WTL +a

Final Report

West Boulevard Market Assessment &

Strategic Revitalization Study

Charlotte, NC

Prepared for:
City of Charlotte Department of Economic Development
Charlotte, NC

May 2019 **FINAL**

WTL +a

Real Estate & Economic Advisors
Washington, DC—Provincetown, MA
202.885.9121   301.502.4171   774.538.6070

General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as "WTL+a") from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Table of Contents

General & Limiting Conditions 2

Table of Contents 3

Tables & Figures 4

1 Executive Summary 6

Introduction 6

Key Findings: Demographics 10

Key Findings: Economic Profile 11

Key Findings: Real Estate Market Conditions 12

Key Findings: Market Potentials 18

Implementation Priorities of Participating Public Partners 22

2 Demographic & Economic Profile 24

Demographic Trends & Forecasts 24

Household Incomes & Retail Spending 33

Retail "Recapture" Opportunities 37

Economic Characteristics 42

3 Real Estate Market Conditions 52

Housing 52

Hotel/Lodging 67

Workplace: Office 73

General Retail 80

4 Market Potentials 88

Potential Land Use Concepts 88

Market-rate Housing 92

Workplace/Office 94

Hotel/Lodging 100

General Retail 101

5 Recommended Implementation Strategies 104

Introduction 104
Potential Economic 'Drivers' 108
Implementation Overview 111
Near-Term Implementation Recommendations (Next 3 Years) 113
Opportunity Zones & Other Incentives 133
Long-term Implementation Recommendations (Year 4 & Beyond) 142
Other Tools & Incentives for West Boulevard 144

Tables & Figures

Table 1: Regional Population Trends & Forecasts, 2000—2030 25
Table 2: Demographic Trends & Forecasts—City of Charlotte, 2000—2023 27
Table 3: Demographic Trends & Forecasts—North Trade Area, 2010—2023 30
Table 4: Demographic Trends & Forecasts—North Trade Area, 2010—2023 32
Table 5: Annual Household Consumer Spending, 2018 34
Table 6: Retail "Recapture" Opportunities—West Boulevard Study Area, 2018 39
Table 7: Study Area & West Boulevard Retail Sales, 2018 42
Table 8: Charlotte-Concord-Gastonia MSA Employment Trends, 2008—2017 43
Table 9: Business Mix—City of Charlotte, 2018 44
Table 10: State Employment Forecasts—Southwest Prosperity Zone, 2014—2024 46
Table 11: Business Mix—West Boulevard Study Area, 2018 47
Table 12: 10-Year Employment Trends—West Boulevard Study Area, 2006—2015 49
Table 13: Housing Profile—West Boulevard Study Area, 2010—2023 53
Table 14: 10-Year Housing Starts—Selected Geographies, 2008—2017 56
Table 15: Key Statistics—West/Charlotte Airport Apartment Market, 2009-2018 58
Table 16: Market Profile of Selected Competitive Apartment Properties 60
Table 17: For-Sale Market Trends—West Boulevard Study Area, 2013—2018 65
Table 18: Charlotte Area Hotel Inventory, 2018 69
Table 19: Market Performance of Selected Competitive Hotel Properties, 2012—2017 71
Table 20: Office Market Profile—Airport Submarket, 2009—3Q/2018 75
Table 21: Office Market Profile—West Boulevard Study Area, 2009—3Q/2018 78
Table 22: Retail Market Profile—Southwest Charlotte, 2009—3Q/2018 81
Table 23: Retail Market Profile—West Boulevard Study Area, 2009—3Q/2018 83
Table 24: Retail Inventory—West Boulevard Corridor, 2018 84
Table 25: Housing Potentials—North & South Trade Areas, 2019—2028 93
Table 26: Office Potentials—Southwest Prosperity Zone & City of Charlotte, 2014—2024 97
Table 27: Office Potentials—West Boulevard Study Area & Corridor, 2014—2024 99
Table 28: Durham Co-op Market Annual Income Statement, 2018 127

Figure 1: West Boulevard Corridor Study Boundaries 7
Figure 2: West Boulevard "Area of Influence" 8
Figure 3: Study Area Map—North 29
Figure 4: Study Area Map—South..31
Figure 5: Retail Leakage & Surplus—West Boulevard Study Area, 2018 38
Figure 6: Employment Densities—West Boulevard Study Area, 2015.......................................50
Figure 7: Employment Inflow/Outflow—West Boulevard Study Area, 2015 51
Figure 8: Area Multi-Family Properties Map 59
Figure 9: CLT Airport Office Submarket Boundaries 74
Figure 10: Southwest Charlotte Retail Submarket Boundaries 80
Figure 11: Illustrative Land Use Concept—Remount Road 89
Figure 12: Illustrative Land Use Concept—Clanton Road 90
Figure 13: Illustrative Site Plan—West Boulevard Corridor 91
Figure 14: Charlotte Opportunity Zone Boundaries 110
Figure 15: Opportunity Zones—West Side 133

1 Executive Summary

Introduction

WTL+a, a national real estate and economic development consulting firm based in Washington, DC, was retained by the City of Charlotte Department of Economic Development in September 2018 to prepare a real estate market assessment and strategic revitalization study of the West Boulevard corridor in Charlotte.

The City of Charlotte believes that strong and vibrant business corridors are the cornerstones of healthy neighborhoods. To that end, for over 20 years, the City has invested in corridors throughout the city because of the critical role each plays in supplying basic needs and opportunities to their communities. The City formalized that process in 2007 with its *Business Corridor Revitalization Strategic Plan*, which notes that "the City will take a leadership role in developing and implementing public and private collaborative strategies and investments that aim to:

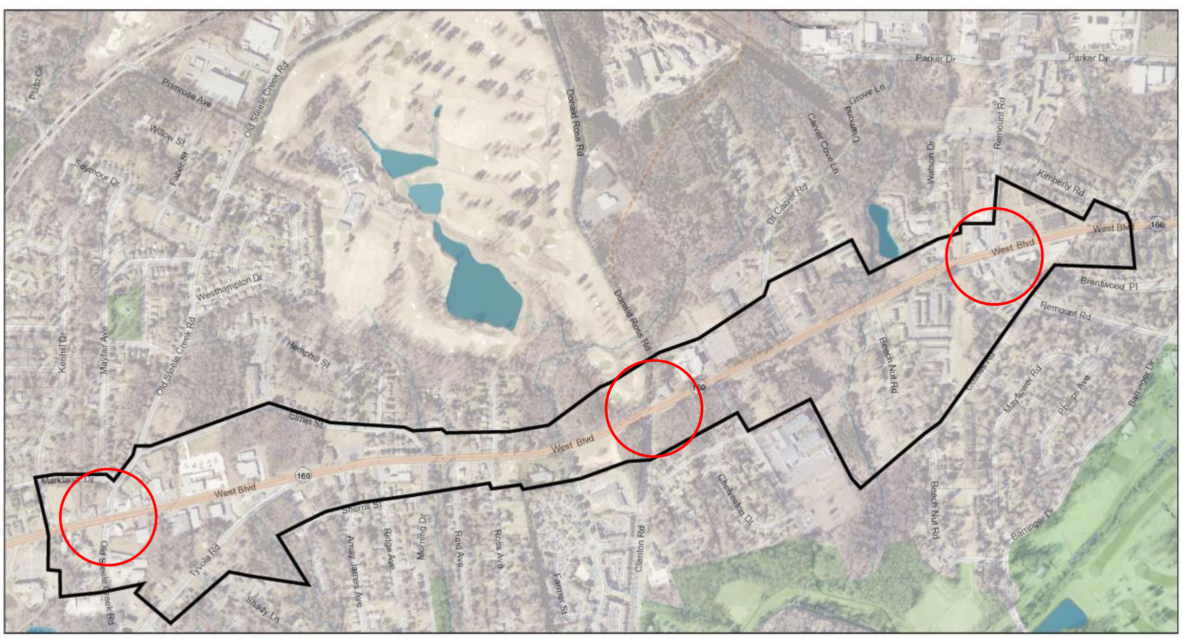
- Attract private sector investment to grow jobs, business and services;
- Expand the tax base in these business corridors; and
- Support the revitalization of these corridors into mixed-use areas that serve to promote adjacent neighborhoods as safe, viable, and sustainable."

As part of the City's ongoing efforts to create strong and vibrant business corridors, the City retained WTL+a to develop baseline demographic and economic information, conduct market assessments of specific geographic segments within the corridor, and develop short-, near-, and long-term tools and strategies as part of an "action plan" focused on improving these targeted geographies in the West Boulevard corridor.

Moreover, key objectives of the market assessment as identified by the City include:

- Consider advantages unique to (or characteristic of) the West Boulevard corridor study area, including for example, institutional resources, accessibility to anchor institutions, character of the local workforce, infrastructure capacity and investment, historic development trends, and the comprehensive marketing resources of allied neighborhood groups, such as the West Boulevard Neighborhood Coalition (WBNC) and City government;
- Prepare a "SWOT" (strengths/weaknesses/opportunities/threats) analysis intended to provide a framework for possible implementation strategies. For example, how can West Boulevard capitalize on its strategic location between key economic generators such as Uptown/South End and Charlotte Douglas International Airport;
- Evaluate redevelopment opportunities at specific nodes in the study area, such as Remount Road, Donald Ross/Clanton Road and/or Old Steele Creek Road, as illustrated below; and
- Identify the study area's competitive market position and provide clear direction of revitalization initiatives that can be supported by the community.

