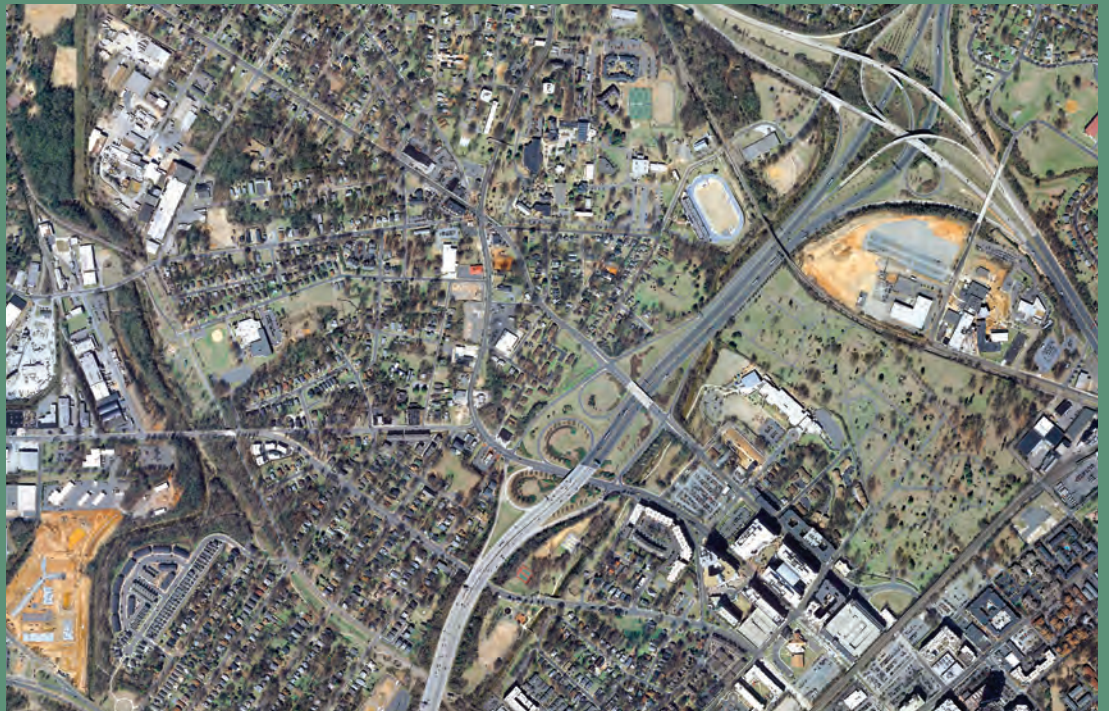


AN ADVISORY SERVICES PANEL REPORT

West Trade Street/ Beatties Ford Road Corridor Charlotte, North Carolina



**Urban Land
Institute**

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West Trade Street/ Beatties Ford Road Corridor Charlotte, North Carolina

Opportunities for Regeneration and Redevelopment

May 31–June 5, 2010
An Advisory Services Panel Report

Urban Land Institute
1025 Thomas Jefferson Street, NW
Suite 500 West
Washington, DC 20007-5201

About the Urban Land Institute

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing, and electronic media; and
- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has nearly 30,000 members worldwide, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians.

ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

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About ULI Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a panel assignment is intensive. It includes an in-depth briefing composed of a tour of the site and meetings with sponsor representatives; hour-long interviews of key community representatives; and a day of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with

key local community members and stakeholders in the project under consideration, participants in ULI's panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

ULI Program Staff

Marta V. Goldsmith
Senior Vice President, Community/Education Provost

Thomas W. Eitler
Vice President, Advisory Services

Caroline Dietrich
Panel Associate, Advisory Services

Gwen McCall
Senior Administrative Manager, Community

James A. Mulligan
Managing Editor

Laura Glassman, Publications Professionals LLC
Manuscript Editor

Betsy VanBuskirk
Creative Director

Craig Chapman
Senior Director, Publishing Operations

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ULI Panel and Project Staff

Panel Chair

Leigh Ferguson
Senior Developer
Bayer Properties
Birmingham, Alabama

Panel Members

Candace P. Damon
Vice Chairman
HR&A Advisors Inc.
New York, New York

Dan Fulton
President, Fulton Research Inc. - Real Estate Advisors
Fairfax, Virginia

William A. Gilchrist
Senior Associate
AECOM
Atlanta, Georgia

Warren Whitlock
Director, Office of Civil Rights
New York State Department of Transportation
Albany, New York

ULI Project Staff

Thomas W. Eitler
Vice President, Advisory Services

Foreword: The Panel's Assignment

In June 2010, the city of Charlotte invited a ULI Advisory Services panel to evaluate and make recommendations on a host of issues associated with the economic development and revitalization along the West Trade Street and Beatties Ford Road corridor. Sponsors for the panel include Johnson C. Smith University (JCSU), Johnson & Wales University (J&W), Charlotte Center City Partners, and the Bank of America. The ULI Foundation also provided funding.

Study Area

Located just west of Uptown Charlotte, the study area lies along the West Trade Street and Beatties Ford Road corridor from the J&W campus at Gateway Village to JCSU and the area south of the Brookshire Expressway known as Biddleville. The corridor is bisected by Interstate 77. As in many downtown neighborhoods throughout the country, the interstate, built in the 1960s, acts as both a physical and a psychological barrier, separating the two campuses. The area east of I-77, Gateway Village, is characterized by new office, institutional, and residential uses; an active and thriving street life; and proximity to the city center (Uptown) that has led to significant real estate investment over the past ten years. Gateway Village is anchored by J&W and Bank of America.

