A Special Meeting of the City Council of the City of Charlotte, North Carolina, was held on Friday, January 14, 1972, at 11:00 o'clock a.m., in the Council Chamber, Second Floor, City Hall, with Mayor John M. Belk presiding, and Councilmen Patrick N. Calhoun, Sandy R. Jordan, James D. McDuffie, Milton Short and Joe D. Withrow present.

ABSENT: Councilmen Fred D. Alexander and James B. Whittington.

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MEETING CALLED TO ORDER.

Mayor Belk called the meeting to order.

COUNCILMAN CALHOUN EXCUSED FROM MEETING.

Councilman Calhoun stated the matter to be presented by Council this morning affects North Carolina National Bank, of which he is an officer. That he understands this is the only item on the agenda and he therefore asks to be excused from the meeting.

Councilman Jordan moved that Councilman Calhoun be excused from the meeting. The motion was seconded by Councilman Short, and carried unanimously.

Councilman Calhoun then left the Council Chambers, and was absent for the remainder of the Session.

COUNCILMAN ALEXANDER AND COUNCILMAN WHITTINGTON ABSENT FROM MEETING.

Mayor Belk stated that Mayor pro tem Alexander will not be present for the meeting as he is at the Airport to meet the Governor of North Carolina, and Councilman Whittington is absent as he is in the hospital.

PURPOSE OF THE MEETING STATED.

Mayor Belk stated the purpose of the meeting is to act upon a request from the Redevelopment Commission that Council verify and approve findings by the Commission that Independence Square Associates, a joint venture, is the only "known, available, qualified and willing redeveloper" to redevelop the block bounded by Tryon, Trade, College and 4th Streets, of the Downtown Urban Renewal Project to the use contemplated by the Commission, and that the proposed use or redevelopment is reasonably necessary in order to assure development which will have the desired beneficial effect upon neighboring property, the project area, and the community as a whole, as contemplated by the redevelopment plan, and that the proposed use or redevelopment will assure that the property will not remain unused for an unduly long period and will result in a return to the local ad valorem tax rolls at a substantially earlier date than uses or redevelopments obtainable by other methods of disposition.

EXECUTIVE DIRECTOR OF THE REDEVELOPMENT COMMISSION PRESENTS FINDINGS OF THE COMMISSION.

Mr. Vernon Sawyer, Executive Director of the Redevelopment Commission, stated the Redevelopment Commission has considered the proposal that was submitted at the Commission's public hearing by Independence Square Associates very seriously.

Mr. Sawyer stated the Commission reached the conclusion, prior to their advertisement for the public hearing, that a high density project of the entire first block of the downtown urban renewal area would be the most desirable development for the area to conform to the redevelopment plan, and the concepts of the study made by Ponte, Travers & Wolfe Associates. That the objectives of the plan and that study could best be accomplished by a single developer. That is versus cutting the block up and selling it for smaller developments in smaller pieces.

He stated the Redevelopment Commission advertised for a public hearing which was held on December 22, 1971. The advertisement invited interested developers to submit proposals consisting of certain minimum requirements which were advertised, financial qualification and other information establishing that they were available, qualified and willing to carry out the redevelopment. A joint venture, known as Independence Square Associates, formed by North Carolina National Bank and Crow-Carter Associates from Atlanta, Georgia, submitted a proposal, a financial statement, and other qualifications. Mr. Sawyer stated the Commission has held this information confidential at their request but it was the basis for the Redevelopment Commission's finding. He presented this to the Mayor for information.

Mr. Sawyer stated following the public hearing which was held on December 22, the Redevelopment Commission held a special meeting on December 27, which gave it time to consider what had been heard very carefully, and it determined that Independence Square Associates was the only available, qualified, and willing redeveloper for the parcel and for the proposed use and in accordance with the redevelopment plan. Under North Carolina Urban Redevelopment Law, the Commission is permitted to negotiate with this redeveloper if the findings of the Commission are verified and approved by City Council after a public hearing. Mr. Sawyer stated that is the purpose of this public hearing which the Redevelopment Commission requested.

STATEMENT BY HUGH CASEY, ATTORNEY, REPRESENTING BUSINESSES LOCATED WITHIN THE PROJECT AREA AND ADJOINING THE PROJECT AREA, AND PEOPLE WHO SHOP IN THE AREA.

