

**MANDATORY REFERRAL REPORT NO. 07-21
Proposed Sale of Arena "Out Parcel One"**

PROJECT PROPOSAL AND LOCATION:

Site acquisition associated with construction of the Bobcats Arena resulted in acquisition of land surrounding the Arena that is now surplus, including parcel numbers 080-04-10 and 080-014-13, acquired in 2002 as part of the land assembly for the construction of the Bobcats Arena. The two-acre site consists of the block bounded by East Fifth, North Caldwell, East Trade, and the light rail transit corridor. The land is zoned UMUD and has been used as a staging area for construction on the light rail corridor, for Arena construction trailers and as additional parking and staging space for Arena events.

PROJECT JUSTIFICATION:

The initial Arena site acquisition plans included the sale of remaining land not needed for the Arena itself. The entire block was originally acquired in order to create a parcel of sufficient dimensions to facilitate the eventual sale and redevelopment for a mixed use development that would complement the adjoining Arena.

The 2003 purchase contract between the City and Allright Parking (from whom the City acquired the land) included reversionary rights if the property ceased being used for Arena-related activities. Lincoln Harris Properties, LLC has recently acquired the repurchase rights from Allright Parking and has submitted a purchase contract to the City for the entire block. This recent transaction has effectively eliminated the reversionary clause from the original purchase contract, allowing the property to be sold for development. (It should be noted that this purchase contract requires the City's Planning Director's to approve the project's urban design components.)

Development plans for the property consist of a parking structure (1,400 spaces) with ground level retail on the Fifth, Brevard, and Sixth Streets sides and the structural capacity to add office, residential or other use above the parking structure. The parking proposed for development on this site will serve to meet the ordinance requirements for parking, for the office building being developed nearby at the corner of E. Fifth and College Streets. Pedestrian bridges over the adjacent light rail corridor and over the 100 block of N. College St. are also planned, along with the reservation (for seven years) of an area on the site for a future Light Rail Transit station.

CONSISTENCY WITH ADOPTED PUBLIC POLICIES:

The sale of this property is consistent with the City's Asset Management Policy which seeks to maximize the City's return on assets while returning real property to the tax rolls. The sale is also proposed to be conducted in accordance with the conditions imposed in July, 2003 by City Council's Planning & Economic Development Committee, whose main points are:

- § two parcels are to be sold as one (don't sell separately)
- § close on the sale in late 2007
- § earmark proceeds for tourist-related expenditures (e.g. Whitewater Park)

The property would have to be rezoned to UMUD-O, as the ordinance does not allow development to occur within the 35 foot wide rail corridor. The proposed bridge connection is planned over this corridor.

CONSISTENCY WITH ADOPTED LAND USE PLANS:

The proposed development is not consistent with the *First Ward Master Plan* adopted by City Council July 28, 1997. The plan calls for this parcel to be business and mixed use. While future phases envision additional uses being developed on the property, the initial phase is principally parking structure and a small amount of retail.

The proposed project is not consistent with *South End Rail Corridor Plan* adopted by City Council in June 1998. The plan provides general development guidance for properties adjacent to the rail line. The proposed parking structure will not fulfill the plan's vision for orienting the buildings to activate the rail corridor. The deck will instead, create a canyon of parking structure along the rail line.

PROJECT IMPACT:

The City and the Charlotte Regional Visitors Authority will continue to be allowed to use the property for Arena events through April 30, 2008.

RELATIONSHIP TO OTHER PUBLIC OR PRIVATE PROJECTS:

This project will reserve an area for a Light Rail station on Fifth Street, which will remain available for the City to repurchase for a period of seven years (The property is adjacent to the Light Rail Transit corridor that will become active in November, 2007). The project – as proposed – does not fully address the adjoining transit line and transit-oriented opportunities.

ESTIMATED PROJECT COMPLETION DATE:

City Council has approved a resolution approving the contract for the sale of this Out Parcel on October 8, 2007, with anticipated closing by the end of October, 2007.

JOINT USE TASK FORCE REVIEW COMMENTS:

The Joint Use Task Force reviewed this matter at its October 3, 2007 meeting, and although no joint use opportunities were specifically identified, representatives from the Public Libraries of Charlotte and Mecklenburg County observed that their ImaginOn property immediately across E. Sixth Street would see benefit from the additional parking to be made available as part of this site's development.