In contrast, the area west of I-77 is a collection of older and strip commercial development surrounded by aging residential areas, anchored on the northeast by JCSU. West Trade Street, Beatties Ford Road, Rozzelles Ferry Road, and West Fifth Street culminate in the multiway Five Points intersection, which is the traditional “gateway” from the neighborhood into JCSU. The Biddleville–Five Points area is one of the oldest African American neighborhoods in Charlotte with a rich history that is reflected in the remaining original residents and residential architecture.

JCSU has identified needs for new or expanded capital facilities. The university has identified these



Location map.

investments as opportunities to better connect the university to the surrounding community, to J&W, and to Gateway Center along the West Trade Street/Beatties Ford Road corridor. Developing these facilities in the best manner and locating them to spur revitalization and economic activity along the corridor is in the joint interest of both universities.

Numerous planning efforts along this corridor include the West End Land Use and Pedscape Plan (adopted 2005) and the ULI Historic West End Overview of West Trade Street (2002–2003). The Center City 2020 Plan is currently being developed and includes this geography and general recommendation in its

Regional map.





scope. A modern, high capacity streetcar is also planned for this corridor, and engineering studies are currently underway.

The Panel's Assignment

Simply put, the panel's assignment was to provide strategic advice regarding the revitalization of the West Trade Street/Beatties Ford Road corridor. The specific questions were as follows:

- Where should new or expanded JCSU capital facilities be placed along the corridor?
- What development concepts can be provided for immediate implementation?
- How can privately owned housing meet the needs of JCSU and J&W students, faculty, and staff?
- What is the most appropriate way to encourage private development activity?
- How can the city and the universities bridge the development gap and the interstate highway between JCSU and J&W?
- How can the stage be set for longer-term redevelopment projects, and what are the long-term parking needs for those projects?
- How can the surrounding communities be protected from the impact of this growth?
- How can the planning efforts from the last five years be transformed into a revised vision and plan for this corridor that relates these facilities to the neighborhoods and Center City Charlotte?
- What is the appropriate role for the public sector to assist with these redevelopment efforts?

The panel was also asked to provide an action plan for implementing its recommendations.



JCSU and J&W are two important institutions anchoring the West Trade Street/Beatties Ford Road Corridor at the western edge of Uptown Charlotte.

Summary of Recommendations

The panel's recommendations revolve around the following prominent ideas.

Act on the Development Program

Redevelopment of the corridor is a multiphased initiative to incorporate appropriate services and amenities that will complement and be supported by this important educational and residential community. This program should include JCSU's off-campus development plans that help foster a critical mass of retail services using the student and neighborhood populations as the drivers. Examples of these catalytic projects include a bookstore-coffee shop immediately adjacent to the university.

Improve the West Trade Street/I-77 Underpass

The panel recommends a focused look at improving both vehicular and pedestrian access on the West Trade Street underpass, including use of a contemporary urban lighting program coupled with art lighting such as a Jumbotron-style display, reader board, or interactive media wall that could be programmed by JCSU. In addition, the panel recommends one or more art displays that are capable of accommodating frequent changes near the underpass for art exhibits from university activities. These treatments will act as enticements to open up the area west of I-77 for patrons of Uptown and Gateway Village.

Create an Academic Center of Excellence

The panel recommends identifying a specific site adjacent to the West Trade Street corridor on which to locate an elementary or middle school that is connected to JCSU and the neighborhood. A school will support a greater JCSU role in the education mission of the neighborhoods and provide a long-term link between the university and the neighborhoods.

Identify and Enhance Cultural Elements

The panel recommends a new focus on the heritage of the study area's African American community as a means to connect JCSU with the new multimodal train station and the cultural attractions in Uptown. This connection could include signage and wayfinding elements for a cultural trail and rehabilitating the Pharr building as a theater to anchor the northern end of the corridor.

Establish a Formula for Financing and Governance

The panel recommends a specific financing plan to undertake the development program, specifically the catalytic bookstore proposal. This strategy also suggests a governance formula that lays out roles and courses of action for the city, JCSU, a not-for-profit developer, the Charlotte Mecklenburg Development Corporation, Charlotte Center City Partners, and others to move forward in the near term.

Market Potential

As with most ULI Advisory Services panel assignments, understanding the socioeconomic trends of a study area is invaluable. ULI believes that successful urban planning and land use policy can best be described as public action that generates a desirable, widespread, and sustained private market reaction. Socioeconomically, perhaps the study area’s most important attribute is proximity to the Uptown employment center. Employment growth in Uptown, which is the core employment center for the region, is critical to the success of this corridor. With employment comes demand for housing and new retail goods and services.

The historic West End corridor enjoys a rich heritage, a central location at the city’s urban hub, and a diverse and dense population. Currently, however, the area suffers from an unemployment rate that is nearing 12 percent, compared to 11.1 percent for the region. The demographics of the subject area are shown in the table below.

The study area has a relatively small population of 3,114, or less than one-quarter of a percent of the metropolitan area, with a large household size—more than three persons per household, compared to 2.53 for the metropolitan area. The study area has a homeownership rate that is nearly 50 percent. This finding is understandable given the affluence of the market and young age of households.

