

Legislation Text

File #: 15-19244, Version: 1

Exchange of Real Property with 401 S College Street NC, LLC

Action:

- A. Adopt a resolution authorizing the exchange of certain real property rights between the City of Charlotte and 401 S College Street NC, LLC, a Delaware limited liability company, and**
- B. Authorize the City Manager, or his designee, to execute any documents necessary to complete this transaction in conformity herewith.**

Staff Resource:

Tracy Dodson, City Manager's Office

Additional Resource:

Tom Murray, CRVA CEO

Explanation

- The city owns the 3.262-acre parcel (Parcel Identification Number 125-071-08), located across from the NASCAR Hall of Fame and bounded by South Caldwell Street, East Brooklyn Village Avenue, and South Davidson Street, in Council District 1, (the "Entire City Parcel").
- The Entire City Parcel was purchased in 1998 for uses supporting the Convention Center. The city property is currently zoned Uptown Mixed Use District (UMUD).
- 401 S College Street NC, LLC, a Delaware limited liability company ("401 College") is under contract to purchase the 2.3-acre parcel (Parcel Identification Number 125-062-01) located at the corner of South College Street and East Martin Luther King Jr. Blvd, in Council District 1, (the "Entire 401 College Parcel") from Duke Energy. The 401 College Property is currently zoned UMUD.
- The city and Charlotte Regional Visitors Authority (CRVA) propose to exchange the southwestern most 1.9-acre portion of the Entire City Parcel (the "City Portion") for the northernmost 0.7-acre portion of the Entire 401 College Parcel (the "401 College Portion").
- 401 College proposes to convey to the city the 401 College Portion subject to a deed restriction preventing residential or office development for a period of five years from the date of the conveyance, excluding the operation of hotel and office uses that are incidental to the permitted hotel use; however, in the event 401 College, its successors or assigns, elects to develop a hotel use on 401 College's portion of the Entire 401 College Parcel which remains after this exchange, the deed restriction on the portion being conveyed to the city shall expire. The City Portion will be conveyed by the city to 401 College "as is" and "with all faults".
- An appraisal of the two portions to be exchanged, dated November 15, 2022, estimates the fair market value of the City Portion to be \$18,456,000 and the 401 College Portion to be \$12,017,500.
- In addition to the 401 College Portion, the city proposes to receive the following consideration:
 - Existing data center structure on the Entire 401 College Parcel will be demolished by 401 College following its acquisition from Duke Energy, at 401 College's sole cost, with the cost allocated to demolition on the 401 College Portion valued at \$2,500,000, and the land will be conveyed to the city as a vacant lot; and
 - Redevelopment of the Convention Center Plaza (limited to the 29,236 square feet common area) will be the responsibility of 401 College and its development partners.

- The redevelopment will include landscaping, seating areas, public facilities.
- 401 College will be granted an exclusive temporary construction easement to redevelop the Convention Center Plaza in connection with its development of 401 College's portion of the Entire 401 College Parcel which remains after this exchange.
- The final design of the Convention Center Plaza will be subject to approval by the city and CRVA.
- The cost of the redevelopment will be at least \$4,000,000.
- The CRVA supports this transaction because it believes it will provide the city and the CRVA with two development pads for future hotels and renovate the "Convention Center Plaza" into a dynamic plaza that can function as an additional amenity for the Convention Center.

Attachment(s)

Map
Resolution