

MANDATORY REFERRAL REPORT NO. 06-10
Proposed Land Options for NASCAR Hall of Fame

PROJECT PROPOSAL AND LOCATION:

As part of the agreement to bring the NASCAR Hall of Fame to Charlotte, the City is proposing to develop two real estate partnerships with NASCAR, both involving City-owned property.

The first involves offering an option to lease from the City approximately one acre on the Hall of Fame site (parcels 12506301 and 12506302 bounded by Stonewall Street, Brevard Street, Second Street, and Caldwell Street) for an up to 300,000 square foot office building which would be constructed and owned by NASCAR along with and integrated into the Hall of Fame Complex (The City of Charlotte would retain ownership of the Hall of Fame building and the real estate underneath.) Before NASCAR exercises the option, the City Council would have to approve a development agreement. NASCAR would have 180 days to exercise the option. The site is currently being used for offices by the City's Divisions of Risk Management and parking, and is zoned UMUD.

The second partnership involves a proposal to offer NASCAR an option to purchase at fair market value an approximately 3.5 acre tract of City-owned land across Caldwell Street from the Hall site, located at the northeast intersection of South Caldwell Street and East Stonewall Street (parcel 12507108). The City would not require a specific development proposal as a pre-requisite to sale of this property, but would control the future use and development of the property through the development review process required by UMUD (the parcel's current zoning). This property is currently being used for surface parking.

PROJECT JUSTIFICATION:

The lease-option transaction offers an opportunity for a more intensive development on the Hall of Fame site. The office building will create taxable value on the site and strengthen NASCAR's commitment to Charlotte and the center city. Similarly, the purchase option establishes an opportunity for NASCAR to further invest in and strengthen its connection to Charlotte. Both options were critical to NASCAR's decision to choose Charlotte as the location for the NASCAR Hall of Fame.

CONSISTENCY WITH ADOPTED PUBLIC POLICIES:

The proposed transaction is consistent with the City's policy of promotion of the center city as a dynamic regional destination. Additionally, the sale of City-owned land is consistent with the City's asset management policy to seek revenue-generating uses for surplus City-owned assets.

CONSISTENCY WITH ADOPTED LAND USE PLANS:

The proposed expansion of the Convention Center is consistent with the recommendations of the Second Ward Neighborhood Master Plan adopted September 2002. The NASCAR Hall of Fame and proposed public gathering space is also consistent with the plans recommendation for locating a plaza between Brevard Street and Caldwell Street..

PROJECT IMPACT:

The land transactions were critical to NASCAR's decision to award Charlotte the NASCAR Hall of Fame, a project that will have a significant positive impact on the local economy, especially the travel and tourism industry and the local NASCAR-related industry. Should NASCAR exercise the lease-option, a 300,000 sq. ft. office building will be integrated into the Hall of Fame Complex and will house a significant number of NASCAR and NASCAR-related employees. In addition, the construction of the office tower will facilitate the development of an additional 400 structured parking spaces which will be available to the public during non-business hours, that would be constructed beneath the ballroom that will be ancillary to the Hall of Fame.

RELATIONSHIP TO OTHER PUBLIC OR PRIVATE PROJECTS:

Both the on-site office tower and any development by NASCAR of the purchase option property support and complement the NASCAR Hall of Fame.

ESTIMATED PROJECT COMPLETION DATE:

Once NASCAR exercises the lease option, the office building would be built in conjunction with the Hall of Fame which is scheduled to open in 2009. NASCAR has up to three years from the Hall opening in which to exercise the purchase option on the land across the street from the Hall of Fame site. There is no time-table for developing the purchase-option property.

JOINT USE TASK FORCE REVIEW COMMENTS:

This proposal was not reviewed by the Joint Use Task Force prior to the March 21, 2006 Planning Committee meeting.

