

# Eastland Mall Redevelopment

CITY COUNCIL

OCTOBER 26, 2020

# Agenda



## □ Purpose

- Update on redevelopment progress with focus on partnership with Crosland Southeast
- Update on progress with Tepper Sports

## □ History

- Timeline

## □ Schedule

## □ Community engagement & vision

## □ Site plan

## □ Public private partnership

## □ General terms

## □ Impact summary | ROI

## □ Next steps



# History

# Timeline



Grand Opening of Eastland Mall



JC Penney closes



Mall shootings and crime escalates

Harris Teeter closes

1975

1998

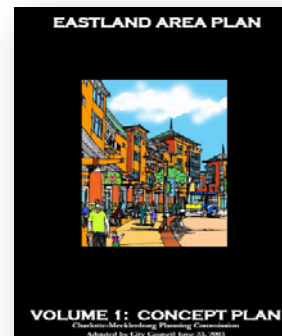
2002

2003

2005

2006

Demographic shift, mall decline



Eastland Area Plan adopted by Council recommending mixed-use development and increased bike/ped connectivity

Eastland Transit Facility opens



# Timeline



**Belk & Limited closings**



**Dillard Outlet closes**



**Sears closes**



Development Site Plan

**City enters negotiations with Studio Charlotte; mall demolition approved**

**Charlotte EAST establishes Principles for Redevelopment**

**Partnership discussions about parks, stormwater, civic uses, schools, developers, etc.**

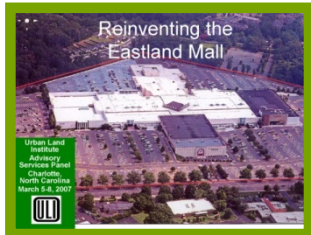
2007

2008

2009

2012

2014



**Reinventing the Eastland Mall**  
**ULI Study recommending transformation to mixed-use town center**

**Mall goes into receivership**

**City purchases 80 acres of mall property; issues RFP for development proposals to support the film and television production industry**

**Consultant conducts adaptive reuse strategy**



Development Site Plan

**City terminates MOU**

# Timeline



Eastland Rising event

Consultant retained to re-engage community, identify tactical urbanism opportunities, and begin solicitation process



Crosland Southeast selected as Master Developer

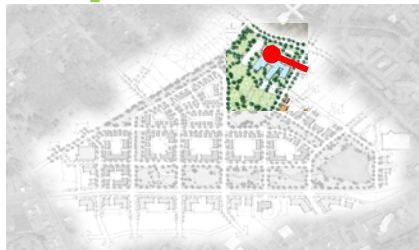


- Wilora Lake Property under contract
- Tepper Sports awarded MLS franchise



City Council approved rezoning

2016



11.4 acres sold to CMS for K-8 partial magnet school

2017



City received 4 unsolicited proposals

2018

City entered into pre-development agreement w/ Crosland Southeast team to begin site due diligence and community engagement

2019



Development team led broad outreach effort for more inclusive engagement

2020

City assumes contract for Wilora Lake property

# Community Engagement & Vision

# Principles for Redevelopment (2012)



## Redevelopment Principles

- Enhance the perceptions of the Eastland area and East Charlotte
  - Attract visitors from across the region
- Unify local communities
  - Build on the East side's cultural and international diversity
- Create connectivity and walkability for surrounding neighborhoods
  - Integrate development into the existing corridors and neighborhoods
- Take advantage of natural features
  - Restore water features and create dedicated and flexible open spaces
- Create opportunity for civic development
  - Incorporate public amenities
- Increase equitable economic development
  - Provide opportunities for small and local businesses



# Community Engagement (2017)

- Next attempt to move the redevelopment forward, and principles for redevelopment were reaffirmed



# Development Partner Selection (2017-18)

- Four Potential development teams presented to Committee
- Staff and Council confirmed evaluation criteria
- Team led by Crosland Southeast (CSE) was selected
  - Experience w/ similar projects
  - Understanding of community and City goals
    - Multi-use transformational development with key active users (e.g. sports)
  - Demonstrated comprehension of importance of community involvement throughout the development process
  - Demonstrated experience obtaining adequate funding/financing
  - Inclusion of amateur sports as an economic driver



# Community Engagement (2019)

- New approach to ensure the voice of the eastside community is heard and reflected in development plans
  - Small focus group meetings
  - Larger community meetings
  - Digital platform – email campaigns, surveys, website, etc.
  