Demographics

| | Study Area | Charlotte Metro Area | Study Area as Percent of Metro Area |
|-------------------------|------------|----------------------|-------------------------------------|
| Population | 3,114 | 1,740,257 | 0.2 |
| Population growth rate | 2.31% | 2.78% | 83 |
| Average Household Size | 3.04 | 2.53 | 120 |
| Median Age | 23.9 | 35.9 | 67 |
| Owner Occupied | 34% | 62% | 55 |
| Median Household Income | \$31,284 | \$62,855 | 50 |
| Median Home Values | \$119,318 | \$159,442 | 75 |

Residential Demand

Urban neighborhoods are back in demand. With the aging of the millennial population, which is 80 million strong nationwide, and the aging of the baby boomer population, which begins turning 65 next year, interest has renewed in livable and walkable communities that support the lifestyle demanded by these consumer segments.

The panel’s analysis of demand for new homes shows that within a 15-minute drive time, a need exists for nearly 2,100 new homes averaging \$340,000 for first-time buyers and move-up buyers and \$320,000 for those households over age 55. Nearly 1,300 units should be targeted to the buyer earning less than \$75,000 and who can afford a home between \$100,000 and \$326,000. Also, over 40 percent of rental demand is in the 25 to 34 age range, followed by the 35 to 44 age range with 14 percent of the rental demand. These numbers bode well for additional rental units in the study area.

Residential Demand

| Type of Demand | Annual Demand | Rent/Price | Market Share | | |
|------------------|---------------|------------|--------------|-----|-----|
| | | | 2% | 4% | 6% |
| Renter | 3,490 | \$893 | 70 | 140 | 209 |
| First-Time Buyer | 1,674 | \$340,279 | 33 | 67 | 100 |
| Empty Nester | 475 | \$320,677 | 9 | 19 | 28 |

Retail Demand

According to the panel’s retail demand model, demand exists for roughly 1.3 million square feet of retail in the trade area that extends approximately three miles from the corridor. During the panel’s tour of the corridor, this demand appeared unsatis-

Retail Demand (Sq. Ft.)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | Five-Year Growth |
|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| Retail Demand Trade Area | 1,282,149 | 1,310,066 | 1,338,334 | 1,366,954 | 1,395,926 | 1,425,249 | |
| Retail Demand Corridor | | 27,917 | 28,268 | 28,620 | 28,972 | 29,323 | 143,100 |

fied, suggesting that retail revenue may be leaking out of the corridor to another part of the region.

Based on household growth and household income forecasts and on what the panel believes is a reasonable 3 percent capture rate for the trade area, retail demand for the corridor increases approximately 28,000 square feet annually.

Conclusions Regarding Market Potential

Tours of this corridor reveal a landscape that is devoid of adequate retail, suggesting the demand is not being met. Housing demand estimates for both new and resale homes show real potential for new homes in the corridor. The panel believes that with the oncoming economic recovery and proper positioning of appropriate catalytic projects on the west side of the interstate as noted later in this report, the market could sustain absorption rates to support development.

West Trade Street near JCSU is characterized by vacant and underperforming retail parcels.



Development and Planning Concepts

An underserved community, the corridor is well positioned for redevelopment that is supported by an important institution of higher education and a stable local residential community. Current revitalization efforts are led by the renewed vision and will of local leaders who are intelligent, energetic, visionary, and prepared to make change occur.

The redevelopment of the study area is a multiphase initiative to incorporate appropriate services and amenities that will complement and be supported by this important educational and residential community. With a residential population of 3,100 and a university population of approximately 1,600, the community has a demand demographic that supports modern retail establishments such as retail banking, entertainment and eateries, bookstores, pharmacies, retail, and professional offices.

As the largest generator of economic development activity in the community, JCSU is seen as the lead driver for this revitalization plan. The university's current plans to develop academic and retail facilities beyond the main campus are essential to the revitalization of the corridor.

A catalytic use adjacent to JCSU will improve the image of the commercial corridor. This conceptual illustration depicts a bookstore on the "Two-Way" site.

The Corridor as a New University/Educational Community

Given the demographics and both the proximity and willingness of JCSU to invest outside its gates, the panel can easily suggest certain uses. In previous efforts, notably the Technical Assistance Panel conducted by ULI Charlotte in 2002, the focus was on a wholesale redefinition of the commercial corridor, including significant expansion of the retail depth along the entire corridor. This panel endorses many of those Technical Assistance Panel concepts, but in the reality of today's economic uncertainty has a more modest suggestion regarding first steps.

An Anchor for the West Side of I-77

First, the panel recommends a concentrated, resolute effort to attract a truly catalytic and transformational user to the corner of West Trade and West Fifth streets. This user should be a bookstore and coffee shop or similar "destination" use that can act as the university's bookstore or a publicly accessible anchor on the northern end of West Trade Street on or near the "Two-Way" site. This bookstore not only should





Two conceptual layouts for the “Two-Way” site show potential commercial development and parking.

include a significant traditional newsstand section with international newspapers and magazines but also should include a focus on the emerging technology trends that encourage social interaction, including social media gatherings, music and spoken-word performances, art displays, virtual-speaker series, rotating art displays, and similar events. The site and area should be highly amenitized with easy access wi-fi/wi-max and abundant indoor and outdoor electrical outlets. The cultural and entertainment uses incorporated into this new development should also cater to the African American community by providing employment and outlets for artistic expression. Other uses should be encouraged, including live performing arts in a coffeehouse-style setting, retail banking, and, very important, food establishments should be either combined in the store or nearby.

