



CHARLOTTE

Eastland Mall Update

City Council
Business Meeting

July 23, 2012

- Historical Background
- Review of Proposal from FMW Real Estate
- Comparison with 2009 Acquisition Proposal
- Funding
- Acquisition Rationale
- Potential Uses
- Next Steps



- 2003
 - City Council adopted the Eastland Area Plan, with the goals to:
 - Increase the economic viability of the Eastland area
 - Create a balanced mixture of land uses with a community center
 - Support strong neighborhoods
 - Improve aesthetic quality
 - Provide a multi-modal and connected transportation system
 - Ensure a safe community
- 2006
 - Council adopted the Business Corridor Revitalization Strategic Plan, which identified the Eastland area as a priority corridor.
- In 2007 and 2008, respectively, Belk and Dillard's department stores closed at Eastland, followed by Sears in 2009.

2009

- Council declines a \$22.24 million Eastland Mall acquisition strategy.

2010

- Boxer Properties purchases in-line stores after LNR foreclosure.
- In-line stores and Firestone close.
- Boxer presents to Council plans for redevelopment of in-line stores.

2011

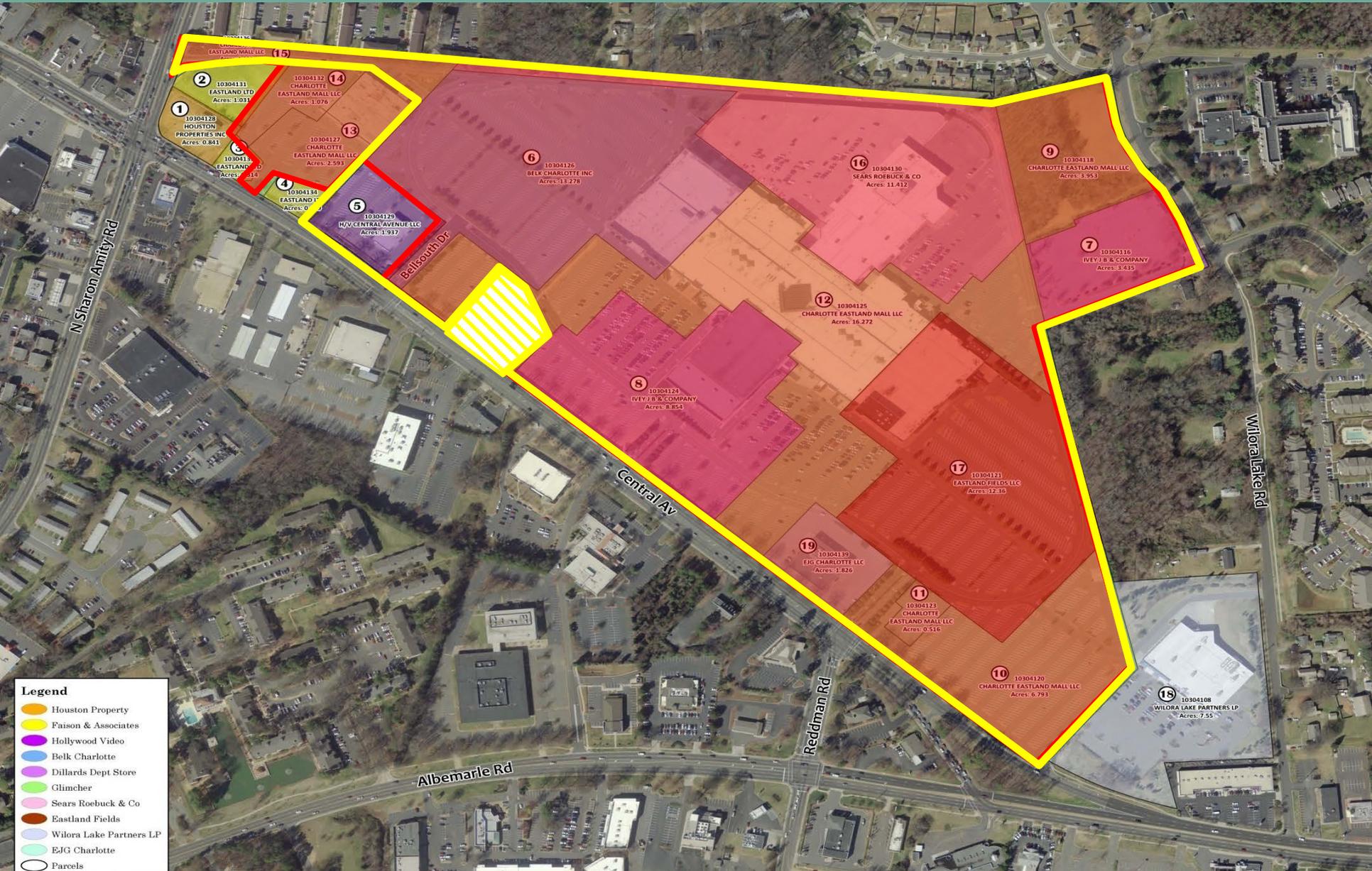
- CATS purchases 1.3781 acres and improvements for existing transit center from Boxer for \$771,150.

