

Legislation Details (With Text)

File #:	15-20993	Version:	1	Name:	
Type:	Business Item	Status:		Agenda Ready	
File created:	8/8/2023	In control:		City Council Business Meeting	
On agenda:	8/28/2023	Final action:			
Title:	Eastland Redevelopment - Sports and Entertainment				
Attachments:	1. J&ED Committee Eastland 8.7.23				

Date	Ver.	Action By	Action	Result
8/28/2023	1	City Council Business Meeting	Defer	Pass

Eastland Redevelopment - Sports and Entertainment

Action:

- A. Consider the Jobs and Economic Development Committee's ranking and select Council's preferred redevelopment proposal for the eastern 29 acres of the former Eastland Mall site, and**
- B. Authorize the City Manager to negotiate any agreements or documents necessary to move forward with the proposal chosen by City Council.**

Committee Chair:

Malcom Graham, Jobs and Economic Development

Staff Resource(s):

Tracy Dodson, City Manager's Office
Todd DeLong, Economic Development

Explanation

- The Jobs and Economic Development (J&ED) Committee referred to full Council the discussion on two proposals to redevelop 29 acres of city-owned property, the eastern portion of the former Eastland Mall site. The Committee ranked QC East @ Eastland Yards as the top proposal followed by Eastland Yards Indoor Sports Complex.
- During the Council Committee Discussions on August 7, 2023, the J&ED Chair requested Council to consider action at the next Council Business Meeting.
- The city has been working with the community and stakeholders to determine the best use for 29 acres of city-owned land at the former Eastland Mall site.
- Upon receipt of an unsolicited proposal in December 2022 for the eastern portion of the site, staff issued a public notice in January 2023 requesting other interested parties to submit their proposal by February 6, 2023.
- Ongoing community engagement for this site has included small focus groups, larger community groups, and digital outreach via email, surveys, and the city's website.
 - Through these various engagement efforts, central themes have occurred around creating a destination for East Charlotte, sparking growth for the area, and the desire to include active recreation uses such as soccer fields, amateur sports, etc.
 - The city received feedback throughout the summer of 2023 via an online questionnaire. The feedback re-confirmed the principles for redevelopment and importance of creating economic opportunities at this site.
- The city received multiple proposals that were evaluated by staff based on:

- Team qualifications and experience (development and operations),
 - Financial strategy and qualifications,
 - Project approach and concept,
 - Development schedule, and
 - Community impact/access.
- Two of the proposals were ranked by the J&ED Committee on August 7, 2023.
- The QC East @ Eastland Yards proposal ranked highest by the Committee includes:
 - 6 multi-sport artificial turf fields (8 acres) for sporting events and the Charlotte Soccer Academy
 - Outdoor amphitheater
 - Food village and community gathering place (20,000 square feet),
 - "The Hub" (20,000 square feet)
 - Public event space and technology center, focusing on esports and STEM educational opportunities
 - Host professional and amateur esports events, music concerts, and a digital entertainment area
 - Main stage opens front and back allowing for greater flexibility between event types (music, sports, etc.)
 - Digital entertainment area for daily use - themed simulators (NASCAR, F1, Golf, etc.), console and gaming stations, etc.
 - Innovation Center (7,500 square feet); Digital Entertainment (7,500 square feet); and Office (1,500 square feet)
 - +/- 680 parking spaces
 - Funding Plan includes:
 - Estimated project cost: \$83 million (\$61 million in Phase 1; \$22 million in Phase 2)
 - Private investment: \$53 million (\$31 million in Phase 1; \$22 million in Phase 2)
 - Public investment requested - \$30 million (to be paid in Phase 1)
 - Hospitality Funds - \$19 million (\$9.5 million over two years)
 - Infrastructure Reimbursement - \$11 million
 - This investment equates to 49 percent of total capital cost for Phase 1 and 36 percent of the total capital costs for both Phases 1 and 2
 - Community use of the facility
 - Apprenticeships and adult workforce training programs
 - After-school programs involving tech education and gaming
 - Neighborhood access to fields on non-event days
 - Community meeting space
 - Community-oriented programming (e.g. free tech-oriented classes, senior programming)
 - Purchase land from the city at market value
 - The proposal team assessed recent comparable sales to incorporate land value into their financial analysis
 - The market value will be determined by a future appraisal
- The Eastland Yards Indoor Sports Complex proposal ranked second by the Jobs and Economic Development Committee includes:
 - Indoor sports components
 - 160,000 square feet Indoor Sports Facility
 - Multi-purpose courts can be converted to 10-12 basketball courts, 20 volleyball courts, or 40 pickleball courts
 - Ability to overlay a 200-meter banked track
 - Concessions and bar
 - Fitness Center
 - Two ice rinks
 - Leasable Space (medical, physical therapy, etc.)
 - The Learning Center
 - Conceptual outdoor sports components

