



Market Assessment

August 2015

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SUNSET/BEATTIES FORD CNIP AREA | MARKET ASSESSMENT

OVERVIEW

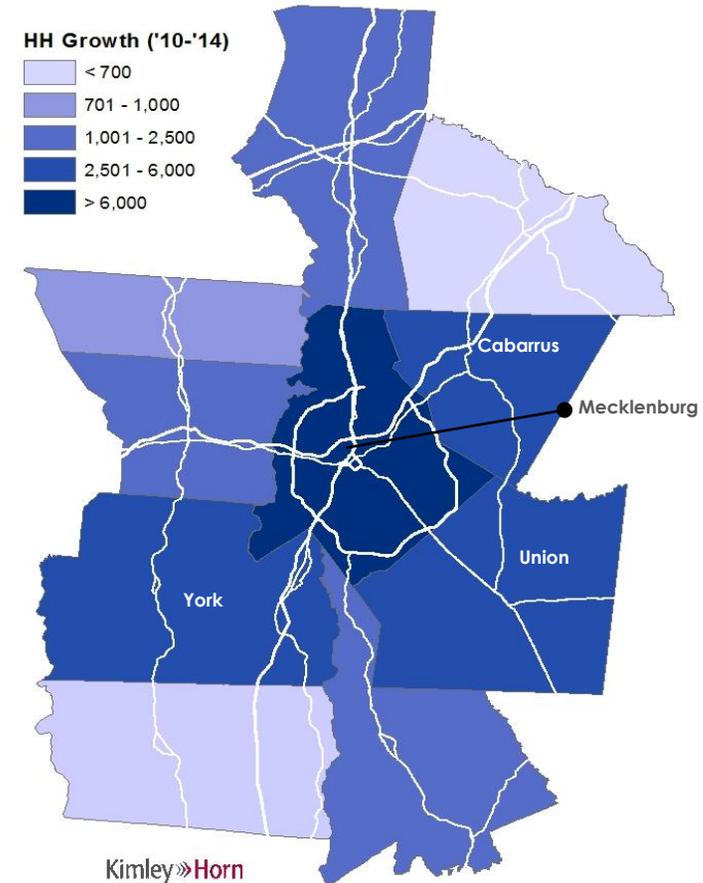
The City of Charlotte acknowledges the importance of including an assessment of the real estate market as part of long-range capital investment planning in order to maintain the growth and vitality of the community. Charlotte's Comprehensive Neighborhood Improvement Program (CNIP) is unique because of the comprehensive approach to place-making by fostering vibrant, diverse, and economically strong communities with a highly connected network of streets around nodes that include a mixture of office, retail, and residential land uses.

Since each of the five CNIP areas will develop a unique strategic approach, a thorough understanding of opportunities and conditions is necessary. The market assessment considers both localized and regional market forces impacting the potential for transformative change in the Sunset/Beatties Ford CNIP area. Ultimately, this document helps to reconcile the full market potential of the Sunset/Beatties Ford CNIP area with the infrastructure improvements needed to foster success.

REGIONAL CONSIDERATIONS

The Charlotte region is in the midst of recovery following the economic recession from 2007-2009. The region, defined as the 10-county Charlotte MSA, includes Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, and Union counties in North Carolina; and Chester, Lancaster, and York counties in South Carolina. The Charlotte MSA has grown by nearly 650,000 people since 2010, exceeding 2.4 million in 2014. The strongest growth was experienced in Mecklenburg, Cabarrus, Union and York counties.

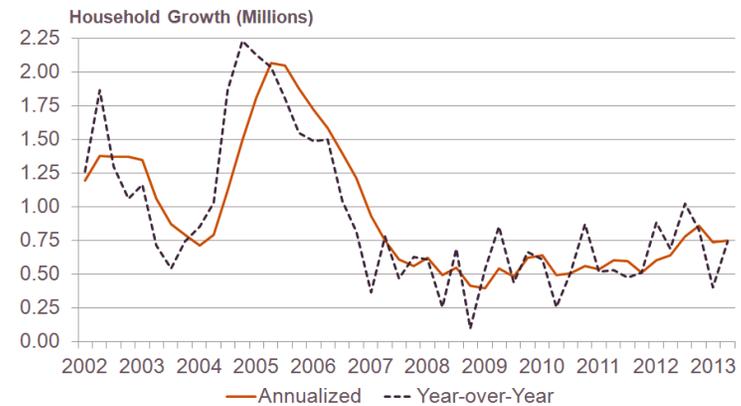
Household Growth, Charlotte MSA, 2010-2014



Although growth in the Charlotte region recently slowed from the rapid pace recorded between 2000 and 2010, it is still one of the fastest growing areas in the United States. Some of the macro-level demographic shifts impacting the region include:

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- **Rise of the Millennials.** Born roughly between 1980 and 2000, Millennials have overtaken the Baby Boomers as the largest generation. This shift will shape the form of development for years to come, as only a portion of this generation has moved out of their childhood homes. Impacts will come particularly in regards to housing, employment, and transportation choices. The Charlotte region reported the 10th fastest increase in Millennials in the United States between 2009 and 2012. While some will seek to live in downtown Charlotte, rising housing prices will present opportunities for other well-connected areas of Mecklenburg County.
- **Aging Baby Boomers.** Although Millennials are now the largest cohort, Baby Boomers still comprise nearly 22% of the total national population. Some in this cohort are still working, driving spending potential. This cohort is driving demand for a maintenance-free lifestyle close to family, friends, shopping, dining, church, and cultural or recreational amenities. While the vast majority of this cohort still prefer homeownership, some will seek higher density options, largely due to continued national issues related to financing and liability for condominium construction. A wide array of housing options, including a continuum of care facilities, will be in demand to accommodate this group in the future.
- **Stabilization of Household Formation.** Household formation was highest nationally and in the Charlotte region between 2004 and 2006, before falling during the Great Recession. The drop in household formation was partially impacted by young adults living at home longer or relying on roommates. Since 2010, household formation has stabilized, but it is unlikely to reach the same pre-Recession measures.



Note: Annualized growth is change in trailing 4-quarter average household estimate from previous year; year-over-year growth is change in quarterly household estimate from previous year. Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.



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- **Decline in Homeownership Rate.** Challenges with obtaining financing, coupled with shifting preferences of Millennials, have caused a notable decline in the rate of home-ownership. Growth in new renter households in the Charlotte region has been significant in the last five years, with supply of new multifamily product struggling to keep up with demand.
- **Smaller Household Sizes.** The average household size has gradually declined, impacted by the large Millennial and Baby Boomer generations. Single-person household in the region have experienced explosive growth since 2000, and could overtake two-person households as the most common size by 2020. This impacts the demand for a variety of housing types, including single-family detached, townhouses, and multifamily units.

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The Charlotte MSA added approximately 14,000 jobs between 2008 and 2013, a growth rate of 1.4%. This represents a stronger performance than the 1.2% loss over the same time nationally. Mecklenburg County, the regional job center, added significantly more jobs than any other county in the MSA over the last five years. York and Lancaster counties, both located in South Carolina, also posted gains.

Regional job growth was led by Health and Social Services, Administration, and Accommodation and Food Services sectors. Regional losses were nearly all accounted for in the Construction, Manufacturing, and Transportation and Warehousing sectors; aligning with similar trends demonstrated by the nation.

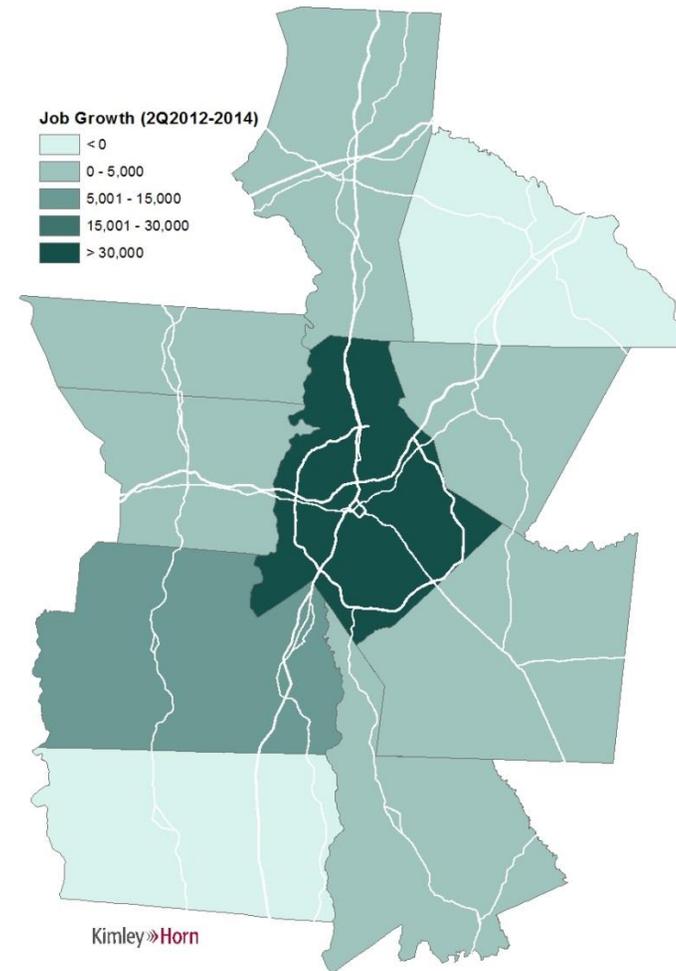
Job growth in the region has returned, with 62,000 new jobs added in the last two years. Mecklenburg County captured two-thirds of the total increase, but nearly all of the counties in the region reported positive growth. The Charlotte MSA's 6.4% growth over the last two years was nearly double the 3.9% national increase. With a resurgence of development, construction jobs have partially recovered from losses during the Recession.

ECONOMIC ANCHORS AND DEMAND DRIVERS

Downtown Charlotte

Located approximately five miles south of the Sunset/Beatties Ford CNIP, downtown Charlotte is the region's primary employment and entertainment center. Estimates indicate that the current workforce in downtown Charlotte is 65,000. Bank of America's headquarters and Wells Fargo's Eastern regional headquarters are both located downtown. Other major employers include Duke Energy, The Charlotte Observer, and government facilities such as the Federal Reserve Bank, the City of Charlotte, and Mecklenburg County.

Employment Growth, Charlotte MSA, 2012-2014



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There are numerous entertainment and recreation facilities in downtown Charlotte. Two professional sporting teams have venues; Bank of America Stadium is home to the Carolina Panthers NFL team and Time Warner Cable Arena hosts the NBA Charlotte Hornets. Numerous museums and theaters are also located downtown, including the new cultural arts campus on South Tryon Street.

Charlotte Douglas International Airport

One of the most influential economic drivers for the region is Charlotte-Douglas International Airport (CLT), located approximately 10 miles southwest of the Sunset/Beatties Ford CNIP area. In 2013, CLT recorded 43.5 million travelers, a 5% increase from 2012. It is now the eighth-busiest airport in the United States.

The airport is currently undergoing \$1.5 billion worth of projects in the next five years. Plans include building a fourth parallel runway, parking decks, and additional infrastructure. The 6,000-acre airport will receive a new air traffic tower scheduled to open in 2019. The airport terminal, concourses, roads, and entryway will also receive a makeover.

A new hourly deck with 4,000 parking spaces recently opened. The parking deck will also have the capacity for 3,000 rental cars so passengers will no longer need to take shuttles to remote lots. Work has begun on two pedestrian tunnels connecting the terminal to the new hourly deck.

CLT and the City of Charlotte are jointly preparing a new strategic plan for the area around the airport, extending east to Billy Graham Parkway and west to the Catawba River. The area between I-485 and the river is expected to emerge as a major regional employment center, leveraging significant public infrastructure and transportation investments.

Charlotte Regional Intermodal Facility

The Norfolk-Southern Intermodal Facility relocated from central Charlotte to a new 200-acre site between two runways at Charlotte Douglas International Airport in 2013. The \$92 million facility is capable of handling 200,000 container lifts annually. It is one of few intermodal yards along the East Coast with immediate access to rail, truck, and air freight. The site also has parking for up to 1,331 trucks.

Approximately \$16 million in federal grants were used to construct the facility. Norfolk Southern is paying Charlotte Douglas International Airport \$1 million per year to rent the facility. It is estimated that the intermodal hub will generate \$7.6 billion in economic impact and create more than 7,000 jobs in Charlotte and the surrounding region over the next 20 years.

I-485

I-485 is a 67-mile outer loop around the City of Charlotte, with 35 proposed or completed interchanges. Construction of the 5.7-mile northeast segment between I-77 and I-85 began in 2011 and was recently completed in June of 2015.

This project also included converting the existing I-485/I-85 interchange to a turbine design, the first of its kind in the state. According to the North Carolina Department of Transportation (NCDOT), the turbine interchange moves traffic faster, improves vehicular safety, and reduces project costs. The turbine was completed in June of 2014.

I-77 Managed Lane Project

The North Carolina Department of Transportation is planning the I-77 managed lane project to reduce congestion between downtown Charlotte and Mooresville. The project will enhance 26 miles of I-77 from I-277 (Brookshire Freeway) to NC-150 in Mooresville. As part of

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this project, NCDOT will convert the existing high occupancy vehicle (HOV) lane in each direction to an express lane.

A second express lane will also be added in each direction along the segment of the corridor from I-277 to Exit 28 in Cornelius. There will only be one express lane north of Cornelius.

Drivers on I-77 will have the choice to stay in the general travel lanes for no

charge or travel in the express lanes for a toll. Through a bidding process, Cintra was selected to construct this project as part of a public-private partnership. The total project cost is expected to be \$655 million, of which only \$88 million will be contributed from state and federal funding buckets. Cintra will manage design, construction, finance, and operation of the project. Design and construction of the project is expected to take 3.5 years, with completion scheduled for 2018.

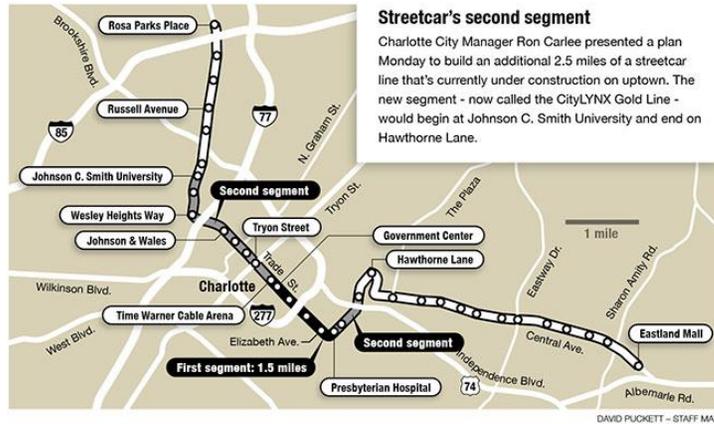
Transit

Gold Line. The LYNX Gold Line, formerly known as the Charlotte Streetcar Project, is a mass transit infrastructure development that will run on Trade Street from the Rosa Parks Place in West End, through Uptown and Elizabeth, then down Hawthorne to Central Avenue, ultimately reaching Eastland Mall. Phase 1 of the project is complete, connecting Novant's Presbyterian Hospital in Elizabeth to the center city transit center on Trade Street. The center city transit center is across from Time Warner Cable Arena with access to the LYNX Blue Line.



Phase 2 will serve as a catalyst for economic growth by providing effective and efficient transit operations, connecting key neighborhoods and maximizing development opportunities. Phase 2 will extend an additional 2.5 miles to the east and west: from Presbyterian Hospital to Sunnyside Avenue and from the center city transit center, west to Johnson C. Smith University. The second phase has been recommended for a \$75 million federal grant. If Congress approves the budget this fall, Charlotte Area Transit System (CATS) could put the construction contract out to bid at the end of 2015, for a 2016 start. Based on this timing, the second phase could open in 2019.

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The third and final phase between Hawthorne Land and the former Eastland Mall, and from Johnson C. Smith University to Rosa Parks Place on Beatties Ford Road, is scheduled for completion by 2023 at an estimated cost of \$231 million.

Red Line Commuter Rail. CATS has proposed the 26-mile North Corridor (Red Line) commuter rail service along existing Norfolk Southern tracks between downtown Charlotte and Mooresville. Ten stations are currently proposed, including two near the Sunset/Beatties Ford CNIP area.

Currently unfunded, the Red Line is forecasted to create 23,000 jobs and over \$4.9 billion in private investment along the corridor. Trains are anticipated to run every 30 minutes during the morning and evening peak hours and hourly in non-peak hours with travel time between Cornelius and Charlotte projected at 30 minutes. Although the project was anticipated to begin operation in 2017, recent cost estimates indicate significant over runs. As a result, the Red Line is on hold while the North Carolina Department of Transportation and CATS review other funding options.

Northlake Mall

Northlake Mall and the surrounding retail is the primary commercial node in northern Mecklenburg County. Located three miles northwest of the Sunset/Beatties Ford CNIP area, Containing over 1.0 million square feet of retail space, the mall is anchored by AMC Theaters, Belk, Dillard's, Dick's Sporting Goods, and Macy's. Perimeter Woods, located across WT Harris from Northlake Mall, was developed by Trinity Partners and is anchored by Lowe's Home Improvement, Best Buy, and PetSmart, as well as office space and multifamily residential units. The Northcrest Shopping Center, including a Target and REI, is located on the other side of Northlake Centre Parkway.

University City

University City is the area surrounding UNC-Charlotte and the University Research Park. The University of North Carolina at Charlotte (UNC-Charlotte) is the fourth largest university in the 17-institution University of North Carolina System. Founded in 1946, UNC-Charlotte has a current enrollment of more than 26,000 in seven professional colleges that offer 18 doctoral programs, 63 master's degree programs, and 90 bachelor degrees. The 1,000-acre main campus is located between US-29 and NC-49 approximately eight miles northeast of the Sunset/Beatties Ford CNIP area.

University Research Park (URP) occupies three quadrants of the I-85/Harris Boulevard interchange. URP initially emerged in the late 1970s, and now contains more than 10.5 million square feet of office, research, and industrial space. Current estimates are over 30,000 employees at approximately 200 businesses. It also includes 2,200 acres of forested land, greenways, and walking trails.

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The largest employer at URP, Wells Fargo Customer Information Center (CIC), employs more than 12,000 people in a 2.1-million-square-foot complex. Other key tenants are TIAA-CREF, Duke Energy, Red Ventures, Digital Optics, and Electrolux North America.