These uses will align with the university’s current plans to develop the Visual and Performing Arts Center near Wesley Heights Way and will nudge



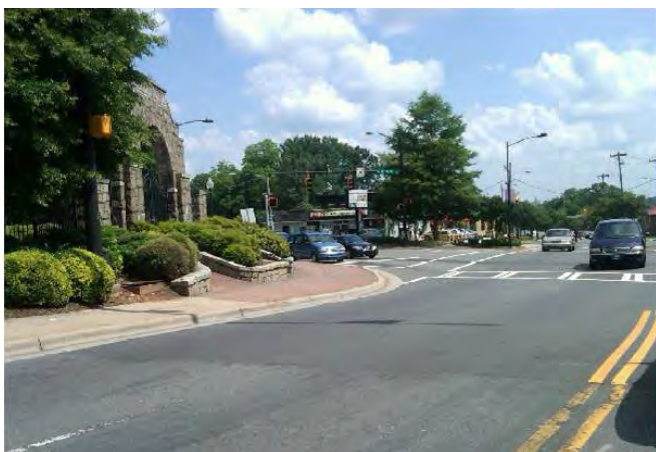
In this conceptual site layout for the Royster property, the panel suggests a more urban and walkable corridor with a building close to the road right-of-way.

both JCSU students and neighborhood residents in the direction of I-77. At the same time, the remaining vacant or underdeveloped parcels between this corner and I-77 will redevelop, providing, like the bookstore, a reason and a destination for Uptown residents to discover and patronize uses on the JCSU side of the interstate. Eventually, uses such as print shops or university press, professional services (medical/dental), open-air markets, wine and jazz bars, and the like will discover the area.

The Public Realm

The entire public realm west of I-77 needs significant improvement. This area includes the JCSU campus edges, the streetscape and landscape along the road corridor, the vacant parcels, and especially the underpass. Great care must be given to how pedestrians and vehicles evaluate, interpret, and negotiate the underpass in the critical quarter mile between North Sycamore Street on the east and Frazier Avenue on the west. The panel recommends the following with regard to the public realm:

Streetscape: A comprehensive streetscape program should be created that is consistent with the West End Land Use and Pedscape Plan, the proposed streetcar line, and other applicable plans. The panel suggests using innovative paving designs such as LED



The Five Points intersection with JCSU is on the left, and the “Two-Way” convenience store is seen in the distance.



Suggested landscape and streetscape improvements to the corridor include improved pedestrian access under and around the I-77 underpass.

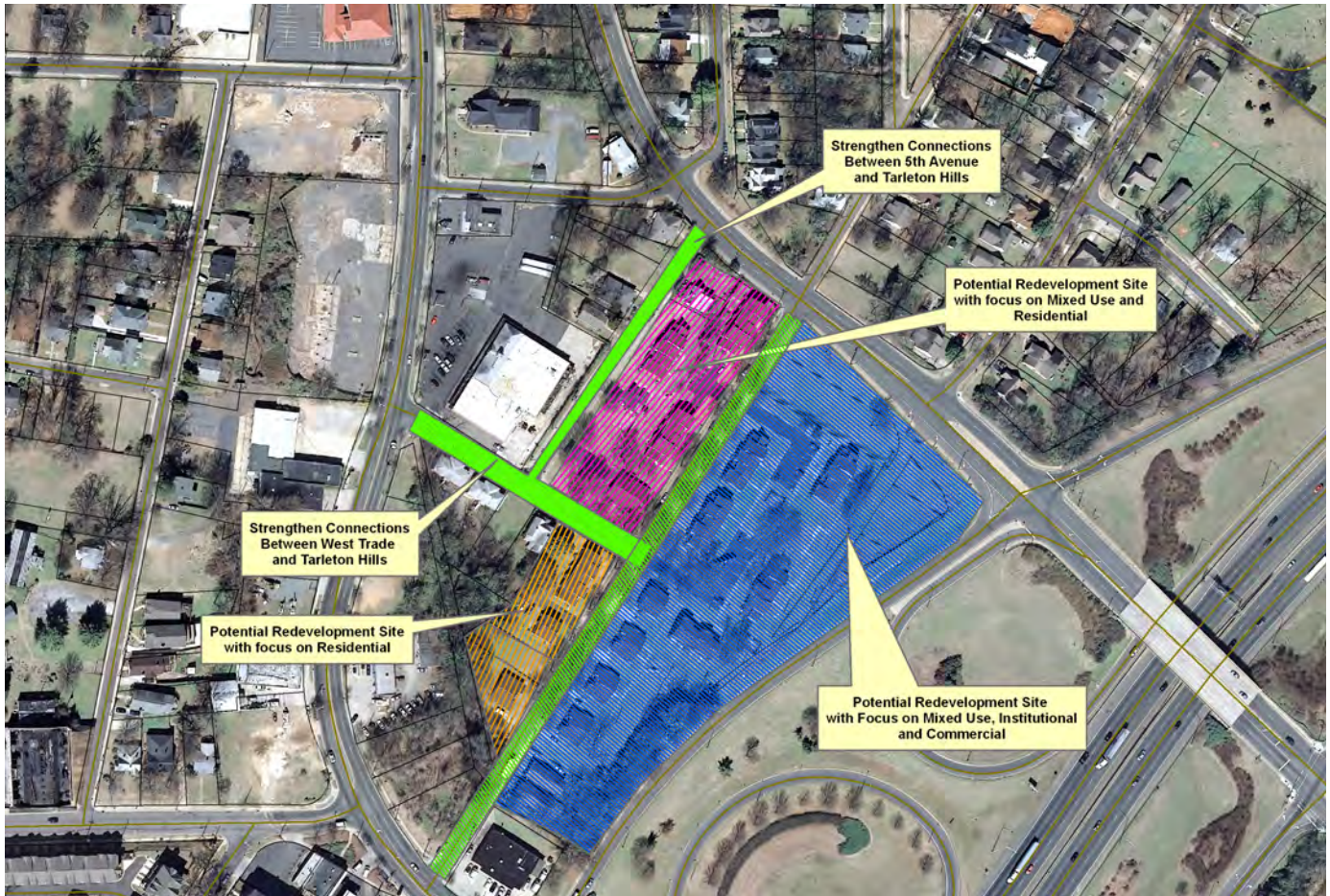


solar pavers or in-ground tract lighting on those portions of the corridor leading to and from the interstate. The use of brick pavers, period streetlights, banners, and signs should be continued.

