



# Economic Development Committee

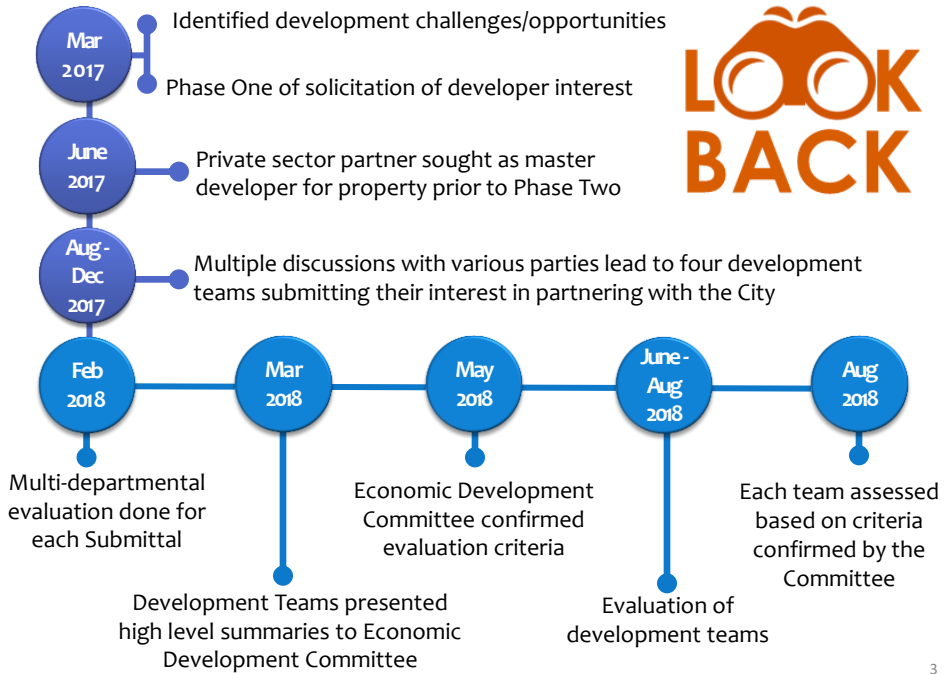
Eastland Mall  
Redevelopment  
August 27, 2018

Economic Development Department



## Agenda

- Background
- Overview of evaluation criteria
- Development team updates
- Evaluation results
- Next steps



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## OVERVIEW OF EVALUATION CRITERIA

## Evaluation Criteria

Confirmed by Economic Development Committee  
May 2018

- **Financial qualifications and strategy**
  - Demonstrates sufficient capacity to obtain financing for the redevelopment
  - Ability to raise equity and identify additional sources of capital for funding
  - Anticipated public investment required to successfully implement the proposed redevelopment
- **Qualifications and experience of the development team**
  - Successful track record and experience with implementing development comprising more than 50 acres and complex multi-use developments utilizing public private partnerships
  - Explanation of relationship of key personnel on development team and their roles and contributions
  - Proven ability to work with public agencies, in similar context to achieve desired redevelopment
  - Demonstrates experience with innovative design and development practices (e.g. sustainable development practices)

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## Evaluation Criteria

Confirmed by Economic Development Committee  
May 2018

- **Project Approach and timeline**
  - Demonstrates experience with methods to ensure high quality development, sensitivity to neighborhoods, etc.
  - Efficient timeline for purchase agreement, design/permitting, construction commencement and full completion
  - Maximizes fiscal return to the City (e.g. property, sales, and tourism taxes)
- **Master planning and due diligence**
  - Ability to incorporate community engagement in finalizing mix of uses and overall development program for the remaining 69 acres
  - Confidence level in delivering a dynamic project
  - Demonstrates ability/willingness to partner with City on site planning and design during due diligence and master planning phase(s)

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## Evaluation Criteria

Other Important Factors at This Evaluation Point

- Experience of the development team and demonstration of success were key factors in evaluation
- Concept plans or development program suggested will be investigated in greater detail in due diligence phase
  - Staff will partner with development team on community engagement, site analysis, and other due diligence activities to finalize the appropriate development program
- Acquisition price **not** a major consideration
  - Any offer submitted now would be contingent on due diligence and pre-development efforts