Figure 1: West Boulevard Corridor Study Boundaries



As illustrated in Figure 1, as defined by the City the study area is generally bounded by I-77 to the east and Old Steele Creek Road to the west. As noted above, potential activity nodes considered in this market assessment include: Remount Road (between West Boulevard and Wilkinson Boulevard) as well as the intersections of West/Remount Road, West/Clanton Road and West/Old Steele Creek Road. Notably, as detailed throughout the report, WTL+a defined a larger "Area of Influence" (study area) that considers the economic role that West Boulevard plays in light of competitive influences generated by a range of factors, including:

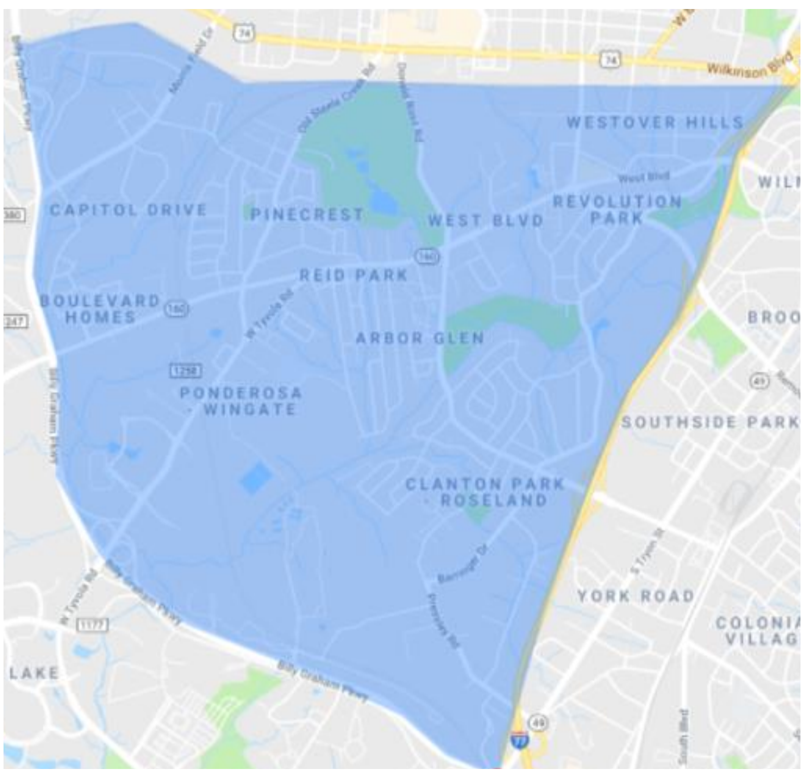
- The cluster of retail and other commercial uses located on the Wilkinson Boulevard corridor;
- The proximity of West Boulevard to key economic generators such as Uptown, the South End and the airport;
- Physical barriers created by highways such as I-77 and Billy Graham Parkway or rail lines that *may* serve to inhibit market capture from beyond these physical barriers; and
- New housing in multiple nearby neighborhoods, such as Arbor Glen/Reid Park, Bryant Park, Marsh Estates and the Residences at Renaissance that have generated population growth and provide potential market support for the revitalization of West Boulevard.

Figure 2: West Boulevard "Area of Influence"

The larger Area of Influence (study area), comprising 8.87 square miles, is bounded by I-77 on the east and south; Billy Graham Parkway on the west; and Freedom Drive and secondary residential streets such as Alleghany Street on the north. WTL+a also segmented the Area of Influence into two “trade areas”—North and South—that consider such factors as distance and proximity to West Boulevard. Boundaries for each of these trade areas are defined below:

North Trade Area—Freedom Drive, Alleghany Street, Wilkinson Boulevard and the Norfolk-Southern rail line

South Trade Area—CSX rail line, Billy Graham Parkway and I-77



These trade areas were also considered in identifying "capture rates" of potential sources of market support, such as households (and related consumer spending), for such land uses as retail.

Key findings from the market assessment are detailed below:

Key Findings: Demographics

- In 2018, data from ESRI Business Analyst suggests that the City of Charlotte **contains 860,670 residents in 337,200 households**. Since 2000, the city's population has increased significantly—with a gain of **319,850 residents in 121,750 new households;**
- ESRI's five-year forecasts through 2023 suggest that citywide growth will moderate over its 2000—2018 growth rate of 2.77% per year, with a forecast population gain of **89,140 new residents in 34,235 new households.** This forecast suggests average annual population growth rates of 1.99% per year;
- The North Trade Area contains 6,530 residents and accounts for 0.76% of the city's population. As new housing such as Morehead West on Millerton Avenue (210 rental units) and others are delivered, the North Trade Area's population is forecast to increase over the next five years at a sustained annual rate of 3.14% per year, and its share of the city is expected to increase slightly. ESRI forecasts suggest 1,093 new residents in 401 new households by 2023. Consistent with the forecasts for the city as a whole, the largest increases in age cohorts are forecast to occur in those over the age of 65. Other notable gains are anticipated in the 35—44 cohort (typically, move-up buyers);
- The South Trade Area's population is forecast to increase over the next five years at a compound annual rate of 1.53% per year, but its share of the city is expected to decrease slightly to 1.42%. ESRI forecasts suggest 982 new residents in 337 new households by 2023. Average household incomes among South Trade Area residents are expected to increase at a rate higher than that of their counterparts citywide—2.44% per year versus 2.0% per year over the next five years, suggesting a slight increase in higher-income households. Nonetheless, the average household income is expected to remain low—increasing from $34,833 in 2018 to $39,299 per year by 2023;
- In total, the West Boulevard "Area of Influence" had a 2018 population of 19,028 in 7,104 households. **Over the next five years, forecasts suggest that the area's population will**

increases to 21,103 in 7,842 households, reflecting 2,075 new residents and 738 new households.

- The City's households spend almost $20,250 per year on consumer retail goods, including clothing, entertainment/recreation, electronics, groceries, food & beverage, household furnishings and health care; and
- By comparison, **lower incomes of trade area households are indicative of much more limited retail spending.** In fact, U.S. Census data indicate that **households in the North Trade Area spend only $9,057 per year and South Trade Area households spend only $8,482 per household.**

Key Findings: Economic Profile

- While the MSA lost 59,200 jobs during the 2007—2010 recession, in only seven years between 2011 and 2017, **the economy of the Charlotte MSA added 258,800 new jobs for a net gain of 199,600 new jobs** in the 10-year period between 2008 and 2017. This growth, which translates into over 19,900 new jobs annually, was focused largely in specific sectors, including: Professional/Business Services (57,400), Trade/Transportation/Utilities (38,100), Leisure/Hospitality (32,200) and Education/Health Services (23,500);
- In 2018, Dun & Bradstreet, Inc. estimates that the City of **Charlotte contained more than 493,230 *full-time* jobs** in 32,450 registered businesses in 2018. The State of North Carolina prepares employment forecasts for clusters of counties throughout the state (Mecklenburg County is located in the "Southwest Prosperity Zone"). If the City of Charlotte *maintains* its 49.2% share of employment (as of the 2014 base year), it would capture **91,800 new jobs between 2014 and 2024;**
- In 2018, Dun & Bradstreet, Inc. estimates that there are **14,074 jobs in 1,079 registered businesses in West Boulevard's Area of Influence**. The study area accounts for approximately 2.85% of the 493,230 full-time jobs in the city. If the study area maintains its 2.85% share of future employment growth, this would translate into **2,620 new jobs by 2024** based on job forecasts prepared by the North Carolina Department of Commerce;
- According to the U.S. Census Bureau, the **study area had a net gain of 3,238 new jobs between 2005 and 2015** (latest data available). The highest employment densities were concentrated in clusters along Billy Graham Parkway, the office park on Perimeter Pointe

Parkway, the industrial/business park on Pressley Road/Stuart Andrew Boulevard and Barringer Drive, and in the retail businesses along Wilkinson Boulevard. It is notable that the study area's jobs are concentrated on its periphery—along Billy Graham Parkway, Wilkinson Boulevard and I-77. **This reinforces the importance of strategies that serve to attract businesses and jobs to West Boulevard that benefit study area residents.**

Key Findings: Real Estate Market Conditions

Housing

Residents from the West Boulevard Neighborhood Coalition (WBNC) have expressed concern about the potential, longer-term impacts of gentrification and economic displacement in the West Boulevard study area. To understand possible impacts and to guide appropriate implementation strategies, WTL+a examined trends in the study area's housing market from various data sources. Key findings are summarized below:

- The West Boulevard study area contains 8,085 housing units. Since the 2010 Census, ESRI data suggest that the study area's housing inventory has increased by fully 1,231 units;
- Like many diverse neighborhoods in communities across the U.S. after the 2007—2010 recession, **the number of owner-occupied units has *decreased***—from 32% in 2010 to 28% in 2018. Conversely, the number of renter-occupied units increased during this time—from almost 55.8% in 2010 to 59.8% by 2018;
- The average unit value of all housing units in the study area in 2018 is slightly more than $124,000. Over the next five years, forecasts suggest that average values will increase to $144,300;
- Unoccupied units include seasonally-owned (i.e., occupied for only a portion of the year) as well as unoccupied units that have been sold but are not yet occupied. When such units are removed from this category, the study area's *true vacancy* in 2010 was lower—10.8% (738 units). The 2016 American Community Survey (ACS) suggests that the number of truly vacant units has increased—to 874 units in 2016, revealing a true vacancy rate of 12.6%;
- Based on data from the City and ESRI (May 2019), there were 61,371 units built in the City of Charlotte in the 11 years between 2008 and 2018, resulting in a sustained annual pace of

5,579 units per year. This equates to a sustained average annual increase in citywide housing stock of 1.6% per year (17.5% total)**;**

- Using both City and new ESRI data (May 2019), between 2008 and 2018 **there were 1,265 housing starts in 10 neighborhoods roughly coinciding with the West Boulevard study area, equating to a sustained annual pace of 115 units per year.** This equates to a sustained average annual increase in study area housing stock of 1.7% per year (18.5% total), reflecting a *rate* of growth slightly higher than the city as a whole. This includes:
    - Several new "infill" units in scattered locations in Clanton Park and Revolution Park
    - Scattered units built in various neighborhoods such as Westerly Hills and Arbor Glen/Reid Park, and
    - Larger new residential developments in Bryant Park and Marsh Estates (north of Wilkinson Boulevard) and the Residences at Renaissance
- As the basis for understanding trends in for-sale housing, data provided by the Carolina Multiple Listing Service, Inc. (through the Charlotte Regional Realtor Association) indicates the following:
    - The North Trade Area contains the highest price housing in the study area—with **average sales prices increasing from $142,512 in 2013 to $192,666 in 2018—an increase of 35%**
    - Median prices in the North Trade Area (the price where 50% are above and 50% are below) jumped by fully 240%—from $42,000 in 2013 to $143,000 in 2018
    - The South Trade Area also exhibited significant changes in price and sales activity between 2013 and 2018. While overall pricing is lower than the North Trade Area, **average sales prices jumped 160%—from $52,057 in 2013 to $132,690 in 2018**
    - Similarly, median prices increased by 165%—from $48,500 in 2013 to $128,500 in 2018

In conclusion, **the West Boulevard housing market reflects apparent uneven market conditions based on a review of key metrics.** While the majority of residents are renters (72%), the study area's true vacancy rate has increased (12.6%), vacancies in competitive properties also increased over the past year (from 10.1% to 13.5%) and absorption has been limited over the past five years (averaging only nine units per year).