Public Art: The panel recommends a focus on public art in the underpass area, with consideration given to an interactive media wall. This wall should be large, exciting, and, of course, well lit. Examples of such media walls include the Mood Wall in Amsterdam and the media wall on the Xicui entertainment complex in Beijing. A more conventional alternative may be the brilliantly colored underpasses in Austin, Texas, or the linear lighting treatment at the Brooklyn Bridge underpass in New York City. In addition, one or more “delta platforms” designed to permit regular or periodic changes to the art exhibit should be installed as adjuncts to the mural wall. These platforms, located on either side of the underpass, could be as simple as an enclosed diorama showing miniatures of the Charlotte streetscape or a lighted pedestal for sculptures. Both the media wall and the delta platforms should give visitors a reason to visit and return. Each approach should be visible to both pedestrian and vehicular traffic. Both the interactive mural wall and the delta platforms could be programmed by the JCSU Department of Visual, Performing and Communication Arts.

Wayfinding: Noted urban planner Kevin A. Lynch defined wayfinding as “a consistent use and organization of definite sensory cues from the external environment.” Wayfinding should provide visitors not only with signs but also with a consistent visual understanding of where they are and where they are going through the organization of the five primary architectural wayfinding elements: (a) paths and circulation, (b) markers, (c) nodes, (d) edges, and (e) zones and districts.

Redesign of the West Trade Street and Fifth Street Interchanges: The panel suggests a new design for the interchange, taking advantage of the existing large rights-of-way, delivering interstate travelers to the corridor. The redesign can be done in conjunction with the underpass art project to ensure compatibility with the increased traffic that will likely occur.



A University Community

JCSU and the Charlotte public school system (or charter or private school entity) should explore the possibility of locating either a middle or elementary school along the corridor. The advancement of this community is seen in terms of its rich educational and cultural history. Not unlike other great universities, JCSU’s community relies on its academic history as a driver of future development. Outreach to the community can be achieved by having a physical presence in the form of a school along the corridor.

The education mission of the university and the need for unique learning environments desired by both inner-city residents and the “back to the city” population are all achieved when a school is incorporated into this area. This school would be an academic center of excellence for local area students and students from nearby communities. This center of excellence

could serve the university by providing a training environment for university students majoring in education as well as provide a good high-level educational environment for youth from the local area.

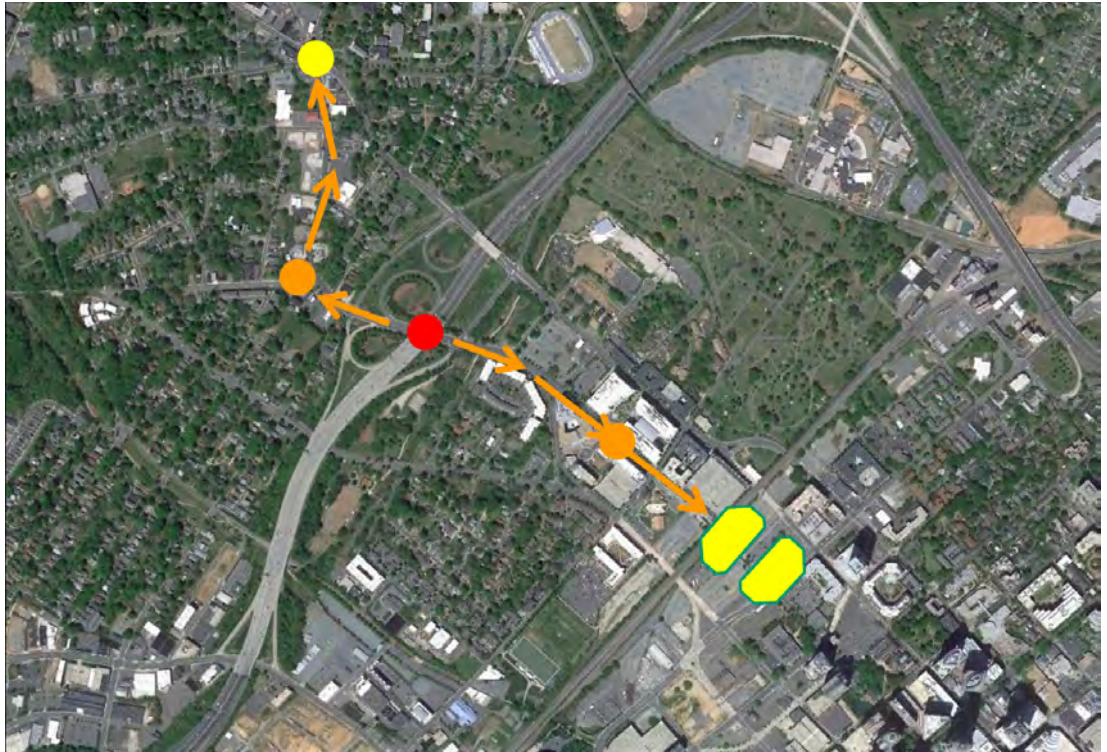
Redevelopment of the Tarleton Hills housing project should also be considered as part of the city’s corridor planning process. The panel sees the redevelopment of this site as more long term, but connections to both West Trade Street and Fifth Avenue should be considered initially during redevelopment of the “Two-Way” and Royster sites. Tarleton Hills could develop as a residential and a mixed-use area, thus taking advantage of its excellent visibility along the highway.

