



# DRAFT West Sugar Creek Interchange Study

 CITY of CHARLOTTE

|

2023



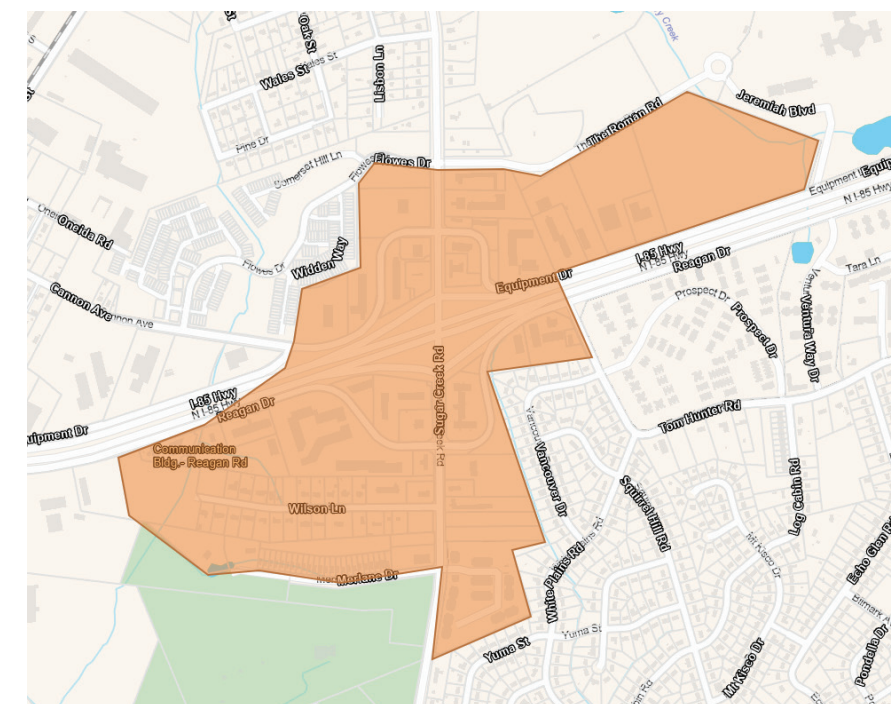
**Strong and vibrant business corridors are the cornerstones of healthy neighborhoods.**

## Introduction

The primary goal of this study is to establish a practical vision to promote physical change to the land use and character of the interchange to further the goals of the Corridor Playbook.

Bolton & Menk in collaboration with Rose & Associates was contracted to assist in formulating an **implementation strategy for redevelopment** of the I-85 interchange areas on the West Sugar Creek Road Corridor. The interchange is one of the critical sub areas identified in this important segment of the West Sugar Creek Corridor Playbook.

The study area consists of the parcels surrounding the intersections of West Sugar Creek Road as it crosses over the interchange at Interstate 85, located between center city Charlotte and the University area, adjacent to the Hidden Valley Neighborhood to the southeast and Derita to the north.



Study Area



# Implementation strategy for redevelopment

## Step 1

Update the baseline analysis and assumptions on the existing conditions of the study area and its influences

The study area is, for the most part, built out with a variety of hotels/inns, industrial buildings and housing. The area has suffered years of decline and neglect, however, with renewed focus on the area through the Corridors of Opportunity Program there are signs of recent investment, revitalization and optimism for postive change to occur.

Short term change in the study area has primarily been the additioan of new housing development of varying scale. The he new Evoke apartment development on Sugar Creek, and the single family/townhome developments on Merlane Drive, in the southwest quadrant of the interchange, and Flowes Drive adjacent to the study area in the northwest quadrant of the interchange.

### Review of Prior & Current Plans

A thorough review the following plans, which contain a significant amount of data and analysis was conducted:

- Sugar Creek & I-85 Interchange Sprint Report (November 20, 2020)
- West Sugar Creek Corridor Playbook (May 31, 2022)

We concur with the overall analysis and findings of these reports, however, we have approached the analysis of the area of influence based on drive-time trade area analysis – both for a primary and secondary trade areas given its adjacency to an interstate interchange.



The purpose of reviewing prior and current plans is to “dig deeper” into locational data to determine specific sites for development/redevelopment and their Highest and Best Use. This will inform the overall strategy for this area of the corridor to guide the city in land use and policy decisions.

**Highest & Best Use** is used to determine the most appropriate use of land, given the underlying economic base. It is site specific.

Highest & Best Use, as defined in *The Dictionary of Real Estate Appraisal*, is:

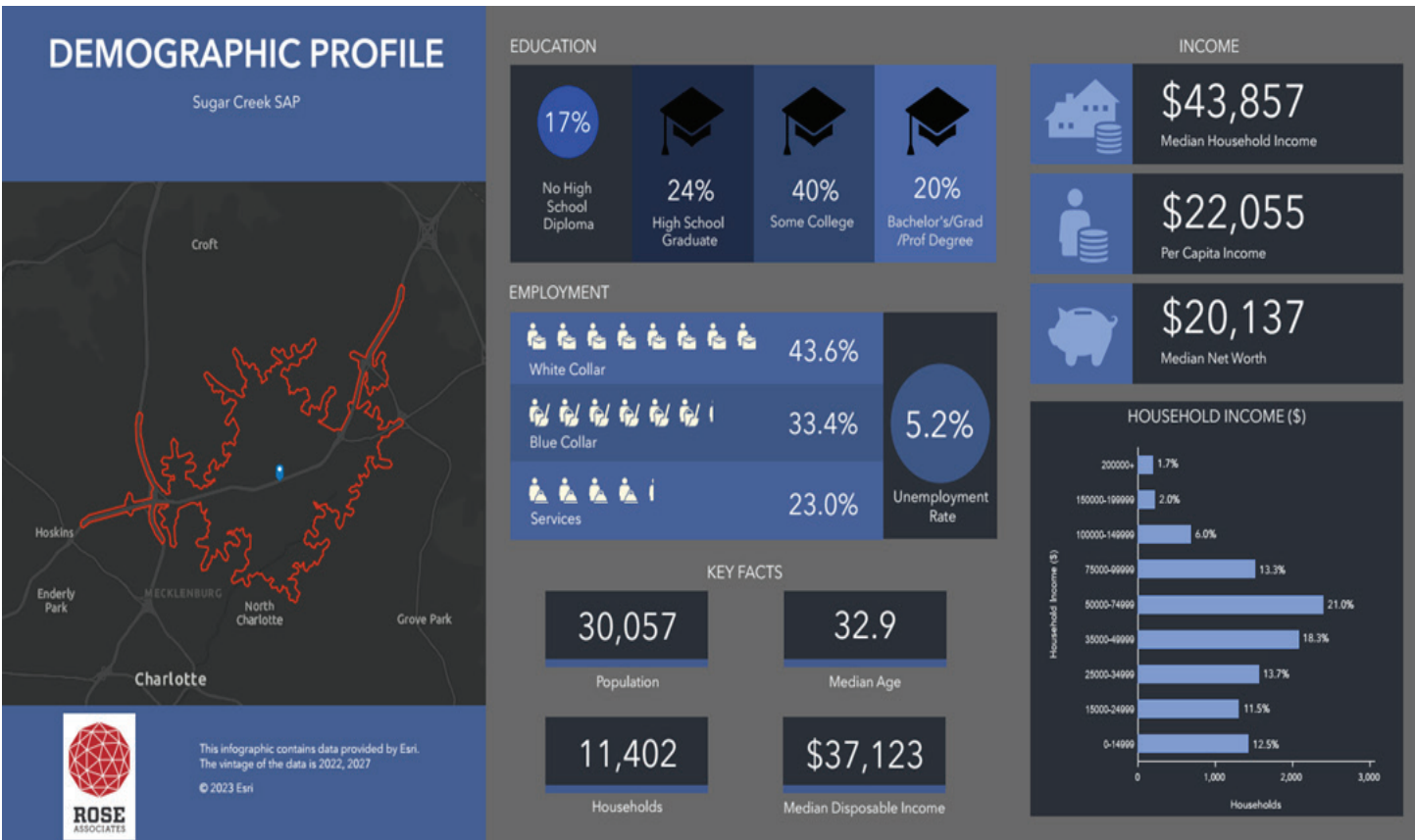
*The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.*

*The four criteria the Highest & Best Use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.*

### Demographic & Economic Update

As mentioned prior plans, the City of Charlotte and the greater metropolitan area continues to experience significant growth in both jobs and population. The current data shows this trend continues.