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## DEVELOPMENT TEAM UPDATES

## Development Teams

From May 2018

- **Greater Charlotte Multiplex 4 Families**
  - 10-15 acre development comprising a family entertainment complex, community event space, amphitheater, film studio, and a childhood development center
- **Eastland Community Development, Inc.**
  - Multiuse development anchored by a soccer academy and features multifamily residential, hospitality, sports medicine, office, and retail/restaurant/entertainment uses
- **Crosland Southeast / Jim Gross Company**
  - Multiuse development featuring a mix of residential product types and office, retail, hotel, and medical uses in an urban, pedestrian oriented environment
- **Legacy Family Group**
  - Multiuse development featuring a mix of residential product types, retail, office, and cultural uses

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## Development Teams

Evolution of Teams Today

Changes Noted in Orange

- **Greater Charlotte Multiplex 4 Families**
  - 10-15 acre development comprising a family entertainment complex, community event space, amphitheater, film studio, and a childhood development center
- **Crosland Southeast / Eastland Community Development, Inc.**
  - Multiuse development anchored by a soccer academy and features multifamily residential, hospitality, sports medicine, office, and retail/restaurant/entertainment uses
  - Fallon is no longer identified as the primary developer
- **~~Crosland Southeast~~ / Jim Gross Company / MPV**
  - Multiuse development featuring a mix of residential product types and office, retail, hotel, and medical uses in an urban, pedestrian oriented environment
- **Legacy Family Group**
  - Multiuse development featuring a mix of residential product types, retail, office, and cultural uses
  - Makeup of team has changed since March – Newmark Knight & Frank now listed as primary developer (Global Consortium Group was previously identified as primary developer)

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## EVALUATION RESULTS

### The Greater Charlotte Multiplex 4 FamiliE's

Led by: Donna Reed

- Sound explanations of programmatic team, but no development team
- Overly dependent on Master Developer and public subsidy for costs
- Non-profit proposal with limited demonstration of funding ability; unable to develop without Master Developer
- Interest is limited to 15 acres serving non-profit uses
- Too many contingencies related to the City and Master Developer to know whether project can be delivered

## Legacy Family Group

Led by: Kimberly Edmonds

- Impressive commitment to MWSBE commitments
- Sincere interest in partnering with the community
- Substantial proportion of funding/financing contingent on sources that are unrealistic or no longer available
- Insufficient experience in team to successfully raise capital and obtain financing required to make development successful
- Inadequate evidence of team's ability to implement a successful development – one person highlighted with experience, but specific role in highlighted project unclear
- Response excluded examples of similar experience that outline their approach to recent applicable developments; no reference to other proven ventures
- Unsure of team's ability to deliver a successful and dynamic project without significant public investment from uncertain and/or unavailable sources

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## Jim Gross Company / MPV

Led by: Jim Gross

- Demonstrates ability to raise sufficient equity and obtain financing for creative and unique development project (albeit smaller scale)
- Sound approach for near-term success, but lack clarity related to potential sources and uses of funds
- Proposes primarily for profit uses (potential for significant fiscal benefits)
- Demonstrates experience with creative, high quality developments, but limited to smaller site and no master development experience relatable to the Eastland redevelopment effort
- Initial risk of discovery and design is proposed to lie with the City
- Confidence in team's ability to deliver high quality project, uncertainty remains on the team's ability to navigate a successful P3 with significant public sector and community involvement

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## Crosland SE / Eastland Community Development, Inc.