DEMOGRAPHIC PROFILE

Population

As demonstrated in *Table 1*, the Sunset/Beatties Ford CNIP area increased to nearly 27,000 residents by 2014, more than doubling from 13,472 people in 2000. By 2014, the 10-county Charlotte MSA reached over 2.3 million people. The population increase accounted for 4.8% of the total growth in the Charlotte MSA. The Compound Annual Growth Rate (CAGR) for the Sunset/Beatties Ford CNIP area was 5.1% over the last 14 years, compared to 2.4% for Mecklenburg County and 2.2% for the Charlotte MSA.

Table 1: Comparison of Population Trend, 2000-2014

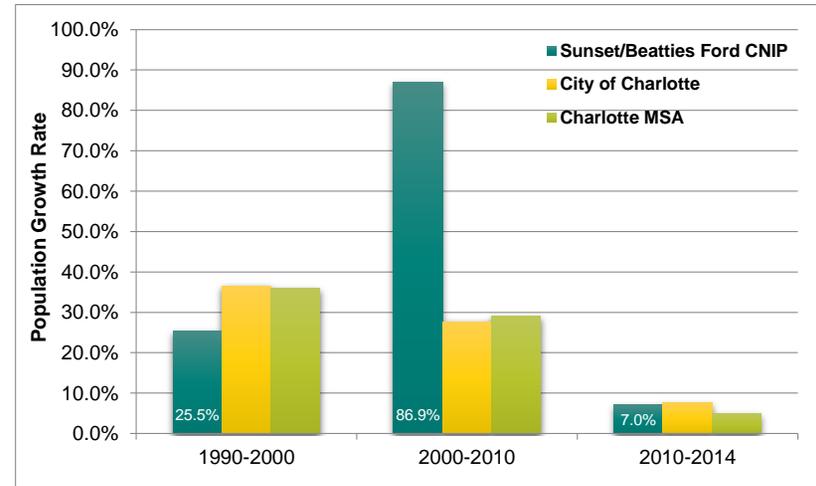
Geography	2000	2010	2014	2000-2014 Δ		
				#	%	CAGR
Sunset/Beatties Ford CNIP	13,472	25,183	26,956	13,484	100.1%	5.1%
Mecklenburg County	695,454	919,628	974,119	278,665	40.1%	2.4%
Charlotte MSA	1,717,490	2,217,012	2,326,944	609,454	35.5%	2.2%
CNIP Area % MSA	0.8%	1.1%	1.2%	2.2%		

Source: ESRI; US Census; Kimley-Horn

As shown in *Graph 1*, the Sunset/Beatties Ford CNIP area grew at a slower rate than both the City of Charlotte and the Charlotte MSA between 1990 and 2000, demonstrating a 25.5% increase over the 10-year period. However, between 2000 and 2010, the CNIP area increased by nearly 87%, a significantly higher measure than the other two geographies. The rapid population growth between 2000 and 2010 was due to a wave of entry-level single-family development, capitalizing on proximity to downtown Charlotte and major interstate corridors. This unprecedented growth, coupled with the mortgage crises, led to a high rate of foreclosures in the

Sunset/Beatties Ford CNIP area. The rate of all three areas slowed following 2010, as the region continues to recover from the Great Recession.

Graph 1: Comparison of Growth Rate by Decade, 1990-2010



Strong population growth was demonstrated in all age cohorts in the Sunset/Beatties Ford CNIP area, with the most notable increases in residents less than 24 years old (*Table 2*). Millennials, roughly aged 15 to 34, increased by over 3,500 people over the last 14 years, representing the strongest absolute and percentage increase. The Sunset/Beatties Ford CNIP area continues to be an attractive place for young families seeking reasonably priced housing options within a close proximity to job centers in Mecklenburg County.

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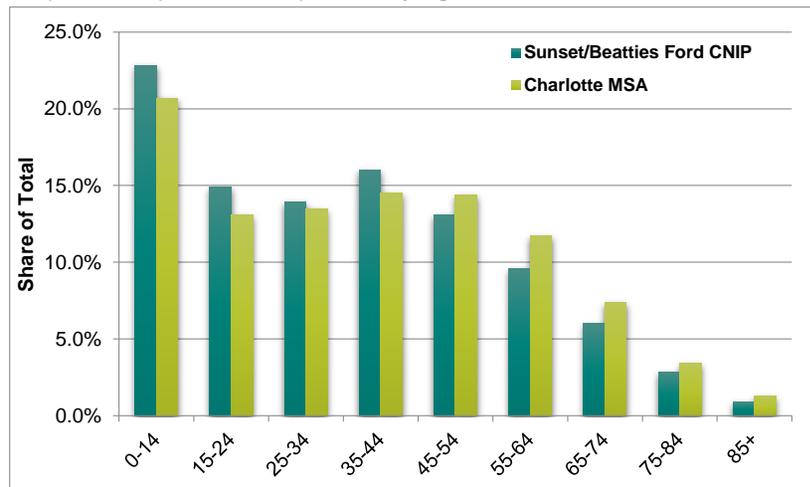
Table 2: Population by Age, Sunset/Beatties Ford CNIP Area, 2000-2014

Cohort	2000	2010	2014	2000-2014 Δ	
				#	%
0-14	2,927	6,069	6,146	3,219	110.0%
15-24	1,627	3,626	4,016	2,389	146.8%
25-34	2,627	3,853	3,747	1,119	42.6%
35-44	2,404	4,080	4,313	1,909	79.4%
45-54	1,680	3,098	3,531	1,851	110.2%
55-64	1,063	2,216	2,588	1,525	143.4%
65-74	691	1,335	1,617	926	134.0%
75-84	374	680	755	380	101.6%
85+	78	227	243	164	210.3%
Total	13,472	25,183	26,956	13,484	100.1%

Source: ESRI; US Census; Kimley-Horn

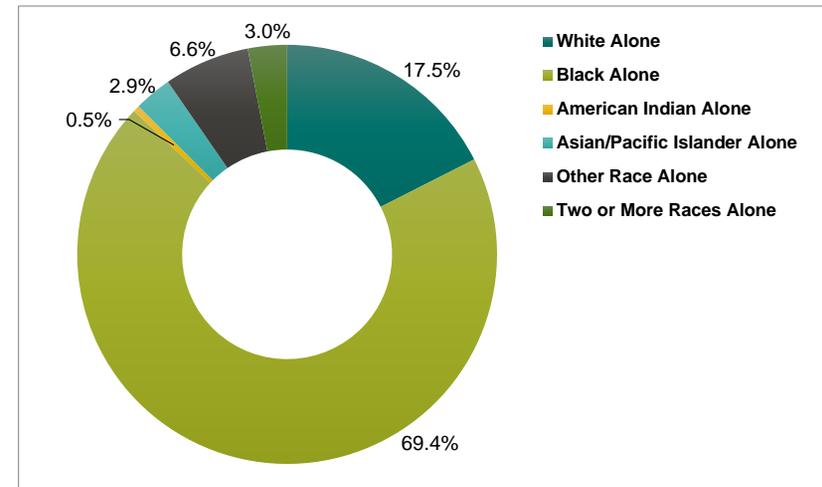
Young children, aged less than 14 years, make up the largest share of the total population in the Sunset/Beatties Ford CNIP area (Graph 2). Generally the Sunset/Beatties Ford CNIP area has higher shares of younger cohorts than the larger Charlotte MSA. Inversely, the MSA has higher shares of residents over the age of 45.

Graph 2: Comparison of Population by Age Cohort, 2014



Residents that identify as Black make up more than two-thirds of the population in the Sunset/Beatties Ford CNIP area, notably higher than the Charlotte MSA's share of 22.1% (Graph 3).

Graph 3: Population by Ethnicity, Sunset/Beatties Ford CNIP Area, 2014

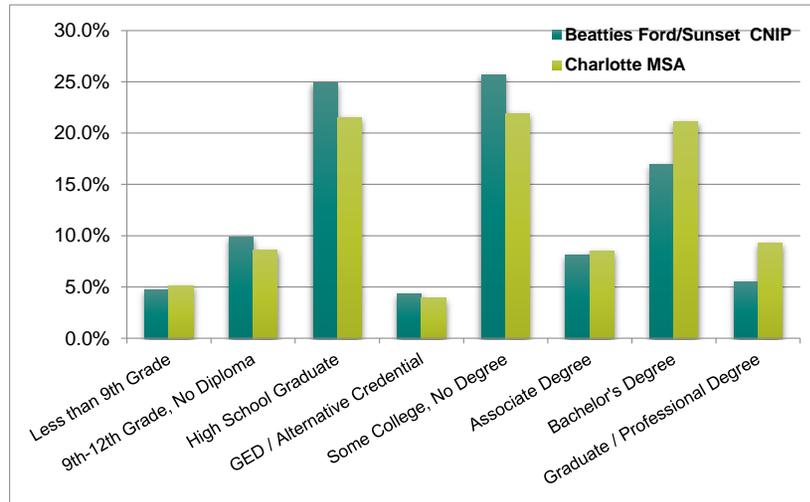


White residents make up another 17.5% of the total. It should be noted that the share of White residents in the Sunset/Beatties Ford CNIP area has been steadily declining since 2000. Residents of any race with Hispanic Origin increased from an estimated 2.8% of the population in 2000 to 13.7% in 2014. The Charlotte MSA reported a slightly lower 10.3% share of residents identifying as having Hispanic Origin in 2014.

Graph 4 compares shares of residents based on educational attainment between the Sunset/Beatties Ford CNIP area and the Charlotte MSA. The CNIP area has higher shares of residents that are High School Graduates or have some college experience, while the larger Charlotte MSA has higher shares of population that has at least a Bachelor's Degree.

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Graph 4: Comparison of Population by Educational Attainment, 2014



Households

As demonstrated in *Table 3*, there were an estimated 9,536 households in the Sunset/Beatties Ford CNIP area as of 2014, representing an 87.8% increase since 2000. During the same time period, Mecklenburg County and the Charlotte MSA increased by 40.4% and 35.2%, respectively. The Sunset/Beatties Ford CNIP area comprised 1.9% of the total Charlotte MSA household growth over the 14-year period.

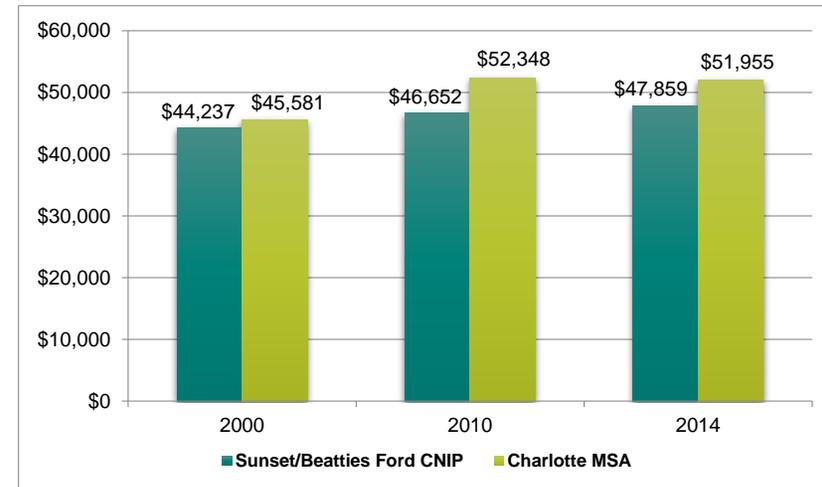
Table 3: Comparison of Household Trend, 2000-2014

Geography	2000	2010	2014	2000-2014 Δ		
				#	%	CAGR
Sunset/Beatties Ford CNIP	5,079	8,983	9,536	4,457	87.8%	4.6%
Mecklenburg County	273,416	362,213	383,754	110,338	40.4%	2.5%
Charlotte MSA	658,762	848,745	890,886	232,124	35.2%	2.2%
CNIP Area % MSA	0.8%	1.1%	1.1%	1.9%		

Source: ESRI; US Census; Kimley-Horn

The median household income in the Sunset/Beatties Ford CNIP area was estimated at \$47,850 in 2014, slightly lower than the regional average of nearly \$52,000. Median incomes increased 8% since 2000 in the CNIP area, slower than 14% in the larger region.

Graph 5: Comparison of Median Household Income, 2000-2014



As shown in *Table 4*, the strongest household growth in the Sunset/Beatties Ford CNIP area was exhibited in the cohort earning between \$50,000 and \$74,999 annually, growing by 1,420 households since 2000. Households earning between \$35,000 and \$74,999 annually made up 45% of the total in 2014. There was notable growth demonstrated in all income cohorts earning less than \$150,000 annually.

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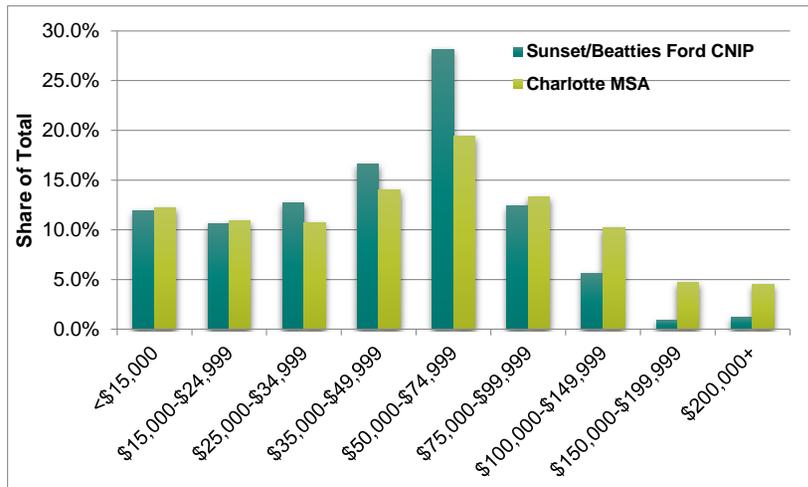
Table 4: Households by Income Cohort, Sunset/Beatties Ford CNIP Area, 2000-2014

Cohort	2000	2010	2000-2014 Δ		
			2014	#	%
<\$15,000	622	1,312	1,135	513	82.4%
\$15,000-\$24,999	687	638	1,011	324	47.1%
\$25,000-\$34,999	695	1,051	1,211	516	74.3%
\$35,000-\$49,999	849	1,850	1,583	734	86.4%
\$50,000-\$74,999	1,260	2,093	2,680	1,420	112.7%
\$75,000-\$99,999	537	1,159	1,182	645	120.1%
\$100,000-\$149,999	300	701	534	234	77.9%
\$150,000-\$199,999	49	126	86	37	74.6%
\$200,000+	79	45	114	36	45.0%
Total	5,079	8,983	9,536	4,457	87.8%

Source: ESRI; US Census; Kimley-Horn

When comparing the Sunset/Beatties Ford CNIP area to the larger Charlotte MSA, the CNIP area has a significantly higher share of households earning between \$50,000 and \$74,999 annually. Higher shares were also demonstrated in households earning between \$25,000 and \$49,999 per year. The Charlotte MSA has higher shares of households earning more than \$100,000 annually.

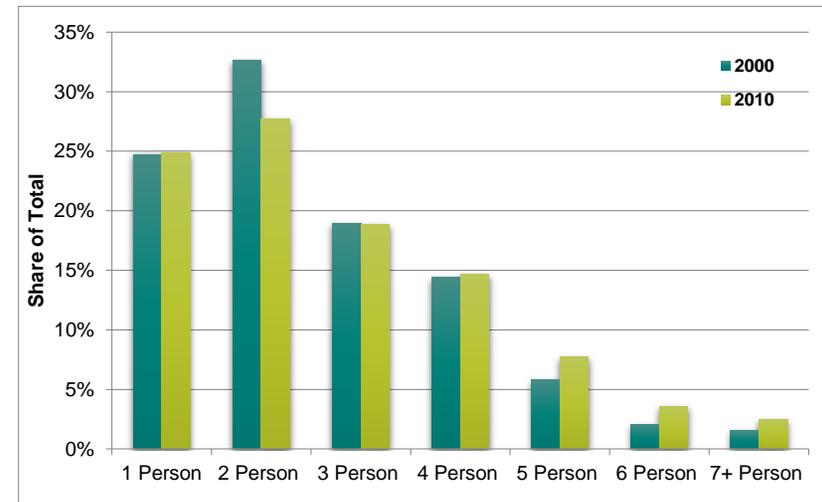
Graph 6: Comparison of Households by Income Cohort, 2014



The average household size in the Sunset/Beatties Ford CNIP area is estimated at 2.76 persons in 2014, higher than 2.50 for Mecklenburg County and 2.57 for the Charlotte MSA. Although household sizes are gradually declining nationally, the average size in the CNIP area has been increasing. This could be partially attributable to the notable increase in population with Hispanic Origin, who generally have larger than average household sizes.

As shown in Graph 7, two-person households comprise the largest share in the Sunset/Beatties Ford CNIP area at over 27% in 2010. However, this group demonstrated a decline over the last 10 years. The CNIP area experienced increases in households with at least four residents, further justifying an increasing average household size since 2000.

Graph 7: Share of Households by Size, Sunset/Beatties Ford CNIP Area, 2000-2010



Over 75% of the households in the Sunset/Beatties Ford CNIP area are comprised of at least two people. For these households, 70%

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are estimated to be family households, with related residents. Overall, 42.7% of the households in the CNIP area have children, compared to 31.8% in the larger Charlotte MSA.

EMPLOYMENT PROFILE

This section analyzes annual employment and wage trends by industry over the last five years for the ten-county Charlotte MSA, and more specifically for Mecklenburg County, describing overall growth and shifts between economic sectors. Estimated employment is also shown for the Sunset/Beatties Ford CNIP area.

Charlotte MSA

Employment in the ten-county Charlotte MSA exceeded 1.0 million in 2014, increasing by over 105,000 jobs, or 11.3%, over the last five annual periods (*Table 5*). The gain was primarily attributable to strong growth in the Administrative and Waste, Retail Trade, and Accommodation and Food Services sectors. It should be noted that Mecklenburg County, the primary employment core of the Charlotte MSA, captured nearly 70% of the total five-year job growth. The 105,868 jobs added in the MSA over the last five years equates to an average increase of 21,174 jobs per year.

