MANDATORY REFERRAL REPORT NO. <u>11-09</u> Proposed Transfer of City Owned Property Located at 4201 Morris Field Drive

PROJECT PROPOSAL AND LOCATION:

City of Charlotte Real Estate recently received a request to transfer approximately 8.92 acres of vacant land located at 4201 Morris Field Drive (PID 117-111-22) to a development partnership to build affordable single-family homes. This inquiry was made by a development group that consists of a partnership between Builders of Hope and Habitat for Humanity. Their goal is to construct and sell a subdivision of approximately 57 homes to owner-occupants with incomes below 80% of the 2011 Area Median Income (currently \$67,500 for a family of four). The partnership indicated that public subsidies (including writing down the cost of the land) would likely be sought in order to make the project viable.

The property was acquired by the City on August 9, 1983 from the Charlotte-Mecklenburg School Board as a settlement for a lawsuit. It has not been used since the former school building was demolished several years after the property was acquired. Several years ago, Charlotte-Mecklenburg Utilities installed a water line across the property and any disposition of the land would involve retention of a utility easement. From time to time, Real Estate has subjected the property to the upset bid process with no interest demonstrated by viable buyers.

The property is currently surrounded by single family residential development with industrial development to the north. The property is zoned R-8 (residential up to eight dwelling units per acre) according to the Charlotte Zoning Ordinance; the current zoning is consistent with the proposed land use, therefore rezoning would not be required.

PROJECT JUSTIFICATION:

Departmental Polling was conducted in May 2011 and no interest was expressed in retaining the property by any City departments or other participating entities. The transfer of the property at a discounted value can be justified given the absence of prospective buyers as demonstrated by the experience with the upset bid process.

CONSISTENCY WITH ADOPTED PUBLIC POLICIES:

It is the City Real Estate policy to maximize the City's assets by generating revenue from the sale of surplus property and to reduce liability and maintenance expenses.

CONSISTENCY WITH ADOPTED LAND USE PLANS:

The Central District Plan (1993) recommends single family residential land uses at a maximum density of eight dwelling units per acre for this property.

This site and surrounding properties along Morris Field Drive are zoned R-8 (residential up to eight dwelling units per acre), with some abutting properties zoned B-2(CD) (general business – conditional) and I-2 (general industrial). The proposed development would have to provide the required buffers described in the Zoning Ordinance for residential development adjacent to industrial uses. The overall intent and concept of the proposed development is consistent with the adopted future land use; however, further review under the land development process is required.

PROJECT IMPACT:

The transfer of this property would eliminate maintenance and liability costs for the City and provide land for development of affordable housing. The transfer would also be contingent upon the City's commitment to subsidies reportedly being sought by the development group to complete the project. To date, no specific funding sources have been identified for this project.

RELATIONSHIP TO OTHER PUBLIC OR PRIVATE PROJECTS:

No other nearby projects are known.

ESTIMATED PROJECT COMPLETION DATE:

Council would likely be asked to approve the transfer of this property, to be completed by mid-2012 with development of the property and construction of units to start shortly after the transfer.

JOINT USE TASK FORCE REVIEW COMMENTS:

The Joint Use Task Force discussed this matter at their July 6, 2011 meeting and had no comments.

PLANNING STAFF RECOMMENDATION:

Planning staff recommends approval of the proposed land transfer, conditioned upon the identification and commitment of public financing for infrastructure improvements needed for the success of the proposed project.

CMPC PLANNING COMMITTEE RECOMMENDATION:

At their July 19, 2011 meeting the Planning Committee recommended approval (with staff-stated condition) by a 6-0 vote.

