

MANDATORY REFERRAL REPORT NO. 97-12

Charlotte-Mecklenburg Planning Commission Land Lease: South Tryon Street and West Tyvola Road

PROJECT LOCATION:

Tax parcel #167-061-01 is located in the southwest quadrant of South Tryon Street (NC 49) and West Tyvola Road, as indicated on attached tax map. The property is 27.66-acre tract across from the City's old landfill site, now developed as Renaissance Park and Golf Course.

PROJECT PROPOSAL:

The City of Charlotte is proposing to execute a 16-year ground lease with Michael Jordan Golf, Inc. for development of this 27.66-acre site. The lessee plans to develop the property for use as a golf driving range to include approximately 60 driving stations, a 3,500 square foot clubhouse/golf shop with a grill and an 18-hole miniature golf course. This development will require an amendment to the Southwest District Plan to change the land use from multi-family residential to business use. It will also require a rezoning from R-17MF to B2-CD.

City Council has approved the lease agreement subject to the approval of this mandatory referral and the rezoning request.

PROJECT JUSTIFICATION:

The City of Charlotte was forced to buy this property as the result of a lawsuit involving charges of methane gas migration from the City's former York Road Landfill (now Renaissance Park) which made the property unsuitable for residential development. The current proposal would allow the property to be utilized until the production of methane gas declines. Very little impervious area is proposed to be developed, thus allowing any methane gas generated to be vented without risk to any structure.

The City's objective is to gain as much benefit/revenue as possible from City-owned real estate. To generate revenue on this land that must not be sold until the methane gas migration is fully contained, staff sought and found a business use compatible with the property until the land can be safely marketed. All Key Business Executives have been notified of the intent to eventually dispose of this property and there has been no interest indicated in this property from any City or County department.

PROJECT IMPACT:

This property is currently zoned R-17MF for multi-family development. Multi-family development is not appropriate at this time given the possible methane gas contamination. The assessed tax value of the land is \$1,927,790. The City acquired the

property for \$1,700,000 because of migrating methane gas from the City's old landfill site, now developed as Renaissance Park.

Leasing the subject property as proposed will allow the City to generate revenue on this property during an interim period, until any threat of methane gas migration has been dispelled. At that time, the subject property may be marketed and/or used for other purposes.

RELATIONSHIP TO OTHER PUBLIC AND PRIVATE PROJECTS AND PLANS:

The Southwest District Plan indicates multi-family as the appropriate land use for this property. However, given the possibility of methane gas contamination, it is unlikely that this is currently an appropriate land use for this property. The proposed development will require an amendment to the Southwest District Plan to change the land use from multi-family residential to business use. It will also require a rezoning from R-17MF to B2-CD.

The use of this property as a golf driving range is consistent with the current use of the former landfill, located north of the site across South Tryon Street, which has been developed for a golf course and recreational use.

Currently proposed amendments to the Southwest District Plan (PA#97-03 and #97-04) provide additional detail on existing and proposed land uses in this area.

PROJECT COST:

The lease term is for 16 years and 122 days. This includes a 122-day due diligence period during which time the lessee can cancel the lease. The base rent will be \$3,000 per month plus a minimum of 1% of the gross receipts.

A Request for Proposal was presented to ten golf company developers and real estate brokers. The Michael Jordan Golf Company, Inc. submitted the best overall proposal. The proposal was reviewed and approved by the City's Privatization/Competition Advisory Committee's Asset Management Subcommittee and the City's Asset Management Team.

STAFF RECOMMENDATION:

Staff supports the 16-year lease agreement with Michael Jordan Golf, Inc. for development of a golf driving range.

PLANNING COMMITTEE RECOMMENDATION: On April 15, 1997, the Planning Committee unanimously approved this mandatory referral.

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