Led by: Tim Sittema & David LeFevre

- Demonstrates experience obtaining adequate financing and equity for large scale, multi-use development
- Direct experience with similar projects with similar levels of complexity
- Development team brings relevant, complementary skill sets and experiences
- Demonstrates experience in master development and design of projects of this size and complexity
- Experience working with public agencies on larger scale projects
- Demonstrates commitment to partnering with the City and engaging the community in the master planning process
- Strong local team with experience that instill confidence in team's ability to deliver successful development

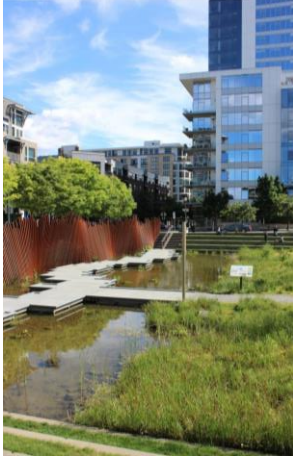
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## Recommendation

- Multi-disciplinary evaluation team recommends the City engage with the **Crosland Southeast / Eastland Community Development, Inc.** team on a due diligence agreement
- Primary factors:
  - Clear examples of successfully developing comparable complex properties in other cities
  - Demonstrates experience obtaining adequate financing/funding
  - Demonstrates experience with public private partnerships with comparable developments
  - Understands importance of community involvement throughout development process

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## NEXT STEPS

### Next Steps

Due Diligence

At the September Economic Development meeting, the Committee recommends that the City Manager to negotiate a due diligence agreement that would address items such as:

- Exclusivity
- Cost sharing
- Roles and Responsibilities during due diligence
- Timeline
- Communications Plan
  - A successful effort of this sort requires a balanced perspective between civic (public) priorities private interests (financial returns) and community needs. It must be a PPCP – a **Public, Private and Community Partnership**. If any once voice dominates, the project will not be successful.
- During due diligence, these items would be addressed:
  - Site Plan
  - Financial Plan
  - Commitments related to civic priorities (such as employment, housing, open space, transit, recreation, and other civic amenities)
  - Commitments related to MWSBE and workforce development goals

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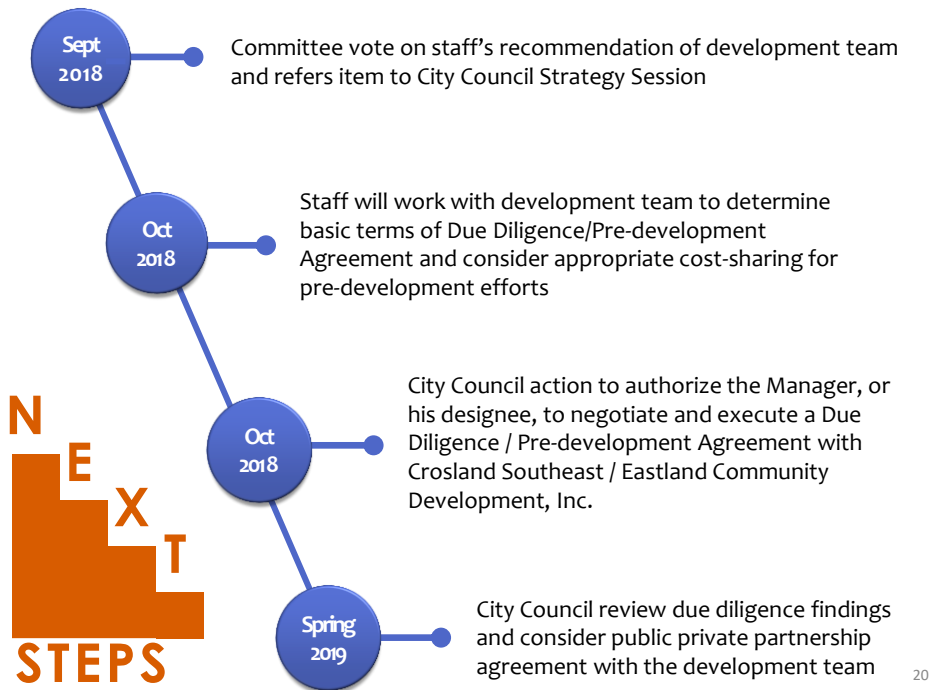
## Next Steps

Communication Plan

Through September, staff will develop a community communication plan which may include:

- Third party consultant
- Community advisor group that can work closely and regularly through the process
- Larger community engagement schedule (workshops, events, etc.)
- Use stakeholder (civic, community, business, private development) engagement to craft a story that will directly inform the development program
- Build brand around that program to share the story and build enthusiasm that ensures the success of the overall project
- Time Economic Development Committee updates to coincide with specific points in the process

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