Mr. Hugh Casey, Attorney, stated he represents businesses located within the downtown project area, businesses located adjoining the project area and people who shop in the downtown area.

He stated some years ago the Charlotte Redevelopment Commission and the City Council selected a three block area downtown as a blighted and slum area in need of rehabilitation. Since that time, hundreds of thousands of dollars In April, 1969, a site survey which was prepared have been spent on studies. showed a small department store, shops and office buildings in this area. After the bond election of December, 1969, the next plan for the area showed disappearance of the department store and the appearance of the civic center which will be used to put on business trade shows. During this period of time, 52 small businesses became apprehensive of their fate. By June of 1970, letters were written to the Redevelopment Commission and the Department of Housing and Urban Development as it became apparent that the Redevelopment Commission intended to destroy all buildings in the three block area, with the exception of the Home Savings & Loan Association, within a short period of time of about three years. In August of 1970, a law suit was filed in the U. S. Federal District Court, and that suit is now pending and awaiting trial. Many developments have occurred in the course of litigation. But one issue remains - What will be the fate of the small merchants in the downtown area and the thousands of people who shop in their stores, many using the bus system? The federal court has recognized this issue, and has made the following comments in its order of March 29, 1971. "The possibility of allowing relocated businesses, singly or in groups, to relocate within or return to the redeveloped area be kept open as one of the wide options."

Mr. Casey stated the purpose of urban renewal as provided by the act of congress is "the goal of suitable living environment for every American family." He stated the purpose of urban renewal is to help people. Congress never intended it as a subsidy to large corporations. In other cities, urban renewal has been used to help small businessmen and merchants and the people who shop in their stores. An example is Norfolk, Virginia where Mr. Vernon Sawyer was an Executive Director. He quoted from a deposition from Mr. Sawyer, taken on November 5, 1970. "As a matter of fact, before I left I was personally dealing with one of the merchants who became a leader in the group that finally bought the land and put together a center. His name was Burton Myers. They formed a group of merchants or collection of space merchants and they negotiated with the LPA for the purchase of a site on which they built a shopping center which they financed and constructed and used for their own relocation. This was all done over a period of time, and it was agreeable both to the merchants and the LPA, and it worked out very satisfactorily."

Mr. Casey stated on March 3, 1971, the Redevelopment Commission held a meeting concerning the downtown project, and he reads from the exchange of views presented there.

"Dave Pliner of the Home Furniture speaking - 'One other cue is you could have a developer come in and develop a portion of the block, and develop a certain portion of this block for retail use, and then as these retailers are displaced they can move into the new facilities.'

Mr. Ray King, Chairman of the Commission: Dave, that is a very reasonable and fine solution. You and I both have one or two business friends down there who are talking along that line. They are men with money enough to do just that, I would hope they would. I will give you their names in confidence if you want to confer with them any further. They are good friends of mine and yours both, I am told.'"

Mr. Casey stated on December 22, the President of the North Carolina National Bank appeared before the Redevelopment Commission, and a presentation was made that stated among other things the bank wanted more space. Needed more space. As he recalls from Mr. Sawyers appearance a few moments ago, five days later the Redevelopment Commission found that the bank was the only redeveloper they could find in the space of five days. He asked if it is a coincidence that special trips have been made to Atlanta to get money from HUD so that this property can be bought? These trips were made, as he recalls from the newspapers by the Mayor. Is it a coincidence that past history of the Commission in Charlotte has been to pay high prices for property and sell it at bargin prices with the taxpayer paying the difference? Is it a coincidence that certain members of the city government own land, or family owns land, in the project area? Is it a coincidence that a member of the city government's brother is on the Board of Directors of the North Carolina National Bank? Is it a coincidence that the North Carolina National Bank has been a bank used by the Commission; that it has loaned money to the Redevelopment Commission? Is it a coincidence that an executive vice-president of the North Carolina National Bank sits in the City Council; so that now the North Carolina National Bank is represented on the governing body of a municipality of the City? Mr. Casey stated there is what is known as the concept of conflict of interest. Various regulations provide that people in public office cannot represent or have financial interest in businesses which are dealing with that public office. The U.S. Department of Housing and Urban Development has promulgated certain regulations to prevent conflict of interests. One of these provides ineligible redevelopers - "The following persons or organizations are ineligible to be a redeveloper or to have any financial interest in a redevelopment. A member of the governing body of the LPA, or municipality."