- Feedback received reflected demographic makeup of the area



*More than 700 unique residents engaged*

<b>523</b>	EMAIL SUBSCRIBERS 20 mailing lists	<b>28</b>	EMAIL CAMPAIGNS
<b>250</b>	PUBLIC SURVEY RESPONDENTS	<b>40+</b>	INDIVIDUAL INTERVIEWS
<b>127</b>	FOCUS GROUP PARTICIPANTS	<b>10</b>	FOCUS GROUP SESSIONS
<b>190</b>	PUBLIC FORUM ATTENDANCE	<b>100</b>	IN-MARKET PROMOTION AT BUSINESSES
<b>157</b>	COMMUNITY MEETING ATTENDEES	<b>4</b>	COMMUNITY ORGANIZATION MEETINGS

# Community Engagement (2019)

## □ Program components we heard are most important for the community

- *Soccer/Sports Fields* – create an attraction for audiences of every ethnicity; build something unique to East Charlotte; spur in-corridor jobs development
- *Public Plaza* – offers a safe, pedestrian-friendly, family-friendly, vibrant hub of activity; promote as the new symbol for the neighborhood
- *Residential* – focus on quality and design, spur home ownership and commitment to the community, some support for limited amount of mixed income housing
- *Green Spaces* – provide trails, parks, gathering places, shade, stimulation for the senses
- *Retail / F&B* – bring convenience, higher quality shopping, and a diverse mix unique to East Charlotte; spur in-corridor jobs development; reduce out-of-corridor trips