Conversely, the for-sale market has become more competitive over the past six years—with significant increases in both average and median prices and declines in other sale metrics as noted above. This reinforces the importance of **strategies that serve to protect existing residents, provide opportunities for homeownership, and provide public realm improvements that leverage new development to strengthen existing retailers and support new businesses.**

Office

Residents in the West Boulevard study area expressed **the need for additional professional services/office businesses, including medical, dental, insurance and legal**;

- West Boulevard and its larger study area are located in the Airport submarket, as defined by CoStar, Inc., a national real estate data provider. As the analysis below indicates, West Boulevard is the "hole in the doughnut", as almost all of the submarket's office space is located *around* West Boulevard—along Wilkinson, on (or adjacent to) Billy Graham Parkway, Perimeter Pointe, the Westinghouse Boulevard area, Carowinds Boulevard and multiple other locations in this large submarket;
- The Airport submarket contains **13.5 million sq. ft. of office space and 1.81 million sq. ft. of vacant office space**, which reflects a third-quarter 2018 vacancy rate of 13.4%. Office vacancies have decreased from a peak of 20.3% recorded at the end of the recession in 2011 as economic recovery gained momentum. Over the past 10 years, the Airport submarket's annual net absorption averaged 197,400 sq. ft. per year;
- WTL+a conducted a more detailed analysis of office market trends in and near West Boulevard. The study area contains **1,889,632 sq. ft. of office space** in 57 buildings, with **210,600 sq. ft. of vacant office space**, which reflects a third-quarter 2018 vacancy rate of

11.1%. Over the past 10 years, the study area's annual net absorption averaged **46,111 sq. ft. per year**;

- While the study area accounted for 23% of the Airport submarket's annual absorption over 10 years, stronger economic performance over the last five years generated higher absorption of 112,410 sq. ft. per year—or 54% of the larger Airport submarket's 210,000 sq. ft. of annual net absorption since 2014;
- **There is very little office space on West Boulevard** itself. In fact, according to CoStar, Inc. data, there are **only 12,500 sq. ft. of office space**, including conversions of residential units into office space for professional/business services. **Limited market data on key performance metrics—such as vacancy rates and net absorption—preclude a detailed analysis of the corridor's office market performance**; and
- By comparison, the Wilkinson Boulevard corridor contains 283,700 sq. ft. of office space in multiple, small "garden" office buildings, which are defined by the real estate industry as 5,000 to 15,000 sq. ft. in size and typically occupied by owner-users. According to CoStar, current vacancy rates are in the range of 6%, which would be considered near stabilized levels.

In conclusion, the office market in the larger West Boulevard study area is generally improving—with rising rents, solid (and increasing) net absorption and investment-grade new construction driven by positive locational characteristics. Notably, office inventory is located along the periphery of the study area in office and business parks along Billy Graham Parkway and I-77, with very little office space on or immediately near West Boulevard. As specific programming initiatives associated with the proposed County Resource Center (CRC) are not known, it is uncertain what impacts the CRC may have on market opportunities for new office space on West Boulevard.

Hotel/Lodging

- Given West Boulevard's proximity to Charlotte-Douglas International Airport (CLT), which serves as a major economic development engine, WTL+a reviewed data on market conditions for hotel and lodging uses in this area based on performance data provided by STR Global, the industry leader in hotel market data. The competitive set is comprised of 24 properties in a mix of product classes and located on the periphery of the West Boulevard study area, including various interchanges of I-77, along Billy Graham Parkway and a cluster of hotels located to the north of the airport at Little Rock Road/I-85 and Billy Graham Parkway/I-85;

- The 24 properties selected for this analysis include 2,883 rooms, fully 10% of the metropolitan area's room inventory in a mix of product classes; and
- Occupancy levels are strong; over the past six years, average annual occupancies ranged from 63.4% in 2012 to a peak of 73.7% in 2016, with a six-year average of 69.9%.

In conclusion, for the past three years, *sustained* annual occupancies among these competitive hotel properties surrounding West Boulevard averaged 72.7%. In 2018, occupancies through September averaged 71.6%. Notably, the industry benchmark identified for construction feasibility/potential expansion is a ***sustained* annual occupancy level between 65% and 72%**. If a market/location sustains an average annual occupancy within these levels (or higher), additional room capacity can be supported and development of new hotel rooms warranted.

Retail

- The larger "Area of Influence"/study area contains 1,190,600 gross sq. ft. of retail space in 132 buildings or centers. This includes the cluster of retail uses located on Wilkinson Boulevard, such as the Walmart Supercenter, and both strip centers and freestanding pad retail sites along Freedom Drive, West Boulevard and Remount Road. This area comprises 31% of the Southwest Charlotte submarket's 3.8 million sq. ft. of retail space. **Since 2009, only 60,400 sq. ft. of new retail space was built;**
- There are only **23,300 sq. ft. of vacant retail space** (including direct vacancies and sublet space), which reflects a third-quarter 2018 vacancy rate of 2.0%. Retail vacancies decreased from a peak of only 6.3% recorded during the national recession in 2009;
- While key metrics suggest that the larger study area's retail market is stabilized—with very low vacancies—its pace of absorption (net leasing activity) has been limited over the past (almost) 10 years. For example, **net absorption totaled only 81,900 sq. ft. between 2009 and 2018, or 8,400 sq. ft. per year.** The study area accounted for only 8.6% of the entire submarket's annual absorption over this period;

- **West Boulevard's retail inventory is generally characterized by auto-oriented, low-scale freestanding pad buildings and small retail strip centers.** There are an estimated **128,000 sq. ft. of retail space** on the corridor and in several other locations, including Tyvola Road, Remount Road and Clanton Road. This inventory comprises approximately 10.8% of the 1,190,600 sq. ft. of retail space located in the larger "Area of Influence";
- Other than the internalized, self-contained layout of City West Commons, a 37,150 sq. ft. unanchored neighborhood retail center built in a cluster of three buildings in 2003, the corridor is not pedestrian-scale or walkable. According to Walkscore.com, which ranks locations nationwide according to their "walkability", the **West Boulevard corridor has low- to moderate-walk scores ranging from 29 to 41**. These scores are defined as "Car Dependent", meaning that most errands require a car;
- The corridor also contains 15,954 sq. ft. of Automotive uses, which includes gas stations; auto parts sales; automotive repair services; used car sales; transmission and brake services, etc. This includes the Amoco at 1601 Remount Road, the Citgo at 2650 West Boulevard and Glen's Automotive at 2715 West Boulevard;
- Most notably, **Automotive retail sales comprise a disproportionate share of all retail sales**. Automotive sales accounted for $6.1 million (53%) of the $11.5 million in total retail sales in the corridor in 2018;
- The largest retail business in the corridor includes Family Dollar, which has two locations at 4611 W. Tyvola Road (13,801 sq. ft.) and 1560 West Boulevard in City West Commons (13,420 sq. ft.); and
- One of the metrics used to understand retail market potentials is to determine the supply of retail space on a per capita basis. Key findings indicate that:
  - The West Boulevard corridor (and adjacent streets such as Remount Road) contains **128,000 sq. ft. of retail space. As this inventory is located entirely in the "South Trade Area", which has a 2018 population of 12,490, this equates to approximately 10.2 sq. ft. of retail space per resident**
  - The entire "Area of Influence" (both North and South trade areas), with a 2018 population of 19,028 and 1,190,600 sq. ft. of retail space equates to **62.5 sq. ft. of retail space per resident**. This illustrates the significant levels of *inflow* spending

generated by pass-through traffic, daytime employment and/or residents who live outside of the trade areas, particularly to the retail cluster located along Wilkinson Boulevard

- To put the study area's retail supply into perspective, the 2018 U.S. estimate of total retail space is approximately 26 sq. ft. per capita

In conclusion, CoStar data indicate that there are 17,770 sq. ft. of vacant retail space in the West Boulevard corridor, equating to a vacancy rate of 14%. **West Boulevard has a low walk score, a preponderance of Automotive-oriented retail businesses and an overage of retail space on a per capita basis** (corresponding with the larger "Area of Influence"/study area).

Key Findings: Market Potentials

This analysis of market potentials is intended to inform land use planning concepts prepared by the planning and design team with the City of Charlotte, and to guide specific implementation strategies and public policies to ensure that revitalization of West Boulevard is successful. The market analysis focused on four core uses: housing, workplace/office, retail and hotel/lodging:

Housing

A key recommendation to ensure the successful revitalization of the West Boulevard corridor is to encourage mixed-use redevelopment with infill housing and other/supporting uses as illustrated above. Expanding the neighborhood's population—particularly in key redevelopment "nodes"—provides multiple benefits, including new jobs and additional consumers for the corridor's existing retail businesses as well as opportunities to support new businesses, and generate new tax revenues for the City of Charlotte.

- In the North trade area, ESRI Business Analyst is forecasting a compound annual growth rate in population of 3.14% over the next five years. WTL+a believes this strong growth rate is in anticipation of future CATS transit service along the Wilkinson Boulevard corridor. Extrapolating this five-year forecast for 10 years would yield **2,369 new residents in 911 new households (i.e., housing units)** assuming the North trade area's average household size of 2.60 remains unchanged. This would translate into *annual* demand of roughly 90 units per year; and

- In the South trade area, ESRI Business Analyst is forecasting a compound annual growth rate in population of 1.53% over the next five years. This rate, while lower than the forecast for the North trade area, *may* be higher depending on the extent of development pressures on the housing market, spillover demand generated by growth in the North trade area, and overall macro-economic factors (e.g., availability of financing, low interest rates, regional job growth, etc.). In addition, in the case of fast-growing MSAs such as Charlotte's, the general approach of considering a straight-line compound annual growth rate for the South trade area may not fully reflect future projections, particularly in areas of the city that are not fully built-out. In these areas, a higher annual rate of growth *may* occur;
- Extrapolating this five-year forecast for 10 years would yield **2,041 new residents in 764 new households (i.e., housing units)** assuming the South trade area's average household size of 2.67 remains unchanged. This would translate into *annual* demand of roughly 75 units per year.

In summary, these forecast growth rates would yield **over 4,400 new residents in more than 1,670 new households (housing units) over the next 10 years**. This forecast is a solid, positive factor that will generate other supporting benefits as part of the revitalization of the West Boulevard corridor.

10-Year Planning Target for New Housing:

Up to 1,670 Units across *Entire* Study Area

Office

The first step in measuring support for new multi-tenant/speculative office space as part of a revitalization strategy for West Boulevard examines market potentials for office use in the "Southwest Prosperity Zone" (a multi-county region identified by the state's Department of Commerce for employment forecasts), and allocates demand to the City of Charlotte, the larger study area generally and West Boulevard in particular. The analysis translates employment forecasts (for 2014—2024) among specific industry sectors in Charlotte (as prepared by the North Carolina Department of Commerce), into demand for office space by applying an occupancy factor (of occupied space per employee) and estimates the proportion of employees in each sector who are office workers. The SPZ and Charlotte analyses are documented in Section 4.