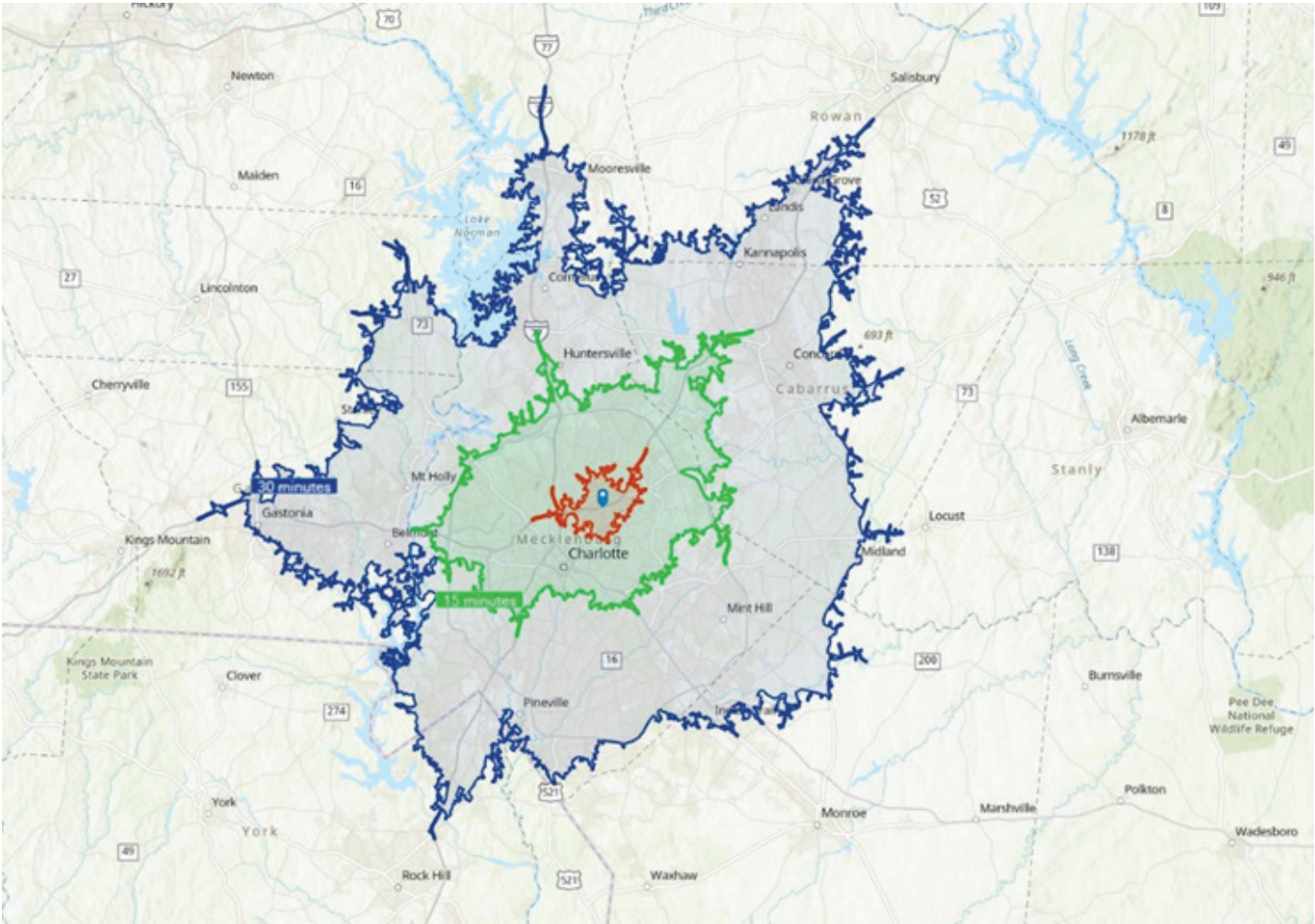
2022 Data	City of Charlotte
Population	910,458
Daytime Population	1,054,066
Median Age	35.1
Median HH Income	\$71,086
Income Per Capita	\$44,381
Average Family Size	3.16
# of Households	372,007
% of Homes owner Occupied	47.5%
% of Homes Renter Occupied	45.9%
% of Homes Vacant	6.6%
ESRI 2022 Community Profile report	





While the Corridor Playbook suggests an “area of influence” largely focused on the University area to the northeast, the interchange plays a larger role in its influence on the region, simply due to its location, accessibility and visibility to the Interstate. The interchange and West Sugar Creek Corridor are surrounded by two long established neighborhoods: Derita and Hidden Valley, therefore connections to both employment and goods and services should also be considered.

Therefore, we have identified the primary trade areas to include a 5, 15 and 30-minute drive times. The 5-minute and 15-minute drive time trade areas would service the local neighborhoods and community with local service employment and local goods and services that support the local population. The 30-minute drive time is intended to consider those uses who serve a broader population and are a reasonable commuting distance. This would include large employers and goods and services that are not otherwise locally available and provide a destination (e.g. Ikea). Or it could include affordable housing that can serve the commuting population.



Drive Times: 5-15-30 minutes

Source: ESRI, Rose Associates

2022 Data	5-Minute Drive Time	15-Minute Drive Time
Total Population	28,754	383,904
Total Daytime Population	33,504	620,145
# of Households	12,458	222,370
% of Homes Owner Occupied	37%	41.5%
% of Homes Renter Occupied	54.6%	50.8%

### Opportunity Zones

The Opportunity Zones program was established by Congress in the Tax Cut and Jobs Act as an innovative approach to spurring long-term private sector investments in low-income urban and rural communities nationwide. The orange shaded areas shown highlight Opportunity Zones (OZ) within the Corridor, which are located south of Interstate 85.

The program establishes a mechanism that enables investors with capital gains tax liabilities across the country to receive favorable tax treatment for investing in Opportunity Funds that are certified by the U.S. Treasury Department. The Opportunity Funds use the capital invested to make equity investments in businesses and real estate in Opportunity Zones designated by each state. Opportunity Zone designations stay in place for ten years and cannot be modified after initial designation.

Incentives for investors to place capital within these zones have been primarily used for residential apartment projects, such as Evoke, which enables mixed affordable and market rate units.



Opportunity Zone designation in the study area is located south of I-85



Image courtesy of EvokeLivingSugarCreek.com



Real Estate Market Overview

The interchange and corridor are predominantly commercial, including retail, lodging, industrial and general commercial uses. The housing to the east and west of the corridor are older well established neighborhoods.

Housing

Data from Canopy, the local Realtor Association provides monthly snapshots of the existing housing markets, which include single family and townhomes (1-4 units). The contrast between average sale prices at the County and City level and percentage change in listing and sales activity demonstrates the changing market cycle as a result of increasing interest rates and limited new supply.

Local Market Update for December 2022

A RESEARCH TOOL PROVIDED BY THE CANOPY REALTOR® ASSOCIATION  
FOR MORE INFORMATION, CONTACT A REALTOR®



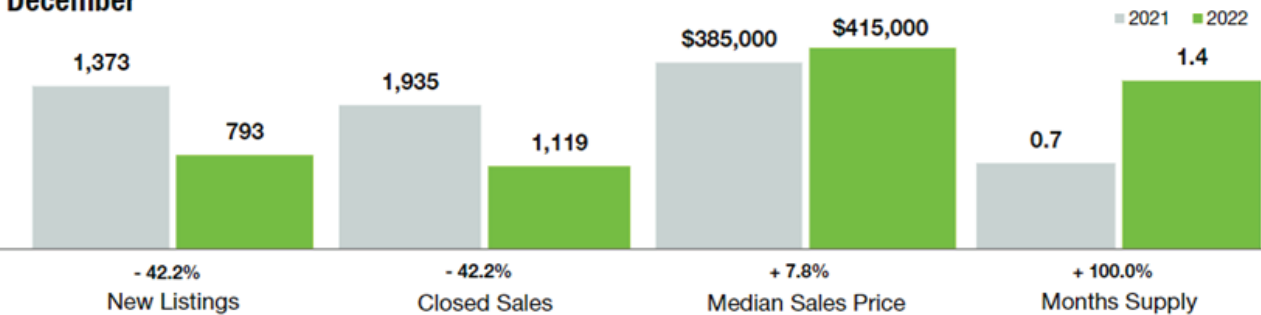
Mecklenburg County

North Carolina

Key Metrics	December			Year to Date		
	2021	2022	Percent Change	Thru 12-2021	Thru 12-2022	Percent Change
New Listings	1,373	793	- 42.2%	25,070	21,551	- 14.0%
Pending Sales	1,435	857	- 40.3%	23,486	17,890	- 23.8%
Closed Sales	1,935	1,119	- 42.2%	23,350	19,107	- 18.2%
Median Sales Price*	\$385,000	\$415,000	+ 7.8%	\$355,000	\$415,000	+ 16.9%
Average Sales Price*	\$467,386	\$515,754	+ 10.3%	\$440,311	\$510,065	+ 15.8%
Percent of Original List Price Received*	100.8%	95.3%	- 5.5%	101.3%	100.7%	- 0.6%
List to Close	78	103	+ 32.1%	74	77	+ 4.1%
Days on Market Until Sale	19	42	+ 121.1%	19	20	+ 5.3%
Cumulative Days on Market Until Sale	19	40	+ 110.5%	20	19	- 5.0%
Average List Price	\$448,237	\$493,450	+ 10.1%	\$454,500	\$526,207	+ 15.8%
Inventory of Homes for Sale	1,435	2,140	+ 49.1%	--	--	--
Months Supply of Inventory	0.7	1.4	+ 100.0%	--	--	--

\* Does not account for sale concessions and/or downpayment assistance. | Percent changes are calculated using rounded figures and can sometimes look extreme due to small sample size.