Community and Cultural History

As an important African American community, the corridor should be developed in a way that does not

The long-term redevelopment of Tarleton Hills can include residential, mixed, and institutional uses. The road and pedestrian links between West Trade Street and Fifth Avenue can be strengthened as a part of this redevelopment.

Currently, I-77 acts as a physical and a psychological barrier between Uptown and the Five Points area. Streetscape, landscape, and parcel improvements, combined with new destinations, street art, and wayfinding will help eliminate these barriers.



lose its cultural and historic legacy. Biddleville is one of the oldest black neighborhoods in Charlotte. Located at 333 Beatties Ford Road, the Grand Theatre was opened by Samuel M. Pharr to provide an entertainment venue for Biddleville residents. During the Great Depression, the theater closed, and Johnston's Café operated in the building. In 1937, the theater reopened and served its African American clientele until other Charlotte theaters were desegregated in the 1960s.

The panel recommends that, in conjunction with the new Visual and Performing Arts Center, consideration should be given to rehabilitating the Pharr building and providing some of the center's programming as a gesture to the history of the theater. The panel believes that a revitalized Pharr building with programming from JCSU's Visual and Performing Arts Center could provide a physical and emotional link for old Biddleville to reconnect to Uptown Charlotte, thus improving the activity along the corridor.

The panel also suggests that regular and focused recognition of the corridor as a traditionally African American area by use of monuments, statues, historic markers, and tours will significantly improve visitation. As the streetcar becomes a reality, this area can act as one bookend to a cultural trail with such locations as the Harvey B. Gantt Center, the Charlotte Gateway Station, and Johnson C. Smith University as waypoints along its route.

Extension of the Gateway Center Development

The panel gives the Gateway Center development high marks for its strategic location, mix of uses, and overall design. The location of the renowned J&W and associated uses serving this institution makes for an excellent mix and an appropriate transition from Uptown with its skyscrapers to less dense development at the edge of the center city. Some parcels located just east of the I-77 interchange can still be developed to complete the "edge" of the Gateway Center.

Intermodal Transportation Center and the Streetcar

The intermodal transportation center is the south terminus of the red line commuter rail and will provide seamless integration of various rapid-transit modes, including commuter rail, Amtrak, Greyhound, Center City Streetcar, and Southeast/West Corridor rapid transit. It is also the proposed location for high-speed rail that creates an incredible opportunity for nearby real estate development. Like an airport, the transportation center will attract a wide range of potentially high-paying office and service jobs; it will also act as a regional draw to the nearby stadium, museums, and cultural activities centered in Uptown. A regional draw will increase the need for retail.

The streetcar, coupled with the improvements to the underpass, will improve visitation and activity by shortening the distance between JCSU and Uptown.

Finance and Implementation

The panel has provided a series of specific developments as a means to motivate and propel broader redevelopment of vacant and underdeveloped parcels in the corridor. The recommendation to construct a bookstore (or similar multiuse/mixed-use draw) near JCSU is a tangible and concrete approach to establishing a destination that also fulfills the university's desire to open itself up to the neighborhood.

With this proposed use (as with other successful urban revitalization projects), the panel believes three essential components are required:

- Land control;
- Developer interest and capacity; and
- Financing and associated project management structure that meet multiple investment objectives.

The panel believes that the first two components are already met to a certain degree. The corner parcel at West Trade and West Fifth streets is an ideal location. For the purposes of this panel, it serves as a notional location that can be filled by any number of nearby vacant or underdeveloped parcels. The key is that it is close to the university and has frontage on West Trade Street. The key sites in the study area are controlled by four owners who are already engaged in the revitalization effort, and multiple local develop-

ers, some of whom the panel met, have successfully developed a range of products in the neighborhood over the past ten years or so. The panel also believes that developer interest and capacity in the greater Charlotte area exists to partner with the city, the university, and Charlotte Center City Partners in making the development a reality.

The challenge is finding a financing and project management structure, which will require a significant amount of work, especially in the current economic environment.

Financing

A successful approach to development requires a number of financial prerequisites. These prerequisites include a risk-adjusted internal rate of return that meets the developers' and investors' requirements and a loan-to-value ratio that is adequate to ensure the private financing of the development and fair market value to the landowner. If philanthropic funds are involved, the social objectives of the philanthropic sources of capital must also be considered as well as the accountability for any public sources of capital.

Fair Market Value

Solving for the gap created in fair market value is a crucial step in securing funding. Typically, in challenged corridors like this one, what is in fact a complex interplay among those factors gets summarized as "those landowners want too much for their land." For that reason, the real estate development community has created "residual land value analysis" in which they solve for the price that land needs to be to make a deal "pencil." Residual land value is what a developer would be willing to pay for land for any proposed development after covering all development costs and the potential profit that is required to convince an owner to sell the property. The "gap" created is between the price that the owner wants and what the developer can pay.

Some combination of the following will fill the gap:

- Decreasing the owner’s obligation to provide equity by having the public sector contribute cash from the corridor revitalization funds available for this area;
- Lowering the developer’s cost by obtaining New Market Tax Credits;
- Lowering the developer’s cost of financing by getting a social investor to lend at 4 to 5 percent instead of 7 to 8 percent; and
- Adjusting the timing of payment to the landowner by inviting him to participate in the deal through a share of the proceeds.

None of these alone may prove sufficient to fill the gap.