# THE BIG IDEA

homes for people of all ages



CONNECTIONS



TERRACED PARK

practice fields for the pros and novice alike



workspaces for collaboration



meet up with friends

LINEAR PARK

GET IN SHAPE



PLACES TO GATHER



SPORTS FIELDS



CENTRAL AVE

SHARON AMITY RD

WILORA LAKE RD

# THE VISION

## RESIDE

HOUSING AND NEIGHBORHOODS

## THE DAILY

COMMUNITY SERVICES + CONVENIENCES

## VILLAGE GREEN

SIGNATURE PARK + ENTERTAINMENT

## ACTIVE

EXCEPTIONAL RECREATION

*connections through open space*

SHARON ANITY RD

WILDORA LAKE RD

CENTRAL AVE



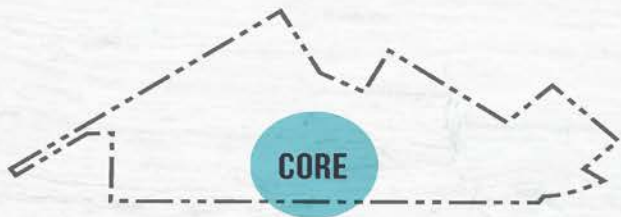
food hub



entertain



outdoor dining



# VILLAGE GREEN

SIGNATURE PARK + ENTERTAINMENT

# GET OUTSIDE

CONNECTIONS THROUGH OPEN GREEN SPACES



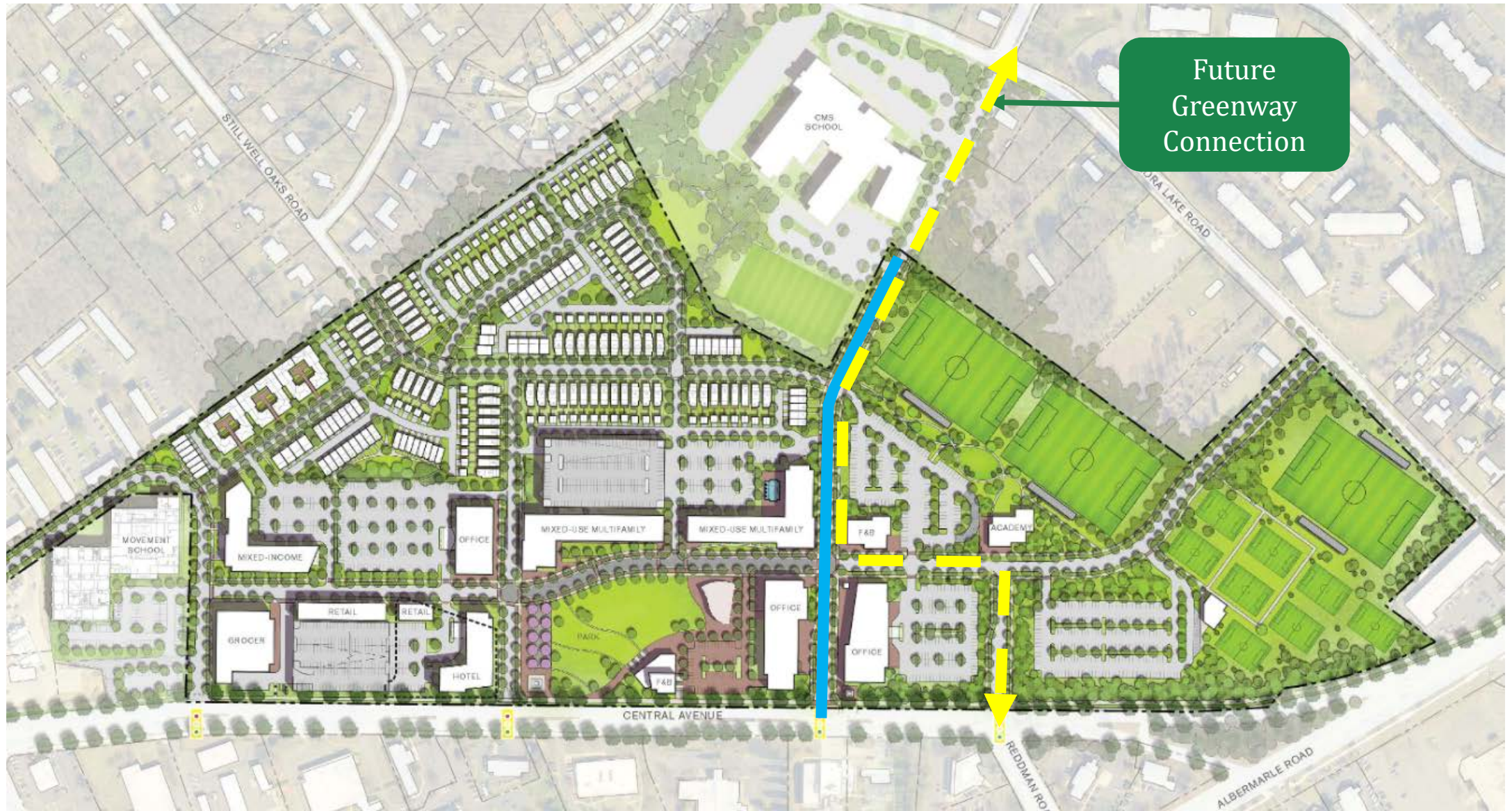


# Site Plan – Rezoning 2020



# Site Plan

# Current Site Plan



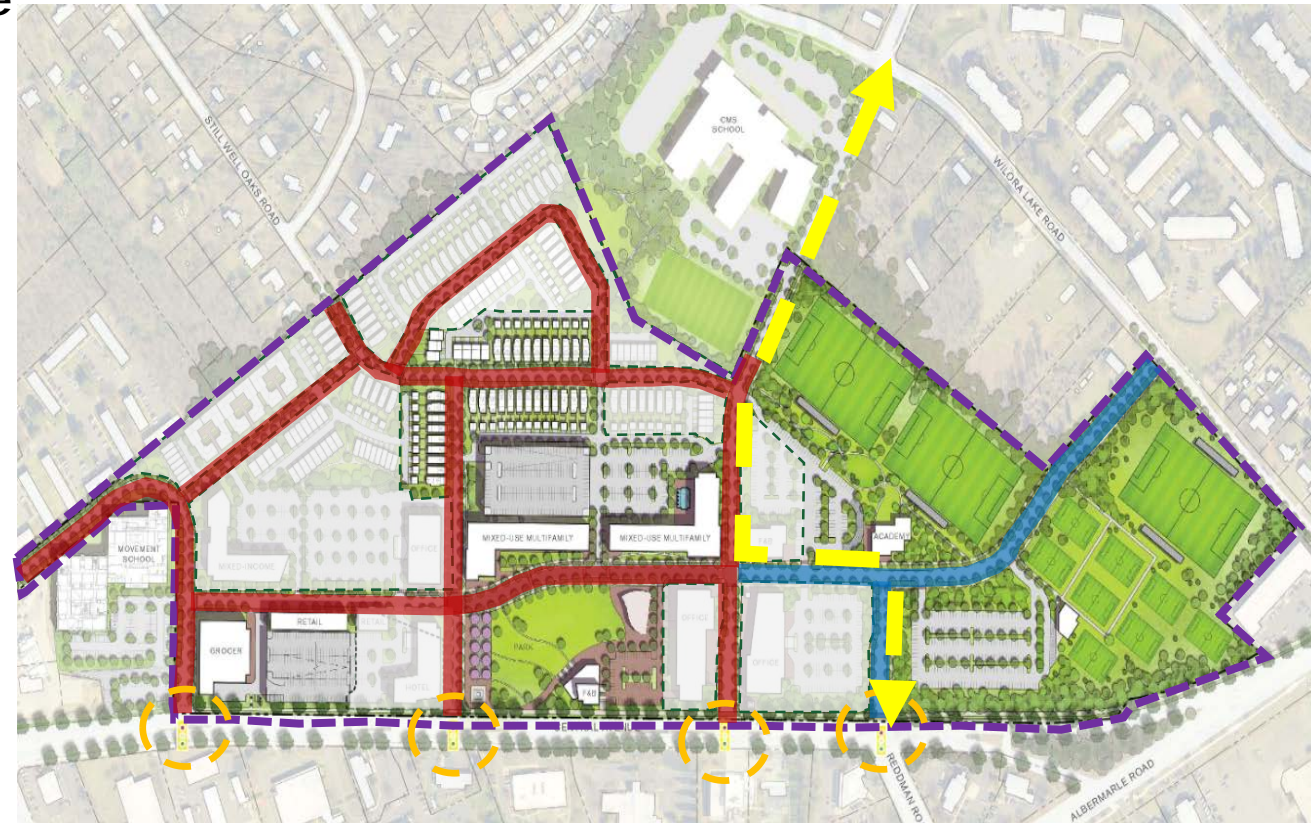
Future  
Greenway  
Connection

# Phase 1 - Site Plan



# Phase 1 – Infrastructure Improvements

- Crosland Southeast will complete initial site work
  - Site demolition, grading, etc.
- Infrastructure site work to include:
  - Underground utilities and storm water detention
  - Public road improvements interior to the site increasing connectivity to and within the site
    - Sidewalks, planting strips, lighting, etc.
    - Greenway connection through the site
  - Offsite improvements per rezoning
    - Traffic signals
    - Intersection improvements
- Complete by end of 2022



# Public Improvements/Benefits – Crosland Southeast

- **Public park / open space – Phase 1**
  - Currently working with County
  - Walking and bicycle trails throughout the development
  - Greenway connection through the site
- **Small business opportunities – Phase 1**
  - Preference for local minority owned businesses
  - Opportunities to incorporate local
- **Housing affordability – Phase TBD**
  - LIHTC application submittal in January 2021
  - LIHTC timing dictates delivery schedule
  - 80-100 units of senior affordable housing
  - Mix of 30%-80% AMI
- **Public parking – Phase 1**
  - Shared with mix of structure and surface parking
  - Structured parking required to create sufficient density to allow for more active uses (park, F&B, retail, etc.)