December



Local Market Update for December 2022

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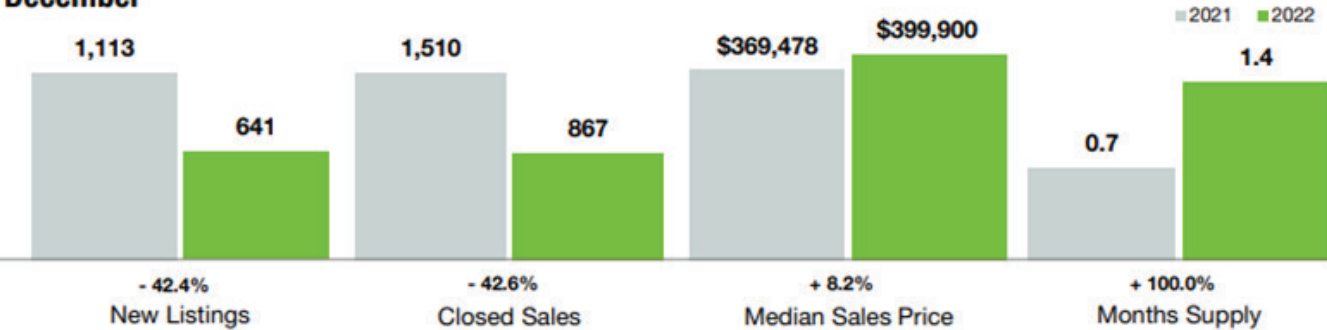
City of Charlotte

North Carolina

Key Metrics	December			Year to Date		
	2021	2022	Percent Change	Thru 12-2021	Thru 12-2022	Percent Change
New Listings	1,113	641	- 42.4%	20,088	17,342	- 13.7%
Pending Sales	1,148	694	- 39.5%	18,780	14,334	- 23.7%
Closed Sales	1,510	867	- 42.6%	18,646	15,217	- 18.4%
Median Sales Price*	\$369,478	\$399,900	+ 8.2%	\$340,000	\$396,050	+ 16.5%
Average Sales Price*	\$451,526	\$496,911	+ 10.1%	\$428,558	\$494,026	+ 15.3%
Percent of Original List Price Received*	100.8%	95.3%	- 5.5%	101.2%	100.6%	- 0.6%
List to Close	78	100	+ 28.2%	74	75	+ 1.4%
Days on Market Until Sale	20	40	+ 100.0%	19	19	0.0%
Cumulative Days on Market Until Sale	20	40	+ 100.0%	20	20	0.0%
Average List Price	\$432,842	\$454,329	+ 5.0%	\$444,351	\$505,996	+ 13.9%
Inventory of Homes for Sale	1,154	1,711	+ 48.3%	--	--	--
Months Supply of Inventory	0.7	1.4	+ 100.0%	--	--	--

\* Does not account for sale concessions and/or downpayment assistance. | Percent changes are calculated using rounded figures and can sometimes look extreme due to small sample size.

December



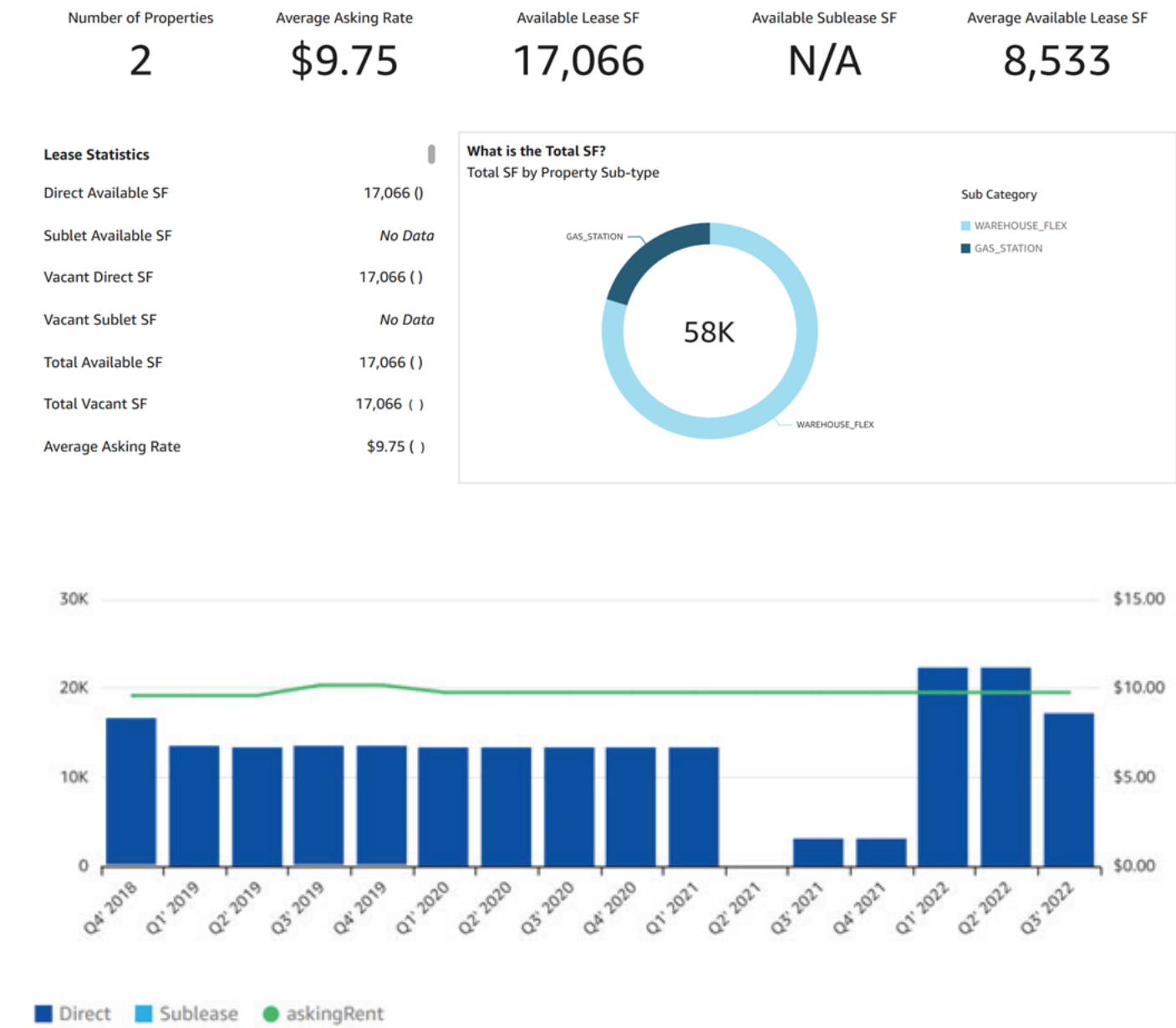
Canopy MLS Data for the previous 6 months for home sales in the Derita, Sugar Creek and Hidden Valley neighborhoods adjacent to the corridor provides an even starker contrast demonstrating the area's affordability compared to the rest of the city and county:

- 20 active
- 22 under contract
- 80 closed
- Total of 122 residential homes (single family, condo, townhouses only)
- Average list price: \$319,172
- Average closed price: \$298,906



Commercial

The commercial uses are dominated by Fast Food/Retail, Gas Stations, Hotels and Industrial/Flex space. Aside from one vacant parcel for sale and an industrial/flex building for lease, there is limited commercial product available within the study area. The gas station noted in the report below is located on Graham Street, outside the study area.



Analysis

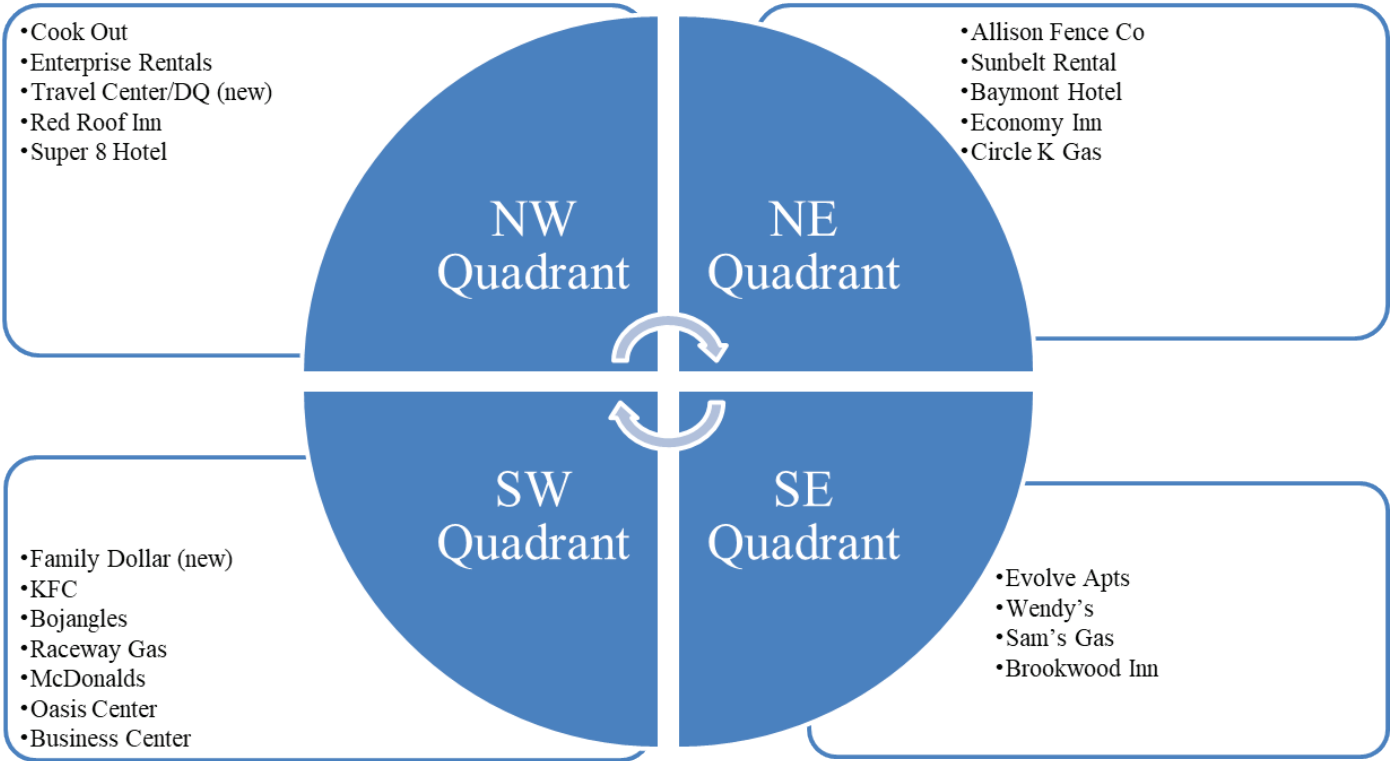
Step 2

Categorizing assets in the study area

Given the significance of the interstate interchange, we approached the study area by quadrants in terms of indentifying stable assets, redevelopment opportunities and priorities.