Public/Private-Not-for-Profit Collaborative Financing

Multiple precedents exist for this sort of collaborative financing. The panel believes that the social objectives set by a not-for-profit developer are obvious and displayed in the long discourse that preceded this panel. The West Trade Street/Beatties Ford Road corridor, despite its proximity to Uptown and the universities, continues to lag in terms of investment and development.

Successful precedents are characterized by careful thinking through of the management and oversight structures. Such a structure has to be based on creation or identification of an entity that

- Understands complex master-planned urban development, including coordination of the related initiatives of multiple parties;
- Understands how to work with and layer multiple sources of financing and their often conflicting requirements;
- Understands real estate development, land development operations, and construction project management;
- Can legally accept funds from multiple investors without conflict or the appearance of conflict of interest;
- Is accountable to the sponsors of and stakeholders in the project, including its social investors; and

- Is accountable to the public to the extent that it works with public funds.

This entity is frequently a community development corporation (CDC) that can be structured with a board composed of key stakeholders and with a development-savvy staff. It could also be a partnership of a CDC with some of the characteristics described and one or more for-profit developers. Existing successful entities could be considered, such as the Charlotte Mecklenburg Development Corporation, Charlotte Center City Partners, or committees or subsidiaries of either.

Making It Happen

How might such an entity and development proposal work? For all of the different projects described, the entity must (a) identify the sources of funds, (b) describe the uses of those funds in a manner satisfactory to the funders, and (c) manage the project in the context of a larger program that will have to be undertaken. Regarding the catalytic use (bookstore) proposal, the panel has summarized the costs of making it a reality in the table below.

Conceptual Development Costs

| Uses | Cost |
|--|--------------------|
| Public Improvements | \$300,000 |
| Land | \$250,000 |
| On-Site Improvements | \$3,000,000 |
| Soft Costs | \$700,000 |
| Furniture, Fixtures, Finishes, and Equipment | \$200,000 |
| Total | \$4,450,000 |
| Sources | |
| Corridor Revitalization Funds | \$300,000 |
| Landowner Capital Contribution | \$250,000 |
| New Market Tax Credit Equity | \$875,000 |
| Conventional Financing | \$2,500,000 |
| Philanthropic Subordinate Debt | \$525,000 |
| Total | \$4,450,000 |

Suggested Roles and Responsibilities

| Partner | Roles and Responsibilities |
|---|--|
| Charlotte Mecklenburg Development Corporation | Coordinate partners |
| | Ensure conformance with program objectives |
| | Act as developer or provide equity to obtain market return |
| | Assist with tenant/operator negotiations |
| Landowner | Act as developer or provide equity to obtain market return |
| JCSU | Develop program; negotiate with tenant/operator |
| | Advance educational mission |
| | Advance economic development of corridor |
| Bank | Provide debt to obtain market return |
| Social Investor | Provide debt to obtain market return |
| | Advance economic development of corridor |
| City | Provide infrastructure and gap financing if necessary |
| | Advance economic development of corridor |
| | Alleviate burden of government |
| | Generate tax revenue |
| For-Profit Developer | Act as developer or provide equity to obtain market return |

Roles and Responsibilities

The roles and responsibility for execution of the various partners is crucial in making this proposal a success. The table at left may be used as a means to organize the project management structure.

The panel believes that under the right leadership, and with the help of the city and the commitment of the university, the bookstore project could be completed and open for business in about three years.

Conclusion

The West Trade Street/Beatties Ford Road corridor connects the two celebrated urban campuses of JCSU and J&W. The corridor also acts as the spine connecting Biddleville, Five Points, and the vibrant Uptown of one of the great southern U.S. cities.

The panel suggests a number of specific actions that will lead to the restoration of the corridor. Given the economic situation in 2010, the panel's recommendations are perhaps not as bold or as comprehensive as those of earlier studies, but they do provide a clear and simple strategy for a concentrated, resolute effort to attract a truly catalytic and transformational user adjacent to JCSU. Although the panel has suggested some conceptual ideas for location, layout, and parking for the area, ultimately the property

owners, the universities, and the city will need to agree upon the specific approach. The panel has outlined a financing and implementation formula that can make this user a reality. The panel also calls for improvements to the West Trade Street/I-77 underpass, improvement to the public realm, creation of an Academic Center of Excellence, and identification and enhancement of existing cultural elements.

Over the years, the citizens and institutions of Charlotte have proven their capability in producing world-class urban revitalization initiatives. The panel believes that the recommendations in this report, if implemented by that same ethos, can make the historic west end a friendly, safe, and vibrant the community from Uptown to beyond JCSU.



About the Panel

Leigh Ferguson

*Panel Chair
Birmingham, Alabama*

Ferguson is a developer with more than 35 years of experience in the real estate profession. He is an expert on downtown revitalization, affordable housing, mixed-use development, and partnerships with public and nonprofit entities. As senior developer at Bayer Properties, he is involved with a variety of commercial, mixed-use, and residential products in locations around the United States. His primary duties include operating the residential and mixed-use real estate development and management division that focuses on urban mixed-use community development projects in Birmingham's revitalizing Center City. Bayer Properties is a comprehensive real estate firm providing development, asset management, leasing, and marketing services.

Ferguson also managed the Sloss Real Estate Group's participation as a joint venture partner in a \$100 million HOPE VI mixed-income residential development that is currently entering its third phase. Prior to joining Sloss, Ferguson was the president of Corker Group Inc., where he managed approximately 2 million square feet of office, commercial, and industrial properties; supervised all leasing, administrative, maintenance, and financial operations; and prepared monthly and annual business plans, budgets, and reports to ownership. From 1991 to 1999, Ferguson was president of Chattanooga Neighborhood Enterprise Inc. There, he managed lending, development, financing, and property management functions of approximately \$30 million per year. Previously, Ferguson was president and chairman of John Laing Homes Inc., and vice president of development for both the Van Metre Company and the Winkler Companies, all in the Washington, D.C., area.