Table 5: At-Place of Work Employment Trends, Charlotte MSA, 2009-2014

Industry Classification	2009	2014	2009-2014 Δ	
			#	%
Health Care and Social Assistance	113,351	123,970	10,619	9.4%
Retail Trade	107,389	120,007	12,618	11.7%
Manufacturing	93,068	99,836	6,768	7.3%
Accommodation and Food Services	83,744	95,767	12,023	14.4%
Administrative and Waste Services	61,161	84,257	23,096	37.8%
Educational Services	72,138	74,592	2,454	3.4%
Finance and Insurance	59,614	63,792	4,178	7.0%
Professional and Technical Services	48,911	59,137	10,226	20.9%
Wholesale Trade	51,512	54,063	2,551	5.0%
Construction	50,355	51,529	1,174	2.3%
Transportation and Warehousing	40,236	46,146	5,910	14.7%
Public Administration	38,005	38,394	389	1.0%
Management of Companies and Enterprises	31,273	35,495	4,222	13.5%
Other Services, Ex. Public Admin	22,817	26,173	3,356	14.7%
Information	23,287	25,157	1,870	8.0%
Arts, Entertainment, and Recreation	20,574	23,470	2,896	14.1%
Real Estate and Rental and Leasing	13,540	15,350	1,810	13.4%
Utilities	5,088	4,839	-249	-4.9%
Agriculture, Forestry, Fishing & Hunting	3,036	3,072	36	1.2%
Mining	677	598	-79	-11.7%
Total	939,776	1,045,644	105,868	11.3%

Source: NCESC; SCESC; Kimley-Horn

In 2014, the largest employment sectors in the Charlotte MSA included Healthcare and Social Assistance, Retail Trade, and Manufacturing. The 343,813 jobs reported in these three sectors made up approximately one-third of the total jobs in the region. It should be noted that even sectors that had experienced the largest declines as a result of the 2007-2009 Recession, most notably Manufacturing and Construction, have demonstrated recovery in the last five-year period.

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Job gains in the Charlotte MSA were recorded in all but two of the 20 industry sectors reported. The industries that added the most jobs between 2009 and 2014 included:

- Administrative and Waste Services (+23,096)
- Retail Trade (+12,618)
- Accommodation and Food Services (+12,023)
- Healthcare and Social Assistance (+10,619)
- Professional and Technical Services (+10,226)

Mecklenburg County

Mecklenburg County had over 610,000 jobs in 2014, a 13.4% increase from 2009 (*Table 6*). As previously mentioned, Mecklenburg County accounted for nearly 70% of the total employment increase in the larger Charlotte MSA. Healthcare and Social Assistance was the largest sector in 2014 with 68,310 jobs, followed by the Retail Trade sector, reporting 61,639 jobs. Together, these two sectors make up over 20% of all the jobs in Mecklenburg County.

Table 6: At-Place of Work Employment Trends, Mecklenburg County, 2009-2014

Industry Classification	2009	2014	2009-2014 Δ	
			#	%
Administrative and Waste Services	41,504	54,559	13,055	31.5%
Health Care and Social Assistance	59,738	68,310	8,572	14.3%
Professional and Technical Services	38,112	45,218	7,106	18.6%
Retail Trade	54,660	61,639	6,979	12.8%
Accommodation and Food Services	47,487	53,823	6,336	13.3%
Transportation and Warehousing	28,034	33,539	5,505	19.6%
Finance and Insurance	48,198	53,578	5,380	11.2%
Management of Companies and Enterprises	24,150	27,456	3,306	13.7%
Educational Services	31,761	34,600	2,839	8.9%
Arts, Entertainment, and Recreation	11,685	14,182	2,497	21.4%
Information	18,503	20,747	2,244	12.1%
Other Services, Ex. Public Admin	12,808	14,726	1,918	15.0%
Wholesale Trade	34,311	36,193	1,882	5.5%
Construction	26,643	28,264	1,621	6.1%
Real Estate and Rental and Leasing	9,722	11,325	1,603	16.5%
Manufacturing	30,974	32,018	1,044	3.4%
Public Administration	16,588	17,048	460	2.8%
Mining	224	230	6	2.7%
Utilities	1,872	1,854	-18	-1.0%
Agriculture, Forestry, Fishing & Hunting	832	746	-86	-10.3%
Total	537,806	610,055	72,249	13.4%

Source: NCEC; Kimley-Horn

Industries experiencing the greatest increases in Mecklenburg County between 2009 and 2014 included:

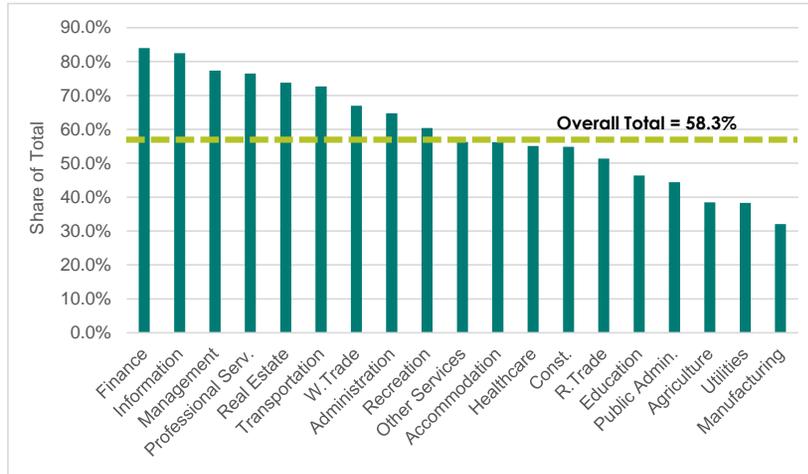
- Administrative and Waste Services (+13,055)
- Healthcare and Social Assistance (+8,572)
- Professional and Technical Services (+7,106)
- Retail Trade (+6,979)
- Accommodation and Food Services (+6,336)

Mecklenburg County accounts for 58.3% of total employment in the Charlotte MSA. By industry, it represents notably higher than average shares of Finance, Information, Management, Professional Services, Real Estate, and Transportation and Warehousing jobs

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(Graph 8). Many of the top ranking industry sectors are attracted to the concentration of Class A office space in downtown Charlotte. The sectors with the lowest shares, Manufacturing, Utilities, and Agriculture generally require larger tracts of land.

Graph 8: Mecklenburg County Jobs as a Share of Charlotte MSA, 2014



Sunset/Beatties Ford CNIP Area

The most recent employment estimates for the Sunset/Beatties Ford CNIP area are provided by the US Census LEHD On the Map dataset. Between 2006 and 2011, employment in the CNIP area increased from 8,322 jobs to over 9,000 jobs, an 8.4% growth rate over five years (Table 7). Capitalizing on the area's accessibility to Interstate highways, the Transportation and Warehousing employment sector demonstrated the largest increase of 740 jobs over the five year period. Other growth sectors included Administrative and Waste Services, Wholesale Trade, and Retail Trade.

Table 7: At-Place of Work Employment Trends, Sunset/Beatties Ford CNIP Area, 2006-2011

Industry Classification	2006	2011	2006-2011 Δ	
			#	%
Agriculture, Forestry, Fishing & Hunting	0	0	0	0.0%
Mining	0	0	0	0.0%
Utilities	1	0	-1	-100.0%
Construction	649	482	-167	-25.7%
Manufacturing	1,058	768	-290	-27.4%
Wholesale Trade	2,606	2,835	229	8.8%
Retail Trade	705	813	108	15.3%
Transportation and Warehousing	825	1,565	740	89.7%
Information	52	57	5	9.6%
Finance and Insurance	38	59	21	55.3%
Real Estate and Rental and Leasing	72	105	33	45.8%
Professional and Technical Services	229	236	7	3.1%
Management of Companies and Enterprises	194	189	-5	-2.6%
Administrative and Waste Services	359	673	314	87.5%
Educational Services	418	211	-207	-49.5%
Health Care and Social Assistance	222	268	46	20.7%
Arts, Entertainment, and Recreation	68	30	-38	-55.9%
Accommodation and Food Services	682	547	-135	-19.8%
Other Services, Ex. Public Admin	139	174	35	25.2%
Public Administration	5	8	3	60.0%
Total	8,322	9,020	698	8.4%

Source: U.S. Census Bureau, LEHD, On The Map

Losses in the Construction and Manufacturing sectors are consistent with larger regional and state-wide trends following the 2007-2009 Recession. It should be noted that Educational Services also experienced a decline in jobs, likely due to cutbacks after a decline in tax revenue during the Recession.

Freight activities are largely classified under Transportation and Warehousing, which grew by 740 jobs between 2006 and 2011. Nationally, this sector was negatively impacted by the Great Recession. However, the Sunset/Beatties Ford CNIP area experienced an increase, demonstrating the attractiveness of accessibility to major interstates in the area.

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As shown in *Table 8*, nearly 58% of the total jobs in the Sunset/Beatties Ford CNIP area are classified as Trade, Transportation, and Utilities. These jobs are concentrated in the larger industrial/business parks offering access to I-77 and I-85. The estimated 1,098 Professional and Business Service jobs make up another 12.2% of the total in the CNIP area.

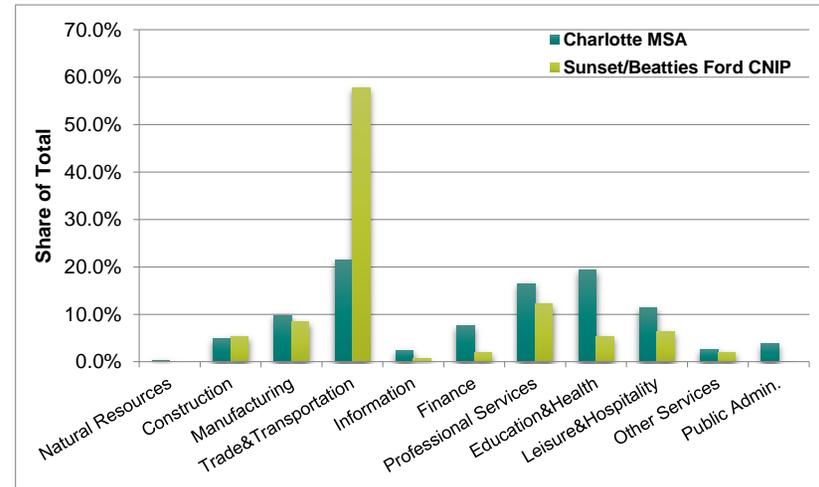
Table 8: Employment by Sector, Sunset/Beatties Ford CNIP Area, 2011

Industry Classification	Estimated Employees	Share of Total
Natural Resources and Mining	0	0.0%
Construction	482	5.3%
Manufacturing	768	8.5%
Trade, Transportation, and Utilities	5,213	57.8%
Information	57	0.6%
Financial Activities	164	1.8%
Professional and Business Services	1,098	12.2%
Education and Health Services	479	5.3%
Leisure and Hospitality	577	6.4%
Other Services	174	1.9%
Public Administration	8	0.1%
Total	9,020	100.0%

Source: U.S. Census Bureau, LEHD, On The Map

Offering proximity to both I-77 and I-85, the Sunset/Beatties Ford CNIP area has a notably higher share of Trade, Transportation, and Utilities jobs at 57.8% than the larger Charlotte MSA (*Graph 9*). However, the Charlotte MSA has higher shares of Professional Services, Education and Health Services, and Leisure and Hospitality, which includes employment at restaurants and hotels.

Graph 9: Comparison of Shares by Employment Sector, 2011



The largest employment concentration in the Sunset/Beatties Ford CNIP area is located north of Sunset Road on both sides of I-77. To the west of I-77 is NorthPark Charlotte, which is one of the largest industrial

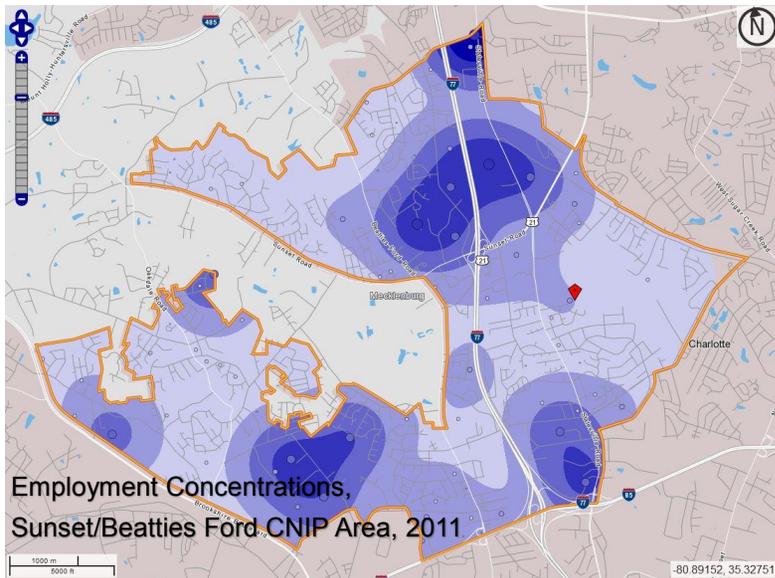
park in the City, with over 2.0 million square feet of leasable space in 16 buildings. On the east side of I-77, north of Sunset Road, additional, unaffiliated industrial buildings capitalize on proximity to the Sunset Road interchange. The Mecklenburg County North Jail facility is located in this vicinity as well.

Crosspoint Center, in the northwest quadrant of Statesville Road and I-85, is another large employment concentration within the Sunset/Beatties Ford CNIP area. This seven-building industrial park is located on 78 acres and has immediate access to two Interstate

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highways. The 1.1 million-square-foot park is estimated to be approximately 90% leased. Major tenants include SYGMA Network and Brooks Equipment. The Prologis Charlotte Distribution Center is located next to Crosspoint, attracted to Interstate access.

Another concentration of industrial buildings, including the Coca-Cola Bottling Company, is located off Brookshire Boulevard in the southwestern portion of the CNIP area. Major areas of job concentrations within the Sunset/Beatties Ford CNIP are shown in the map below.



REAL ESTATE PROFILE

This section provides an overview of real estate trends for residential, retail, office and industrial uses. Trends are provided based on submarkets defined by third-party data sources that most closely align with the Sunset/Beatties Ford CNIP area.

Residential

As shown in *Table 9*, there were over 10,200 housing units in the Sunset/Beatties Ford CNIP area in 2014, an increase of 91.7% since 2000. It should be noted that the construction of housing units in the CNIP area slowed considerably from the fast growth demonstrated between 2000 and 2010, adding less than 450 new units since 2010. The slow-down is largely attributable to slow recovery following the 2007-2009 Recession. The CNIP area comprised approximately 1.8% of the total housing unit increase in the Charlotte MSA between 2000 and 2014.

Table 9: Comparison of Housing Unit Trend, 2000-2014

Geography	2000	2010	2014	2000-2014 Δ		
				#	%	CAGR
Sunset/Beatties Ford CNIP	5,362	9,836	10,278	4,916	91.7%	4.8%
Mecklenburg County	292,780	398,510	421,931	129,151	44.1%	2.6%
Charlotte MSA	707,229	936,452	983,641	276,412	39.1%	2.4%
CNIP Area % MSA	0.8%	1.1%	1.0%	1.8%		

Source: ESRI; US Census; Kimley-Horn

Over 40% of all of the housing units in the Sunset/Beatties Ford CNIP area were constructed between 2000 and 2009, a significantly higher share than 25.3% in the larger Charlotte MSA (*Table 10*). Overall, nearly 60% of all of the housing units in the Sunset/Beatties Ford CNIP area were completed after 1990. The average year built is 1995 in the CNIP area versus 1988 for the MSA.

The Sunset/Beatties Ford CNIP area was severely impacted by foreclosures during and after the Recession. The rapid increase in housing construction and sub-par lending practices of the mid-2000s were contributors to the increased foreclosure rate in the area. Since the Recession and subsequent recovery, the housing market in the Sunset/Beatties Ford CNIP has stabilized, partially due to intervention by non-profit groups providing mortgage assistance in neighborhoods with high concentrations of foreclosure.

SUNSET/BEATTIES FORD CNIP AREA | MARKET ASSESSMENT

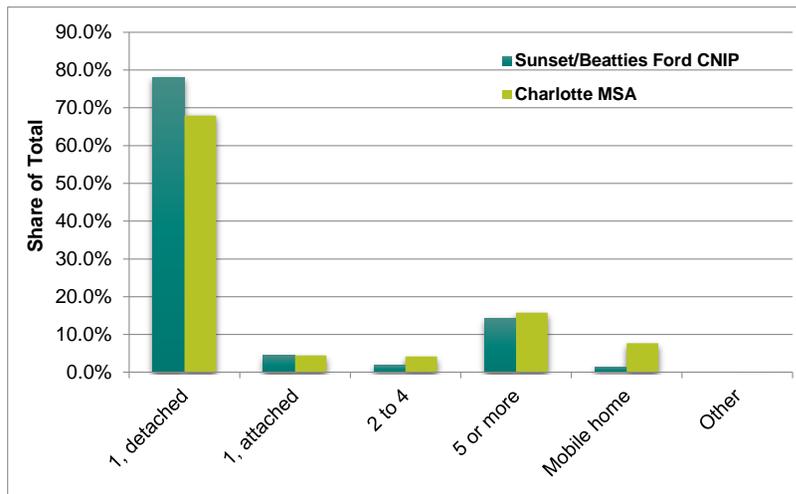
Table 10: Comparison of Housing Units by Year Built, 2014

Year Built	CNIP	Meck. County	Charlotte MSA
1939 or earlier	0.8%	2.9%	4.7%
1940-1949	1.4%	2.8%	3.7%
1950-1959	7.2%	6.5%	7.5%
1960-1969	12.6%	9.3%	9.3%
1970-1979	9.6%	12.9%	13.1%
1980-1989	9.7%	16.4%	15.1%
1990-1999	17.4%	22.1%	20.9%
2000-2009	40.8%	26.7%	25.3%
2010 or later	0.5%	0.4%	0.4%
Total	100.0%	100.0%	100.0%
Median Year	1995	1990	1988

Source: ESRI; US Census; Kimley-Horn

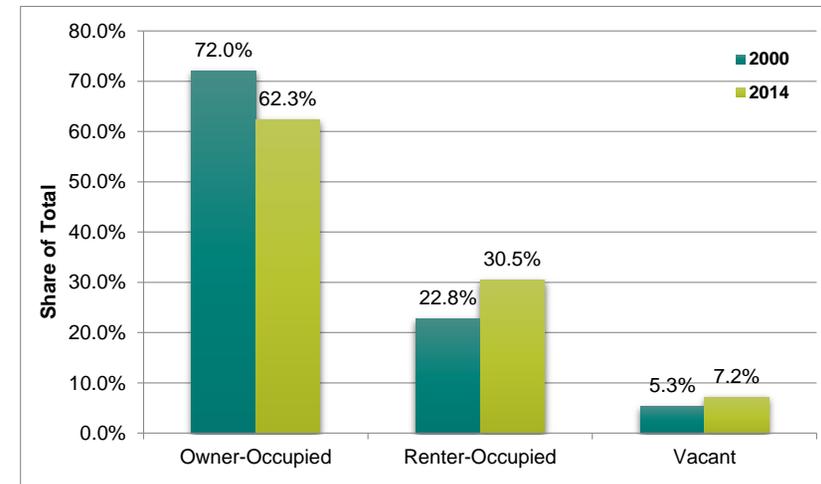
As shown in *Graph 10*, nearly 80% of the housing units in the Sunset/Beatties Ford CNIP area are single-family detached structures, a higher share than reported by the Charlotte MSA. Units with five or more units, largely comprised of for-rent apartments, make up the second highest share at nearly 15%.

