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.

Strong and vibrant business corridors are the cornerstones of healthy neighborhoods.
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 positive change to occur.

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

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.

<table>
<thead>
<tr>
<th>2022 Data</th>
<th>City of Charlotte</th>
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<tbody>
<tr>
<td>Population</td>
<td>910,458</td>
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<tr>
<td>Daytime Population</td>
<td>1,054,066</td>
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<tr>
<td>Median Age</td>
<td>35.1</td>
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<tr>
<td>Median HH Income</td>
<td>$71,086</td>
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<td>Income Per Capita</td>
<td>$44,381</td>
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<tr>
<td>Average Family Size</td>
<td>3.16</td>
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<tr>
<td># of Households</td>
<td>372,007</td>
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<tr>
<td>% of Homes owner Occupied</td>
<td>47.5%</td>
</tr>
<tr>
<td>% of Homes Renter Occupied</td>
<td>45.9%</td>
</tr>
<tr>
<td>% of Homes Vacant</td>
<td>6.6%</td>
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</table>

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.

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.
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.

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
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 identifying 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:

- Cook Out
- Enterprise Rentals
- Travel Center/DQ (new)
- Red Roof Inn
- Super 8 Hotel
- Allison Fence Co
- Sunbelt Rental
- Baymont Hotel
- Economy Inn
- Circle K Gas
- Evolve Apts
- Wendy's
- Sam's Gas
- Brookwood Inn

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<table>
<thead>
<tr>
<th>Lease Statistics</th>
<th>Available Leased SF</th>
<th>Available Sublease SF</th>
<th>Average Available Lease SF</th>
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<td>Direct Available SF</td>
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<td>Sublet Available SF</td>
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<td>Total Vacant SF</td>
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<tr>
<td>Average Asking Rate</td>
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<table>
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<tr>
<th>Parcel ID</th>
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<th>Current Use</th>
<th>Owner Name</th>
<th>Site Features</th>
<th>Site (acres)</th>
<th>2022 Appraised Value (2019 Dollars)</th>
<th>Last Date of Sale &amp; Price</th>
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<tbody>
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<td>002152</td>
<td>15935 SUGAR CREEK RD CHARLOTTE, NC 28226</td>
<td>Commercial, Entourage “Chase’s Bar” outdoor business</td>
<td>Vulcan Holdings LLC</td>
<td>Building, Parking lot</td>
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<tr>
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<td>Commercial, Retailer “木质休息”</td>
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<td>$104,900</td>
<td>03/01/2000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

Redevelopment suitability

- **West Sugar Creek Interchange Study**
- 13

**CITY of CHARLOTTE**

**West Sugar Creek Interchange Study**

**13**
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.

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
North East Quadrant

SHORT TERM

LONG TERM

- QUALITY INN & SUITES
- SUNBELT RENTALS
- SHELL

- RE-PURPOSE HOTEL
- FLEX OFFICE/LIGHT INDUSTRIAL
- FINISHES SOLUTIONS
- RAASM USA INC.
- ALL IN APPAREL
- ALISON FENCE CO.
South East Quadrant

SHORT TERM

W SUGAR CREEK RD

EXXON

WENDY'S

MULTI-FAMILY

LONG TERM: OFFICE

CHARLOTTE FAST MART

EXXON

WENDY'S

MULTI-FAMILY

LONG TERM: MULTI-FAMILY

CHARLOTTE FAST MART

EXXON

WENDY'S

MULTI-FAMILY
South West Quadrant

SHORT TERM: ANCHOR RETAIL

FLEX OFFICE/
LIGHT
INDUSTRIAL

RE-PURPOSE
GAS STATION
MULTI-FAMILY

BOJANGLES

KFC

FAMILY
DOLLAR

UNIVERSITY
SOUTH BUSINESS
CENTER

SHORT TERM: FLEX OFFICE

FLEX OFFICE/
LIGHT
INDUSTRIAL

RE-PURPOSE
GAS STATION
MULTI-FAMILY

BOJANGLES

KFC

FAMILY
DOLLAR

UNIVERSITY
SOUTH BUSINESS
CENTER