Mr. Casey stated his interpretation of the regulations is simply that the North Carolina National Bank is ineligible as a redeveloper for downtown project area under the present set of circumstances. He stated he has

previously given this opinion to the attorney for the city and the commission. Supplement complaints to the U. S. District Court has been filed under this point.

He stated he raised this point for two reasons. The first is because this is a hearing today which is part of administrative process. This point regarding conflict of interest should be raised and should be made part of the administrative record. The second point is simply to try to save time and expense. Court cases are a terrible drain, not just on the taxpayers; they are a drain and a burden on the little man who is fighting. He urged that Council not rubber-stamp the Commission's proposal; that the only redeveloper for downtown project area is the North Carolina National Bank. He urged that at this time they reject this proposal, and to direct the Commission to work with the people in the downtown project area, and to work out the redevelopment of the downtown project in accordance with the countless example which have been furnished the Commission. One example known is the City of Norfolk where Mr. Sawyer himself was a director. Over and over, the Congress by legislation, and the Department of Housing and Urban Development by regulation have emphasized the need to consult the people who are affected by these massive, costly programs. The reasons for these laws are to prevent the wealthy and politically few from using federal funds for private that Charlotte's Downtown purposes. In order to avoid the criticism program is simply a selfish program to promote the interest of a few, he submits that the people most vitally affected should be consulted as to what kind of plan will go into effect in the downtown project area.

Mr. Casey stated Council has the responsibility to see that this city is designed for people. If this city has a soul, should not the city show its concern for people, and not just for a corporation which has no soul if you take the definition of Daniel Webster.

Mr. Casey stated it is not his purpose to embarrass or accuse of any wilful wrong doing. But what is clearly wrong from every standpoint is for Council to disregard the point that these people - the little people - should be allowed to participate in the redevelopment of his own neighborhood. This a neighborhood development program; for his own good; for the good of the people who shop there; and for the good of this city as a whole we are to preserve a vital downtown, open to all our citizens.

He suggested the following: (1) That the small businessmen and merchants should be consulted as a group as was done in Norfolk. (2) The possibility should be considered and these merchants be allowed to buy or construct in the shopping center. (3) That the Redevelopment Commission permits merchants to inspect plans submitted by redevelopers. They have not been allowed to see these. (4) That Council instruct the Redevelopment Commission not to proceed any further in its approval of the North Carolina National Bank as a redeveloper, or any other redeveloper until it has demonstrated that it has considered these points.

Mr. Casey asked that Council not approve this request until these points have been met.

Mayor Belk asked Mr. Casey if he represents anyone? If so, who are they? Mr. Casey asked those he is representing to stand, and five or six men in the audience stood. He did not call any names.

Councilman Short asked Mr. Casey if he represents a known, qualified, available and willing developer, or some person who claims to be this? Mr. Casey replication of the people he represents is someone who has talked to the Commission over a period of years and who actually owns land in the area. Councilman Short asked if he is a known, available qualified developer? Mr. Casey replied he thinks he is. Councilman Short asked if he is seeking to do this, and Mr. Casey replied he has been seeking to do this for years.

Councilman Short stated it seems to him that Council is here for the purpose of making some findings required by the State Legislature. That Mr. Casey introduced the question as to whether or not it is legal for Council to proceed this way. Council is not here for the purpose of determining that. Council is just here for the purpose of determining under the procedure laid by the the Legislature whether or not there is a known, willing, qualified developer.

Mr. Casey replied Council has various options as to how this land will go. It does not have to be sold as one whole tract. Council does not have to approve the plan as it is right now. It can instruct the Commission to go back and think about these things, talk to these people and to show Council that they have actually talked to these people.