- One soccer field
 - Futsal court, basketball courts, and volleyball courts
 - 944 parking spaces
- Limited-Service Hotel (130-150 keys)
- Funding Plan includes:
 - Estimated project cost of Indoor Facility - \$50-\$60 million
 - Public investment requested - \$25.7 million
 - \$20 million - amateur sports facility / fields
 - \$5.7 million - infrastructure improvements
 - Private assumes cost over \$25.7 million
 - Public investment = ~32 - 36 percent of total proposed capital cost
- Community use of the facility
 - The Learning Center
 - 4,000 square feet space within indoor sports complex
 - The Learning Center will serve as an intermediary between the community and EDGE Sports on usage of the indoor sports amenities
 - Serve as a hub offering community event space, workforce development, academic programming, and social support
 - Membership / daily use fee on non-event days
- \$1 per year ground lease for the indoor sports complex. The land associated with the hotel and other commercial development would be acquired from the city at market value.
 - The proposal team assessed recent comparable sales to incorporate land value into their financial analysis.
 - The market value will be determined by a future appraisal.

Background

- The city purchased approximately 80.4 acres of the former Eastland Mall property in August 2012 as an opportunity to aid economic development and neighborhood revitalization in the area. Eastland Mall was demolished in 2013.
- The redevelopment principles created by the Eastland Area Strategies Team help guide the redevelopment of the site to:
 - Enhance the perceptions of the Eastland area and East Charlotte,
 - Unify local communities,
 - Create connectivity and walkability for surrounding neighborhoods,
 - Take advantage of natural features,
 - Create opportunity for civic development, and
 - Increase equitable economic development opportunities.
- From 2017 to 2018, the Economic Development Committee, now known as the Jobs and Economic Development Committee (Committee), reviewed proposals from four development teams and voted unanimously to engage exclusively with the development team led by Crosland Southeast LLC (Developer).
- Throughout 2019, the city partnered with the Developer to lead a robust and broad outreach effort for more inclusive community engagement.
- On November 9, 2020, City Council authorized the City Manager to negotiate and execute a Master Development Agreement and other necessary agreements for the reimbursement of costs for public infrastructure, public parking, and other public improvements.
- On August 3, 2022, the city and the Developer held a groundbreaking ceremony on the site to initiate site work and infrastructure construction.
- The Developer acquired the first parcel in May 2023 to develop a senior affordable housing development. A transaction to progress the mixed-use development is anticipated for September 2023.

Committee Discussion

- The J&ED Committee discussed development proposals at their March 6, May 1, June 5, and August 7, 2023 meetings.

- March 6, 2023:
 - Staff presented three proposals to Jobs & Economic Development Committee.
 - There were concerns from Committee about public investment requested compared to proposed private investment.
 - Committee action: Voted to extend the review period by 60 days, and to directed city staff to accept new proposals during the extended review window. (Unanimous vote of members present; Council members Graham, Driggs, Molina, and Watlington voted in favor; Council member Ajmera was absent on leave)
- May 1, 2023:
 - Staff revisited the three proposals previously presented to Committee with 1 new proposal.
 - Staff recommended eliminating two proposals from further consideration.
 - Committee action: Approved recommendation to remove Eastland Aquatic Center and Target from further consideration; further discuss a public option; return to committee in august with update (Council received update at the July 10, 2023 Business Meeting); and develop a scope of work (distributed in May) for each proposal.
 - Committee action: Voted to accept staff recommendations. (Unanimous: Council members Graham, Driggs, Ajmera, Molina, and Watlington)
- August 7, 2023:
 - The Committee discussed proposals and also requested additional information from both teams to clarify information already provided.
 - Committee Action: voted (3-1: Council members Graham, Driggs, and Molina voted in favor; Council member Ajmera voted against, Council member Watlington was absent) to rank order two proposals as follows:
 - 1. QC East @ Eastland Yards,
 - 2. Eastland Yards Indoor Sports Complex.

Attachment(s)

08.07.2023 J&ED Council Committee presentation