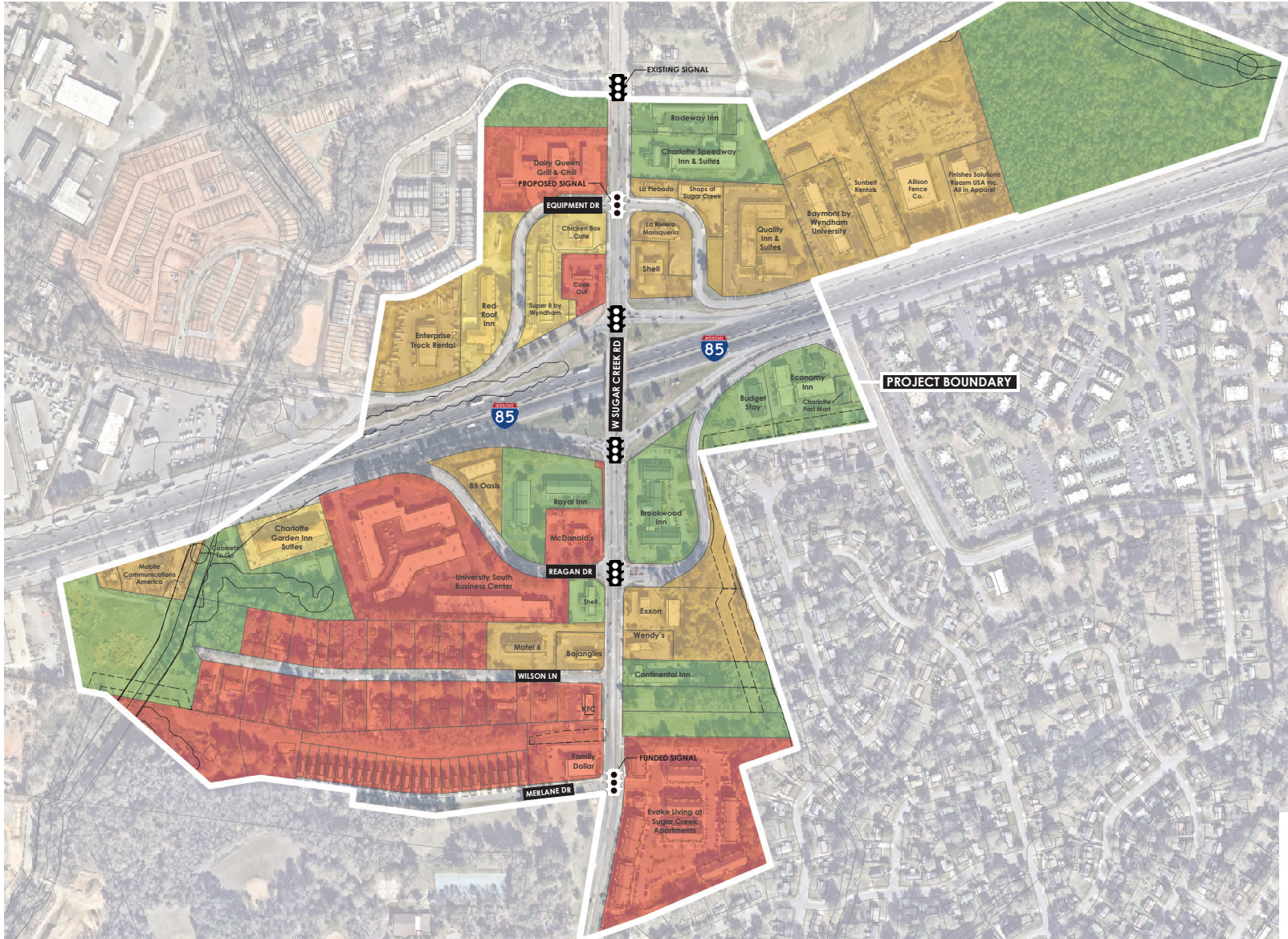
We focus on stable assets and targeted sites for development/redevelopment. Stable assets are those that are not likely to change in the short-term as they have been recently built, purchased or renovated, or they have long term leases with national/regional tenants.

Targeted Sites for development/redevelopment are those that are in a state of neglect, disrepair, or violate local ordinances or are delinquent in property taxes:





Acquisition Targets for Sugar Creek On Call Project - Parcel Information									
	Parcel ID	Address	Current Use	Owner Name	Site Features	Size (Acres)	2022 Assessed Value (2019 Reval)	Last Date of Sale & Price	Notes
NW Quadrant	<a href="#">4507304</a>	1331 W SUGAR CREEK RD CHARLOTTE NC 28262	Commercial, Restaurant - "Chicken Box" out of business	Larue Holdings LLC	Building, Parking Lot		Land Value - \$435,500 Building Value - \$51,100	2/24/2021 - \$850,000	
	<a href="#">4507208</a>	1405 W SUGAR CREEK RD CHARLOTTE NC 28262	Vacant Residential site, For Sale	Eddie A Flowe	Trees	2.036	Land Value - \$65,000	11/12/2020 - \$0 Transfer?	
NE Quadrant	<a href="#">4701118</a>	1416 W SUGAR CREEK RD CHARLOTTE NC 28262	Commerical, Budget Hotel - "Rodeway Inn"	Sugar Creek Inn Co	Hotel, Parking Lot	1.43	Land Value - \$711,900 Building Value - \$1,400,200 Features - \$72,500	03/01/1989 - \$10,000 ?	
	<a href="#">4701110</a>	1408 W SUGAR CREEK RD CHARLOTTE NC 28262	Commercial, Budget Hotel - "Charlotte Speedway Inn"	Kinza Inc	Hotel, Parking Lot, Pool	2.83	Land Value - \$918,900 Building Value - \$4,843,600 Features - \$96,500	12/20/2012 - \$3,500,000	
	<a href="#">4701115</a>	1352 W SUGAR CREEK RD CHARLOTTE NC 28262	Commercial, Restaurant - "La Plebada"	LAXMI06 INC	Building, Parking Lot	0.318	Land Value - \$166,200 Building Value - \$194,600 Features - \$13,100	09/20/2013 - \$337,000	Change of use/perm it
	<a href="#">4701401</a>	1310 W SUGAR CREEK RD CHARLOTTE NC 28262	Commercial, Restaurant - "La Riviera"	JOSE E ZELAYA & ROSIBEL ZELAYA	Building, Parking Lot	0.99	Land Value - \$425,300 Building Value - \$323,800 Features - \$40,000	08/15/2007 - \$640,000	
	<a href="#">4701112</a>	5301 EQUIPMENT DR CHARLOTTE NC 28262	Commercial, Budget Hotel - "Quailty Inn"	SAI AND AUM INC	Hotel, Parking lot	3.453	Land Value - \$732,200 Building Value - \$3,504,900 Features - \$115,800	11/01/2000 - \$2,500,000	3/30/2020 - Improvements made to "refresh" aesthetics
	<a href="#">4701138</a>	5301 EQUIPMENT DR CHARLOTTE NC 28262	Vacant Commercial Lot	SAI AND AUM INC	Empty Lot	0.339	Land Value - \$100,300		Side lot for the Quality Inn Hotel
	<a href="#">4701117</a>	5221 EQUIPMENT DR CHARLOTTE NC 28262	Commercial - Retail	Phuong Van Nguyen & Myloi T Nguyen RE/SG	Building, Parking Lot	0.676	Land Value - \$264,900 Building Value - \$640,200 Features - \$13,600	07/10/2006 - \$630,000	
	<a href="#">4701134</a>	5701 & 5601 EQUIPMENT DR CHARLOTTE NC 28262	Vacant Commercial Lot	INVESTMENTS LLC C/O SINCLAIR E GILLESPIE	Trees	20.037	Land Value - \$1,257,400	4/29/2008 - \$575,000	
SE Quadrant	<a href="#">8906438</a>	1038 & 1042 W SUGAR CREEK RD CHARLOTTE NC 28213	Vacant Commercial Lot	PIEDMONT NATURAL GAS CO INC	Empty Lot	1.68	Total Value - \$150,300	10/02/2019 - \$190,000	Homeless Encampment, Utility Easement
	<a href="#">8906437</a>	NA	Vacant Commercial Lot	CLT 786 INC	Empty Lot	1.7	Total Value - \$80,700	3/22/2021 - \$135,500	Homeless Encampment, Utility Easement
	<a href="#">8906436</a>	1100 W SUGAR CREEK RD CHARLOTTE NC 28213	Commerical, Budget Hotel - "Continental Inn"	LAXMI INVESTMENTS INC	Hotel, Parking Lot	1.63	Land Value - \$738,000 Building Value - \$363,500 Features - \$21,700	04/28/1989 - \$407,000	
	<a href="#">8906447</a>	5342 REAGAN DR CHARLOTTE NC 28213	Commercial, Budget Hotel - "Budget Stay"	MARA ENTERPRISES LLC	Hotel, Parking Lot	1.64	Land Value - \$369,700 Building Value - \$722,600	09/01/2017 - \$150,000 ?	
	<a href="#">8906431</a>	5350 REAGAN DR CHARLOTTE NC 28213	Commercial, Budget Hotel - "Economy Inn"	RISING TIDES LLC	Hotel, Parking Lot	2.688	Land Value - \$701,100 Building Value - \$1,259,800 Features - \$68,900	12/05/2016 - \$1,350,000	
	<a href="#">8906446</a>	1421 TOM HUNTER RD CHARLOTTE NC 28213	Commercial, Retail/grocery - "Fast Mart"	LOYVELAC LLC	Building, Parking Lot	0.24	Land Value - \$167,300 Building Value - \$138,200 Features - \$6,900	10/08/2008 - \$289,000	
SW Quadrant	<a href="#">8707302</a>	5115 REAGAN DR CHARLOTTE NC 28269	Commercial, Budget Hotel - "Royal Inn"	SHIVALAY INC	Building, Parking Lot	2.92	Land Value - \$906,600 Building Value - \$1,354,500 Features - \$56,800	4/6/2018 - \$2,100,000	
	<a href="#">8707115</a>	1111 W SUGAR CREEK RD CHARLOTTE NC 28213	Commercial, Budget Hotel - "Motel 6"	JP HOTELS CHARLOTTE NC	Building, Parking Lot	1.516	Land Value - \$903,900 Building Value - \$693,900 Features - \$43,600	11/09/2018 - \$1,598,500	
	<a href="#">8707144</a>	4904 REAGAN DR CHARLOTTE NC 28206	Commercial, Budget Hotel - "Charlotte Garden Inn"	CHARLOTTE LAND HOLDERS LLC	Hotel, Parking Lot	1.82	Land Value - \$457,700 Building Value - \$3,494,200 Features - \$69,200	06/02/2006 - \$1,700,000	
	<a href="#">8707143</a>	4830 & 4840 REGAN DR CHARLOTTE NC 28206	Commercial, Retail/Warehouse - "Cabinets To Go"	ANO LLC	Building, Warehouse, Parking Lot, waterway	3.652	Land Value - \$801,800 Building Value - \$534,200 Features - \$13,700	07/05/2011 - \$625,000	
	<a href="#">8707103</a>	4750 REAGAN DR CHARLOTTE NC 28206	Commercial, Project site	KT TRADING LLC	Empty Lot	5.715	Land Value - \$521,800	09/15/2016 - \$455,000	2 Yrs Delinquent on Taxes & Permit Violations on Development