Councilman McDuffie stated he believes that Mr. Casey told him some time ago that he did not get to see the Ponte-Wolfe Plan which has been mentioned by Mr. Sawyer and that breaking up the block would be less desirable because of that plan. That Mr. Casey has mentioned that numerous studies have been made and large amounts of money spent, and in lots of cases, nothing was done. Councilman McDuffie stated Council has determined that it approves the Ponte-Wolfe Plan and is trying to implement it. This is one of the things that will do that. He stated he has historically been opposed to urban renewal for commercial properties as it was started mainly for slum clearance. But in a case like this, it would appear that citizens could readily seek to remove an area that has a tax base of \$3.0 million or less to replace it with one that the plans say will be some \$25.0 million in valuation. That this would appear to be in the best interest of the whole community. He stated the shoppers who come there have been mentioned, and they come mainly because of busses. Councilman McDuffie stated there has been a movement for years to remove the busses from this location on the Square, which would remove most of the business that these people depend on. He stated he would submit it would be desirable to move the busses first, and then the people would probably relocate on their own. That we have been trying to do that in the short time it has been available. These people would be better off if they go where the busses are relocated. He stated he thinks everyone will agree that is the desirable answer to part of the That he would hope the redevelopment commission, with instructions problem. from Judge McMillan, will help these people relocate, and be required to do so. That if they do not do what the courts think they should, he hopes we, the citizens, will pay money. In the long run we citizens are going to benefit more from the \$25.0 million replacement buildings and the Ponte-Wolfe implementation than we will if we break up the block and allow it to be developed as Mr. Casey indicates it might ought to be for the people who have been there for years. He stated he would hope the citizens can see that what Council is trying to do is in the best interest of all of them. That if we have to go to court to prove that point, he is willing to take that stand.

Mr. Casey stated that is what he is trying to avoid. Litigation is long, expensive and involved. That by asking the Redevelopment Commission to go back and meet with these people as a group and to listen to their ideas and show they can do here what they did in Norfolk, as an example.

Councilman Short asked if at the meeting on December 22, only one developer showed up? Mr. Sawyer replied that is correct and that was Independence Square Associates. Mr. Casey was there, and he mentioned only the small businessman and substantially what he concluded today. Councilman Short asked if he mentioned representing a developer attempting to offer a plan? Mr. Sawyer replied no.

Councilman Short asked how the meeting on December 22 was advertised? Mr. Sawyer replied it was advertised for two weeks in the Charlotte Observer; three times within the two week period. It was a predominately displayed ad and was about 2 inches by 3 inches. Also during this time, the newspapers did recognize the fact of the ad and publicized the fact that the Redevelopment Commission was seeking qualified, known, willing redevelopers. This was done in news stories that appeared on the second front of the paper.

COMMENTS BY JERRY LEVINE, PRESIDENT OF LEBO SHOES ON PROPOSAL TO BUILD IN AREA.

Mr. Jerry Levin, President of Lebo Shoes, stated he is located within the immediate area. He stated Mr. Sawyer knows him well as they have had several meetings. That Mr. Sawyer knows they did propose a building in the urban renewal area since they own a tract of land there already. However, at that time you could not negotiate and everything had to be on sealed bids. He stated they are not in a position to redevelop the entire block. At the same time, they are and could redevelop an area. This was also discussed with Ray King. It was their understanding that when the time came they would be informed to have a meeting or would be informed when they were prepared to make this arrangement or whatever would transpire. The only time the merchants in this area have ever found out what has been going on in the Redevelopment Commission, or this area, is when they read it in the newspaper. He asked if it would not have been easier, and it would have been more cooperative, with City Council and the merchants themselves if a meeting had been held, together with those merchants and an area selected possibly for redevelopment for these merchants; an area where they could re-establish their businesses, rather than saying "well, gentlemen, we are going to relocate you." Mr. Levin stated they ask the question where. As yet, the urban renewal commission has not come up with a plan. This has been going on since 1966. They have been living under a black cloud, the entire area. The buildings could not be rented; the buildings could not be given any lease. But they have stayed there, and they have grown and have continued to do business. He stated they intend to stay there until they find a proper relocation site. As he understands, by law, it is the urban redevelopment commission's purpose to relocate people in their position.

Mr. Levin stated he saw a list submitted to another merchant; that it was a list, in March, 1971, of locations for downtown Charlotte. On that list the site was Highway 51 and Independence Boulevard, Lance Packing Company building buildings other than downtown. There was a good number on that list, but very few in the relative location that those merchants downtown could accept. This is the merchants problem and it is the problem of the Council. The merchants would like to see a greater Charlotte. That he has invested his lifetime, his finances all in Charlotte. Therefore, he is earnestly interested in Charlotte.