Graph 10: Comparison of Shares of Housing Units by Type, 2013



Owner-occupied housing units, regardless of type of structure, comprised 62.3% of the total inventory in 2014, a nearly 10% decline from 72.0% in 2000 (*Graph 11*). The share of renter-occupied units increased from 22.8% in 2000 to 30.5% in 2014. The shift in tenure in this area was heavily impacted by the Recession and the associated mortgage crisis. Given the limited inventory of newer apartment communities in the CNIP area, it is likely that the shift in tenure has largely been accommodated in single-family detached units that are renter-occupied. Vacant housing units made up 7.2% of the total inventory in 2014.

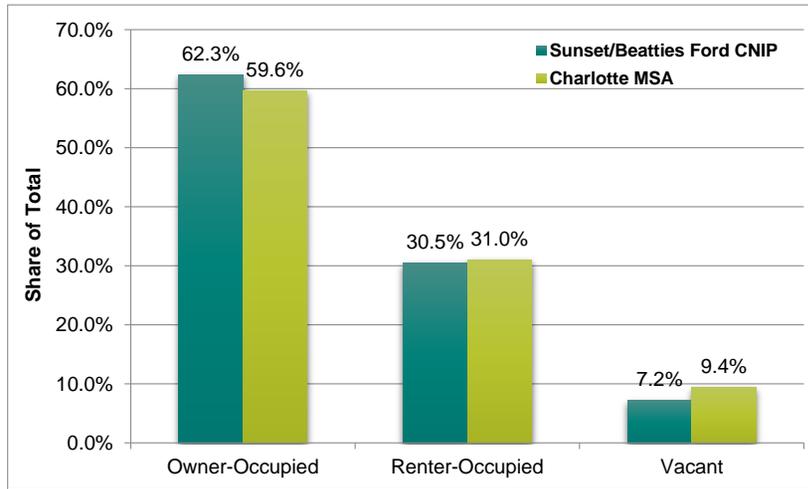
Graph 11: Housing Unit Tenure, Sunset/Beatties Ford CNIP Area, 2000-2014



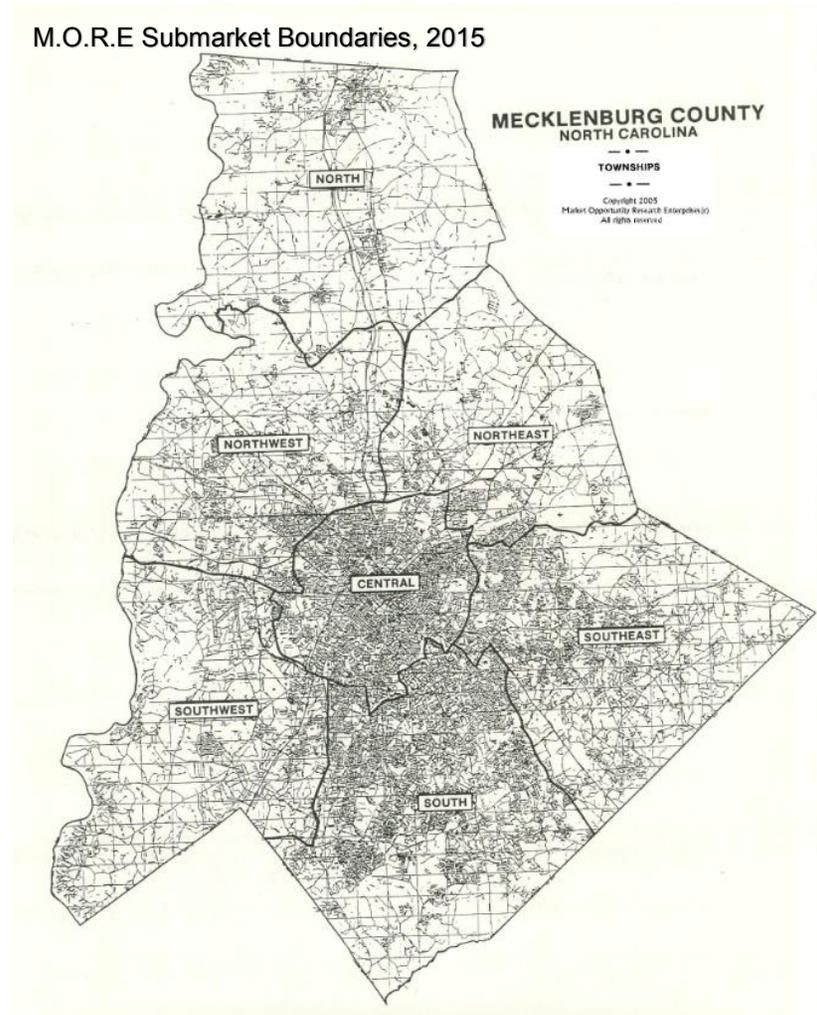
Graph 12 compares housing unit tenure shares for the Sunset/Beatties Ford CNIP area to the Charlotte MSA. As demonstrated below, the two geographies have very similar tenure shares.

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Graph 12: Comparison of Tenure Shares, 2014



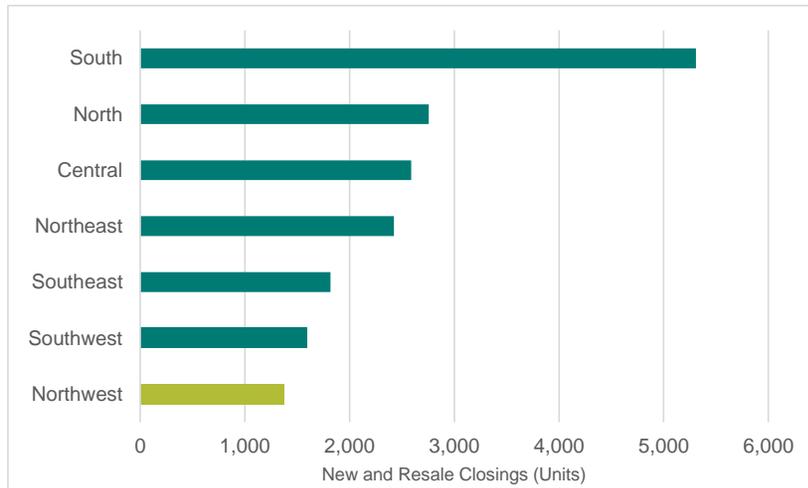
For-Sale Residential. For-sale residential closing and price-point data is provided by Market Opportunities Research Enterprises (M.O.R.E.). M.O.R.E.'s submarkets are based loosely on Township boundaries, as shown in the map. The Sunset/Beatties Ford CNIP area most closely aligns with the Northwest Submarket; however, the Derita portion of the area falls within the Northeast. For the purpose of this analysis, the Northwest Segment performance has been compared to overall Mecklenburg County.



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As demonstrated in *Graph 13*, the Northwest Submarket, which most closely aligns with the Sunset/Beatties Ford CNIP area has the least number of residential closings during the most recent annual period (2014). The South Submarket, driven by rapid growth in Matthews and Ballantyne, reported the most.

Graph 13: Comparison of For-Sale Residential Closings, 2014



In the four-year annual period between 2011 and 2014, the Northwest Submarket reported nearly 4,500 residential closings (*Table 11*). Single-family detached units represented 92% of the total.

Table 11: Closing Trends, Northwest Submarket, 2011-2014

Year	Total Closings			Total Closings
	Detached	Townhouse	Condominium	
2011	714	53	19	786
2012	835	66	19	920
2013	1,256	85	27	1,368
2014	1,298	68	12	1,378
Total	4,103	272	77	4,452

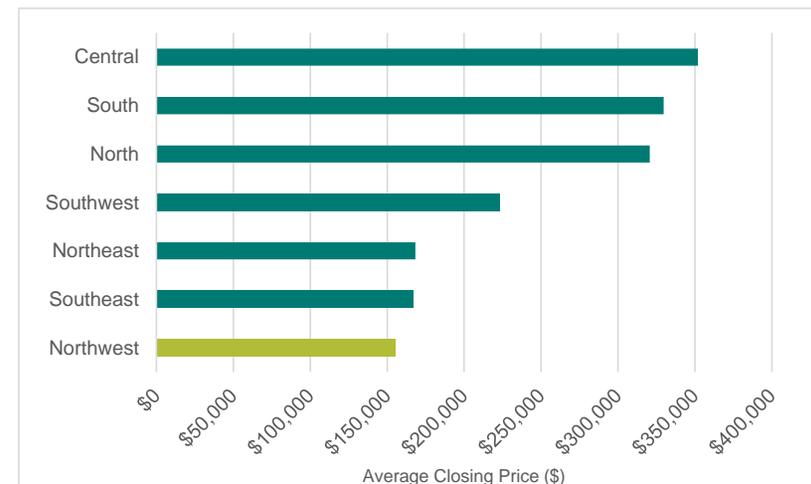
Source: MORE; Kimley-Horn

It is important to note the increase in residential closings from 2011 through 2014. Although comparatively the Northwest Submarket has had the fewest closings in 2014, the 1,378 measure represents a 75% increase from 786 closings in 2011. This recovery has been generally consistent across the submarkets as Mecklenburg County continues to recover following the Recession.

Closings on townhouse units and condominiums made up less than 10% of the total over the last four annual periods. Townhouse units are defined as attached, single-family units with shared walls. Residents of townhouses individually own the land that the unit is constructed on. Condominiums differ in that all common areas are communally owned by the residents.

The Northwest Submarket reported an average closing price of slightly more than \$150,000 in 2014, the lowest of all the Mecklenburg submarkets. The 2014 average is generally comparable to Northeast (which also contains a portion of the Sunset Beatties Ford CNIP) and Southeast.

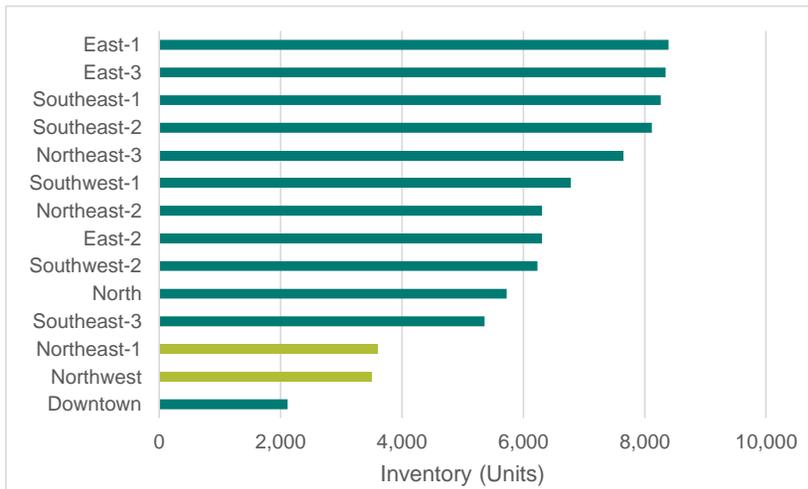
Graph 14: Comparison of For-Sale Residential Closing Price, 2014



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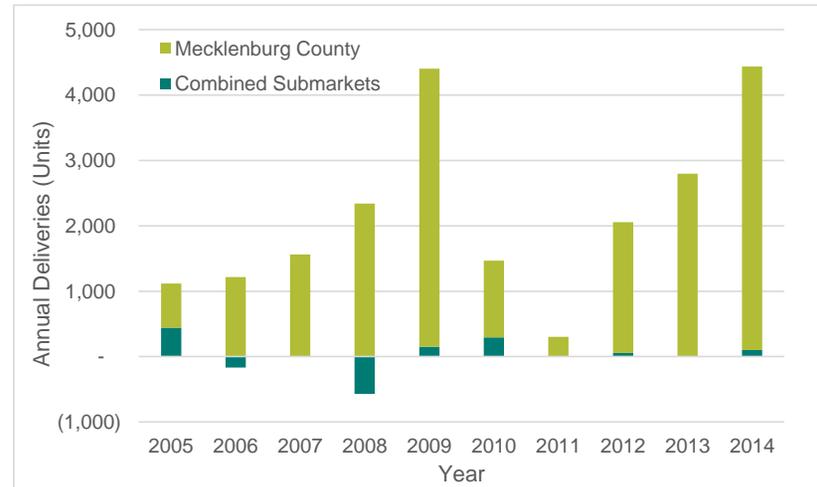
The Northeast-1 and Northwest Submarkets have a combined total of over 7,000 for-rent apartments in communities containing at least 25 units. Separately, the two Submarkets represent two of the smallest geographies in Mecklenburg County in regards to total inventory of units (*Graph 16*). Only downtown Charlotte has a smaller base inventory.

Graph 16: Comparison of Apartment Inventory, 2015



Graph 17 demonstrates the annual delivery of new apartment units in the combined Northeast-1 and Northwest submarkets compared to Mecklenburg County. Overall, the combined submarket area has accounted for only 1.5% of the total inventory increase in Mecklenburg County over the last ten years. Two of the annual periods, 2006 and 2008, experienced negative new unit growth due to demolition of dilapidated product.

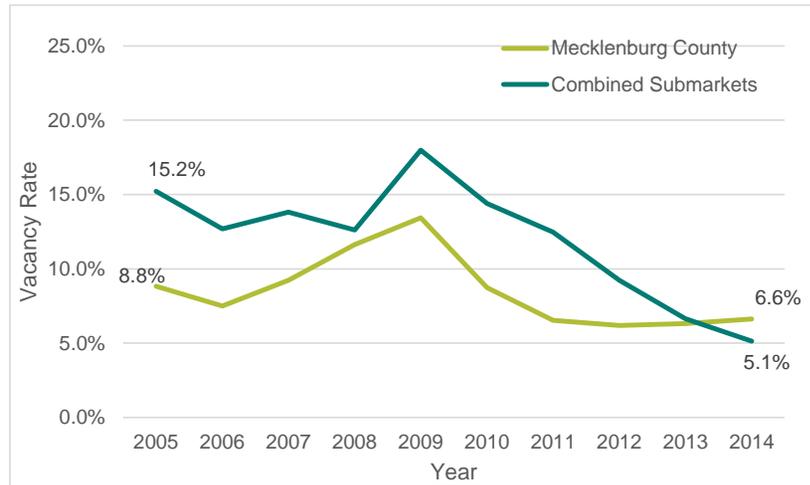
Graph 17: Comparison of New Apartment Construction, 2004-2015



The combined two-submarket area had a reported 5.1% vacancy rate in 2014, lower than 6.6% for Mecklenburg County (*Graph 18*). Traditionally, Mecklenburg County has demonstrated a lower apartment vacancy rate than the combined submarket area that most closely aligns with the Sunset/Beatties Ford CNIP area. However, due to the limited amount of new supply added in the last decade, the area experienced a notable decline to 5.1%.

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Graph 18: Comparison of Vacancy Rates, 2004-2015



One of the challenges that the Sunset/Beatties Ford CNIP area faces to generate new apartment construction is the average rent per square foot that is currently generated by surrounding product. As shown in *Graph 19*, the Northeast-1 and Northwest Submarkets generate some of the lowest rents in the County. This challenge, impacting the attractiveness of this area for apartment developers, was also supported by interviews with the Greater Charlotte Apartment Association.

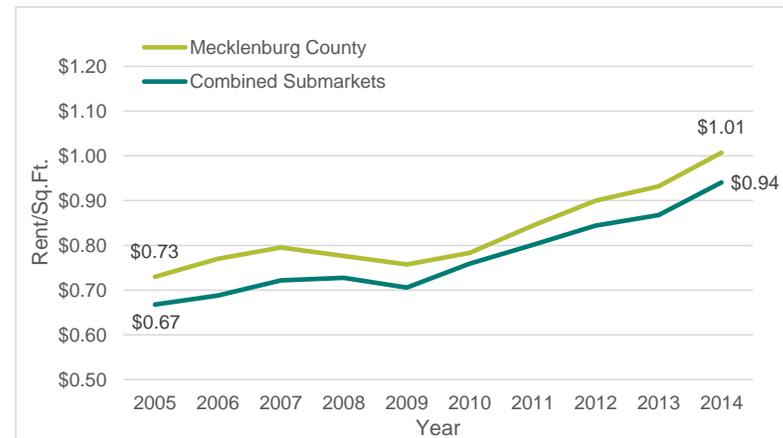
New construction in Mecklenburg County has been largely concentrated in the Downtown and Southeast-1 (including South End and SouthPark areas) Submarkets. These areas are generating rents that are notably higher than the other submarkets, driven by an urban location, luxury product, and pedestrian accessibility to retail goods and services and nightlife.

Graph 19: Comparison of Rent/Sq.Ft., 2015



Although the combined two-Submarket area that represents performance in the Sunset/Beatties Ford CNIP area is lower than the Mecklenburg County average, it has demonstrated a similar increase in lease rates. Average rents per square foot increased from \$0.67 in 2005 to \$0.94 in 2014 (*Graph 20*).