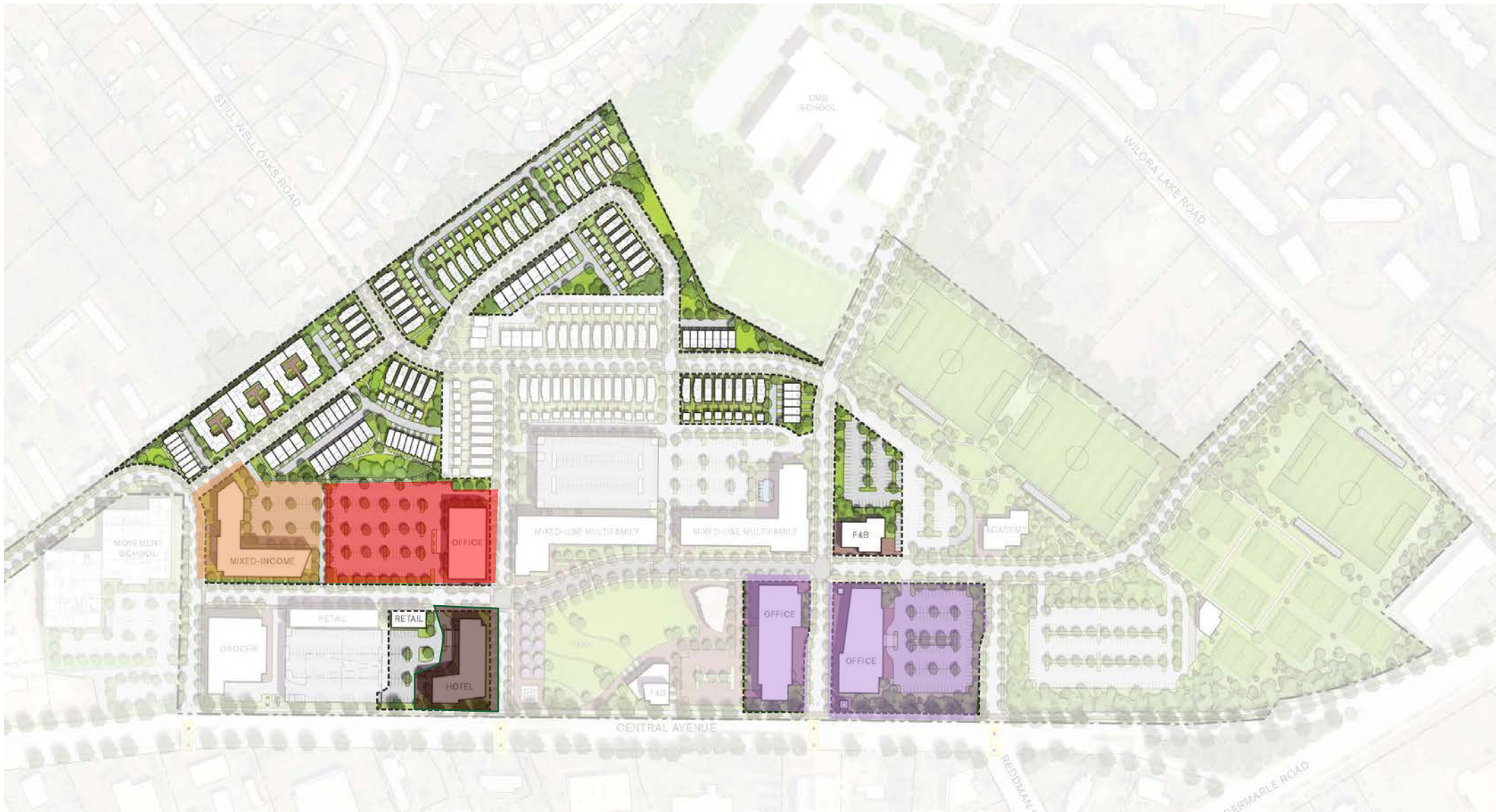


# Public Improvements/Benefits – Tepper Sports (Phase 1)

- Charlotte FC Elite Academy HQ, training, tournaments, and camps
- Charlotte FC open practices
- Community use of fields
- Camps, clinics, festivals, tournaments and other events operated by Tepper Sports
- International club and national team open practices
- Activity generator for east Charlotte