Mayor Belk asked Mr. Levin if he has submitted any proposal for a building in this one block area? Mr. Levin replied he has not turned in any bonafide proposal, but he has talked with Mr. Sawyer in the past; that he has talked with Ray King. He stated he was ready to propose it and ready to get the plans and everything arranged. Naturally, you do not go and make those arrangements, as they cost money, until you know this is going to come about. He stated his intent was made in 1968.

Councilman Jordan asked if it would be a building just for his own use? Mr. Levin replied no; that he proposed an eight story building. It would be large enough and would house not only himself, but other merchants as well. That it was discussed as 100' x 200'. Mr. Levin stated he presently has 16,000 square feet of space.

Councilman Short asked if he mentioned the eight story building on December 22? Mr. Levin replied no. That as he understands it was advertised for the entire area. He was at the hearing. It was his understanding there was a developer for the entire area and not a subsequent part of it.

Mayor Belk asked if anyone else has a proposal for the block and no one responded.

PROPOSAL OF INDEPENDENCE SQUARE ASSOCIATES PRESENTED.

Mr. Addison Reese, Chairman of the NCNB Corporation of North Carolina National Bank, stated he is here today on behalf of Independence Square Associates. That Independence Square Associates is a joint venture between a subsidiary of their company, NCNB Plaza of Charlotte, and an affiliate of Crow, Carter and Associates of Atlanta.

Mr. Reese stated North Carolina National Bank is one of Charlotte's oldest corporate citizens. Like many of our long time citizens, it has a deep, and abiding concern for the rebuilding of downtown Charlotte. They agree that the revitalization of downtown Charlotte is a matter of high priority of the community as a whole. That this rebuilding must be a joint effort between the private and the public interests. Making downtown urban renewal project a reality, the City Council and the Redevelopment Commission took the first major step towards this downtown revitalization. In beginning the construction of the new Civic Center, the City Council, again working with the Redevelopment Commission, took the second major step in this process. He stated they, at NCNB, hope that Council will take action today that will be the third major step made by government. If Independence Square Associates is permitted to do so, it is their intention to provide Charlotte with a new focal point as well as putting in a major office building in the downtown retail area. North Carolina National Bank has already evidenced its belief in downtown Charlotte. Their present office building is only ten years old, and just recently they completed the construction of their cooperative service center on South College Street. It is this belief in downtown Charlotte that makes them enthusiastic about the concept for the future of the area reflected in the Ponte-Travers, Wolfe study. They believe the Redevelopment plan incorporates the best features of that study and offers the community excellent opportunity to make the rebuilding of the entire central business district a reality instead of a plan. He stated it gives him great personal satisfaction that his company may be a part of this effort. It is fortunate for the community that the needs of one of the largest space users, North Carolina National Bank, and the needs of the community for a major new development in the central business district have come together at the same time. He stated their increasing space needs are such that they can commit substantial resources to the construction of a major office complex which due to the foresight and leadership of the city administration and the redevelopment commission can be located at the exact place where the community most needs redeveloping. Their need for space presents a complicating factor. This need is so present that they are of necessity planning the development by Independence Square Associates on a very stringent timetable. They must be in a position to commence construction at a reasonably early date so that completion can occur in time to permit them to satisfy their requirements. He stated their decision to relocate their main office was a substantial decision when measured in times of their history. Their bank and its precedessors have been located in the second block of South Tryon Street for many, many years. This has been a very fine location. While they are committed to and are genuinely enthusiastic about a new location in the first block of the Square, they still like their old one and will be leaving behind a lot of valuable tradition. The opportunity of making a major contribution to the revitalization of downtown Charlotte is the determining factor in their decision.

Mr. Frank Carter of Crow, Carter Company introduced the senior partner, Mr. Trammel Crow and stated Mr. Crow is present for design discussions and to be present today as they make this presentation.

Mr. Carter stated they appear in response to and in accordance with the resolution of the City Council of the City of Charlotte adopted December 28, 1971, and subsequently advertised. They are here to say to Council that they are prepared to proceed with the development of the Independence Square block substantially in accordance with the Ponte-Travers, Wolfe plan.