Graph 20: Comparison of Rent/Sq.Ft., 2004-2015

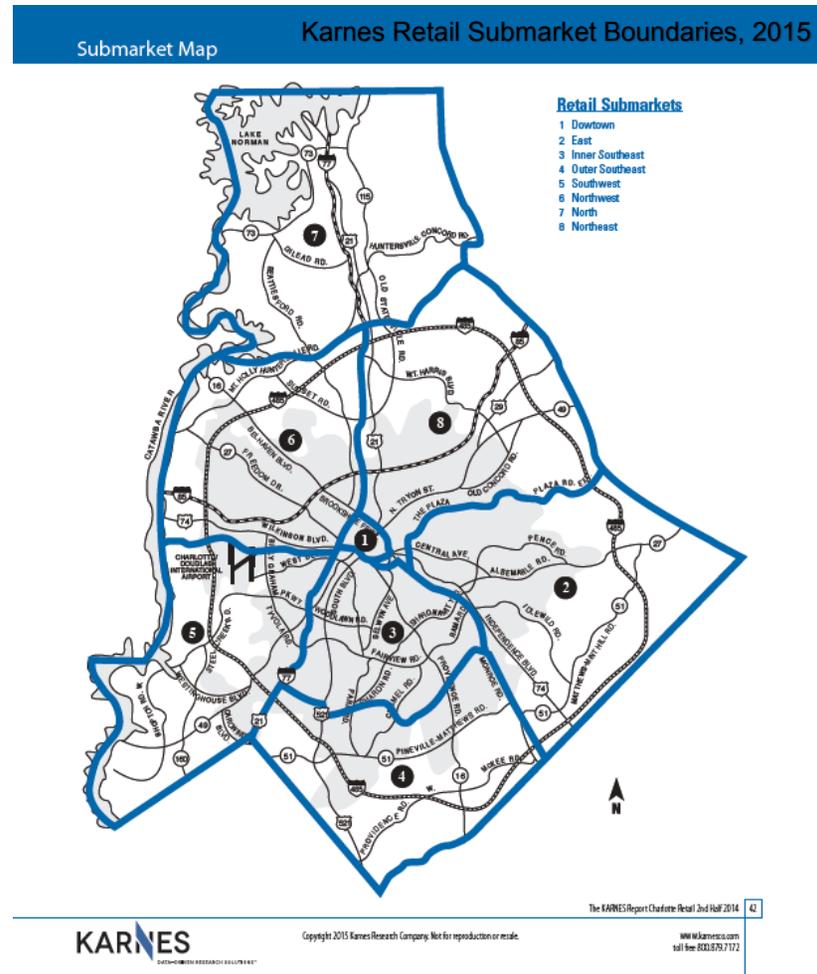


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Retail

Retail options are relatively limited within the Sunset/Beatties Ford CNIP Area, with Food Lion, ALDI, and Just Save stores offering the most notable opportunities for residents to buy groceries. However, large-scale retail development will likely be limited in the Sunset/Beatties Ford CNIP Area due to the proximity of Northlake Mall, the largest concentration of retail space in northern Mecklenburg County.

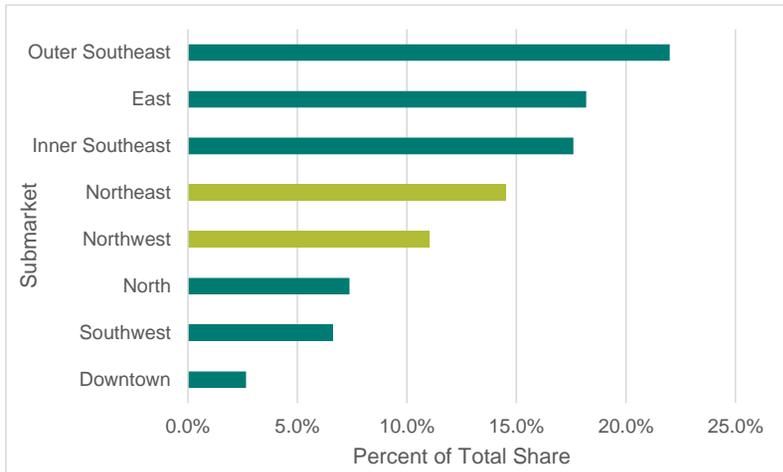
Retail performance measures in this analysis have been prepared for the two Mecklenburg County submarkets that most closely align with the Sunset/Beatties Ford CNIP Area. Performance data for multi-tenant retail was provided by Karnes/Xceligent, a third-party data source. As demonstrated in the following map, two pre-defined Submarkets were investigated based on alignment with the Sunset/Beatties Ford CNIP area: Northeast and Northwest. Performance of these two submarkets has been compared to Mecklenburg County's overall measures.



As shown in *Graph 21*, the Northeast and Northwest submarkets comprise 14.5% and 11.0% of the total Mecklenburg County inventory, respectively. Inventory in the Northeast Submarket is concentrated in the University City area, while the Northwest Submarket is bolstered by Northlake Mall.

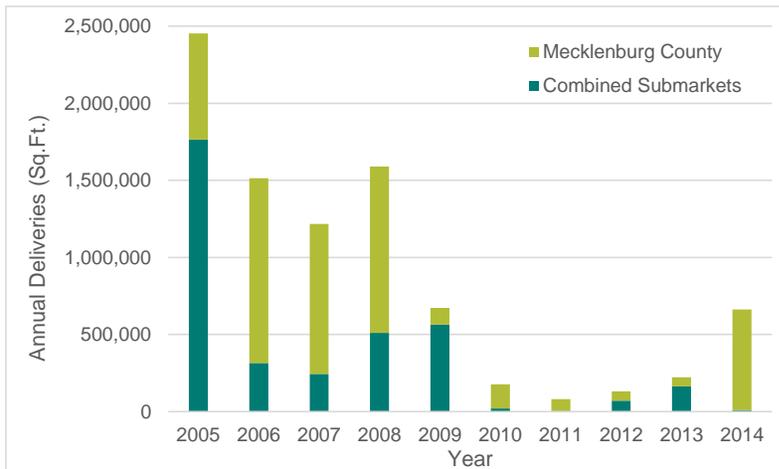
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Graph 21: Comparison of Percent of Total Retail Inventory, 2014



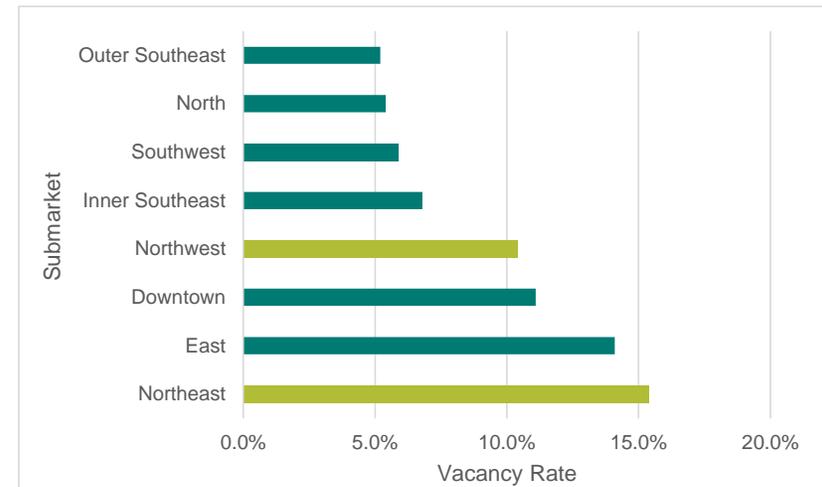
Following the 2007-2009 Recession, retail development has been limited in Mecklenburg County (Graph 22). The surge in development in 2014 was due to the completion of the Charlotte Premium Outlets in the Steele Creek area of Charlotte.

Graph 22: Comparison of New Retail Completions, 2005-2014



With over 15% of the retail space currently vacant, the Northeast Submarket, surrounding the University City area, has the highest vacancy rate in Mecklenburg County (Graph 23). Karnes' inventory only includes multi-tenant (or shopping center space), and excludes free standing big box stores. However, based on these parameters, the highest concentrations of vacancy are in community centers, containing 125,000 to 400,000 square feet, and specialty centers, which are typically unanchored.

Graph 23: Comparison of Retail Vacancy Rates, 2014



The Northwest Submarket, including Northlake Mall has a vacancy rate over 10%, the fourth highest in the County. Community centers have the highest aggregate vacancy rate in the Northwest Submarket of 24.6%, while Neighborhood Centers, ranging in size from 50,000 to 125,000 square feet, have the second highest at 19.9%.

As shown in Graph 24, the Northeast and Northwest Submarkets have some of the lowest average rents per square foot in

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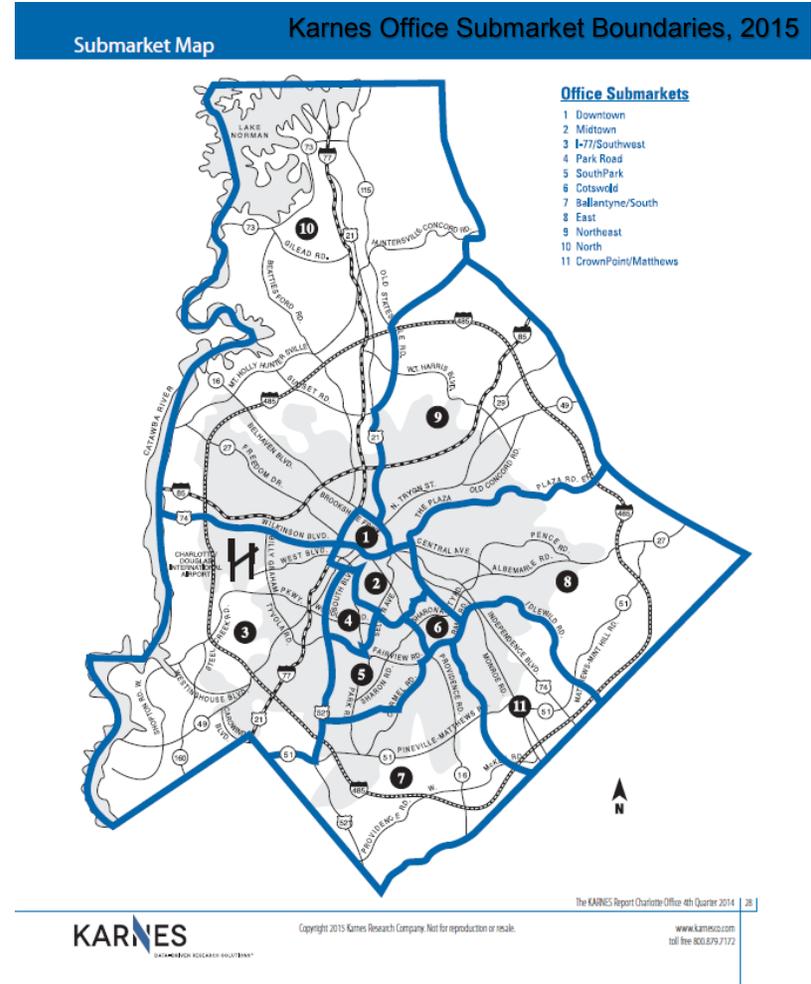
Mecklenburg County. New retail development in these submarkets will likely be limited due to the higher vacancy rates and low rents per square foot.

Graph 24: Comparison of Average Rents/Sq.Ft., 2014



Office

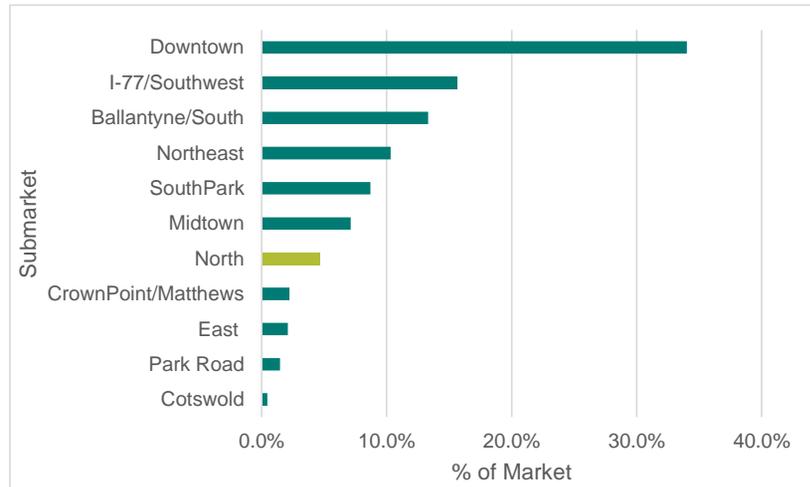
Office performance measures for the Sunset/Beatties Ford CNIP Area are based on the North Office Submarket, as defined by Karnes/Xceligent. The North Submarket is generally bounded by the Mecklenburg County to the north and west, US-74 to the south, and US-21 and Eastfield Road to the east. Multi-tenant office space in the Sunset/Beatties Ford CNIP Area is very limited. Local employment is largely housed in industrial or flex buildings.



As shown in approximately one-third of all office space in Mecklenburg County is located in downtown Charlotte, the employment hub of the region (Graph 25). The North Submarket, which includes areas near the Charlotte Douglas International Airport and in northern Mecklenburg County, comprises 5% of the total.

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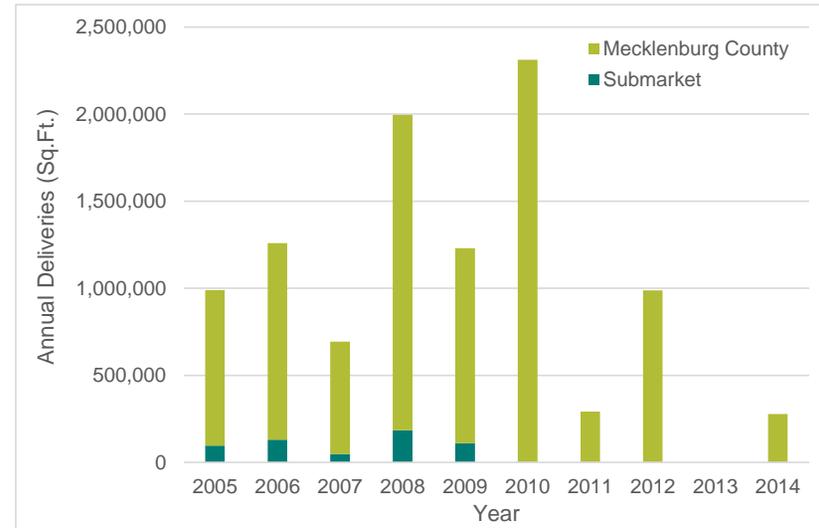
Graph 25: Comparison of Office Inventory, 2014



As shown in

Graph 26, 2010 represented the annual period with the most new office space added to the market at over 2.3 million square feet. This was largely driven by completions at the Bank of America and Duke Energy towers in downtown Charlotte. Completions have been more limited in the years following the Recession. Over the 10-year period between 2005 and 2014, the North Submarket only comprised 5.7% of the total new office space.

Graph 26: Comparison of New Office Completions, 2005-2014



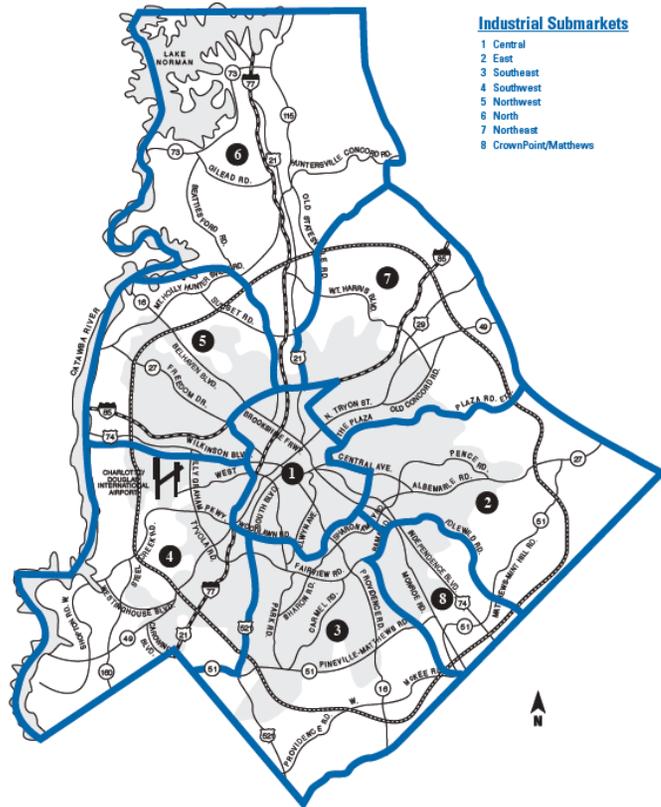
In 2014, the North Submarket reported a vacancy rate of 14.2%, the fifth lowest in the County. Average rents were \$20.68 in the North Submarket; however, the limited amount of office space in the Sunset/Beatties Ford CNIP Area is not generating rents at this level.

Industrial

The industrial real estate market is based on two submarkets as defined by Kames/Xceligent: North and Northwest. Combined, these two areas most closely align with the Sunset/Beatties Ford CNIP Area. Industrial represents the strongest real estate market segment in the Sunset/Beatties Ford CNIP Area. This is driven by the concentration of Transportation and Warehousing companies that are attracted to the area because of accessibility to Charlotte's major transportation corridors.

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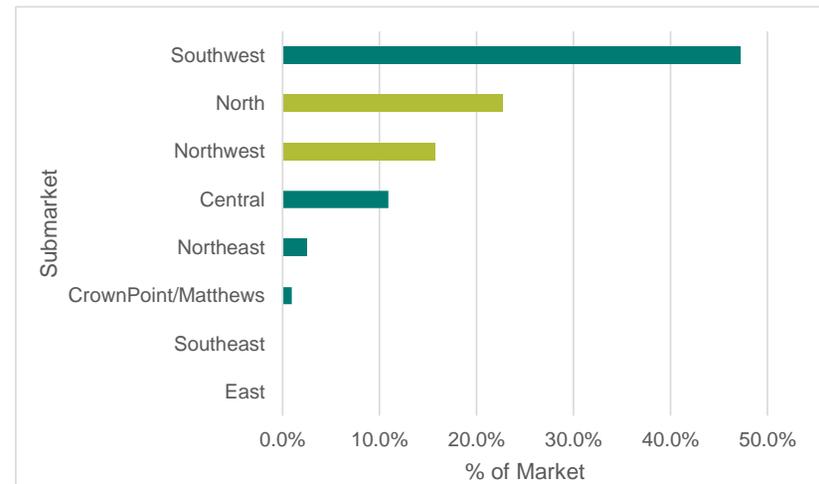
Submarket Map Karnes Industrial Submarket Boundaries, 2015



- Industrial Submarkets**
- 1 Central
 - 2 East
 - 3 Southeast
 - 4 Southwest
 - 5 Northwest
 - 6 North
 - 7 Northeast
 - 8 CrownPoint/Mathews

As shown in *Graph 27*, the North and Northwest Submarkets make up two of the largest shares of total industrial warehouse inventory in Mecklenburg County at 22.8% and 15.7%, respectively. Only the Southwest Submarket, which includes the area surrounding Charlotte Douglas International Airport has more industrial warehouse space. There is no industrial warehouse space in the Southeast or East Submarkets.