- With an estimated 14,074 employees working in West Boulevard's "Area of Influence" (larger study area), its share of the city's total jobs is 2.85%;
- Under this "fair share" analysis, the study area would continue to capture 2.85% of future citywide job growth, or approximately 2,619 new employees, by 2024. Assuming similar proportions of office-using jobs and occupancy factors translates into **gross demand for 143,500 sq. ft. of office space by 2024**;
- For purposes of this analysis, WTL+a conservatively assumes that 25% of the study area's vacant office inventory (approximately 210,650 sq. ft.) is leased before financing is provided for new office construction. This serves to reduce the study area's office vacancy rate to roughly 8.4% from current levels, and lowers **demand generated by job growth in office-using sectors to approximately 90,700 sq. ft. of *net new* space across the study area by 2024;**
- The West Boulevard corridor contains an estimated 12,550 sq. ft. of office space. Using an office occupancy factor of 176 sq. ft. per employee suggests that there are only 71 office employees working in the corridor (or on nearby/surrounding streets such as Remount Road); and
- These 71 office employees represent a 0.5% share of the 14,074 total jobs located in the West Boulevard "Area of Influence". If this share is maintained in the future, it would translate into very few (4) office-using jobs and into demand for less than 750 sq. ft. of speculative/general office space in the corridor.

In conclusion, the West Boulevard corridor contains a very limited amount of office space today. **Limited data preclude an accurate understanding of key metrics such as existing vacant space and annual net absorption.** Feedback from community residents and members of the West Boulevard Neighborhood Coalition identified the need and community support for additional professional services such as accounting, legal and medical businesses.

The fair share analysis suggests very limited market support for office uses based on forecast job growth in office-using sectors. If speculative professional office space is a desired addition to the West Boulevard corridor, it would require public subsidy in some fashion. Market forces alone will not justify conventional financing. Concurrently, supporting new residential development, that serves to generate population/household growth throughout the study area, may also enhance potential market support for office/professional and business service tenants over the long-term.

Office Market Potentials on West Boulevard are Very Limited

& Tied to Public Policies/Incentives & Future Population Growth

Hotel/Lodging

- Our analysis suggests that **there may be sufficient demand/investment-level performance necessary to justify the addition of new hotel rooms in the competitive market area. The ability of the West Boulevard corridor to capture this growth is likely limited to its most marketable location—the intersection with Billy Graham Parkway.** However, WTL+a notes that the Airport Commercial Development Strategy, prepared in March 2017 to guide preparation of the CLT Airport Strategic Development Plan on behalf of the City of Charlotte Aviation Department, identifies multiple locations of airport-controlled sites for future hotel development under various economic scenarios:
  - **Low Economic Growth**—Up to 769 keys (rooms) on 15 acres
  - **Moderate Economic Growth**—Up to 1,106 rooms on 21 acres
  - **High Economic Growth**—Up to 1,442 rooms plus a convention hotel on 29 acres

In conclusion, these competitive market forces are likely to prove difficult for a speculative hotel to be developed on West Boulevard—even at its most marketable location with Billy Graham Parkway. This will also be affected by the time required to implement the airport's strategic development plan.

General Retail

As detailed in the demographic profile in Section 2, the West Boulevard study area and environs **do not have sufficient population density or household retail spending levels to support substantial retail growth.** This market challenge exists despite the fact that the West Boulevard corridor and its adjacent neighborhoods are undersupplied in groceries, pharmacy, professional services and options to expand dining/food and beverage offerings. The competitive supply along Wilkinson Boulevard already has a significant critical mass of retail (especially at the Walmart Super-Center and its in-line stores). **Poor north-south connections from West Boulevard to Wilkinson exacerbate the challenges of access and convenience to the retail supply along Wilkinson than if there were more retail stores along West Boulevard.**

As noted in the housing analysis above, forecast population growth and market potentials for new housing within the study area (i.e., both north and south of the Norfolk Southern rail line) could add up to 4,400 new residents (and up to 1,700 new housing units) to the study area over the next 10 years. However, that increment of **growth could be expected to support only about 13,200 to 22,000 sq. ft. of retail throughout the study area to capture household spending during the forecast period.** The increment of new space would include relocation of viable existing businesses that could afford higher rents required in new construction. This does *not* include re-use of obsolete existing retail buildings. The recommended food co-operative on West Boulevard could provide up to 10,000 sq. ft. of new retail space, but demand beyond this anchor use and any additional supportable retail space for food and beverage, banking and professional/consumer services will be limited.

Implementation Priorities of Participating Public Partners

Key implementation priorities and actions of relevant participating public agencies and partners are summarized below. The entirety of these strategies and actions is presented in Section 5 of this report.

1. **Plan, adopt and implement road and streetscape enhancements along West Boulevard**. This includes completion of the new Ashley Road extension, streetscape improvements at key intersections along the corridor to improve pedestrian and bicyclist safety, traffic calming measures that visibly reduce/eliminate vehicular speeding along the corridor, and other improvements designed to create a more walkable environment. We understand that the Ashley Road extension is currently unfunded and unscheduled, but the West Boulevard Corridor Playbook will make it a priority recommendation

2. **Support the WSCLT** by (a) participating in its organizational governance as a public partner, and (b) as available, provide supportive zoning policies and potential acquisition and operating funding, as possible, to accelerate financial stability for the program
3. **Foster construction of a Food Cooperative/Three Sisters Coop Market** in the study area, preferably in a central location to allow ready access to all neighborhoods on the corridor and enhance synergy with other community services
4. **Focus any available policy, planning and financial incentives** (community-benefiting Qualified Opportunity Fund investments, business development and other programs) in the study area, including cooperation with Mecklenburg County on the proposed CRC facility and site location and adjoining uses, and with CATS on long-term planning and development of the potential LYNX Silver Line extension between Uptown and Charlotte-Douglas International Airport
5. **Work toward planning and cooperative partnerships** with the WSCLT, the Charlotte-Mecklenburg Housing Partnership, the Charlotte Housing Authority and private developers to build neighborhood-scaled, infill housing in the study area such as the conceptual plans included in this document.

2 Demographic & Economic Profile

The following evaluates those indices that drive fundamental market demand for various land uses to inform revitalization potentials along the West Boulevard corridor. This section of the report focuses on population and household growth, employment trends and forecasts, household incomes and annual retail spending power, the current business mix on the corridor as well as the larger "trade area", and other economic indicators based on available data that form the basis of potential market support.

This profile and analysis are based on data from various secondary public and private sources, including U.S. Census Bureau; North Carolina Department of Commerce, Labor and Economic Analysis Division; North Carolina Office of State Budget and Management (OSBM); City of Charlotte and Mecklenburg County; ESRI Business Analyst; Dun & Bradstreet, Inc.; and other sources.

Demographic Trends & Forecasts

WTL+a evaluated historic population patterns and growth forecasts in various geographies—including two specific trade areas (as detailed below), the City of Charlotte and Mecklenburg County using the sources above. Key findings are summarized below, with data illustrated in the accompanying tables.

Table 1: Regional Population Trends & Forecasts, 2000—2030

	2000	% of County	2010	% of County	1-Jul 2017	% of County	Change: 2000-2017 Amount	Change: 2000-2017 CAGR *(3)*	*Forecasts (4)* 2020	*Forecasts (4)* 2030	Change: 2017-2030 Amount	Change: 2017-2030 CAGR *(2)*
Population												
Mecklenburg County	**695,454**		**919,628**		**1,076,837**		**381,383**	**2.61%**	**1,143,547**	**1,364,367**	**287,530**	**1.84%**
Charlotte	**540,828**	**77.8%**	**731,424**	**79.5%**	**859,035**	**79.8%**	**318,207**	**2.8%**	**912,252**	**1,088,409**	**229,374**	
Cornelius	11,969	1.7%	24,866	2.7%	29,191	2.7%	17,222	5.4%	30,999	36,985	7,794	
Davidson	7,139	1.0%	10,944	1.2%	12,684	1.2%	5,545	3.4%	13,470	16,071	3,387	
Huntersville	24,960	3.6%	46,773	5.1%	56,212	5.2%	31,252	4.9%	59,694	71,221	15,009	
Matthews	22,127	3.2%	27,198	3.0%	32,117	3.0%	9,990	2.2%	34,107	40,693	8,576	
Mint Hill	14,922	2.1%	22,722	2.5%	26,748	2.5%	11,826	3.5%	28,405	33,890	7,142	
Pineville	3,449	0.5%	7,479	0.8%	8,746	0.8%	5,297	5.6%	9,288	11,081	2,335	
Unincorporated	70,060	10.1%	48,222	5.2%	52,104	4.8%	(17,956)	-1.7%	55,332	66,016	13,912	
Total:	**695,454**	**100.0%**	**919,628**	**100.0%**	**1,076,837**	**100.0%**	**381,383**		**1,143,547**	**1,364,367**	**287,530**	

(1) Based on the 2017-2037 OSBM County Population Projections.
(2) Based on the U.S. Census Bureau's 2017 Population Estimates series.
(3) CAGR=Compound Annual Growth Rate.
(4) Municipal population projections for 2020 and 2030 assume that each jurisdiction maintains its current (July 1, 2017) share of Mecklenburg County's total population.
https://www.osbm.nc.gov/demog/county-projections

Source: U.S. Census Bureau; North Carolina Office of State Budget & Management (OSBM); WTL+a, September 2018.

Mecklenburg County

- As illustrated in Table 1 above, Mecklenburg County's population increased—from 695,450 residents in 2000 to more than 1.07 million residents as of the July 1, 2017 Population Estimates series of the U.S. Census, reflecting significant population growth of almost 381,400 over the past 17 years. This represents significant, *sustained* annual growth of 2.61% per year;
- The six incorporated municipalities in Mecklenburg County contain a combined population of almost 165,700 residents, accounting for 15% of the County's total population. This share has increased from 12% in 2000, with over 81,130 new residents since 2000. However, the average annual growth rate in these communities—averaging 4.2% per year—exceeded the growth rate of Mecklenburg County during this period. Population in unincorporated parts of the County declined during this period, primarily as a result of annexations by the City of Charlotte; and

Since 2000, Mecklenburg County Added
381,400 New Residents

- Based on the 2017—2037 population forecasts prepared by the North Carolina Office of State Budget & Management, **Mecklenburg County is expected to add another 287,530 new residents**, which translates into an annual growth rate of 1.84% per year during this 13-year forecast period, for a 2030 population of 1,364,367 residents.