Mr. Carter referred to a number of exhibits and stated they are the same exhibits which were used in the presentation to the Redevelopment Commission. The first is an elevation of the bank tower which is a 36-story building of 650,000 square feet, with 6,000 car parking below the Tryon Street level - underground and below the project. In addition, there will be at least 200,000 square feet in Phase II of this project. Twenty-five percent of the entire project will be public space and mall area. The North Carolina National Bank will occupy 300,00 square feet of this edifice. The occupants who will be five family corporations of the North Carolina National Bank, and of course, this will be the headquarters of their state-wide banking operation.

Mr. Carter stated timing is to begin construction immediately upon the conveyance of land sufficient for the development of the tower, and on site storage for that development. This is the only reason they talk in terms of phases. They believe from the knowledge they have that it would be possible to commence construction of this portion of the development prior to the possible conveyance of the entire block. Their interest, however, as advertised and as required, is in the conveyance of the whole block to their group. He stated they have provided to the Redevelopment Commission the business agreement between the North Carolina National Bank and Crow, Carter Associates. They have provided the financial statements as required of the North Carolina/of Mr. Crow and himself. He stated they are furnishing exhibits of their proposal. This building is a six sided building; it is a hexangular shape, sheathed in glass which will enhance the shape of the building. There will be a panoramic view of the city scape from six sides and not the normal four.

He stated in their design work, they are making a major effort to create a public plaza; they are not situating the building perpendicular to the street, but with an angular axis which will be a new focal point for the center of downtown Charlotte. This will tend not to block off the center of the block, but to make it the focal point. In essence to make the values of Tryon Street, the values of the entire block; to draw people from the corner which is the natural approach for retail customers into this square and at the same time provide access in the building from the center of the block as well as from Tryon Street. The bank tower will be served by two banks of high speed elevators; the occupants and visitors to the structure will be greeted with carpeted floors, with fine quality textured walls, with a glow of incandescent lighting on the main lobbies and upper lobbies. The ground floor lobby will have the dignity and the quality of a great banking institution. The bank floor will be four floors in heights - the vaulted cathedral type of design. There will be two plazas. The first plaza is the Tryon and Trade Street level. This will be the entrance to the heart of the block. This will be accented with commerative sculptor and with a real concentration of extensive landscaping on the corner. The second plaza is the plaza level below Trade and Tryon which will be the entrance to the office tower and to the retail snops and perhaps to a hotel. They believe this is a unique location for a hotel; they believe that the compatibility of the hotel and the office tower is logical; it will create a multiple use complex which will once again cause it to be a real focal point.

Mr. Carter stated they are saying in their official bid to City Council they will build 200,000 square feet or more. That they are saying their desire will be for a hotel; but it will either be a hotel or office and retail facilities, all in keeping with the requirements of zoning of downtown Charlotte.

This plan is strikingly and delightfully in keeping with the Ponte-Travers, Wolfe plan.

This total development will virtually house some 5,000 people; there will be a full spectrum of activities. It will stimulate extensive economic growth of

Charlotte in this urban area. It will be a quality growth of an already quality city. This will be a new focal point in the southeastern United States. This will assure beneficial effect upon the neighboring property. It will be a development which could only be described as one creating a quality environment conductive to continued growth of downtown commercial uses. Their timetable is immediate with construction to begin in 72, with completion of the Plaza in 74, with completion of the total project in 77. You will not recognize Phase I or Phase II; they will move from one to the other as the conveyance of property permits.

Mr. Carter stated they respectfully and formally request that they be recognized favorably as the only qualified, willing and able developer for Block 4, Urban Renewal Project No. N. C. A-3.

Councilman McDuffie asked if the walkway is incorporated in the building and that if could be extended across Trade Street? Mr. Carter replied they do; the pedestrian walkways connect three adjoining blocks - the Civic Center and to the north and to the south. Councilman McDuffie asked if it will be enclosed rather than the open type walkway? Mr. Carter replied that has not been determined, but his reaction is that probably covered is nearly certain.

VERIFICATION AND APPROVAL OF THE FINDINGS OF THE REDEVELOPMENT COMMISSION.

Councilman Jordan moved that Council verify and approve the findings of the Redevelopment Commission. The motion was seconded by Councilman Short, and carried unanimously.

MEETING ADJOURNED.

There being no other business before the Council, the meeting was adjourned.

Ruth Armstrong, City Clerk