Redevelopment suitability

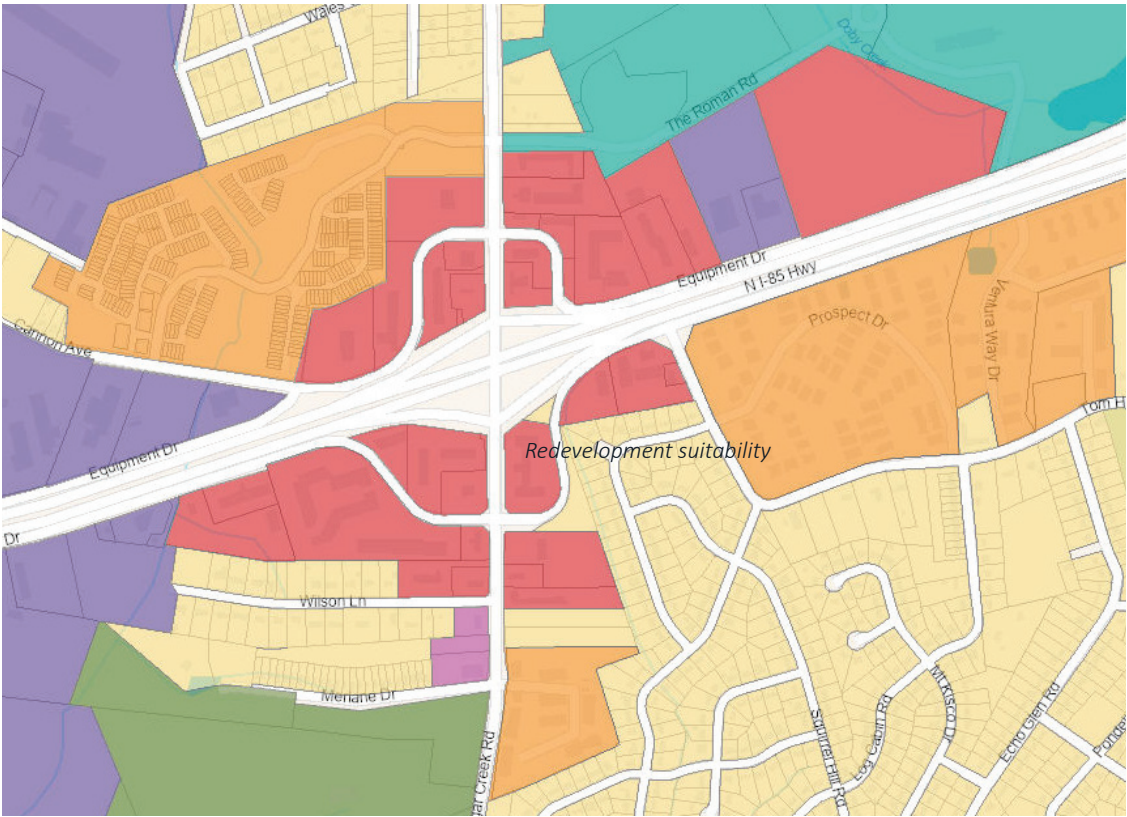


# Redevelopment Alternatives

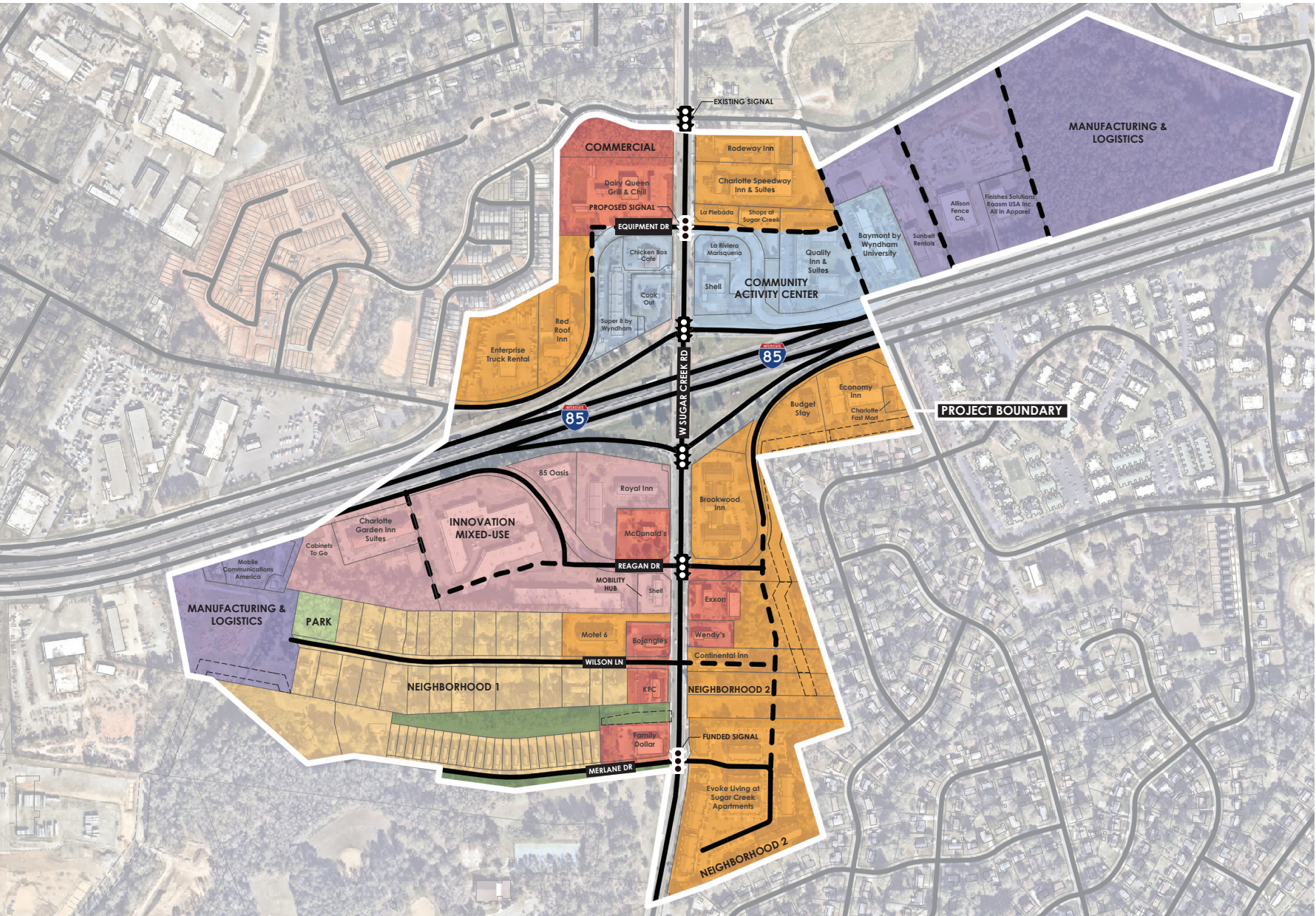
Step 3  
Testing short and long term redevelopment scenarios in the study area

## Existing Future Land Use and Placetypes

The existing land use Placetypes for the study area mimic the uses found in the study area as of the time of mapping. The map below depicts an area dominated by the Commercial Placetype, which would perpetuate auto oriented commercial uses currently found in all four quadrants of the interchange area. The transition between commercial and residential placetypes is abrupt.