City of Charlotte

Key demographic characteristics of the City of Charlotte are illustrated in Table 2 and summarized below:

- In 2018, data from ESRI Business Analyst suggests that the city **contains 860,670 residents in 337,200 households;**
- Since 2000, the City's population has increased significantly—with a gain of **319,850 residents in 121,750 new households.** As noted above, some portion of this growth can be attributed to annexation of unincorporated areas of Mecklenburg County during this time**;**

Table 2: Demographic Trends & Forecasts—City of Charlotte, 2000—2023

	2000	2010	2018	% Dist.	2023	% Dist.	Change: 2018-2023 No.	CAGR %
Demographic Profile								
Population	540,828	735,298	860,679		949,819		**89,140**	**1.99%**
As % of County	*77.8%*	*80.0%*	*78.8%*		*78.7%*			
Households	215,449	291,379	337,200		371,435		**34,235**	**1.95%**
Avg. HH Size	2.45	2.48	2.51		2.52			
Median Age		33.3	34.6		34.7			
Race								
White		367,282	396,971	46%	411,434	43%	14,463	0.7%
Black		257,537	312,001	36%	351,866	37%	39,865	2.4%
American Indian		3,494	3,896	0%	4,175	0%	279	1.4%
Asian, Pacific Islander		37,070	57,148	7%	75,209	8%	18,061	5.6%
Other		50,418	64,131	7%	74,039	8%	9,908	2.9%
Two or More Races		19,497	26,531	3%	33,097	3%	6,566	4.5%
Total:		**735,298**	**860,678**		**949,820**		**89,142**	
Hispanic *(1)*		96,470	122,977	14%	145,054	15%	22,077	3.4%
Age Distribution								
0-14		156,758	172,273	20%	186,132	20%	13,859	1.6%
15-24		103,487	120,208	14%	129,333	14%	9,125	1.5%
25-34		129,340	143,627	17%	164,724	17%	21,097	2.8%
35-44		115,272	126,468	15%	138,377	15%	11,909	1.8%
45-54		98,578	111,491	13%	115,867	12%	4,376	0.8%
55-64		69,582	92,545	11%	99,551	10%	7,006	1.5%
65-74		34,728	57,952	7%	70,359	7%	12,407	4.0%
75+		27,553	36,115	4%	45,474	5%	9,359	4.7%
Income Profile								
Households by Income								
<$15,000			9.9%		8.4%			
$15,000 - $24,999			8.7%		7.4%			
$25,000 - $34,999			9.6%		8.5%			
$35,000 - $49,999			13.8%		13.2%			
$50,000 - $74,999			18.5%		19.0%			
$75,000 - $99,999			12.2%		13.2%			
$100,000 - $149,999			13.7%		15.6%			
$150,000 - $199,999			5.8%		6.2%			
$200,000+			7.7%		8.6%			
Average HH Income			$ 87,095		$ 96,369			**2.0%**
Median HH Income			$ 58,474		$ 64,307			**1.9%**
Educational Profile								
Years of Education (2016 American Community Survey/ACS)								
Less than 9th Grade			5.1%					
9th-12th Grade, No Diploma			6.4%					
High School Graduate (Includes Equivalency)			18.5%					
Some College, No Degree			20.6%					
Associate Degree			7.8%					
Bachelor's Degree			27.8%					
Graduate/Professional Degree			14.2%					

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF

Source: U.S. Census Bureau; American Community Survey; ESRI Business Analyst; WTL +a, September 2018.

- As a result, the city's share of Mecklenburg County's population has increased slightly over the past 18 years—from 77.8% in 2000 to 78.8% in 2018. Over the next five years, ESRI data suggest that the city's share of the county will stabilize—to 78.7% by 2023. Other demographic characteristics of the city indicate:
  - A population that is 46% White, 36% Black, and 14% Hispanic (can be two or more races);
  - A young population, with a median age of 34.6 years, which is forecast to increase nominally to 34.7 years by 2023. By comparison, Mecklenburg County's median age is slightly older—35.3 with a forecast increase to 35.5 by 2023;
  - A solidly middle-class community, with average household incomes in 2018 of $87,095 per year. Fully 27% of households have annual incomes greater than $100,000 per year;
  - Average household incomes are forecast to increase by 2.0% per year over the next five years, to almost $96,400 by 2023. The city's average household income is forecast to remain slightly below their counterparts in Mecklenburg County—which is forecast to increase from $90,980 in 2018 to $100,400 by 2023;
- Notably, ESRI's five-year forecasts through 2023 suggest that Charlotte's growth will moderate over its 2000—2018 growth rate of 2.77% per year, with a forecast population gain of **89,140 new residents in 34,235 new households.** This forecast suggests average annual population growth rates of 1.99% per year; and
- ESRI forecasts further suggest that **population growth in Charlotte will be greatest in two age cohorts** over the next five years: ages 65-74 and 75+. Notably, strong growth is also expected in the 25—34 age cohort, which is indicative of Millennials and younger residents moving to the city for job opportunities. **This is likely to translate into opportunities for specific types of housing, such as age-restricted and independent living/continuing care for these older cohorts and first-time and move-up buyer product for younger residents.**

Population Growth in Charlotte Next 5 Years:

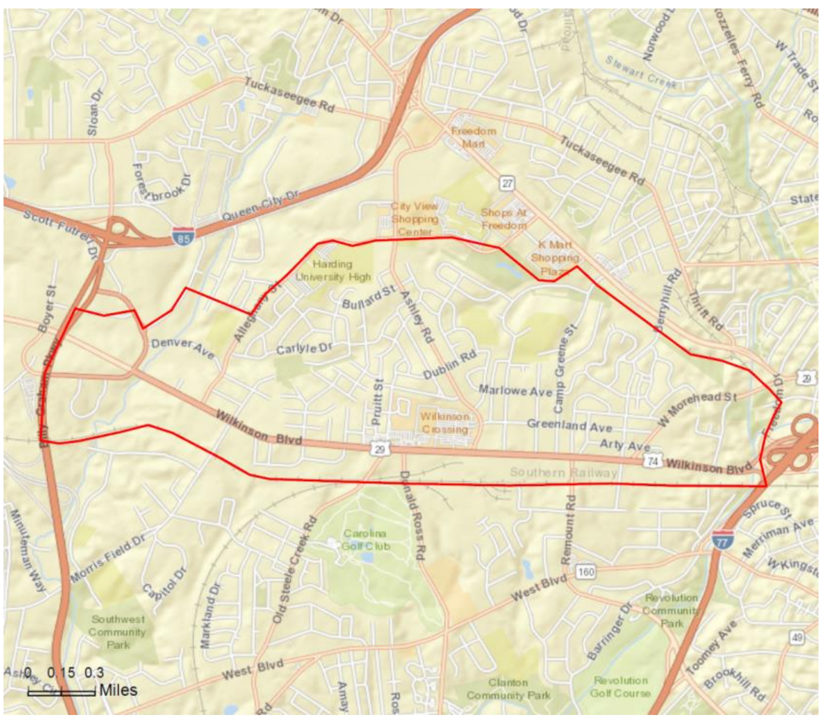
89,140 New Residents in 34,235 New Households by 2023

West Boulevard "Areas of Influence"

To better understand revitalization opportunities in the West Boulevard study area and guide appropriate implementation strategies, WTL+a segmented the study area into a "North" and "South" trade area, with the Norfolk Southern rail line serving as a logical physical barrier between the two. These areas, which comprise 8.87 square miles, were created for two reasons—first, as a result of the significant competitive commercial development that exists on Wilkinson Boulevard (to the north of West Boulevard) and second, because of the potential for transit service with the proposed extension of CATS light rail service parallel to Wilkinson Boulevard at some time in the future, which could be expected to fuel redevelopment in areas proximate to any future transit stations.

Key demographic findings for each trade area are summarized below and illustrated in Table 3 and Table 5:

Figure 3: Study Area Map—North



Study Area—North

- The North Trade Area contains 6,530 residents and accounts for 0.76% of the city's population. Notably, as new housing such as Morehead West on Millerton Avenue (210 rental units) and others are delivered, the North Trade Area's population is forecast to increase over the next five years at a sustained annual rate of 3.14% per year, and its share of the city is expected to increase slightly. ESRI forecasts suggest 1,093 new residents in 401 new households by 2023;

Table 3: Demographic Trends & Forecasts—North Trade Area, 2010—2023

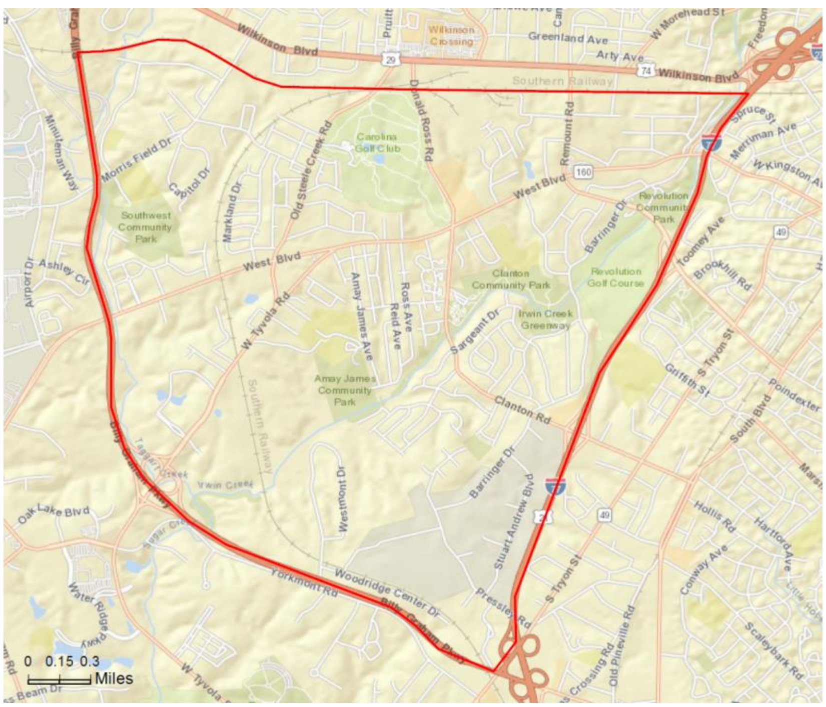
	2010	2018	% Dist.	2023	% Dist.	Change: 2018-2023 No.	Change: 2018-2023 CAGR %
Demographic Profile							
Population	4,930	6,538		7,631		**1,093**	**3.14%**
As % of City	*0.67%*	*0.76%*		*0.80%*			
Households	1,919	2,508		2,909		**401**	**3.01%**
Avg. HH Size	2.56	2.60		2.62			
Median Age	37.3	38.1		38.5			
Race							
White	918	1,014	16%	1,048	14%	34	0.7%
Black	3,533	4,908	75%	5,858	77%	950	3.6%
American Indian	31	30	0%	29	0%	(1)	-0.7%
Asian, Pacific Islander	193	259	4%	311	4%	52	3.7%
Other	127	168	3%	197	3%	29	3.2%
Two or More Races	127	158	2%	187	2%	29	3.4%
Total:	**4,929**	**6,537**		**7,630**		**1,093**	
Hispanic *(1)*	268	377	6%	465	6%	88	4.3%
Age Distribution							
0-14	1,001	1,281	20%	1,503	20%	222	3.2%
15-24	712	850	13%	943	12%	93	2.1%
25-34	607	885	14%	1,035	14%	150	3.2%
35-44	640	761	12%	906	12%	145	3.5%
45-54	789	882	13%	927	12%	45	1.0%
55-64	628	902	14%	1,029	13%	127	2.7%
65-74	324	628	10%	788	10%	160	4.6%
75+	228	348	5%	499	7%	151	7.5%
Income Profile							
Households by Income							
<$15,000		26.4%		23.0%			
$15,000 - $24,999		18.7%		17.3%			
$25,000 - $34,999		13.8%		13.2%			
$35,000 - $49,999		15.2%		15.3%			
$50,000 - $74,999		16.3%		18.0%			
$75,000 - $99,999		5.3%		6.8%			
$100,000 - $149,999		3.3%		4.7%			
$150,000 - $199,999		0.4%		0.8%			
$200,000+		0.4%		0.9%			
Average HH Income		$ 37,417		$ 43,874			**3.24%**
Median HH Income		$ 27,860		$ 31,736			**2.64%**

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.