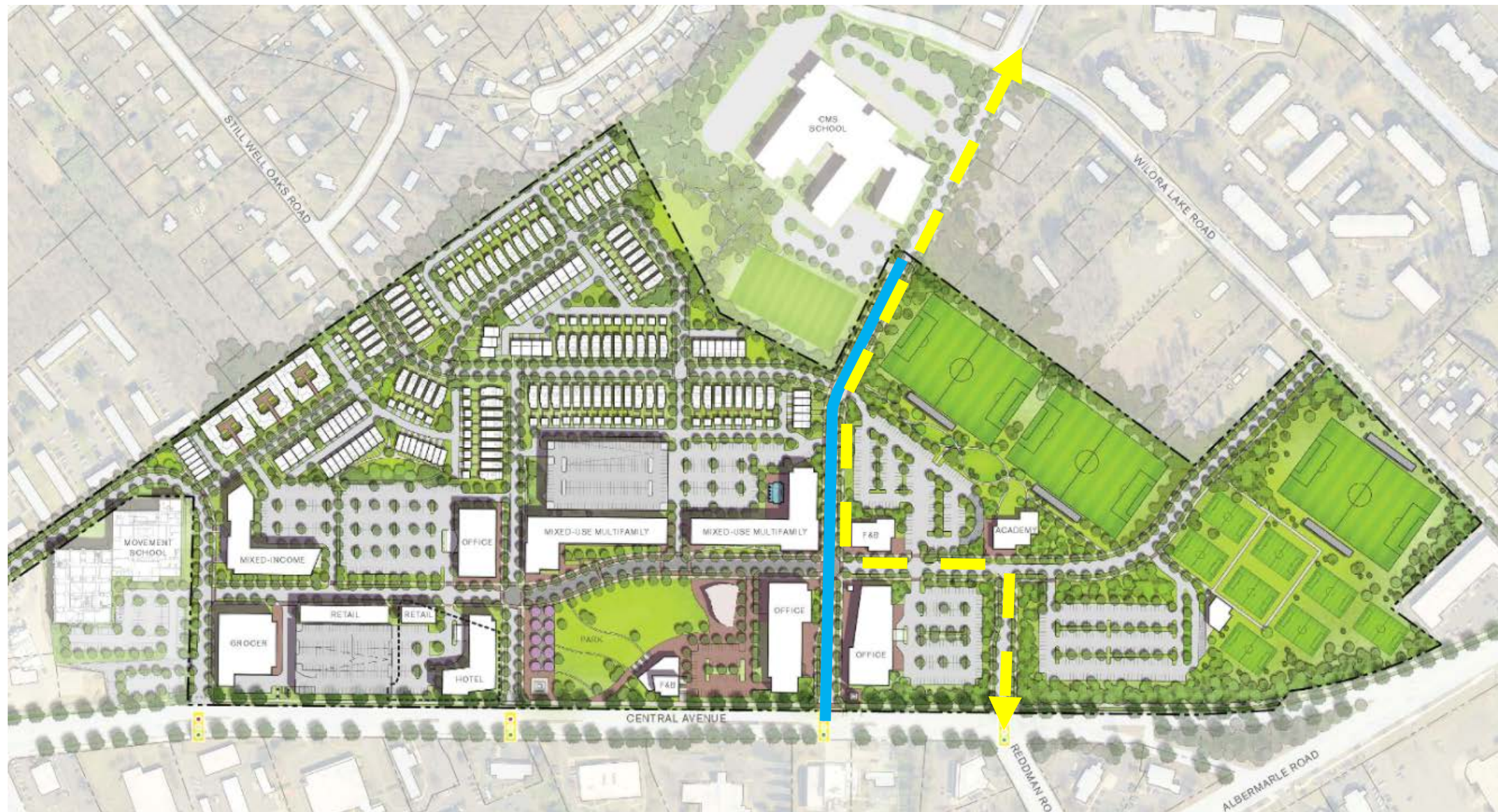


# Site Plan – Future Phases





# Overall Site Plan





# Public Private Partnership

# Public Private Partnership

- Transformational opportunity for the east side requires effective public private partnership
- City-owned property creates opportunity and control of development
  - Ensures quality long term
- Partnership important to achieving our community goals?
  - Housing affordability
  - Economic spark for the east side
  - Small business creation/expansion
  - Sports
- Kick-off to Corridors of Opportunity strategy for Central/Albemarle area
- Site located within an Opportunity Zone
- Areas for partnership:
  - Land
  - Infrastructure
  - Other public benefits
    - Housing affordability
    - Small/minority business inclusion
    - Public / open spaces
    - Community usage of athletic fields
    - Tourism generation