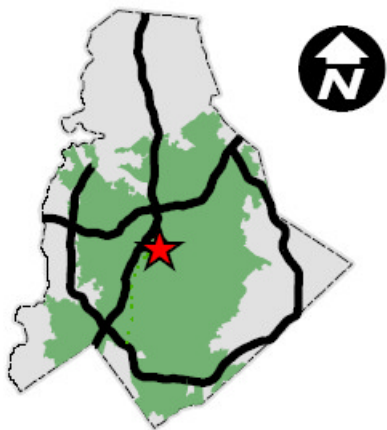
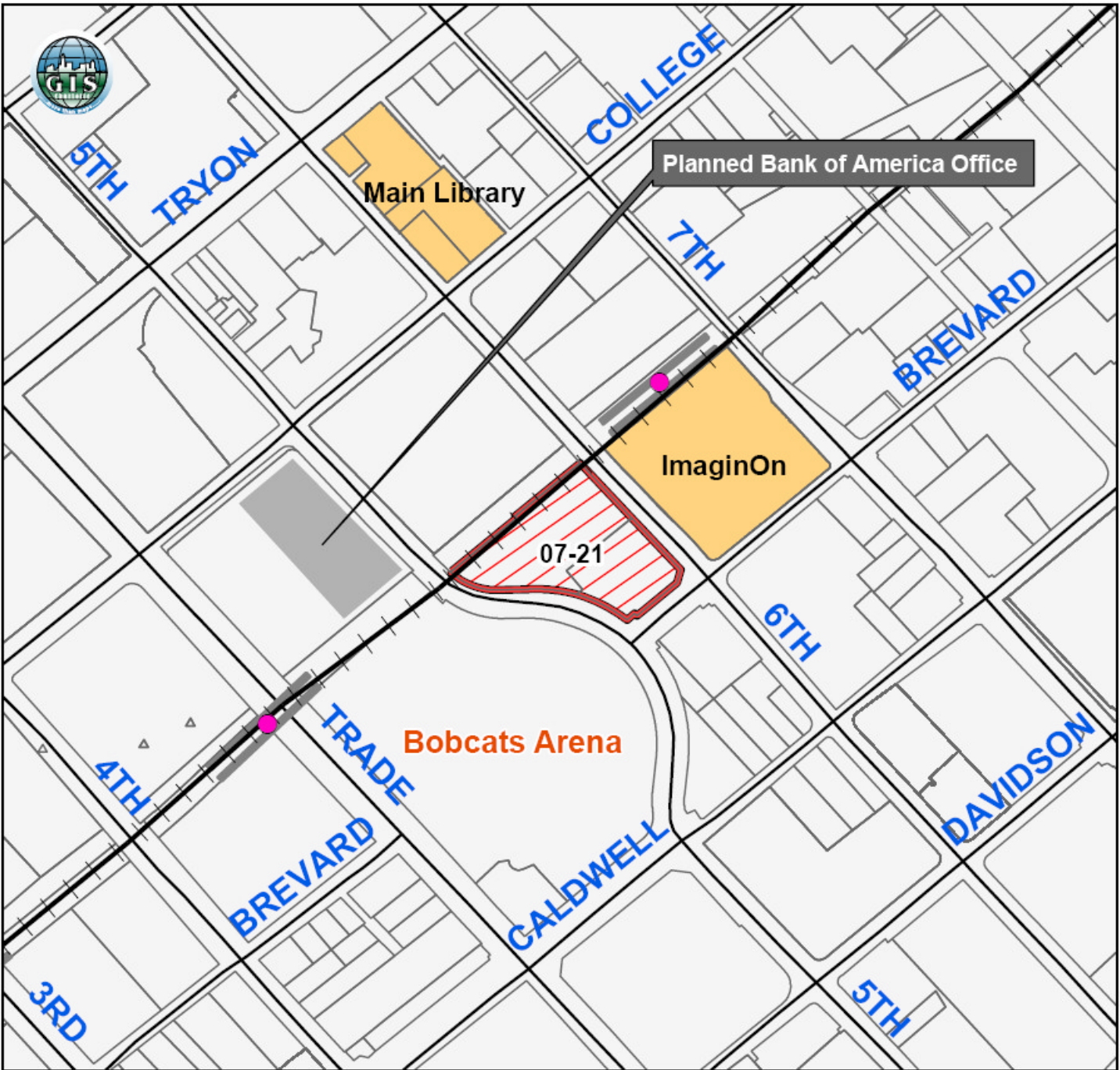
PLANNING STAFF RECOMMENDATION:

Staff recommends approval of the proposed transaction, subject to the buyer meeting the following conditions:

- § the site be re-zoned to UMUD-O
- § additional consideration be given to the first floor use of the proposed development
- § the project have an "active" edge that addresses the current rail corridor
- § the proposed project maximizes the retail opportunities this site provides
- § the developer produces a land use product in closer alignment with the ideas developed for this site during the planning phase of the arena (that recognizes the uniqueness of the site in that it needs to have frontage on all four sides, and
- § the proposed development meets the review conditions involving the Planning Director imposed by the sales contract.

CMPC PLANNING COMMITTEE RECOMMENDATION:

At its October 16, 2007 meeting the Planning Committee voted to recommend approval by a 7-0 vote, with staff-stated conditions.



Mandatory Referral 07-21

Charlotte Real Estate Services

- South Corridor Transit Station
- Commuter Light Rail
- Mandatory Referral
- Library Property