Source: U.S. Census Bureau; American Community Survey; ESRI Business Analyst; WTL +a, September 2018.

- Consistent with the forecasts for the city as a whole, the largest increases in age cohorts are forecast to occur in those over the age of 65. Other notable gains are anticipated in the 35—44 cohort (typically, move-up buyers);
- Average household incomes among North Trade Area residents are expected to increase at a rate higher than that of their counterparts citywide—3.24% per year versus 2.0% per year over the next five years, suggesting an increase in higher-income households. Nonetheless, the average household income is expected to remain low—increasing from \$37,417 in 2018 to \$43,874 per year by 2023; and
- Average household size is slightly larger than it is citywide—2.62 people per household versus 2.52 citywide.

Figure 4: Study Area Map—South



Study Area—South

- The South Trade Area encompasses a larger geography—extending from I-77 on the south and east to Billy Graham Parkway on the west and the rail line on the north. The trade area contains 12,490 residents and accounts for 1.45% of the city's population. Notably, the South Trade Area's population is forecast to increase over the next five years at a compound annual rate of 1.53% per year, but its share of the city is expected to decrease slightly to 1.42%. ESRI forecasts suggest 982 new residents in 337 new households by 2023;

Table 4: Demographic Trends & Forecasts—North Trade Area, 2010—2023

	2010	2018	% Dist.	2023	% Dist.	Change: 2018-2023 No.	Change: 2018-2023 CAGR %
Demographic Profile							
Population	11,038	12,490		13,472		**982**	**1.53%**
As % of City	*1.50%*	*1.45%*		*1.42%*			
Households	4,109	4,596		4,933		**337**	**1.43%**
Avg. HH Size	2.63	2.67		2.68			
Median Age	31.2	32.6		33.7			
Race							
White	515	495	4%	483	4%	(12)	-0.5%
Black	9,878	11,202	90%	12,078	90%	876	1.5%
American Indian	55	57	0%	58	0%	1	0.3%
Asian, Pacific Islander	169	228	2%	272	2%	44	3.6%
Other	203	237	2%	262	2%	25	2.0%
Two or More Races	219	272	2%	319	2%	47	3.2%
Total:	**11,039**	**12,491**		**13,472**		**981**	
Hispanic *(1)*	475	575	5%	656	5%	81	2.7%
Age Distribution							
0-14	2,876	3,235	26%	3,411	25%	176	1.1%
15-24	1,765	1,711	14%	1,796	13%	85	1.0%
25-34	1,386	1,678	13%	1,766	13%	88	1.0%
35-44	1,241	1,381	11%	1,548	11%	167	2.3%
45-54	1,443	1,365	11%	1,405	10%	40	0.6%
55-64	1,073	1,430	11%	1,510	11%	80	1.1%
65-74	765	1,035	8%	1,215	9%	180	3.3%
75+	488	654	5%	821	6%	167	4.7%
Income Profile							
Households by Income							
<$15,000		32.2%		28.8%			
$15,000 - $24,999		19.5%		18.4%			
$25,000 - $34,999		13.9%		13.7%			
$35,000 - $49,999		13.6%		14.9%			
$50,000 - $74,999		10.7%		12.4%			
$75,000 - $99,999		6.1%		7.1%			
$100,000 - $149,999		2.8%		3.3%			
$150,000 - $199,999		0.3%		0.4%			
$200,000+		0.9%		1.0%			
Average HH Income		$ 34,833		$ 39,299			**2.44%**
Median HH Income		$ 23,757		$ 26,587			**2.28%**

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.

Source: U.S. Census Bureau; American Community Survey; ESRI Business Analyst; WTL +a, September 2018.

- Consistent with the forecasts for the city as a whole, the largest increases in age cohorts are forecast to occur in those over the age of 65. Other notable gains are anticipated in the 35—44 cohort (typically, move-up buyers);
- Average household incomes among South Trade Area residents are expected to increase at a rate higher than that of their counterparts citywide—2.44% per year versus 2.0% per year over the next five years, suggesting a slight increase in higher-income households. Nonetheless, the average household income is expected to remain low—increasing from $34,833 in 2018 to $39,299 per year by 2023; and
- Average household size is slightly larger than it is citywide—2.67 people per household versus 2.52 citywide.

In total, the West Boulevard "Area of Influence" had a 2018 population of 19,028 in 7,104 households. **Over the next five years, forecasts suggest that the area's population will increases to 21,103 in 7,842 households, reflecting 2,075 new residents and 738 new households.**

An analysis of demographic trends and forecasts for each trade area suggest that future transit service is anticipated and will fuel additional residential development—particularly in the North Trade Area. While specific routing and station locations have not been identified, a key objective of revitalization strategies for West Boulevard should ensure that implementation of transit (rail) service benefit the corridor, particularly in specific areas/nodes located proximate to future station(s), such as Remount Road.

Household Incomes & Retail Spending

Household retail spending is the primary driver of demand for retail space such as shopping centers, "Big Box" stores such as Wal-Mart or Target, food & beverage, and specialty or destination retail projects. Household retail spending patterns among households in the City of Charlotte and the two trade areas are illustrated in Table 5.

Table 5: Annual Household Consumer Spending, 2018

	City of Charlotte	Study Area North	Study Area South
Total Households (2017)	**337,200**	**2,508**	**4,596**
Apparel & Accessories			
Men's Wear	$ 442	$ 195	$ 183
Women's Wear	792	338	318
Children's Wear	361	159	147
Footwear	512	219	208
Watches & Jewelry	156	62	58
Apparel Products & Services	91	34	34
Subtotal:	**$ 2,356**	**$ 1,007**	**$ 947**
Computers			
Computers & Hardware	$ 189	$ 78	$ 73
Software & Accessories	38	16	15
Subtotal:	**$ 227**	**$ 95**	**$ 88**
Entertainment & Recreation			
Membership Fees for Clubs	$ 232	$ 89	$ 81
Fees for Participant Sports	118	49	45
Tickets to Theater/Operas/Concerts	68	26	24
Tickets to Movies/Museums/Parks	89	33	30
Admission to Sporting Events	60	26	23
Fees for Recreational Lessons	145	50	44
Dating Services	0.89	0.50	0.46
Subtotal:	**$ 712**	**$ 273**	**$ 248**
TV/Video/Audio			
Cable & Satellite TV Services	$ 984	$ 497	$ 477
Televisions	131	61	58
Satellite Dishes	2	1	1
VCRs, Video Cameras & DVD Players	6	3	3
Miscellaneous Video Equipment	15	6	6
Video Cassettes & DVDs	14	6	6
Video Game Hardware/Accessories	35	17	17
Video Game Software	18	9	9
Streaming/Downloaded Video	39	16	15
Rental of Video Cassettes & DVDs	14	6	5
Installation of Televisions	0.95	0.29	0.27
Audio	101	41	38
Rental & Repair of TV/Radio/Audio	4	2	2
Subtotal:	**$ 1,364**	**$ 665**	**$ 635**

(1) Consumer spending data are derived from the 2015 and 2016 Consumer Expenditure Surveys conducted by the Bureau of Labor Statistics.

Source: US Department of Labor, Bureau of Labor Market Statistics; ESRI Business Analyst; WTL +a, September 2018.

WTL+a

Table 5 (Continued): Annual Household Consumer Spending, 2018

	City of Charlotte	Study Area North	Study Area South
Other Entertainment			
Pets	$ 621	$ 285	$ 262
Toys & Games	125	55	51
Recreational Vehicles & Fees	102	42	37
Sports/Recreation/Exercise Equipment	189	74	66
Photo Equipment & Supplies	58	22	20
Reading	113	49	45
Catered Affairs	29	11	9
Subtotal:	**$ 1,237**	**$ 538**	**$ 490**
Food & Alcohol			
Food at Home	$ 5,284	$ 2,430	$ 2,291
Food Away from Home	3,811	1,614	1,518
Alcoholic & Non-alcoholic Beverages	604	249	233
Subtotal:	**$ 9,699**	**$ 4,293**	**$ 4,042**
Household Furnishings & Equipment			
Household Textiles	$ 106	$ 46	$ 44
Furniture	663	294	277
Floor Coverings	24	11	10
Major Appliances	346	165	151
Housewares	106	47	43
Small Appliances	52	23	22
Luggage	15	6	5
Telephones & Accessories	77	27	26
Lawn & Garden	405	186	167
Housekeeping Supplies	735	341	320
Maintenance & Remodeling Materials	439	200	171
Subtotal:	**$ 2,968**	**$ 1,347**	**$ 1,236**
Health & Personal Care			
Non- & Prescription Drugs	$ 478	$ 247	$ 230
Optical	92	43	39
Personal Care Products	520	224	211
School Supplies	167	69	66
Smoking Products	427	258	250
Subtotal:	**$ 1,684**	**$ 841**	**$ 795**
TOTAL:			
Total Annual Spending	**$ 6,827,183,868**	**$ 22,715,483**	**$ 38,983,640**
Per Household	**$ 20,247**	**$ 9,057**	**$ 8,482**
As % of Average HH Income	23.2%	24.2%	24.4%

(1) Consumer spending data are derived from the 2015 and 2016 Consumer Expenditure Surveys conducted by the Bureau of Labor Statistics.

Source: US Department of Labor, Bureau of Labor Market Statistics; ESRI Business Analyst; WTL +a, September 2018.