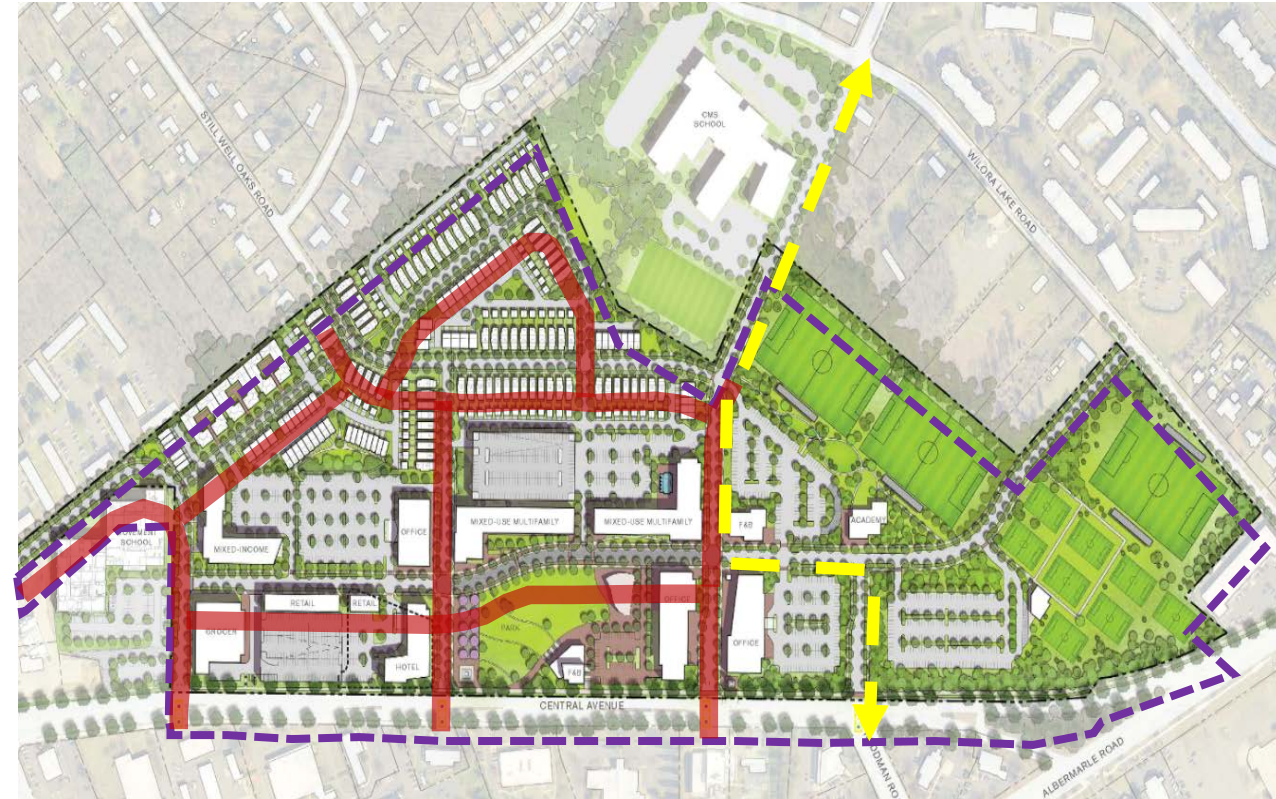
# Land – Crosland Southeast

- Ownership transfer to occur in phases as development is ready; not all at once
  - Protects City's interest throughout development process
- Land transferred in purchase agreement with Crosland Southeast
  - Specific terms of property transfer to be finalized in development agreement
  - Land value may be considered as mechanism to deliver opportunities targeting small and local businesses
- Appraised value = \$138,807 / acre (\$3.19 / SF)



# Public Investment – Crosland Southeast

- Estimated Infrastructure cost - \$22.45 million
- 2016/2018 Capital Investment Program\* - \$17.13 million
  - Site work (grading, demolition, etc.)
  - Under ground utilities and storm water detention
  - Public road network - Sidewalks, planting strips, lighting, etc.
  - Greenway connection through the site
- Tax Increment Grant (City & County) - \$11 million
  - Pending County approval
  - 45% increment over 20 years
  - Public infrastructure
    - Structured parking, roads, utilities
- Public park / open space - \$6-\$8 million (estimated)
  - Working with County on partnership opportunity



# General Terms – Crosland Southeast

- Land transaction(s)
  - City to transfer specific parcels to developer as **parcels are considered** by the City and developer to be ready for development
- \$20 million of CIP funds allocated in 2016 and 2018 bonds towards the redevelopment of Eastland Mall
  - \$2.87M – approved 10/12 to purchase adjacent Wilora Lake property
  - Up to \$17.13 million – site development CSE to build on City owned property
- TIG – \$11 million
  - Pending County approval
  - TIG supports reimbursing Crosland Southeast for public infrastructure such as public roads and structured parking
  - Grant terms – 45% of increment and no more than 20 years
- The Small business support - \$3 - \$5 million
  - Focus on local small businesses
  - Land value may be used to support financial feasibility
- Housing affordability
  - 80 – 100 units
  - 30%-80% of AMI
  - LIHTC process begins in Phase 1
    - LIHTC schedule will determine project delivery schedule
- MWSBE participation – in progress – TBD
- Revenue sharing opportunities
  - % share of lease revenues above and beyond a specified amount
  - % share of land sold to third parties

# Return on Investment – Crosland Southeast



**Housing  
Affordability**



**↑ Household  
Buying Power**



**Small Business  
Opportunities**



**Revenue Sharing  
Opportunities**



**Expansion of Tax  
Base | Catalytic  
Redevelopment**



**MWSBE  
Participation**



# Return on Investment – Crosland Southeast



**3,793**

Total construction jobs (1,803 direct)



**1,566**

Total recurring jobs (1,007 direct jobs)



**1:7.3**

Leverage Ratio



**\$190+**  
**Million**

private investment



**\$1.8**  
**Million**

annual City & County property taxes



**CHARLOTTE.**

**\$660,000**

annual City property taxes



# Land – Tepper Sports

- Propose a ground lease to Tepper Sports for land as activated
  - Ensures long term control of significant acreage
  - City has similar structure with other agreements
- Future development parcel to be determined as development progresses



# Public Investment – Tepper Sports

- **Hospitality Funds – Approx. \$10 million**
  - Up to \$10 million to cover the following
    - Reimburses expenses related to developing fields, Academy HQ, parking, infrastructure
- **\$2.87M of the \$20 M in CIP funds (from 2016 & 2018 bonds)**
  - Site acquisition of Wilora Lake property



# General Terms – Tepper Sports

- **Land transaction(s)**
  - City to ground lease specific parcels to Tepper Sports
  