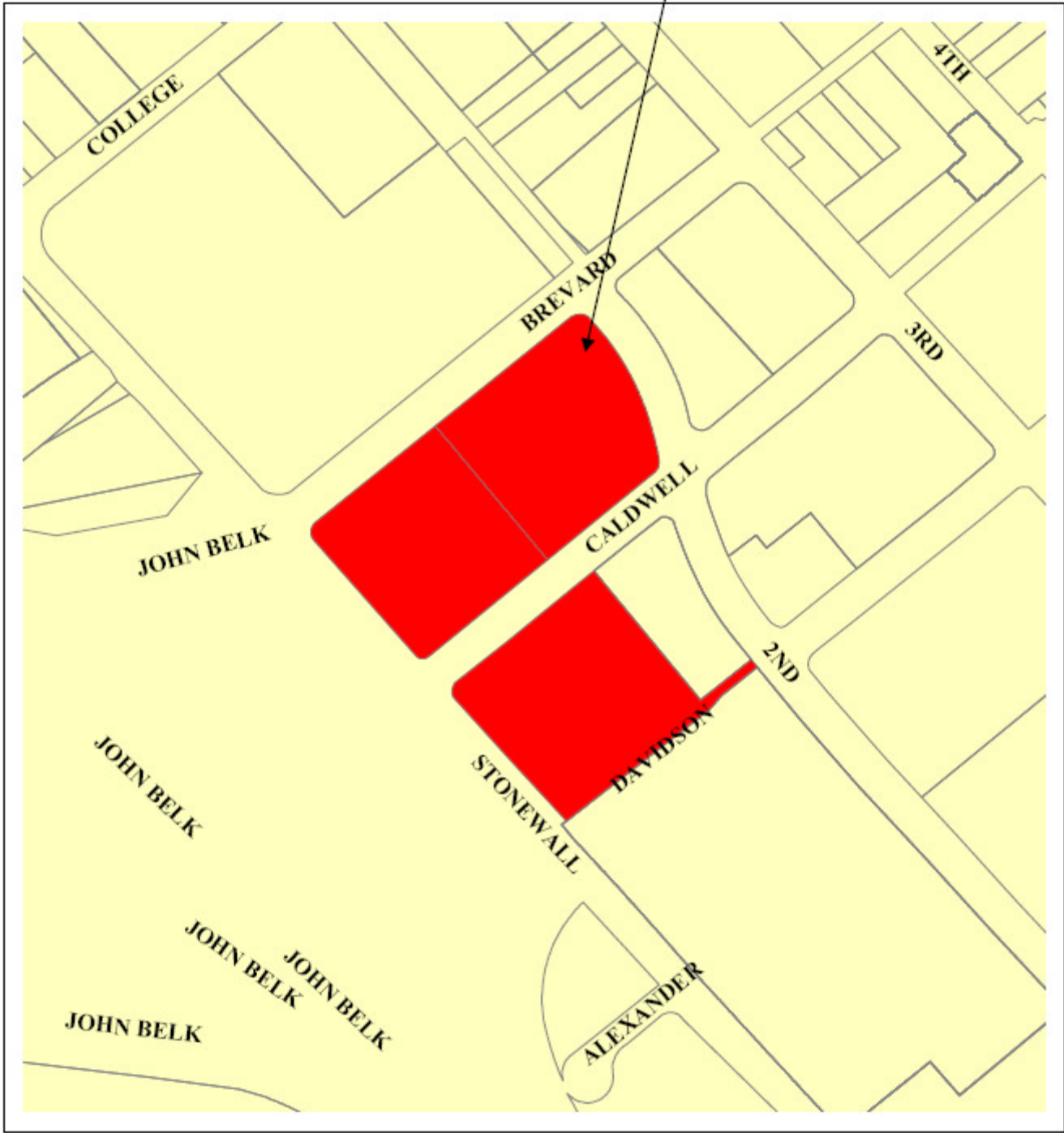
CMPC STAFF RECOMMENDATION:

Staff supports this transaction as it will infuse new entertainment and convention opportunities into the Uptown. It is consistent with previous planning initiatives targeted at making Center City Charlotte memorable. Planning Staff recommends approval for the request to sell the land for a NASCAR Hall of Fame, Convention Center expansion and the potential office tower. The proposed project will enhance the entertainment in Center City and boost the number of visitors coming to Charlotte for conventions and the visit the Hall of Fame.

CMPC PLANNING COMMITTEE RECOMMENDATION:

At their March 21, 2006 meeting the Planning Committee recommended approval by a 5-0 vote.

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