- With 2018 average household incomes of $87,095, households in Charlotte have sufficient disposable income to support a wide range of retail offerings. Households spend approximately 23% of annual incomes on various retail categories;
- **The City's households spend almost $20,250 per year on consumer retail goods**, including clothing, entertainment/recreation, electronics, groceries, food & beverage, household furnishings and health care;
- By comparison, **lower incomes of trade area households are indicative of much more limited retail spending.** In fact, U.S. Census data indicate that households in the North Trade Area spend only $9,057 per year and South Trade Area households spend only $8,482 per household. **Household/consumer retail spending at these levels—which generally accounts for 24% of total household income—is likely to limit retail development potentials in the study area without a significant increase in resident population and/or alternative sources of market support such as daytime employment**; and

- Retail spending among the city's households totals over $6.8 billion per year, as compared to almost $22.7 million among North Trade Area households and $38.9 million per year for households in the South Trade Area. **In combination, the study area's total annual retail spending of $61.7 million accounts for only 0.9% of citywide retail spending.** Notably, household spending totals are irrespective of location (i.e., spending can occur anywhere).

Study Area Household Retail Spending of $61.7 Million per Year

Accounts for Only 0.9% of Total Citywide Retail Spending

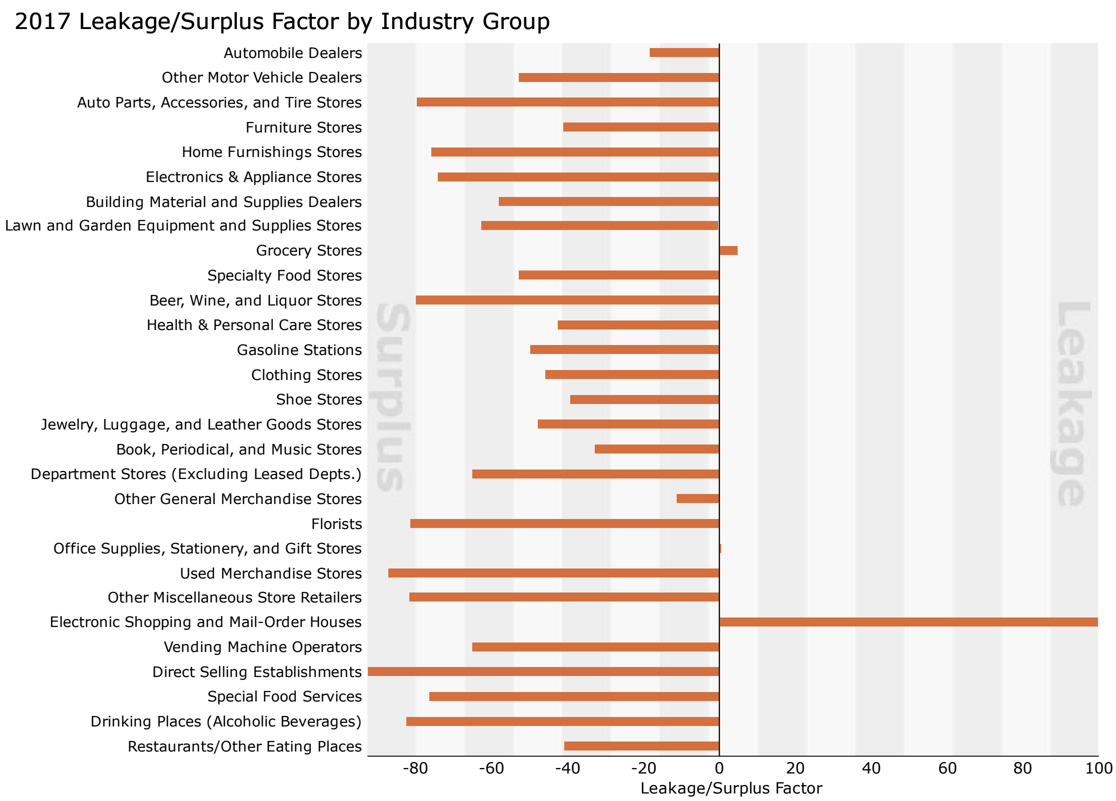
Retail "Recapture" Opportunities

Another key indicator of retail market potentials involves what is known as "retail opportunity gap". This compares annual household spending (i.e., "demand") in specific merchandise categories against estimated annual retail sales by businesses in those same categories (i.e., "supply"). The difference between demand and supply represents the "recapture" opportunity, or surplus, available in each retail category in the reporting geography.

When *demand* is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than *supply*, there is a surplus of sales in that retail category. That is, a positive value in green (in the table) = a potential recapture opportunity, while a negative value in red (in the table) = a surplus of sales among businesses, or an "inflow" of sales from outside of the reporting geography. In Figure 5 below, recapture opportunities (Leakage) among specific merchandise categories are on the right side of the graph, while inflow sales (Surplus) are illustrated on the left side of the graph. Numerical findings for the study area are illustrated in Table 6.

Current population densities and household spending power in the study area do not meet minimum location requirements for commercial grocery stores. Alternatively, the food cooperative is structured as a community-based non-profit organization and can be created and operated with additional subsidy in response to these market challenges. In our view, a food cooperative offers a better approach to address legitimate community food needs without the burden of commercial grocery store operating economics.

Figure 5: Retail Leakage & Surplus—West Boulevard Study Area, 2018



Another source for household retail spending includes the Bureau of Labor Statistics (BLS) and Claritas, Inc. Key findings for the study area indicate that:

- Study Area households spend over $82.4 million per year. This estimate is *higher* than annual spending illustrated previously in Table 5 because it includes multiple additional merchandise categories such as Building Materials, Leisure & Entertainment and Miscellaneous Store sales. This compares to estimated store sales of over $266 million per year;

Table 6: Retail “Recapture” Opportunities—West Boulevard Study Area, 2018

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
General Merchandise Stores			
Department Stores Excl Leased Depts.	$ 12,920,784	$ 61,419,137	$ (48,498,353)
Other General Merchandise Stores	5,148,025	6,465,055	(1,317,030)
Subtotal:	**$ 18,068,809**	**$ 67,884,192**	**$ (49,815,383)**
Clothing & Accessories Stores			
Clothing Stores	$ 3,335,202	$ 9,017,261	$ (5,682,059)
Shoe Stores	818,494	1,884,045	(1,065,551)
Jewelry, Luggage, Leather Goods	864,802	2,456,870	(1,592,068)
Subtotal:	**$ 5,018,498**	**$ 13,358,176**	**$ (8,339,678)**
Furniture & Home Furnishings Stores			
Furniture Stores	$ 2,618,840	$ 6,286,430	$ (3,667,590)
Home Furnishing Stores	1,503,465	11,009,756	(9,506,291)
Subtotal:	**$ 4,122,305**	**$ 17,296,186**	**$ (13,173,881)**
Electronics & Appliance Stores			
Appliances, TVs, Electronics Stores	$ 3,215,666	$ 21,943,077	$ (18,727,411)
Subtotal:	**$ 3,215,666**	**$ 21,943,077**	**$ (18,727,411)**
Leisure & Entertainment			
Sporting Goods/Hobby/Musical Instruments	$ 2,331,652	$ 2,563,637	$ (231,985)
Books, Periodicals & Music Stores	464,208	919,015	(454,807)
Subtotal:	**$ 2,795,860**	**$ 3,482,652**	**$ (686,792)**
Food Services & Drinking Places			
Special Food Services	$ 102,957	$ 771,487	$ (668,530)
Drinking Places - Alcoholic Beverages	745,121	7,791,407	(7,046,286)
Restaurants/Other Eating Places	10,499,672	25,112,011	(14,612,339)
Subtotal:	**$ 11,347,750**	**$ 33,674,905**	**$ (22,327,155)**

(1) *Claritas' "Retail Market Power" data is derived from two major sources of information. Demand data are derived from Consumer Expenditure Surveys fielded by the U.S. Bureau of Labor Statistics (BLS). Supply data are derived from the Census Bureau. The difference between demand and supply represents the "recapture opportunity", or surplus, available for each retail category in the reporting geography. When demand is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than supply, there is a surplus of sales in that retail category (i.e., positive value = recapture opportunity, while negative value = surplus of sales).*

(2) *Total household retail spending excludes spending on Non-Store Retailers (Internet); Motor Vehicle Parts and Dealers; and Gas Stations.*

Source: Bureau of Labor Statistics; Claritas, Inc.; ESRI Business Analyst; WTL +a, October 2018.

Table 6 (Cont.): Retail "Recapture" Opportunities—West Boulevard Study Area, 2018

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
Food & Beverage Stores			
Grocery Stores	$ 18,220,255	$ 16,488,085	$ 1,732,170
Specialty Food Stores	715,665	2,324,325	(1,608,660)
Beer, Wine & Liquor Stores	626,539	5,671,557	(5,045,018)
Subtotal:	**$ 19,562,459**	**$ 24,483,967**	**$ (4,921,508)**
Health & Personal Care Stores			
Health & Personal Care Stores	$ 6,833,236	$ 17,052,421	$ (10,219,185)
Subtotal:	**$ 6,833,236**	**$ 17,052,421**	**$ (10,219,185)**
Building Material, Garden Equipment Stores			
Building Materials & Supplies	$ 6,277,665	$ 23,757,889	$ (17,480,224)
Lawn & Garden Equipment & Supplies	415,461	1,814,149	(1,398,688)
Subtotal:	**$ 6,693,126**	**$ 25,572,038**	**$ (18,878,912)**
Miscellaneous Store Retailers			
Florists	$ 136,926	$ 1,347,599	$ (1,210,673)
Office Supplies, Stationery, Gift Stores	962,460	950,828	11,632
Used Merchandise Stores	556,215	8,190,276	(7,634,061)
Other Miscellaneous Retail Stores	3,137,966	31,364,938	(28,226,972)
Subtotal:	**$ 4,793,567**	**$ 41,853,641**	**$ (37,060,074)**
TOTAL:			
HH Demand vs. Retail Sales	**$ 82,451,276**	**$ 266,601,255**	**$ (184,149,979)**
Estimated Retail Space (In SF)		**1,190,600**	
Estimated Sales Per SF		**$ 224**	

(1) Claritas' "Retail Market Power" data is derived from two major sources of information. Demand data are derived from Consumer Expenditure Surveys fielded by the U.S. Bureau of Labor Statistics (BLS). Supply data are derived from the Census Bureau. The difference between demand and supply represents the "recapture opportunity", or surplus, available for each retail category in the reporting geography. When demand is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than supply, there is a surplus of sales in that retail category (i.e., positive value = recapture opportunity, while negative value = surplus of sales).