- **Approx. \$10 million in hospitality funds**
  - Support the construction of infrastructure and sports facilities that will facilitate growth in tourism activities
  
- **Tepper Sports will construct and operate a soccer complex**
  - HQ for Charlotte FC's Elite Youth Academy
  - Show pitch (with spectator seating) for special events, including academy matches, tournaments, occasional open practices for Charlotte FC's MLS team and training sessions for club national teams visiting Charlotte annually for matches at Bank of America Stadium (e.g. Liverpool FC, Bayern Munich, Mexican National Team, etc.)
  - MLS regulations fields and community use fields
  
- **Atrium Health partners on site with a facility**
  
- **Target completion – 2022**

# Impact Summary – Tepper Sports

- Total private investment - \$450 million
- CIP Investment - \$2.87 million
  - Wilora Lake property
- Hospitality Investment – Approx. \$10 million
- City and TSE to enter into a Community Benefits Agreement
  - Creation of no less than eight futsal practice courts in eight locations throughout the city of Charlotte
  - Annual donation of soccer equipment and accessories to Charlotte schools in need that have soccer programs
  - Charlotte Creation of a strategy for MWSBE participation (and/or other workforce strategies) for the construction of the various projects contemplated by this framework
- Annual tournaments, camps, clinics, festivals and other events
- Tourism tax generator
- International club training at Eastland during international friendly matches and tournaments
- Approx. 100 days programmed activity before local programming
- Atrium investment

# Eastland Total Public Investment

<b>2016/2018 CIP</b>	<b>\$20M</b>
Infrastructure - \$17.2M	
Land acquisition – Wilora Lake site \$2.8M	
<b>Tax Increment Grant</b>	<b>\$11M</b>
City - \$4.0M	
County - \$7.0M ( <i>pending</i> )	
<b>Hospitality Funds – CLT FC / Elite Academy HQ</b>	<b>Approx. \$10M</b>
<b>Land Reduction (Small Business)</b>	<b>\$3-\$5M</b>
<b>County Park (pending)</b>	<b>\$6-\$8M</b>
<b>TOTAL</b>	<b>\$50-\$54M</b>
Potential City Investment	\$37-\$39M

# Checklist for Success

Community Goal	Achieved in Plan	In Progress	Not Achieved
Enhance perception of east Charlotte	✓		
Sports fields / soccer to spur tourism activity & create an attraction for audiences of every ethnicity	✓		
Retail / F&B – diverse mix of higher quality shopping & entertainment options; reduce out of corridor trips	✓		
Green/open spaces; connectivity & walkability; civic development	✓		
Quality housing	✓		
Arts & entertainment		✓	
Unify local communities building on cultural & international diversity		✓	
Increase equitable economic development (opportunities for small and local businesses)	✓		

# Next Steps

- **November 9 – City Council decision – Crosland Southeast & Tepper Sports**
  - Authorize the City Manager, or his designee to negotiate and execute the Master Development Agreement with Crosland Southeast based on the terms presented.
  
  - Authorize the City Manager, or his designee to negotiate and execute a contract with Tepper Sports for the reimbursement of costs associated with their development of the Eastland site and improvements in and around Bank of America Stadium for no more than \$35 million
  
- **Winter 2020/2021 – Begin CSE demolition and site work**





Bank of America Stadium

CHARLOTTE  
FOOTBALL CLUB  
.2022.

Stadium

# TEPPER SPORTS – TERM SHEET CHANGES

## Original – November 2019

- ❑ \$110M Hospitality Funds
  - Allocations between Eastland and Uptown never determined
- ❑ MLS Non Relocation for 15 years
- ❑ MLS HQ at Eastland (approx. 20,000SF)
- ❑ Improvements to BoA Stadium
- ❑ No \$\$\$ spent until long term vision established for Uptown District
  - No timeline established
- ❑ Community Benefits Agreement

## Newly Proposed – 2020

- ❑ \$35M Hospitality Funds
  - Approx. \$10M to Eastland and \$25M Uptown
- ❑ Non Relocation for 9 & 10 years
- ❑ Elite Academy HQ at Eastland
  - 15,000 SF
  - 20-25 full time / 30-40 part time
  - Approx. 100 annual programed days (excludes community play)
- ❑ Introduction of Atrium at Eastland
  - Approx. +/- 10,000 SF
  - 20-30 employees
- ❑ Improvements to BoA Stadium
- ❑ Creation / Plan for Uptown District
  - Completed 2021/2022
- ❑ Community Benefits Agreement

# Questions?