2012

- Council authorizes staff to be proactive in Eastland Mall acquisition conversations.
- Staff receives proposal from FMW Real Estate to purchase 80.452 acres of Eastland Mall for \$13.154 million



- FMW Real Estate has secured purchase contracts with seven property owners with the following terms:
 - Contracts may be assigned to a third party.
 - Purchase of the property and improvements are “as is”.
 - Buyer must post non-refundable deposits of \$750,000 on or before July 31, 2012.
 - Buyer must close on balance of \$12,404,000 on or before August 31, 2012.



- Legend**
- Houston Property
 - Faison & Associates
 - Hollywood Video
 - Belk Charlotte
 - Dillards Dept Store
 - Glimcher
 - Sears Roebuck & Co
 - Eastland Fields
 - Wilora Lake Partners LP
 - EJG Charlotte
 - Parcels

Parcel ID	Owner Name	Acreage
1	10304128 HOUSTON PROPERTIES INC	Acres: 0.841
2	10304131 EASTLAND LTD	Acres: 1.031
3	10304127 CHARLOTTE EASTLAND MALL LLC	Acres: 2.593
4	10304134 EASTLAND LTD	Acres: 0.814
5	10304129 W/V CENTRAL AVENUE LLC	Acres: 1.937
6	10304126 BELK CHARLOTTE INC	Acres: 13.278
7	10304116 IVEY J B & COMPANY	Acres: 3.435
8	10304124 IVEY J B & COMPANY	Acres: 8.854
9	10304118 CHARLOTTE EASTLAND MALL LLC	Acres: 3.953
10	10304120 CHARLOTTE EASTLAND MALL LLC	Acres: 6.793
11	10304123 CHARLOTTE EASTLAND MALL LLC	Acres: 0.516
12	10304125 CHARLOTTE EASTLAND MALL LLC	Acres: 16.272
13	10304127 CHARLOTTE EASTLAND MALL LLC	Acres: 2.593
14	10304132 CHARLOTTE EASTLAND MALL LLC	Acres: 1.076
15	EASTLAND MALL LLC	
16	10304130 SEARS ROEBUCK & CO	Acres: 11.412
17	10304121 EASTLAND FIELDS LLC	Acres: 12.36
18	10304120 CHARLOTTE EASTLAND MALL LLC	Acres: 6.793
19	10304130 EJG CHARLOTTE LLC	Acres: 1.826
20	10304108 WILORA LAKE PARTNERS LP	Acres: 7.55



Comparison with 2009 proposal

Property	Tax Value		Purchase Price	
	2009	2012	2009	2012
Boxer (in-line stores)	\$49.36M	\$9.934M	\$7.7M	\$5.264M
Belk	\$7.2M	\$3.55M	\$3M	\$1.20M
Dillard's	\$5.0M	\$3.80M	\$3M	\$1.14M
Sears	\$6.5M	\$3.73M	\$3M	\$2.5M
Field's (JC Penney)	\$4.6M	\$3.42M	\$4.1M	\$1.2M
EJG -Firestone	\$1.35M	\$500,000	\$1.44M	\$925K
Hollywood Video	\$838,500	\$619,000	n/a	\$925K
TOTAL	\$74.82M	\$25.54M	\$22.24M	\$13.154M
Acres			83.623	80.452
Price per Acre			\$265,955	\$163,501



Sources & Uses

Sources:

General Fund Debt Capacity:	\$15,984,000
Commission credit:	<u>\$200,700</u>
	\$16,184,700

Uses:

Acquisition:	\$13,154,000
Estimated Fees / taxes:	\$186,536
Site security / insurance:	<u>\$602,000</u>
	\$13,942,536
Balance after acquisition	<u>\$2,242,164</u>

- Control of Eastland land allows City to consider broad policy objectives for neighborhood stabilization and economic development.
- Supports broader policy goals of Business Corridor Revitalization Plan.
- Removes blighting influence on surrounding neighborhoods.
- Removes 1.208 million square feet of vacant retail from market.
- Acquisition costs unlikely to go lower.
- Without assembling parcels, current owners may pursue piecemeal disposition with no overarching vision.



Immediate Site Opportunities

- There is expressed interest from multiple parties to construct film studios, sound stages and ancillary uses to support the film and television production industry.
- City will issue a Request for Qualifications and Proposals (RFQ/P) for development proposals to support the film and television production industry.
- Any such development would occupy a portion of the site and would be designed to encourage redevelopment of remainder of site.

Next Steps

September to November 2012

- Work with the Planning Department to research film industry projects to develop a RFQ/P.
- Develop a communications and engagement plan for stakeholders.

December 2012

- Issue a film studio/sound stage anchored RFQ/P for redevelopment.

March to May 2013

- Receive and review proposals
- Make recommendation to City Council for consideration.
- If RFQ/P does not yield an acceptable development proposal, staff will propose specific steps for an interim strategy until real estate market opportunities materialize.