Existing Placetype Policy Map



Proposed Placetype Policy Map revisions

## Placetype transformation over time

In order to suggest a future where land use and building types transform from what is on the ground now, to something supportive of the goals in the Corridor Playbook and Design Sprint alternative placetype designations need to be considered.

The map above strategically uses a variety of placetypes to transform previously commercial designation to areas that can support new job centers with office, light manufacturing and logistics development, while also maintaining neighborhood serving retail and buffering lower density neighborhoods with higher density multi-family development.



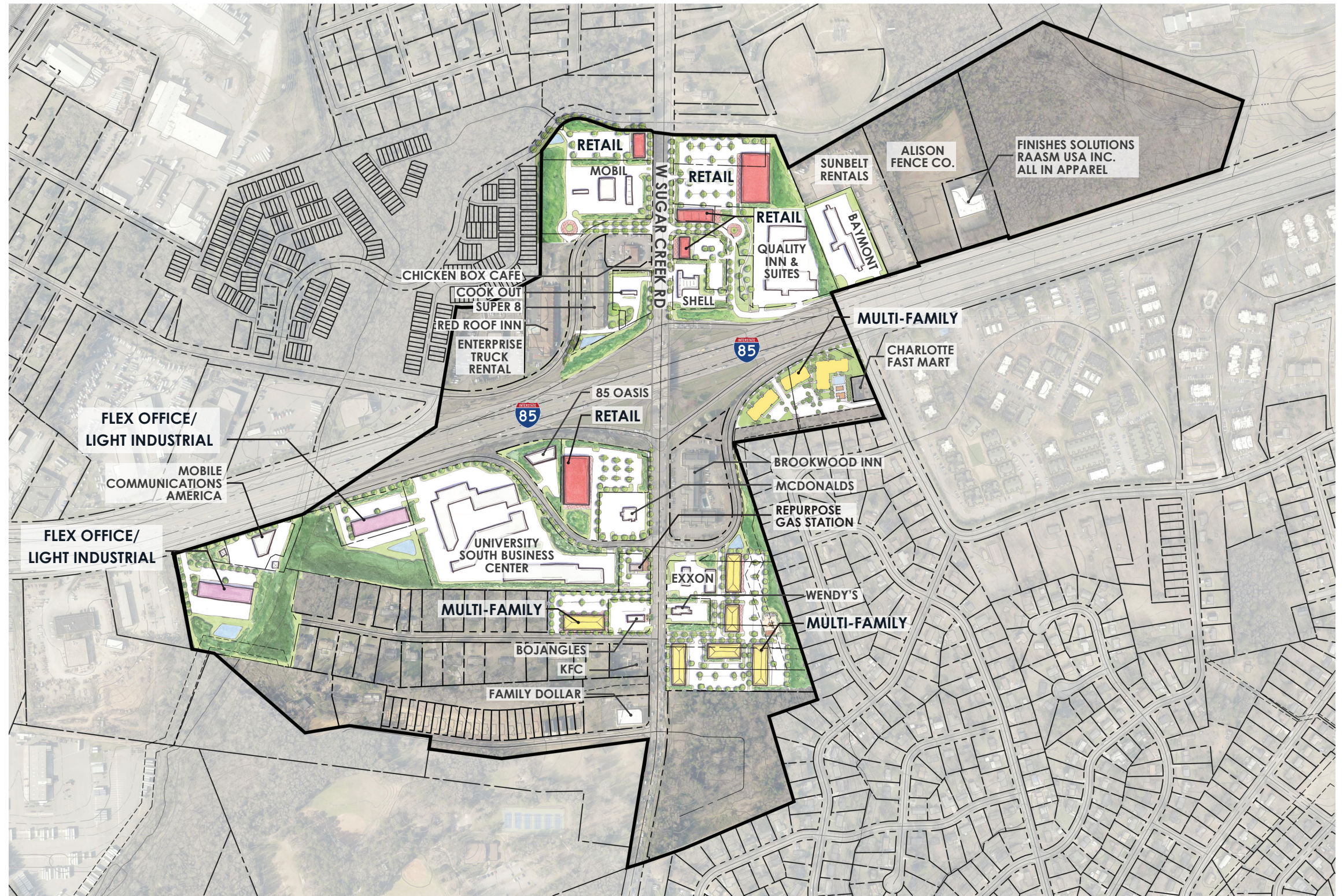


# Short Term Redevelopment Alternatives

## Practical Short Term Change

By targeting high priority parcels, a more surgical approach to redevelopment can occur in a short term time frame to foster positive change.

In this redevelopment scenario, specific hotel and small poorly placed retail properties are reimagined to increase housing options, create opportunities to expand office and flex-light industrial and introduce neighborhood serving retail in locations that provide excellent visibility, a more urban and walkable form while increasing the footprint of retail offerings to demonstrate how small grocery or other similarly sized and market supported retail can be integrated into the interchange area.

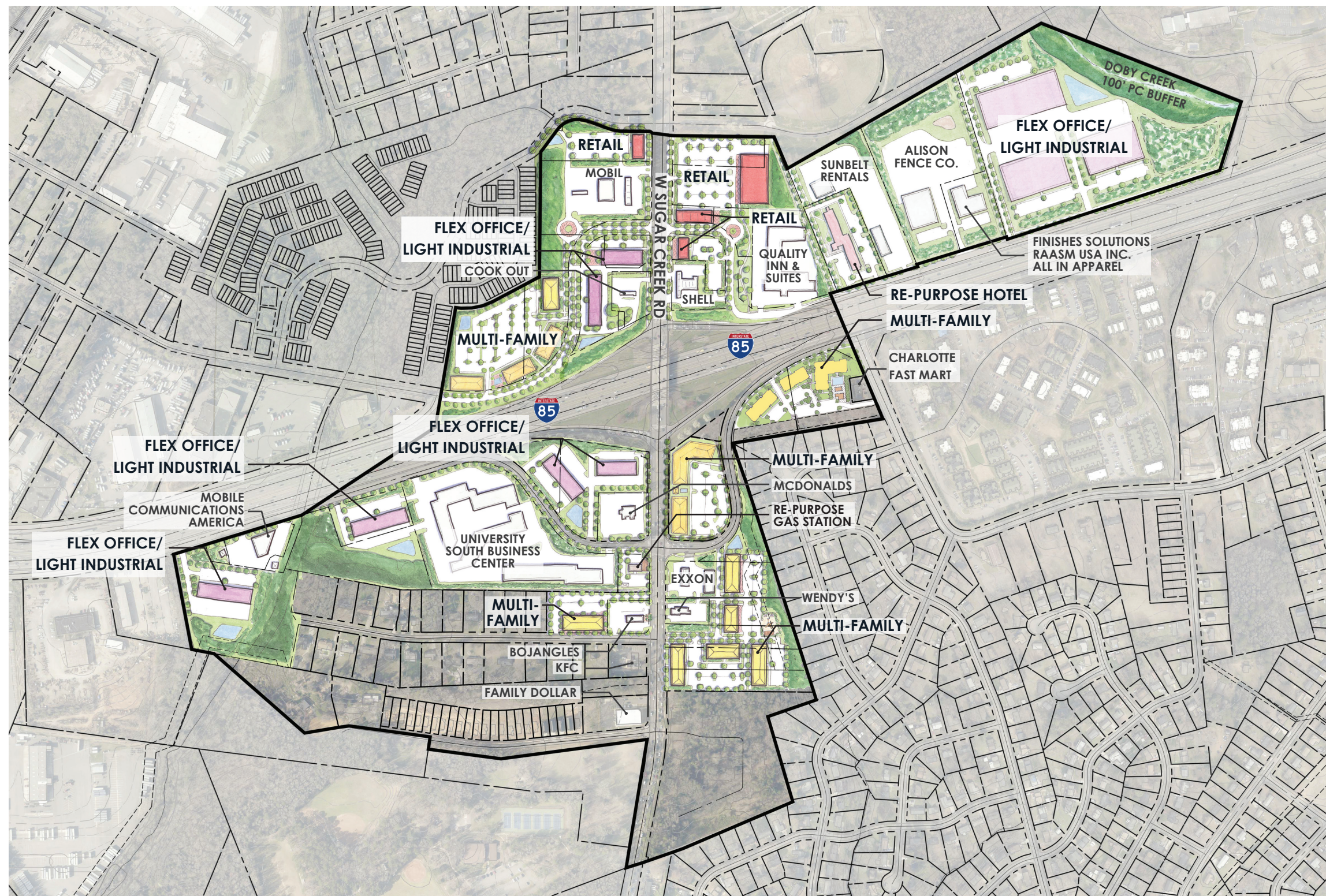




# Long Term Redevelopment Alternatives

Looking further into future toward more substantial change

In this longer term scenario, future change in the interchange area is built upon the short term development scenario and demonstrates a change in land use and building form to increase the amount of housing in the interchange area while also increasing job opportunities with the transformation of vacant and underutilized properties for flex office, light industrial uses.





