network with > 500 bike stands planned
- > 3,000 new jobs to be created
- > 2,400 new trees to be planted
- 1,700 residential units planned
- New Civic Town Center
Boisbriand, Québec

Investment Details
Estimated Development Value: $1.0 billion
Size: 232 acres
Type: Mixed-use, TOD
Boisbriand, Québec

New Rail Stop

0.5 miles
Green TODs: Success Factors

**Partnerships:**
- Supportive local government & community
- Collaboration with development and building partners who understand “value-based” proposition

**Communication:**
- Dispelling of myths (e.g., lower land value, higher construction costs)
- Reduction in carbon footprint as indicator of innovation and excellence

**Investment:**
- Use of cost-saving green measures (e.g., LID stormwater strategies, CD waste reuse, high performance building)
- Market to local demographics/psychographics
- Ability to change rules to create significant value