Graph 27: Comparison of Industrial Warehouse Inventory, 2014

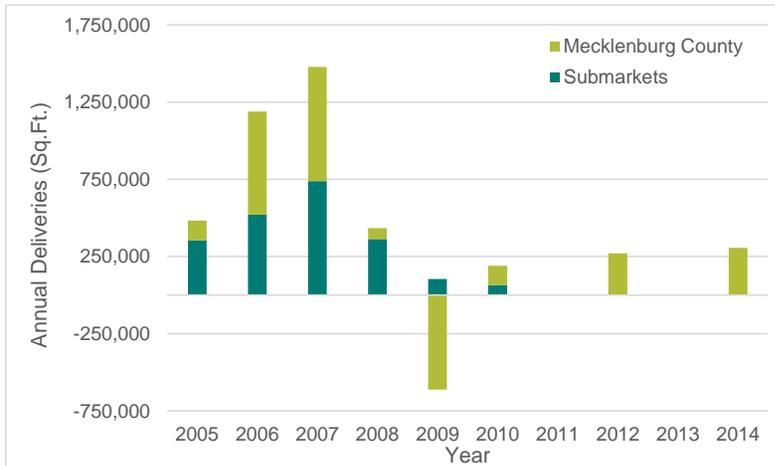


Annual deliveries of new industrial warehouse space were heaviest between 2005 and 2007, prior to the start of the Great Recession (*Graph 28*). There have been comparatively few new industrial warehouse completions since 2008. It should be noted that negative completions in 2009 is related to demolition of outdated inventory. Prior to the Recession, the combined North/Northwest Submarket comprised over 50% of the total new completions in Mecklenburg County.

Warehouse. This analysis defines two kinds of industrial space: warehouse and flex. Warehouse space is defined as buildings containing 18- to 36-foot clear ceiling heights in unfinished warehouse space. This also includes all manufacturing space.

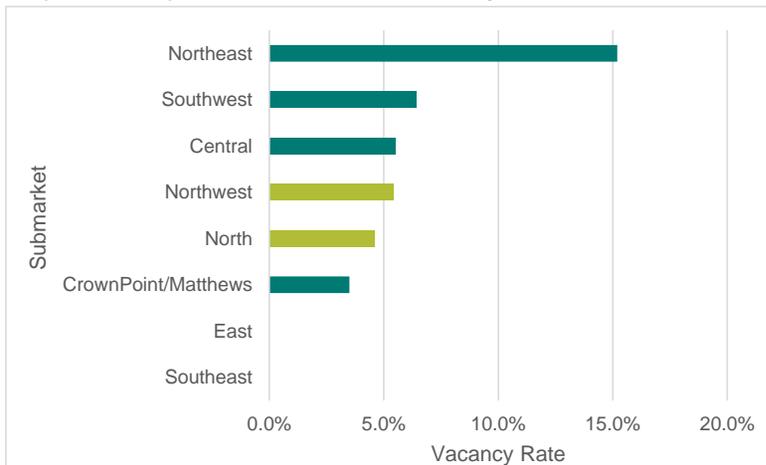
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Graph 28: Comparison of New Warehouse Completions, 2005-2014



The North and Northwest Submarkets reported some of the lowest vacancy rates in Mecklenburg County at 4.6% and 5.4%, respectively (Graph 29). This reflects these submarket's access to major transportation corridors.

Graph 29: Comparison of Warehouse Vacancy, 2014



As shown in Graph 30, industrial warehouse space in the North Submarket has the second highest rent per square foot at \$4.55. The Northwest Submarket has the lowest at \$3.34 per square foot.

Graph 30: Comparison of Warehouse Rent/Sq.Ft., 2014

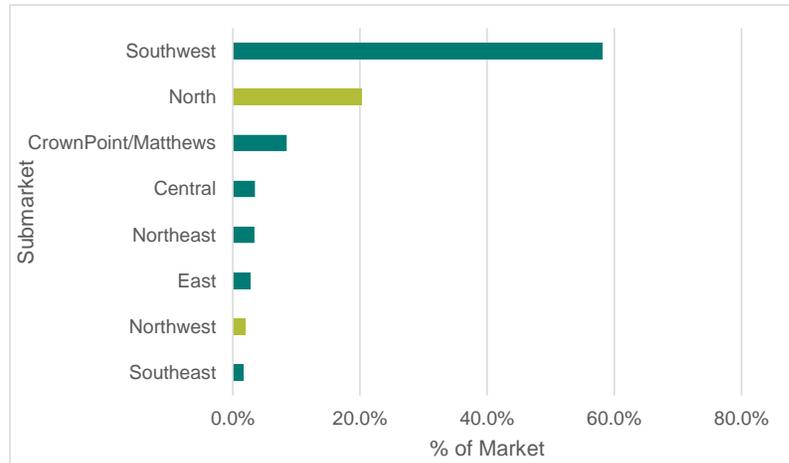


Flex. Flex industrial space is defined as a building that allows for configuration of a variety of uses including office or showroom in combination with manufacturing, laboratory, or warehouse distribution.

The North Submarket, supported by the Sunset/Beatties Ford CNIP Area, contains the second largest share of industrial flex space in Mecklenburg County with over 2.1 million square feet (Graph 31). The Northwest Submarket has over 200,000 square feet of flex space, making up less than 2% of the County total.

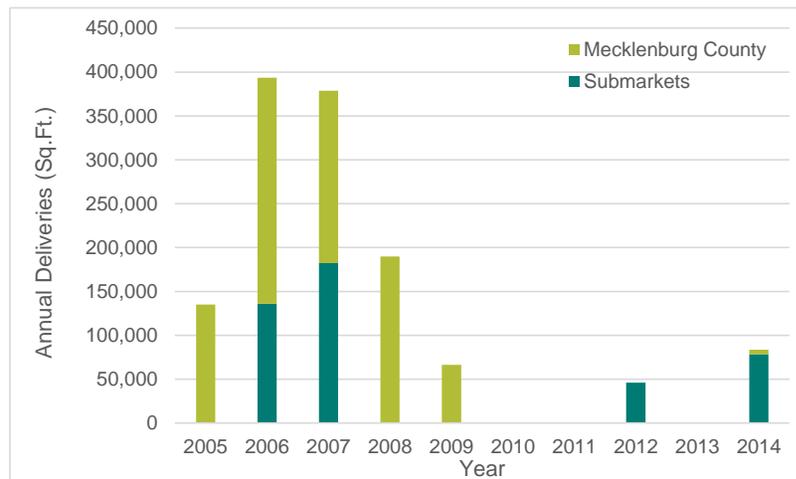
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Graph 31: Comparison of Industrial Flex Inventory, 2014



The years between 2006 and 2008 represent the periods of the highest annual deliveries of new flex space in Mecklenburg County. It should be noted that the only deliveries in the County since 2009 were in the North Submarket (Graph 32).

Graph 32: Comparison of New Flex Completions, 2005-2014



The North Submarket has the second lowest vacancy rate in Mecklenburg County at 6.8%. As shown in Graph 33, the Northwest Submarket, which includes the Charlotte Douglas International Airport, has the second highest vacancy rate with over 20% of the inventory available for lease.

Graph 33: Comparison of Flex Vacancy, 2014



With an average rent per square foot of approximately \$10, the North Submarket represents a very real opportunity for future construction of flex space (low vacancy and comparatively healthy lease rates). As shown in Graph 34, the Northwest Submarket has the lowest rent per square foot in Mecklenburg County at \$7.67 per square foot for flex industrial space.

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Graph 34: Comparison of Flex Rent/Sq.Ft., 2014



SWOT ANALYSIS

This section provides an investigation of the Sunset/Beatties Ford CNIP Area's Strengths, Weaknesses, Opportunities, and Threats (SWOT). Findings in this section are grounded in concrete facts and informed thinking about the future.

Strengths/Opportunities

- Easy access to I-77, I-85, and I-485
- Proximity to:
 - Downtown Charlotte
 - Northlake Mall
 - Charlotte-Douglas International Airport
 - University City

- Strong presence of recreational opportunities
- Widening of Beatties Ford and Statesville corridors; increased connectivity and mobility
- New development moving north from downtown towards the CNIP area, along Statesville Avenue
- Momentum around Johnson C. Smith University
- LYNX Gold Line (Phase 3) terminus planned for Rosa Parks
- Potential redevelopment opportunities at Metrolina
- Strong distribution/warehousing job base

Weaknesses/Threats

- Lack of clear gateways announcing entrance into the Sunset/Beatties Ford CNIP area
- No clear community branding; lack of cohesion
- Limited pedestrian and bicycle connectivity to and between:
 - Recreational amenities
 - Transit stations
 - Neighborhood (within and between)
 - Schools
- Community perception versus reality
- Need for updated community amenities to supplement recreation (library, community centers, etc.)
- Limited neighborhood-serving retail
- Lack of diversity of housing price points and product types

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POPULATION AND EMPLOYMENT FORECASTS

Two sets of forecast scenarios were prepared for the Sunset/Beatties Ford CNIP Area. The first forecast is based on historic trends and considers a similar level of public and private investment as demonstrated in recent years. The second forecast, referred in this analysis as ‘visionary,’ focuses on how enhanced public investment through the CNIP program could impact growth.

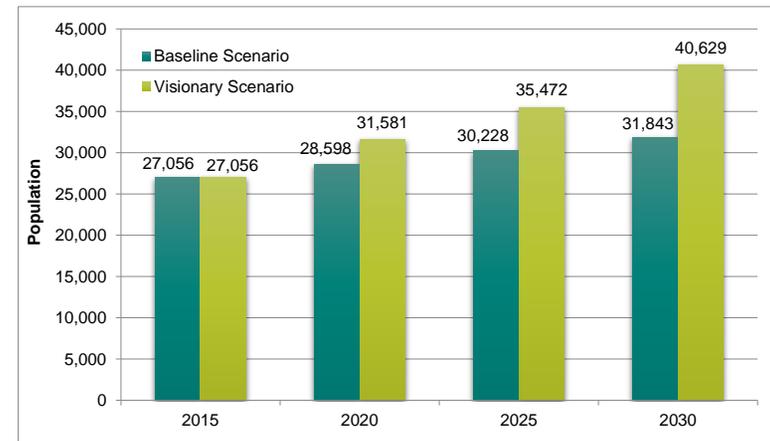
While none of the bond allocation for the CNIP project will directly lead to private investment, public infrastructure enhancements can be important catalysts for future development. These investments could include, but are not limited to, transportation improvements, gateway treatments and beatification, and pedestrian accessibility. The following methodology was considered:

- **Baseline:** The Baseline Scenario is based on population and employment projections provided by the Charlotte Regional Transportation Planning Organization (CRTPO) for the individual traffic analysis zones that are contained within the Sunset/Beatties Ford CNIP area. No modifications were made to the forecast data, however, capture rates were made to traffic analysis zones that have geography both inside and outside the boundary of the area.
- **Visionary:** The Visionary Scenario considers how the Baseline Scenario would be altered based on the completion of public investments that are most closely aligned with the Community Investment Plan (CIP) and CNIP goals. Generally, impacts to population and employment growth in the Sunset/Beatties Ford CNIP Area will be felt post-2020, as public improvements are completed in the various two-year bond cycles. Publicly-funded enhancements to the area are likely to catalyze private investment, increasing the capture for residential and commercial development.

Population Forecasts

Under the Baseline Scenario, population in the Sunset/Beatties Ford CNIP could increase from approximately 27,000 residents in 2015 to 31,800 residents in 2030, an increase of 4,700 people in 15 years (*Graph 35*). This equates to an average of 320 new people annually.

Graph 35: Comparison of Population Forecast Scenarios, 2015-2030



The Baseline Scenario, which is based on forecasts provided by CRTPO, represents a declining capture of Mecklenburg County population increase. Currently, the Sunset/Beatties Ford CNIP area accounts for 2.8% of the total County population. In this Scenario, the capture of the Mecklenburg County total is expected to decline due to a comparatively limited amount of developable land in the CNIP area and more competitive real estate potential elsewhere.

The Visionary Scenario represents population growth from 27,000 in 2015 to more than 40,000 residents in 2030, demonstrating an increase of 13,550 new people. Overall, the growth rate of the Visionary Scenario would be approximately 50%, compared to 18% for the Baseline. The Visionary Scenario represents the addition of 900 new people per year over the 15-year period.

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Employment Forecasts

Similar to population forecasts, two scenarios for future employment growth in the Sunset/Beatties Ford CNIP area were prepared to consider the impact of public investments. Baseline employment forecasts for Mecklenburg County were provided for the traffic analysis zones that most closely align with the CNIP area, as provided by CRTPO.

As shown in *Table 12*, the Baseline forecast for the Sunset/Beatties Ford CNIP Area demonstrates an increase of 1,284 jobs between 2015 and 2030. Wholesale Trade and Transportation is projected to grow by nearly 450 new jobs over the 15-year period, comprising over one-quarter of the total increase. This sector will continued to be attracted to accessibility to major transportation thoroughfares that connect through the CNIP Area.

Table 12: Baseline Employment Forecast, 2015-2030

Industry Classification	2015	2020	2025	2030	2015-2030 Δ	
					#	%
Natural Resources and Mining	0	0	0	0	0	0.0%
Construction	450	471	478	496	46	10.3%
Manufacturing	731	809	821	852	121	16.6%
Retail Trade	842	896	947	1,002	160	19.0%
Wholesale Trade and Transportation	4,485	4,574	4,750	4,933	447	10.0%
Information	59	59	60	61	2	3.7%
Financial Activities	170	183	202	211	41	24.0%
Professional and Business Services	1,180	1,212	1,298	1,404	224	19.0%
Education and Health Services	545	580	596	637	92	17.0%
Leisure and Hospitality	627	677	692	731	104	16.6%
Other Services	169	193	198	212	43	25.3%
Public Administration	8	9	10	11	3	31.2%
Total	9,267	9,662	10,052	10,551	1,284	14.3%

Source: Kimley-Horn and Associates

Under this Scenario, Professional and Business Services could add 224 new jobs. Currently, many of these jobs are located in flex industrial space, but they could drive demand for more traditional office space in the future. Retail jobs, captured under Retail Trade

and Leisure and Hospitality, could grow by approximately 104 positions over the next 15 years.

The Visionary Scenario, which considers the potential impact of public investment in the Sunset/Beatties Ford CNIP Area, demonstrates an increase of nearly 3,200 new jobs through 2030, 35.1% growth (*Table 13*). Similar to the Baseline Scenario, the strongest growth is expected to occur in Wholesale Trade and Transportation sector. One of the key goals for the public investments in the Sunset/Beatties Ford CNIP Area is to create jobs and increase the tax base. Public investments in the area need to balance the creation of a pedestrian environment that improves the quality of life for current and future residents with maintaining accessibility to major transportation thoroughfares that make this area attractive for freight and transportation employers.

Table 13: Visionary Employment Forecast, 2015-2030

Industry Classification	2015	2020	2025	2030	2015-2030 Δ	
					#	%
Natural Resources and Mining	0	0	0	0	0	0.0%
Construction	450	475	546	604	154	34.2%
Manufacturing	731	856	899	942	211	28.8%
Retail Trade	842	995	1,134	1,301	459	54.5%
Wholesale Trade & Transportation	4,485	4,826	5,279	5,776	1,291	28.8%
Information	59	62	68	74	15	25.8%
Financial Activities	170	188	208	232	62	36.3%
Professional and Business Services	1,180	1,311	1,451	1,611	431	36.5%
Education and Health Services	545	595	622	678	133	24.5%
Leisure and Hospitality	627	719	821	943	316	50.4%
Other Services	169	193	220	252	83	48.8%
Public Administration	8	9	11	13	5	55.0%
Total	9,267	10,231	11,259	12,426	3,159	35.1%

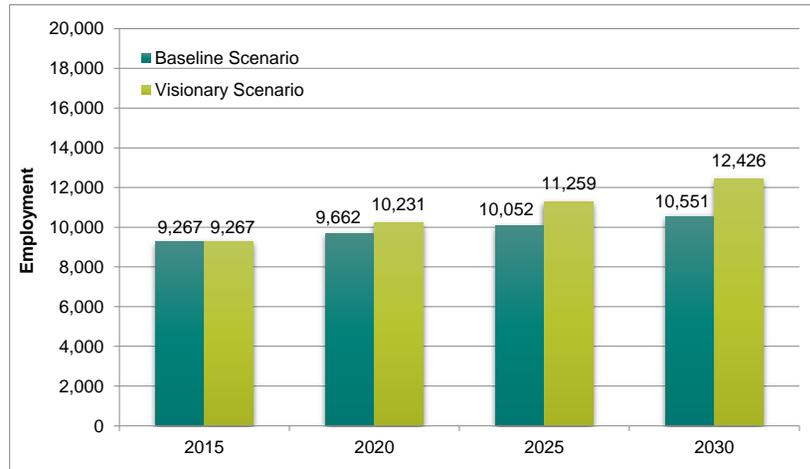
Source: Woods and Poole; Kimley-Horn and Associates

Graph 36 compares the Baseline and Visionary scenarios for employment growth in the Sunset/Beatties Ford CNIP Area. The Baseline Scenario is projected to add 1,284 new jobs and the Visionary Scenario could add nearly 3,200 jobs. The Visionary

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Scenario is forecasted to grow at more than twice the aggregate rate as the Baseline.

Graph 36: Comparison of Employment Forecast Scenarios, 2015-2030



DEMAND FORECASTS

Demand forecasts by sector have been prepared based on the two scenarios of population and employment forecasts presented in the previous section. Although there are numerous factors that influence the development of real estate, this planning-level analysis relies on population and household growth forecasts to forecast housing and retail demand and employment forecasts to project the need for future office and industrial space.