# North West Quadrant

SHORT TERM



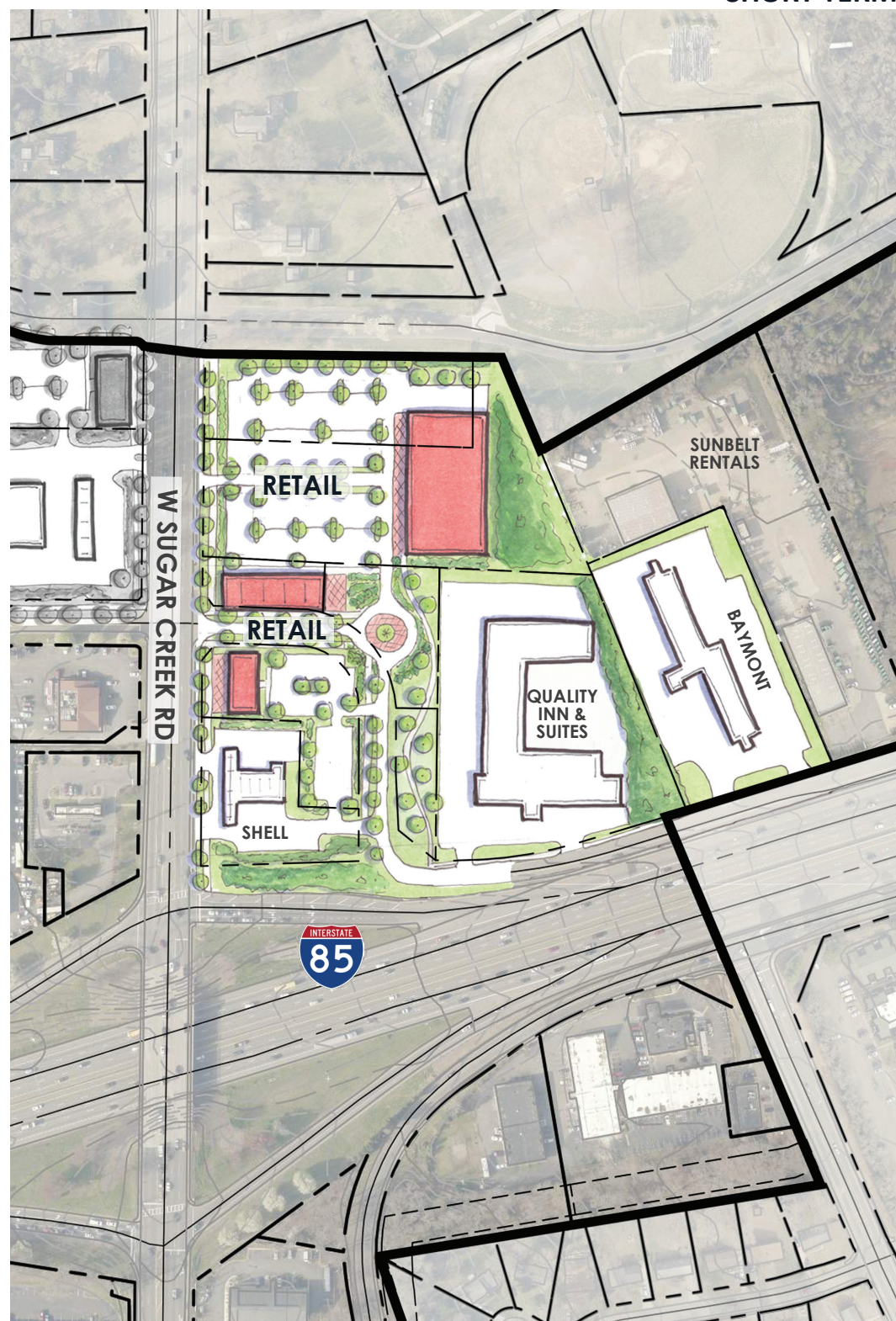
LONG TERM



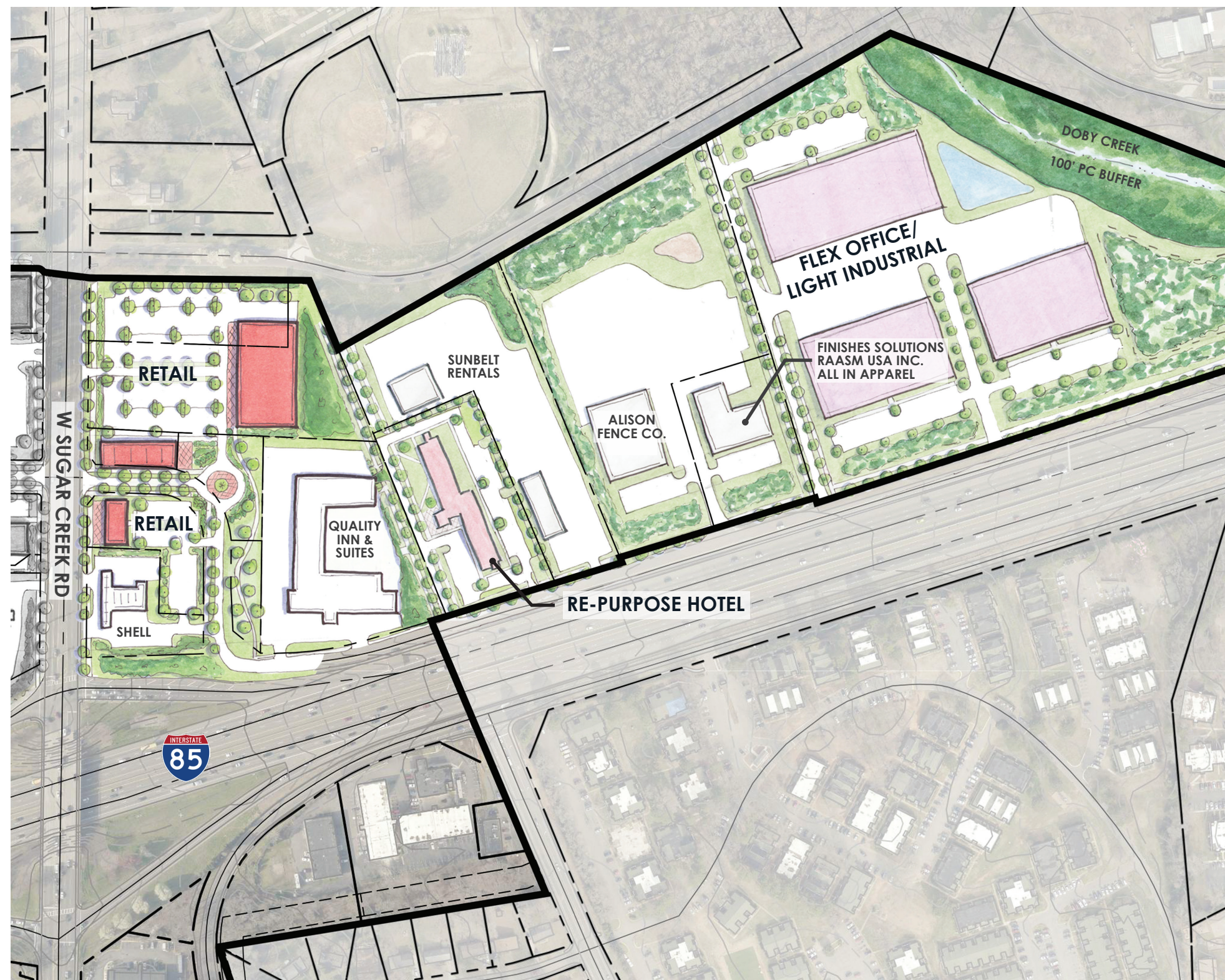


# North East Quadrant

SHORT TERM



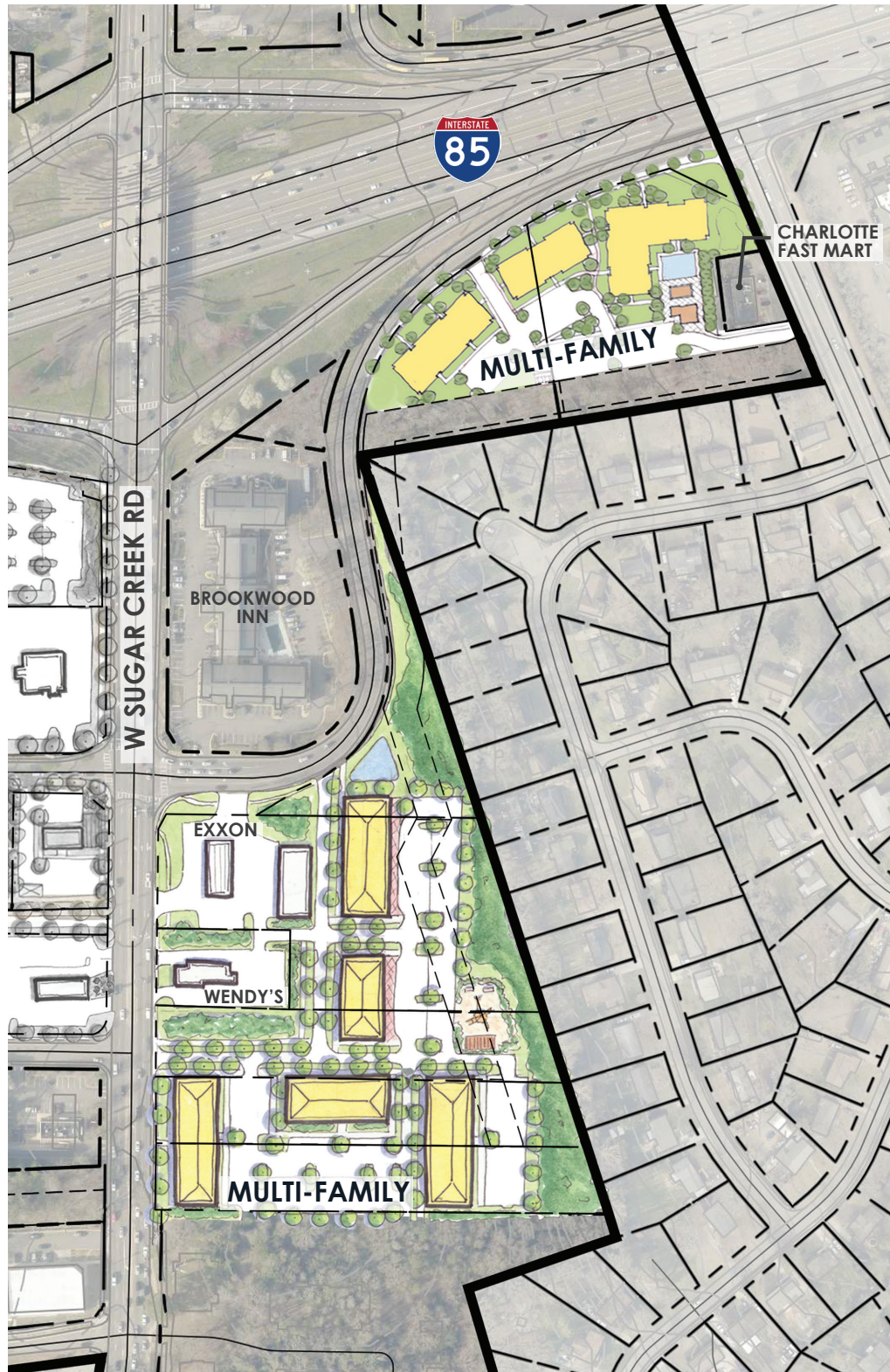
LONG TERM