Ferguson studied chemistry and mathematics while at the University of North Carolina at Chapel Hill and completed graduate studies in investment manage-

ment and real estate at George Washington University, Washington, D.C. Ferguson is a full member of ULI and a vice chair of the Affordable Housing Council. He has served on seven Advisory Services panels and chaired four of those panels.

Candace Damon

New York, New York

In her almost 20 years at HR&A Advisors Inc., Damon has directed a wide-ranging practice, currently focused on bolstering the sustainability of American communities. Her specific areas of expertise include addressing the financial and operational challenges of making commercial and multifamily residential buildings energy efficient, ensuring the long-term viability of urban open space, and strategizing the redevelopment of downtowns and waterfronts.

Damon has developed a specialty in public and not-for-profit capital program management and has helped a variety of transit agencies, cultural institutions, universities, and others deliver on-time and cost-effective capital projects. Her clients include public, private, and not-for-profit entities in Boulder, Charlotte, Memphis, New York, Toronto, Tucson, and a host of other jurisdictions.

Dan Fulton

Fairfax, Virginia

Fulton is a leading real estate market analyst with expertise in master-planned communities, urban redevelopment, mixed-use development, housing for seniors, and affordable housing. As president of the real estate advisory firm Fulton Research Inc., he has advised institutions and companies on hundreds of development projects. Examples include a university development in northwest Pennsylvania; a mixed-use town center in southern New Jersey; mixed-income redevelopment projects in Washington, D.C.; multifamily developments in Baltimore, Maryland;

and active-adult master-planned communities along the eastern seaboard.

Fulton began his career in real estate with Long & Foster Real Estate, New Homes Division. He then moved to Pulte Homes and oversaw market research and strategic planning for the Maryland region. Seeking to broaden his strategic planning skills through work in a different industry, Fulton joined telecommunications giant Qwest Communications, where he conducted market-entry studies and formulated strategic business plans. He took over Fulton Research Inc., from his father in 2004.

Author of the landmark consumer report “Today’s Home Shopper—Who They Are—What They Want,” Fulton volunteers with and is a frequent speaker for several building industry associations, including the Urban Land Institute, the Northern Virginia Building Industry Association, and the Maryland-National Capital Building Industry Association. He earned an MBA from George Mason University and a BA in marketing from Radford University.

William A. Gilchrist

Atlanta, Georgia

Gilchrist is a senior associate with EDAW/AECOM in Atlanta. From 1993 to 2009, he was director of the Department of Planning, Engineering, and Permits for Birmingham, Alabama. Among other civic and professional groups, the American Institute of Architects (AIA), the American Planning Association, and the National League of Cities have honored the work of his Birmingham department.

A graduate of the Massachusetts Institute of Technology (MIT) schools of management and architecture, with a master’s degree from each, as well as a degree from Harvard’s Kennedy School of Government, Gilchrist was among the first Aga Khan traveling fellows, documenting the Swahili architecture of coastal Kenya. He has chaired the committee that oversees the AIA regional/urban design assistance teams and is a trustee of the Urban Land Institute as well as vice chairman of its executive committee. Currently, Gilchrist serves on the departmental visiting committee of the MIT School of Architecture.

Gilchrist has been interviewed on National Public Radio, has appeared on PBS’s *News Hour with Jim*

Lehrer, and speaks often on urbanism, regional planning, citizen participation in the public realm, and the history of urban settlement. On occasion, he writes for the *Birmingham News*.

Warren Whitlock

Albany, New York

With an intimate knowledge of real estate development in urban settings, Whitlock has more than 30 years of experience in public administration, development coordination, and construction management. He is currently the director of the Office of Civil Rights for the New York State Department of Transportation.

Prior to his current position, Whitlock was the director of construction coordination for Columbia University in New York City. He was a senior executive member of Columbia University’s Facilities Department as well as a senior planning team member of the university’s 18-acre acquisition and expansion initiative into the Manhattanville section of West Harlem. Whitlock was the university’s primary liaison for all construction activity, which during his tenure delivered more than \$1 billion in capital construction projects. He also oversaw Columbia’s initiative for minority, women, and local business enterprise participation.

Before joining Columbia in 2002, Whitlock managed New York state’s economic development efforts in Harlem as the director of the Harlem Community Development Corporation. In this capacity, he initiated a series of successful commercial and residential development initiatives that not only led to the current successful revitalization of Harlem but also achieved this while preserving the historic and cultural authenticity of this much revered African American neighborhood.

Between 1989 and 1992, he served as a senior project manager at the New York City Economic Development Corporation, where he worked to finance small to medium-sized industrial-based businesses throughout New York City. In the field of international economic development, Whitlock served as a consultant to the United Nations High Commissioner for Refugees in Somalia, East Africa, where he lived and worked for four years.

Whitlock is an adjunct professor of urban planning at Brooklyn College's Graduate Center for Worker Education and is a trustee and director of the Morris Jumel Mansion in Manhattan and the Double Discovery Center at Columbia University. An executive member of ULI's New York District Council, Whitlock has served as a member of Advisory Services panels in New Orleans, Shreveport, and Las Vegas.



Urban Land Institute

1025 Thomas Jefferson Street, NW
Suite 500 West
Washington, DC 20007-5201



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