Housing Demand

Residential development has historically been the leading real estate sector in the Sunset/Beatties Ford CNIP Area, with a focus on single-family detached housing product. Price points in the area have been

largely focused on entry-level buyers, with limited variation in product types, including townhouses and multi-family apartments.

Nationally, residential demand will be driven by preferences of both the Millennials and Baby Boomers, the largest segments of the population. Although these groups will seek a large variety of housing types, a notable trend has been for authentic places offering residents access to retail services, entertainment, and job, in combination with a variety of transportation choices. These trends will not be exclusive of the Sunset/Beatties Ford CNIP Area.

Potential demand for new housing units in the Sunset/Beatties Ford CNIP Area is based on the Baseline and Visionary population scenarios. Two key considerations were used in calculating the overall demand for housing units:

- Household size was held constant at 2.76 persons for the 15-year forecast period. Although the Sunset/Beatties Ford CNIP Area has experienced an increasing household size, the national trend has been declining due to Baby Boomers and Millennials. To balance the local and national trends, the household size has been held constant.
- Vacancy for housing units was held constant at approximately 7%, representing typical trends and what is considered an industry-standard equilibrium rate representing a healthy market.

Table 14: Housing Unit Demand, 2015-2030

Housing Type	15-Year Demand	
	Baseline	Visionary
Single-Family Detached	1,157	3,114
Townhouse	100	350
Multifamily	600	1,800
Total	1,857	5,264

Source: Kimley-Horn

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Housing types are approximations based on land availability and current trends in development. Although single-family detached will still be an attractive product type for the Sunset/Beatties Ford CNIP Area, moving towards the more visionary scenario will require higher density housing given the comparably limited amount of developable land available.

Given the Sunset/Beatties Ford CNIP Area's proximity to downtown Charlotte and accessibility via two major interstates, this area will regain its footing as an attractive area to develop residential product. Given demonstrated demographic shifts and the responding development trends, this area is likely to experience an increase in higher-density attached and multifamily housing in the future. Public investments that increase pedestrian accessibility to recreation, shopping, jobs and transit will be important catalysts for higher density residential development.

Retail Demand

The Sunset/Beatties Ford CNIP area currently has a limited amount of retail, primarily focused on neighborhood-serving shops and highway-oriented retailers focused at the Sunset interchange off I-77. The community's desire for higher-quality retail services in close proximity in where they live was a prominent theme throughout the community engagement process. The area's proximity to Northlake Mall, and the surrounding retail developments, will present a challenge in attracting new large-scale retailers that are already located within a reasonable drive time.

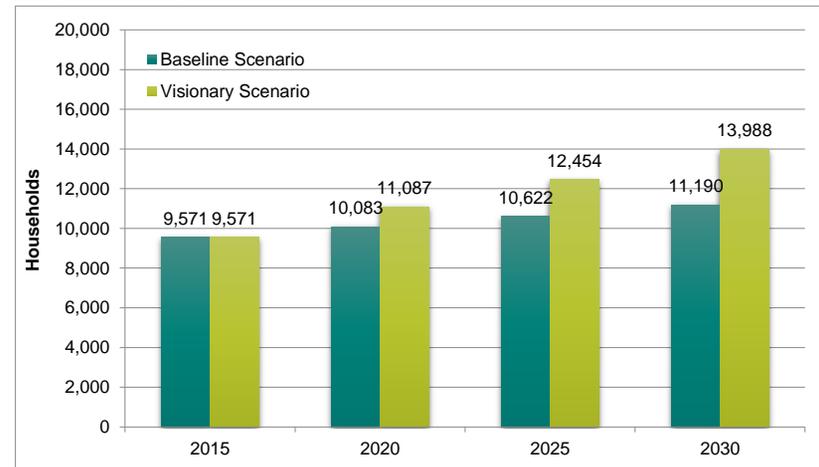
Retail demand for the Sunset/Beatties Ford CNIP Area was forecasted using the following methodology:

1. Calculating the CNIP Area's total household income through 2030 by applying the forecasted households to average income projections.

2. Estimating the CNIP Area's expenditure potential based on data from North Carolina Department of Revenue that indicates the percentage of income spent on various retail goods and services.
3. Estimating sales inflow from non-CNIP Area residents, including those who work there and I-77 or I-85 commuters.
4. Converting retail sales to square feet based on sales per square feet data by type of retail.

Graph 37 demonstrates the projected household growth in the Sunset/Beatties Ford CNIP Area through 2030 for both the Baseline and Visionary scenarios. As previously mentioned, the household size measure was held constant at 2.76 persons for the 15-year forecast period. Based on these forecasts, the Sunset/Beatties Ford CNIP Area could have 11,190 total households under the Baseline Scenario compared to nearly 14,000 for the Visionary. The Visionary Scenario represents a 25% increase over the Baseline.

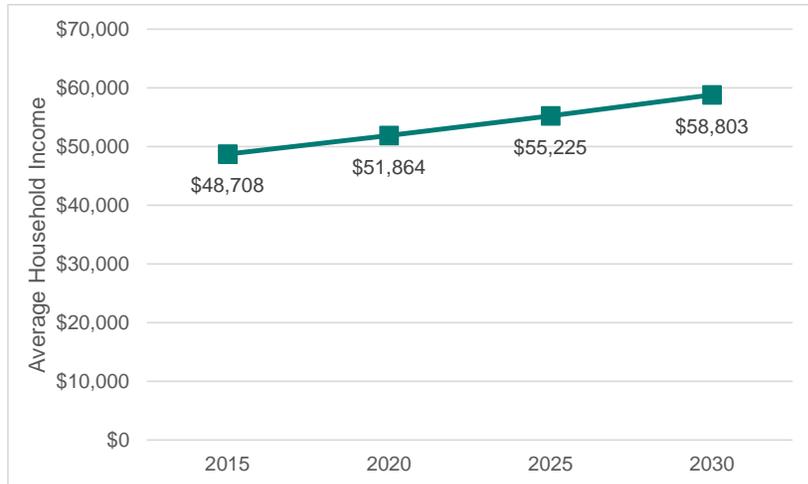
Graph 37: Comparison of Household Growth Scenarios, 2015-2030



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Retail demand forecasts generally rely on average household income measures, which are typically higher than the median household income statistics reported earlier in this report. According to ESRI Business Analyst Online, the Sunset/Beatties Ford CNIP Area had an average household income of \$48,708 in 2015. Based on income projects derived from ESRI, the CNIP Area is expected to have an average household income of nearly \$60,000 by 2030 (Graph 38). It should be noted that in order to present a conservative forecast, this analysis uses the same average household income for both the Baseline and Visionary scenarios.

Graph 38: Average Household Income Projections, CNIP Area, 2015-2030



Shares of household income spent on retail goods and services vary by business category. Retail businesses such as Restaurants, Supermarkets, Building Materials, and Discount Stores have account for the highest share of spending at 4-6% of total income. Movie Theaters, Newstands, and Luggage stores have some of the lowest shares of retail sales at less than 0.1% of total income.

Baseline Scenario. Using the methodology outlined above, under the Baseline Scenario the Sunset/Beatties Ford CNIP Area could support over 87,000 square feet of new retail space (Table 15). The largest generators for demand would be Restaurants, Building Material and Supply Dealers, and Discount Stores. Under this scenario, the forecasted 9,986 square feet of demand for Supermarkets & Other Groceries would not be enough to accommodate the average 40,000- to 60,000-square-foot grocery store. Additional demand for Grocery could be accommodated through other categories, such as discount stores and other general merchandise.

Table 15: Retail Demand, Baseline Scenario, 2015-2030

Retail Category	Net New Retail Demand (Sq.Ft.)			2015-2030 Increase	% of Total
	2015-2020	2020-2025	2025-2030		
Food Services - Restaurants	4,409	4,645	4,893	13,946	16.0%
Building Material & Supply Dealers	4,272	4,501	4,741	13,514	15.5%
Discount Stores	4,192	4,416	4,652	13,261	15.2%
Supermarkets & Other Groceries	3,157	3,326	3,503	9,986	11.4%
Other General Merchandise Stores	1,989	2,095	2,207	6,291	7.2%
Clothing Stores	1,481	1,560	1,644	4,686	5.4%
Department Stores	1,138	1,198	1,262	3,598	4.1%
Furniture Stores	973	1,026	1,080	3,079	3.5%
Pharmacies & Drug Stores	743	783	825	2,351	2.7%
Sporting Goods and Toy Stores	674	710	748	2,132	2.4%
All Other Categories	4,546	4,789	5,045	14,380	16.5%
Total	27,574	29,048	30,601	87,223	100.0%

Source: Kimley-Horn and Associates

Visionary Scenario. The Visionary Scenario projects demand for nearly 240,000 square feet of retail space through 2030 in the Sunset/Beatties Ford CNIP Area (Table 16). Under this scenario, retail developers would be more attracted to the area based on the increased number of rooftops. The nearly 30,000 square feet of demand for Supermarkets & Other Groceries is nearing a threshold that a retailer would consider this an opportunity area.

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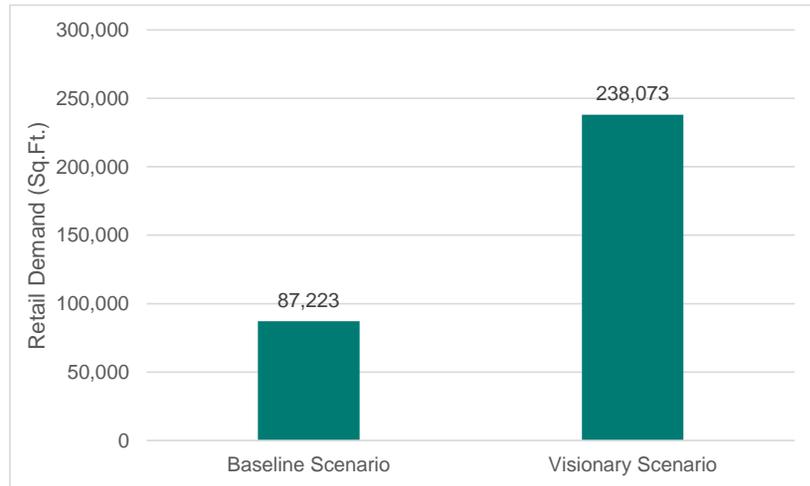
Table 16: Retail Demand, Visionary Scenario, 2015-2030

Retail Category	Net New Retail Demand (Sq.Ft.)			2015-2030 Increase	% of Total
	2015-2020	2020-2025	2025-2030		
Food Services - Restaurants	13,065	11,775	13,226	38,066	16.0%
Building Material & Supply Dealers	12,660	11,410	12,816	36,886	15.5%
Discount Stores	12,423	11,196	12,576	36,196	15.2%
Supermarkets & Other Groceries	9,355	8,431	9,470	27,255	11.4%
Other General Merchandise Stores	5,894	5,312	5,966	17,171	7.2%
Clothing Stores	4,390	3,956	4,444	12,789	5.4%
Department Stores	3,371	3,038	3,413	9,822	4.1%
Furniture Stores	2,885	2,600	2,920	8,405	3.5%
Pharmacies & Drug Stores	2,202	1,985	2,230	6,417	2.7%
Sporting Goods and Toy Stores	1,997	1,800	2,022	5,818	2.4%
All Other Categories	13,471	12,141	13,637	39,249	16.5%
Total	81,712	73,643	82,718	238,073	100.0%

Source: Kimley-Horn and Associates

Graph 39 compares the forecasted retail demand for the Sunset/Beatties Ford CNIP Area between the Baseline and Visionary scenarios. The nearly 240,000 square feet of demand in the Visionary Scenario represents nearly three times more than 87,000 square feet for the Baseline Scenario.

Graph 39: Comparison of Retail Demand Forecasts, 2015-2030



Office Demand

Office demand presented in this section is based on the Baseline and Visionary employment growth scenarios, as previously presented. The projected demand for new office space in the Sunset/Beatties Ford CNIP Area is based on the number of office-occupying jobs forecasted over the next 15 years.

Baseline Scenario. The Baseline Scenario demonstrates an increase of 1,284 new jobs over the 15-year period between 2015 and 2030. The estimated share of office jobs by industry were applied to the employment projections. Sectors like Finance and Insurance, Professional and Business Services, and Real Estate have the highest shares of office-occupying employment, ranging from 85% to 90%. Natural Resources and Mining and Manufacturing have the lowest demand for office space with only 5% of the total jobs in that sector generating need. Applying these ratios demonstrates the addition of approximately 445 new office-occupying jobs over the next 15 years (Table 17).

Table 17: Baseline Scenario Office-Occupying Job Forecast, 2015-2030

Industry	Office Share	2015-2030				2015-2030 Δ	
		2015	2020	2025	2030	#	%
Natural Resources and Mining	5.0%	0	0	0	0	0	0.0%
Construction	10.0%	45	47	48	50	5	10.3%
Manufacturing	5.0%	37	40	41	43	6	16.6%
Retail Trade	10.0%	84	90	95	100	16	19.0%
Wholesale Trade and Transportation	25.0%	1,121	1,144	1,187	1,233	112	10.0%
Information	30.0%	18	18	18	18	1	3.7%
Financial Activities	90.0%	153	165	182	190	37	24.0%
Professional and Business Services	95.0%	1,121	1,151	1,233	1,334	213	19.0%
Education and Health Services	30.0%	163	174	179	191	28	17.0%
Leisure and Hospitality	15.0%	94	102	104	110	16	16.6%
Other Services	25.0%	42	48	49	53	11	25.3%
Public Administration	70.0%	6	6	7	8	2	31.2%
Total		2,885	2,984	3,143	3,330	445	15.4%

Source: NCESC; SCESC; Kimley-Horn

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Forecasted office-occupying jobs have been used to estimate square footage demand in the Sunset/Beatties Ford CNIP Area. Estimates for office demand are based on an average of 220 square feet per employee. As shown in *Table 18*, office demand in the CNIP Area is expected to increase by nearly 100,000 square feet over the 15-year period.

Table 18: Baseline Scenario Office Demand Forecast, 2015-2030

Industry	Net New Office Space			2015-2030 Change
	2015-2020	2020-2025	2025-2030	
Natural Resources and Mining	0	0	0	0
Construction	457	157	404	1,019
Manufacturing	853	135	347	1,335
Retail Trade	1,180	1,137	1,202	3,519
Wholesale Trade and Transportation	4,894	9,671	10,043	24,608
Information	10	66	66	142
Financial Activities	2,533	3,762	1,782	8,077
Professional and Business Services	6,588	17,974	22,250	46,813
Education and Health Services	2,347	1,029	2,727	6,103
Leisure and Hospitality	1,641	496	1,290	3,428
Other Services	1,276	298	782	2,356
Public Administration	95	154	154	403
Total	21,873	34,881	41,048	97,802

Source: NCESC; SCESC; Kimley-Horn

Nearly one-half of the forecasted demand is expected to be accommodated by the Professional and Business Services sector. This sector with drive demand for more traditional Class A and B office space. Another 25,000 square feet of demand is forecasted for the Wholesale Trade and Transportation sector, which is likely to be accommodated in more flex-focused spaces.

Visionary Scenario. As previously presented, the Visionary Scenario forecasts the addition of 3,159 new jobs over the 15-year forecast period, more than double the increase projected for Baseline. Using the same methodology as described above, this scenario shows the addition of 975 office-occupying jobs between 2015 and 2030 (*Table 19*). This represents a 33.8% increase over the 15-year period.

Table 19: Visionary Scenario Office-Occupying Job Forecast, 2015-2030

Industry	Office Share	2015	2020	2025	2030	2015-2030 Δ	
						#	%
Natural Resources and Mining	5.0%	0	0	0	0	0	0.0%
Construction	10.0%	45	48	55	60	15	34.2%
Manufacturing	5.0%	37	43	45	47	11	28.8%
Retail Trade	10.0%	84	100	113	130	46	54.5%
Wholesale Trade and Transportation	25.0%	1,121	1,207	1,320	1,444	323	28.8%
Information	30.0%	18	19	20	22	5	25.8%
Financial Activities	90.0%	153	169	187	209	56	36.3%
Professional and Business Services	95.0%	1,121	1,246	1,379	1,530	409	36.5%
Education and Health Services	30.0%	163	179	187	203	40	24.5%
Leisure and Hospitality	15.0%	94	108	123	141	47	50.4%
Other Services	25.0%	42	48	55	63	21	48.8%
Public Administration	70.0%	6	6	8	9	3	55.0%
Total		2,885	3,171	3,491	3,860	975	33.8%

Source: NCESC; SCESC; Kimley-Horn

As shown in *Table 20*, the employment forecast demonstrated in the Visionary Scenario equates to a forecasted demand of nearly 215,000 square feet of net new office space through 2030. Using the same 220 square feet per employee assumption, this equates to 60,000 to 80,000 square feet of demand every five years.

Table 20: Visionary Scenario Office Demand Forecast, 2015-2030

Industry	Net New Office Space			2015-2030 Change
	2015-2020	2020-2025	2025-2030	
Natural Resources and Mining	0	0	0	0
Construction	549	1,562	1,276	3,387
Manufacturing	1,374	473	473	2,320
Retail Trade	3,365	3,058	3,674	10,097
Wholesale Trade and Transportation	18,776	24,888	27,335	71,000
Information	208	396	396	1,000
Financial Activities	3,588	3,882	4,765	12,235
Professional and Business Services	27,338	29,279	33,362	89,979
Education and Health Services	3,317	1,782	3,696	8,795
Leisure and Hospitality	3,029	3,383	4,015	10,427
Other Services	1,321	1,447	1,777	4,546
Public Administration	135	268	308	711
Total	63,001	70,418	81,077	214,496

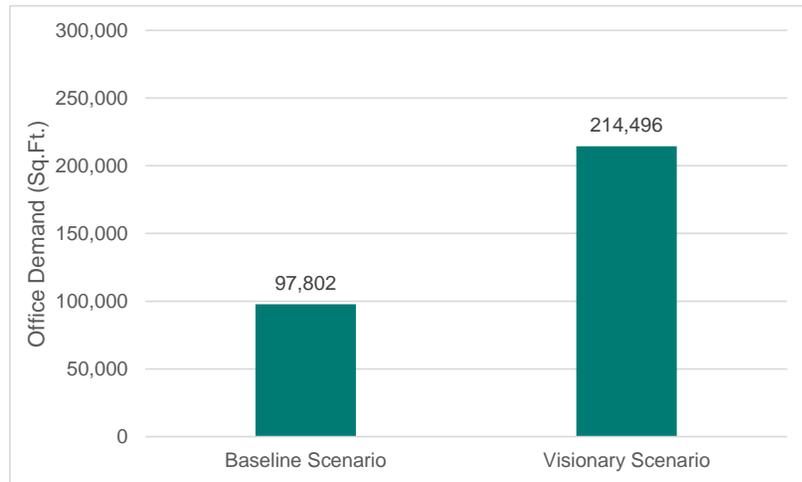
Source: NCESC; SCESC; Kimley-Horn

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Professional and Business Services would equate to nearly 90,000 square feet, or 41.9%, of the total forecasted demand. These jobs would be attracted to locations with easy access to major transportation thoroughfares, superior visibility, nearby dining and retail amenities, and recreation opportunities. Another 71,000 square feet of demand is generated by Wholesale Trade and Transportation. Similar to the Baseline Scenario, this demand could also be accommodated in flex space.