# South East Quadrant

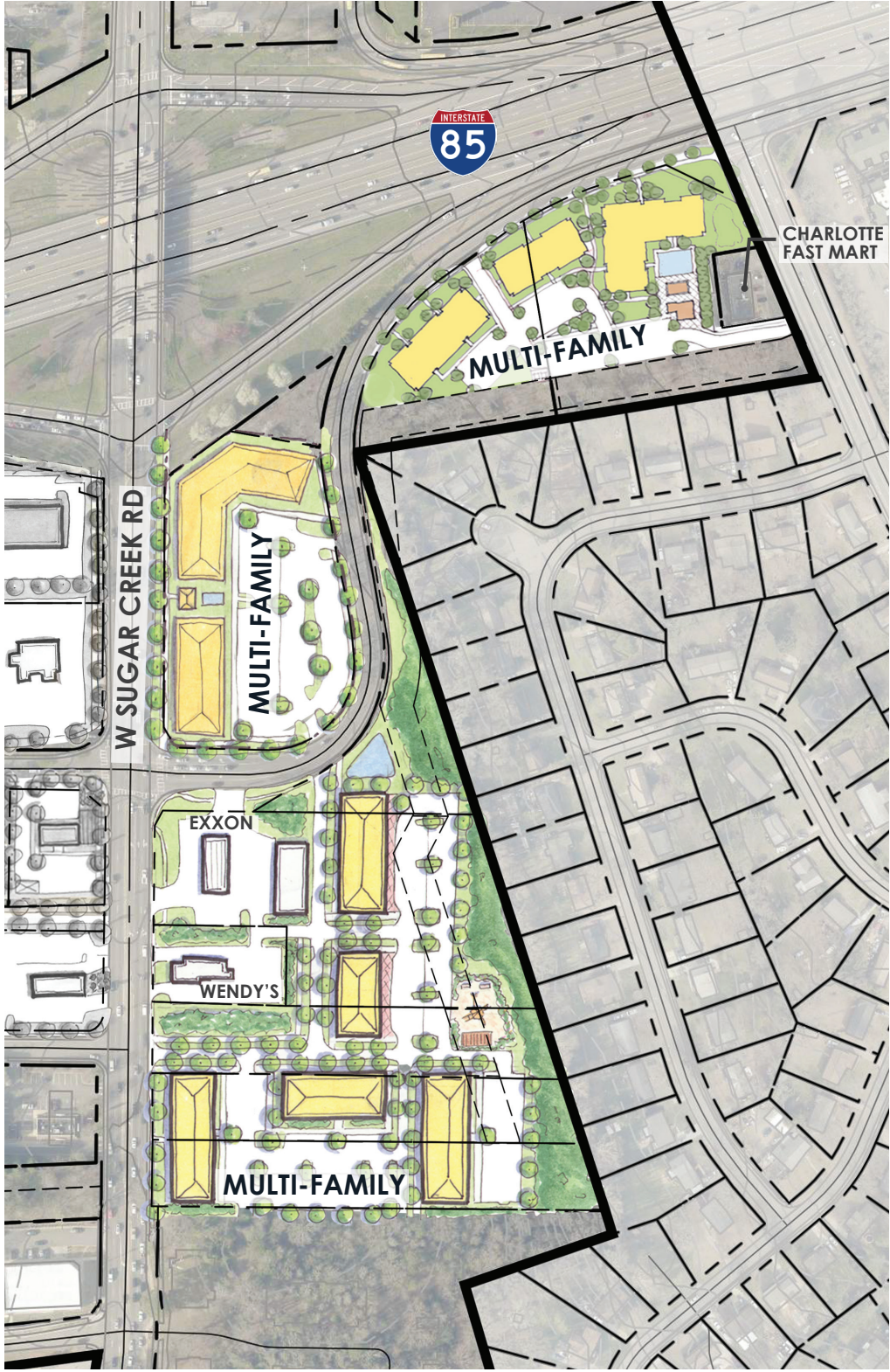
SHORT TERM



LONG TERM: OFFICE



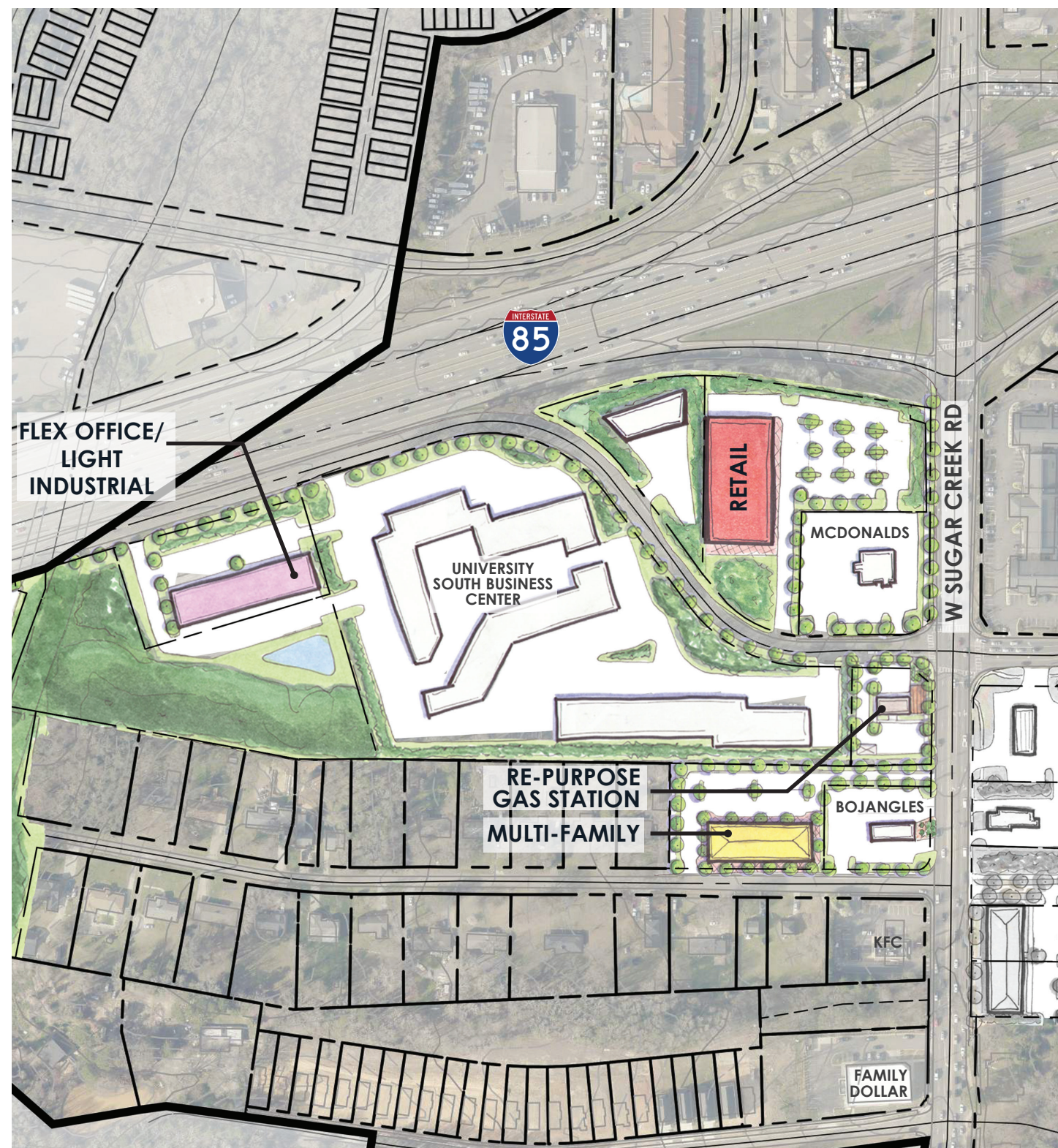
LONG TERM: MULTI-FAMILY





# South West Quadrant

SHORT TERM: ANCHOR RETAIL



SHORT TERM: FLEX OFFICE

