

## 15. Memorandum of Understanding with Studio Charlotte Development, LLC

- Action:**
- A. Decline the request from Studio Charlotte Development, LLC for an extension of the Memorandum of Understanding beyond its March 31, 2014 termination date.**
  - B. Direct staff to explore a redevelopment strategy for the Eastland site that includes the following activities:**
    - **Consider the design and placement of storm water infrastructure that creates a site amenity and satisfies applicable development ordinances.**
    - **Develop a preliminary master street/block plan that defines the logical connectivity for the site.**
    - **Explore partnerships (both public and private) that lead to an integrated and market-based program for site redevelopment.**
    - **Continue to consider film-related uses as development components given the benefits of the emerging film industry to Charlotte.**

**Committee Chair:** Michael Barnes

**Staff Resource(s):** Brad Richardson, Neighborhood & Business Services

### **Background**

- On July 23, 2012, City Council approved the acquisition of 80.4 acres at the former Eastland Mall site, including approximately 1.2 million square feet of buildings. The City closed on the acquisition on August 31, 2012.
- On May 28, 2013, City Council approved a contract for the demolition of the structures on the site.
- On August 26, 2013, City Council authorized the City Manager to enter into a Memorandum of Understanding (MOU) with Studio Charlotte Development, LLC (Developer) to present a possible development agreement framework to the Economic Development & Global Competitiveness Committee for review within six months.
- On October 1, 2013, the City and the Developer executed the MOU, which required the Developer to provide the following information to the City:
  - The sources and uses of private equity and debt/financing for the proposed redevelopment.
  - The terms, amounts and conditions of any public funding/financing required for the Developer to implement the proposed redevelopment.
  - Greater detail regarding the phasing, master planning and urban design of the site.
  - A statement on the impact and implications of proposed changes to the North Carolina film tax credit incentive.
- The MOU is scheduled to expire on March 31, 2014.

- On March 5, 2014, the Developer requested that the Council consider a five-month extension of the MOU.

#### **Committee Discussion**

- The Committee received progress reports from staff on November 23, 2013, January 13, 2014 and March 6, 2014.
- On March 6, 2014, staff informed the Committee that the Developer would be unable to provide sufficient information to allow the City to determine the extent of the funding gap and the appropriateness of public investment before the end of the six-month negotiating period.
- On March 20, 2014, staff recommended City Council decline the Developer's request for a five-month extension of the MOU.
- The Committee discussed the appropriate next steps for the redevelopment of the site and determined that a redevelopment strategy based on the following activities would best position the site for redevelopment:
  - Develop a preliminary storm water analysis and design of a water feature that creates a site amenity and satisfies applicable development ordinances.
  - Develop a preliminary master street/block plan that defines the logical connectivity for the site.
  - Explore partnerships (both public and private) that lead to an integrated and market-based program for site redevelopment.
  - In consideration of the opportunities presented by the film industry in Charlotte, the Committee requested that the market-based program for redevelopment consider film-related enterprises as potential uses.
- After discussion, the Committee voted unanimously (Barnes, Lyles, Austin, Fallon and Mayfield) to approve the motion.