Graph 40 compares the forecasted office demand for the Sunset/Beatties Ford CNIP Area between the Baseline and Visionary scenarios. The nearly 215,000 square feet of office demand in the Visionary Scenario represents more than two times more than 97,802 square feet for the Baseline Scenario.

Graph 40: Comparison of Office Demand Forecasts, 2015-2030



Industrial Demand

Industrial demand in the Sunset/Beatties Ford CNIP Area is calculated using similar methodology to office demand. Given the

area's proximity to the I-77 and I-85 corridors and centralized location in Mecklenburg County, it is likely to continue to be an attractive place for a concentration of freight and transportation-based industries. Future infrastructure improvements should consider impacts to truck traffic as this comprises a major industry within the Sunset/Beatties Ford CNIP area.

Shares of industrial-occupancy have been applied to both the Baseline and Visionary employment forecasts to determine the demand for future industrial space in the Sunset-Beatties Ford CNIP Area. Industrial-occupying shares range from no demand for industrial space in Professional and Business Services jobs to a 90% share for Manufacturing and Wholesale Trade and Transportation.

Baseline Scenario. The Baseline Scenario demonstrates an increase of 1,284 new jobs over the 15-year period between 2015 and 2030. The estimated share of industrial jobs by industry were applied to the employment projections. Applying the industrial-job ratios to the Baseline forecast demonstrates the addition of approximately 570 new industrial-occupying jobs over the next 15 years (Table 21).

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Table 21: Baseline Scenario Industrial-Occupying Job Forecast, 2015-2030

Industry	Industrial Share	2015-2030				2015-2030 Δ	
		2015	2020	2025	2030	#	%
Natural Resources and Mining	5.0%	0	0	0	0	0	0.0%
Construction	15.0%	68	71	72	74	7	10.3%
Manufacturing	90.0%	658	728	739	767	109	16.6%
Retail Trade	10.0%	84	90	95	100	16	19.0%
Wholesale Trade and Transportation	90.0%	4,037	4,117	4,275	4,439	403	10.0%
Information	60.0%	35	35	36	37	1	3.7%
Financial Activities	65.0%	111	119	131	137	27	24.0%
Professional and Business Services	0.0%	0	0	0	0	0	0.0%
Education and Health Services	5.0%	27	29	30	32	5	0.0%
Leisure and Hospitality	5.0%	31	34	35	37	5	16.6%
Other Services	5.0%	8	10	10	11	2	25.3%
Public Administration	5.0%	0	0	1	1	0	31.2%
Total		5,060	5,232	5,422	5,634	575	11.4%

Source: NCESC; SCESC; Kimley-Horn

This analysis assumes an average amount of industrial space per employee of approximately 700 square feet. Based on this square footage assumption, the 570 new jobs requiring access to industrial space would equate to demand of over 400,000 square feet over the next 15 years (Table 22).

Table 22: Baseline Scenario Industrial Demand Forecast, 2015-2030

Industry	Net New Industrial-Occupying Jobs			2015-2030 Change
	2015-2020	2020-2025	2025-2030	
Natural Resources and Mining	0	0	0	0
Construction	2,181	752	1,929	4,862
Manufacturing	48,832	7,745	19,881	76,459
Retail Trade	3,755	3,616	3,825	11,196
Wholesale Trade and Transportation	56,057	110,781	115,040	281,878
Information	65	420	420	905
Financial Activities	5,820	8,645	4,095	18,560
Professional and Business Services	0	0	0	0
Education and Health Services	1,245	546	1,446	3,237
Leisure and Hospitality	1,741	527	1,368	3,635
Other Services	812	190	498	1,499
Public Administration	21	35	35	91
Total	120,529	133,256	148,537	402,322

Source: NCESC; SCESC; Kimley-Horn

Visionary Scenario. As previously presented, the Visionary Scenario forecasts the addition of 3,159 new jobs over the 15-year forecast period, more than double the increase projected for Baseline. Using the same methodology as described above, this scenario shows the addition of 1,497 industrial-occupying jobs between 2015 and 2030 (Table 23). This represents a 29.6% increase over the 15-year period.

Table 23: Visionary Scenario Industrial-Occupying Job Forecast, 2015-2030

Industry	Industrial Share	2015-2030				2015-2030 Δ	
		2015	2020	2025	2030	#	%
Natural Resources and Mining	5.0%	0	0	0	0	0	0.0%
Construction	15.0%	68	71	82	91	23	34.2%
Manufacturing	90.0%	658	770	809	848	190	28.8%
Retail Trade	10.0%	84	100	113	130	46	54.5%
Wholesale Trade and Transportation	90.0%	4,037	4,344	4,751	5,198	1,162	28.8%
Information	60.0%	35	37	41	44	9	25.8%
Financial Activities	65.0%	111	122	135	151	40	36.3%
Professional and Business Services	0.0%	0	0	0	0	0	0.0%
Education and Health Services	5.0%	27	30	31	34	7	24.5%
Leisure and Hospitality	5.0%	31	36	41	47	16	50.4%
Other Services	5.0%	8	10	11	13	4	48.8%
Public Administration	5.0%	0	0	1	1	0	55.0%
Total		5,060	5,520	6,015	6,556	1,497	29.6%

Source: NCESC; SCESC; Kimley-Horn

As shown in Table 24, the employment forecast demonstrated in the Visionary Scenario equates to a forecasted demand of over 1.0 million square feet of net new industrial space through 2030. Using the same 700 square feet per employee assumption, this equates to approximately 350,000 square feet of demand every five years.

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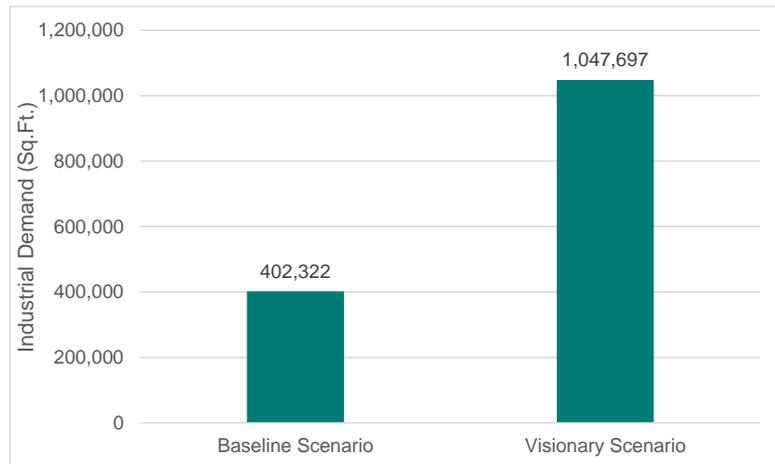
Table 24: Visionary Scenario Industrial Demand Forecast, 2015-2030

Industry	Net New Industrial-Occupying Jobs			2015-2030 Change
	2015-2020	2020-2025	2025-2030	
Natural Resources and Mining	0	0	0	0
Construction	2,621	7,455	6,090	16,166
Manufacturing	78,697	27,090	27,090	132,877
Retail Trade	10,707	9,730	11,690	32,127
Wholesale Trade and Transportation	215,076	285,084	313,110	813,270
Information	1,325	2,520	2,520	6,365
Financial Activities	8,244	8,921	10,950	28,115
Professional and Business Services	0	0	0	0
Education and Health Services	1,759	945	1,960	4,664
Leisure and Hospitality	3,213	3,588	4,258	11,059
Other Services	841	921	1,131	2,893
Public Administration	31	61	70	161
Total	322,513	346,315	378,869	1,047,697

Source: NCECSC, SCECSC, Kimley-Horn

Graph 41 compares the forecasted industrial demand for the Sunset/Beatties Ford CNIP Area between the Baseline and Visionary scenarios. The more than 1.0 million square feet of office demand in the Visionary Scenario represents approximately three times more than 402,322 square feet for the Baseline Scenario.

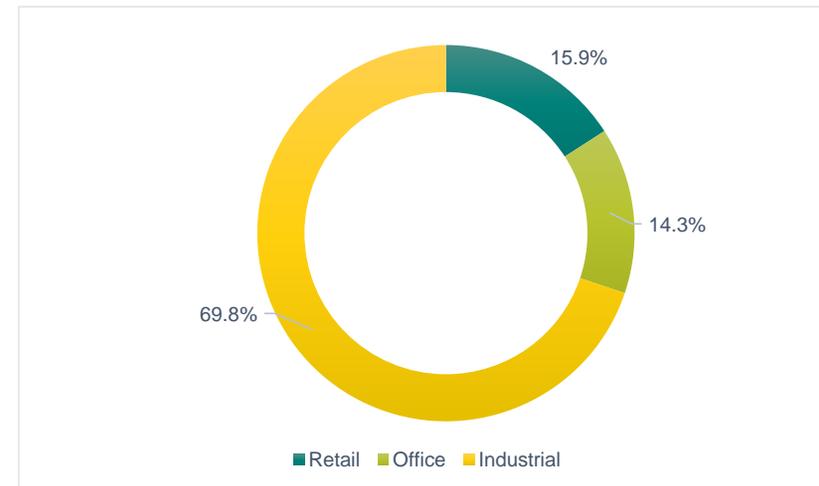
Graph 41: Comparison of Industrial Demand Forecasts, 2015-2030



Summary of Commercial Forecasts

Graph 42 demonstrates the shares of total commercial square footage forecasted through the Visionary Scenario for the Sunset/Beatties Ford CNIP Area between 2015 and 2030. It should be noted that the shares of total forecasted commercial demand are generally consistent between the Baseline and Visionary Scenarios. Demand for industrial square footage is forecasted to generate nearly 70% of the total commercial increase over the next 15 years. This reflects the Sunset/Beatties Ford CNIP Area's superior access to major transportation thoroughfares and centralized location within Mecklenburg County.

Graph 42: Visionary Scenario Commercial Demand Forecasts, 2015-2030



An even mixture of retail and office square footage demand is expected to make up the remaining 30% of the net new space in the future. Demand for retail square footage is impeded by the Sunset/Beatties Ford CNIP Area's proximity to Northlake Mall, which represents a major regional shopping center. While the Sunset/Beatties Ford CNIP Area offers access and visibility, which is

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a positive consideration for office development, it lacks in a diversity of housing options and retail and service amenities. Demand for new office space in the area is likely to lag behind residential and retail, as both offer positive attributes that could generate development potential.

PRIORITY PROJECTS AND CATALYST AREAS

Seven projects were identified for the Sunset/Beatties Ford CNIP area. These proposed projects rose to the top of the prioritized list of needs based on how well they are expected to achieve the City’s goals and meet the community priorities. Economic investment was a clear strategy that aligned with both the City’s goals and community priorities.

PROJECT	COMPONENTS
Beatties Ford Road Pedestrian Crossings	Pedestrian refuge islands, pedestrian hybrid beacons, and/or traffic signals
Aesthetics	Landscaping, lighting, and signage at key locations
Hornet’s Nest Park Access	Beatties Ford Road and Sunset Road sidewalk, park entrance/pedestrian crossing, Beatties Ford Road/Trinity Road intersection improvements
Oakdale-Nevin Trail	East/west multiuse connections between US 21 and Oakdale Road, connections to parks, and potential public/private partnerships
Oakdale Farm-to-Market (FTM)	Full FTM along Oakdale Road (extension of Oakdale FTM Phase I), sidewalk on Peachtree Road, Pleasant Grove Road, Oak Drive
Oakdale/Miranda/Unset Intersection	Roundabout or signal
Lakeview Road & Reames Road Intersection	Pedestrian/bike facilities along Lakeview Road to connect to interchange project, Lakeview/Reames Road intersection improvements

While all of the projects could lead to some level of reinvestment, four of the projects were identified as the potential for clear economic impacts: aesthetic improvements, Oakdale-Nevin Trail, Oakdale Farm-to-Market, and the Lakeview Road & Reames Road Intersection.

Catalyst Areas

Five locations within the Sunset/Beatties Ford CNIP Area were identified as representing the highest potential to act as a catalyst for development. These locations represent areas offering visibility, connectivity both within the CNIP Area and to major thoroughfares, and larger land holdings. As demonstrated below, each catalyst area identifies the key priority projects that could help to generate future investment. Public infrastructure investments identified through this process will help set the stage for future development, with a focus on these key sites.

- Statesville & Beatties Ford Road Corridors.** These corridors, running north-south on either side of I-77, offer a direct connection between the Sunset/Beatties Ford CNIP Area and downtown Charlotte. Offering proximity to the estimated 100,000 office, retail, and hospitality jobs in downtown, new development has gradually moved north along these key corridors. Investments along these corridors should focus on connectivity and accessibility, while offering more accommodating pedestrian facilities for nearby residents.

Influenced by the success of the NC Music Factory and Brightwalk, a mixed-use project developed by Charlotte Mecklenburg Housing Partnership, momentum along the Statesville Road corridor is moving north towards the CNIP Area. Vision Ventures recently proposed a major office development on 25 acres in the southeast quadrant of Statesville and Woodward avenues, just south of the CNIP area. Once

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completed, this project will bring additional non-residential development to the corridor.

On the west side of I-77, Beatties Ford Road has experienced significant investment near the five-point intersection at Johnson C. Smith University. Development along this corridor will be heavily influenced by the third and final phase of the Charlotte Street Car project. This phase will run from Johnson C. Smith University to Rosa Parks Place on Beatties Ford Road. Although Rosa Parks Place is just south of the Sunset/Beatties Ford CNIP Area, the terminus of the street car line is likely to affect development continuing north along Beatties Ford Road. It is scheduled for completion by 2023 at an estimated cost of \$231 million.

KEY PRIORITY PROJECTS

-  Beatties Ford Pedestrian Crossings
-  Aesthetics
-  Hornet's Park Access
-  Oakdale-Nevin Trail
-  Oakdale Farm-to-Market

- **Sunset Road Corridor.** Offering the only direct access to I-77 in the Sunset/Beatties Ford CNIP Area, the Sunset Road corridor represents a concentration of commercial uses. This corridor

serves as a point of access not only for nearby residential neighborhoods, but also for the Northpark Business development and highway-focused retail uses. Investments along this corridor need to balance aesthetics and accessibility to alternative modes, while preserving the accessibility to I-77 which is vital to businesses located in Northpark.

KEY PRIORITY PROJECTS

-  Aesthetics
-  Oakdale/Miranda/Sunset Intersection

- **Metrolina Event Expo.** Located off Old Statesville Road, the Metrolina Event Expo property is a single tract of nearly 100 acres. Adjacent parcels could increase the development potential to close to 150 acres. Although owners of the Metrolina site elected to not participate in the CNIP planning process, it is rumored that they are open for redevelopment opportunities. This catalyst site offers one of the largest single land holdings in the Sunset/Beatties Ford CNIP Area. Infrastructure improvements along the Sunset Road corridor will help enhance connections between the Metrolina site and the I-77 interchange.

KEY PRIORITY PROJECTS

-  Aesthetics
-  Lakeview Road & Reames Road Intersection

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- **Friendship Missionary Baptist Church.** Located in the northwest quadrant of I-77 and I-85, the Friendship Missionary Baptist Church property offers a unique opportunity for development at the juncture of two major interstates. Friendship Missionary Baptist Church engaged in master planning and site design for the property more than a decade ago. Based on feedback, they are considering a revision to their initial plan based on current market opportunities. Some of the site infrastructure has been completed, and a portion of the property fronting on Cindy Lane was recently donated to Mecklenburg County for the construction of a park facility. Construction of the Friendship Athletic Park began this summer.



Not only does the Friendship Missionary Baptist Church property represent an opportunity for residential and commercial development at a key intersection in Charlotte, the Friendship Athletic Park will add a valuable amenity for the community. Key considerations for this development will be gateway treatments off of I-85, accessibility (both vehicular, bicycle, and pedestrian) to Beatties Ford Road, and connectivity along Cindy Lane. Improvements along Cindy Lane presents a unique opportunity to connect a variety of recreational amenities, from Nevin Park and Ribbonwalk east of I-77 to the new Friendship Athletic Park to Fred D. Alexander and Firestone Parks west of I-77. Enhanced east-west connectivity will be an important consideration.

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KEY PRIORITY PROJECTS

-  Beatties Ford Road Pedestrian Crossing
-  Aesthetics
-  Oakdale-Nevin Trail

- **O' Dillon Lakes.** The O'Dillon Lakes property is located in the northwest quadrant of Statesville Road and Cindy Lane. The roughly 60-acre property offers an opportunity to continue development momentum headed north from downtown Charlotte in the Sunset/Beatties Ford CNIP Area. Two lakes on the property could also be an amenity to CNIP area residents, adding to an already well-established recreation base.



The Charlotte Mecklenburg Housing Partnership is currently seeking a rezoning for the property to accommodate a mixed-residential development including both market-rate and senior units at a variety of densities. One of the goals of the project is

increase the number of rooftops along the Statesville Road corridor to attract retail to either the Brightwalk development south of the Sunset/Beatties Ford CNIP Area or outparcels near this property along Statesville Road.

Connection and accessibility along Statesville Road will be an important consideration for the success of this project as there is no direct connection to I-77 off Cindy Lane. Additionally, this site is a key property in the east-west connection of recreational amenities described in the description of the Friendship Missionary Baptist Church property.

KEY PRIORITY PROJECTS

-  Aesthetics
-  Oakdale-Nevin Trail