(2) Total household retail spending excludes spending on Non-Store Retailers (Internet); Motor Vehicle Parts and Dealers; and Gas Stations.

Source: Bureau of Labor Statistics; Claritas, Inc.; ESRI Business Analyst; WTL +a, October 2018.

- The difference between spending and sales is known as *inflow*; in other words**, there is more than $184 million in annual retail sales *inflow* into the entire West Boulevard study area from sources other than resident households.** We note that resident household sales can occur anywhere, so sources of inflow include daytime employees (who don't live in the study) and other sources such as pass-through traffic. This analysis reveals the cluster of retail uses along Wilkinson Boulevard, its relative sales performance and ability to capture study area household spending as compared to the limited retail supply that exists along West Boulevard;
- This analysis reveals only one merchandise category where *apparent* opportunities could be recaptured to support either new retail development or stronger performance among existing businesses in the study area. This includes Grocery Stores, with $1,732,000 in apparent recapture;
- As illustrated in Table 7 below, the larger study area generates $266.6 million in annual retail sales excluding gas stations and automotive sales/repairs. According to CoStar, Inc. (a national commercial real estate data provider), the study area contains a total inventory of 1,190,600 sq. ft. This equates to **annual sales performance of $224 per sq. ft., which would generally be considered by the retail industry to be *investment-grade***. Investment-grade retail performance generally varies between $200 and $350 per sq. ft., a variation that reflects tenant type (local, regional, national), merchandise category, and size/type of retail center and location; and
- By comparison, the limited number of retail businesses located on West Boulevard and Remount Road, totaling 128,000 sq. ft., generate estimated annual sales of almost $5,407,300. This equates to **annual (non-automotive) sales performance of only $42 per sq. ft., which is not investment-grade;**
- While more viable commercial districts have used strategies such as retail business incubators, creation of merchants associations, community identity and marketing and other concepts, the fundamental issue for West Boulevard remains that the market base is not currently strong enough to support extensive additional new space. Current sales productivities of less than 20% of investment-grade retail standards will limit the ability to attract commercial retail investment.

Table 7: Study Area & West Boulevard Retail Sales, 2018

Location	2018 Retail Sales W/ Gas & Auto	2018 Retail Sales W/O Gas & Auto	Retail Inventory (In SF)	Reported Sales Per SF W/ Gas & Auto	Reported Sales Per SF W/O Gas & Auto
Study Area	$ 391,843,297	$ 266,601,255	1,190,600	$ 329	$ 224
West Boulevard Corridor	$ 11,532,034	$ 5,407,289	128,007	$ 90	$ 42
As % of Study Area	*2.9%*	*2.0%*	*10.8%*		

Source: ESRI Business Analyst; CoStar, Inc.; U.S. Census of Retail Trade; City of Charlotte; WTL+a, October 2018.

Economic Characteristics

Employment Trends—Charlotte-Concord-Gastonia Metropolitan Area

Job growth is a key barometer of demand for "workplace" uses such as multi-tenant office space, industrial parks, retail centers and the like. WTL+a examined employment trends and forecasts, utilizing data for various geographies as prepared by multiple sources, including the North Carolina Department of Commerce Labor & Economic Analysis Division (2008—2017), the U.S. Census Bureau (2006—2015) and Dun & Bradstreet, Inc. (2018). Key findings are summarized below and illustrated in Table 8:

- **The Charlotte MSA added a remarkable 199,600 new jobs in the 10-year period between 2008 and 2017**. This growth, which translates into over 19,900 new jobs annually, was focused largely in specific sectors, including: Professional/Business Services (57,400), Trade/Transportation/Utilities (38,100), Leisure/Hospitality (32,200) and Education/Health Services (23,500);
- Growth in Professional/Business Services has fueled demand for office space in key locations across the Charlotte MSA during this period in key office submarkets such as the Airport area, CBD/Uptown Charlotte and Southpark;
- By contrast, the economic downturn of 2007—2009 resulted in the loss of 59,200 jobs in the MSA in 2009 alone. Over the past 10 years (and over multiple economic cycles), job losses have been greatest in Manufacturing (-13,400) and Trade (-11,400);

Table 8: Charlotte-Concord-Gastonia MSA Employment Trends, 2008—2017

Industry Sector	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10-Year Change: 2008-2017 Amount	CAGR %
In 000s												
Mining/Logging & Construction	59,800	60,099	60,159	60,219	60,278	60,338	60,996	61,056	61,116	61,175	1,375	0.3%
Manufacturing	105,600	92,200	91,500	95,400	98,900	98,400	102,300	105,900	104,700	105,900	300	0.0%
Trade/Transportation/Utilities	212,400	201,000	204,000	208,000	214,800	222,100	230,500	239,200	248,500	250,500	38,100	1.9%
Information	23,600	22,300	22,800	23,100	23,200	24,500	25,500	26,900	27,800	28,500	4,900	2.1%
Financial Activities	78,700	73,600	75,600	76,300	77,500	79,000	82,400	86,300	89,900	93,700	15,000	2.0%
Services												
Prof'l/Business Services	145,300	140,900	151,500	157,600	160,700	170,000	182,300	191,200	197,900	202,700	57,400	3.8%
Education/Health Services	101,100	101,100	104,100	106,600	108,900	110,000	113,400	116,600	119,300	124,600	23,500	2.3%
Leisure & Hospitality	105,700	98,300	100,500	104,100	109,500	114,400	117,700	125,800	129,300	137,900	32,200	3.0%
Other Services	34,500	30,900	32,400	33,600	35,600	36,400	37,500	38,300	39,000	41,300	6,800	2.0%
Government	145,000	144,000	146,600	147,100	151,000	152,400	153,200	154,800	155,200	163,300	18,300	1.3%
Total (In 000s):	**1,011,700**	**952,500**	**974,200**	**997,000**	**1,027,300**	**1,057,700**	**1,099,100**	**1,143,200**	**1,173,000**	**1,211,300**	**199,600**	**2.0%**
Change During Period:	-	*(59,200)*	*21,700*	*22,800*	*30,300*	*30,400*	*41,400*	*44,100*	*29,800*	*38,300*		

(1) As of year-end for each reported year. Not seasonally-adjusted. Includes Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan and Union Counties in North Carolina, and Chester, Lancaster and York Counties in South Carolina.

https://www.bls.gov/eag/eag.nc_charlotte_msa.htm

https://www.bls.gov/oes/current/oes_16740.htm#00-0000

Source: US Department of Labor, Bureau of Labor Statistics; North Carolina Department of Commerce; WTL +a, September 2018.

Table 9: Business Mix—City of Charlotte, 2018

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**397**	1.2%	**4,075**	0.8%
Construction	**2,044**	6.3%	**21,871**	4.4%
Manufacturing	**1,085**	3.3%	**34,125**	6.9%
Transportation & Warehousing	**1,031**	3.2%	**26,598**	5.4%
Communications	**308**	0.9%	**20,099**	4.1%
Utilities	**75**	0.2%	**6,992**	1.4%
Wholesale & Retail Trade				
Wholesale	1,352		26,358	
Retail	6,031		93,891	
- Home Improvement	304		5,685	
- General Merchandise	236		10,462	
- Food Stores	688		10,816	
- Auto Dealers/Gas Stations	587		7,467	
- Apparel & Accessory Stores	452		4,993	
- Furniture/Home Furnishings	490		4,955	
- Eating & Drinking Places	2,013		36,077	
- Miscellaneous & Non-store Retail	1,261		13,436	
Subtotal - All Retail:	**7,383**	22.7%	**120,249**	24.4%
Finance/Insurance/Real Estate	**3,868**	11.9%	**48,068**	9.7%
Services				
- Hotel/Lodging	251		8,463	
- Automotive Services	881		6,667	
- Motion Pictures & Amusements	783		10,164	
- Health Services	1,830		43,541	
- Legal Services	688		6,322	
- Educational Institutions	581		30,712	
- Other Services	8,312		86,881	
Subtotal - Services:	**13,326**	41.1%	**192,750**	39.1%
Government	**387**	1.2%	**17,615**	3.6%
Unclassified Establishments	**2,549**	7.9%	**791**	0.2%
TOTAL:	**32,453**	**100.0%**	**493,233**	**100.0%**

ANALYSIS:	
2018 Employment	**493,233**
2018 Population	**860,679**
Jobs/Population Ratio	**0.57**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, October 2018.

- In only seven years between 2011 and 2017, however, **the economy of the Charlotte MSA has significantly recovered from the 2007—2009 recession, with the creation of 258,800 new jobs;**

(59,200) Recession-based Job Losses
Replaced with 258,800 New Jobs Since 2010

- Notably, the Services sector—which comprises multiple categories such as Business and Professional Services, Health, Education and Leisure/Hospitality, has gained the largest share of new jobs, exhibiting a net gain of 119,900 new jobs between 2008 and 2017;
- As illustrated in Table 9, Dun & Bradstreet, Inc. estimates that the City of **Charlotte contained more than 493,230 *full-time* jobs** in 32,450 registered businesses in 2018, which reflects a jobs-to-population ratio of 0.57. That is, there is more than one-half a job for every one of the 860,679 city residents, and reflects the concentration of larger employment centers such as the CBD/Uptown and the Airport area; and
- Employment is concentrated in particular sectors, including Services (39%), Wholesale/Retail Trade (24%), and Financial Activities (10%).

Employment Trends & Forecasts—"Southwest Prosperity Zone"

Employment forecasts for specific jurisdictions in North Carolina are also prepared by the state's Department of Commerce, Labor & Economic Analysis Division in 10-year forecast periods for specific regions across the state; each region includes a cluster of counties. Mecklenburg County is in the "Southwest Prosperity Zone", which includes the following 10 counties: Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union.

As illustrated in Table 10 below, these forecasts suggest that:

- **The entire Southwest Prosperity Zone is expected to add 186,565 new jobs between 2014 and 2024**, reflecting a forecast of almost 18,700 new jobs annually over this 10-year period; and

Table 10: State Employment Forecasts—Southwest Prosperity Zone, 2014—2024

Employment Category	2014	% Dist.	2024	% Dist.	Change: 2014-2024 Total	Change: 2014-2024 CAGR
Agriculture & Mining	**3,200**	**0.3%**	**3,148**	**0.2%**	**(52)**	**-0.2%**
Utilities	**3,321**	**0.3%**	**3,297**	**0.3%**	**(24)**	**-0.1%**
Construction	**51,660**	**4.6%**	**63,894**	**4.9%**	**12,234**	**2.1%**
Manufacturing	**94,925**	**8.5%**	**98,506**	**7.6%**	**3,581**	**0.4%**
Wholesale & Retail Trade						
Wholesale	58,278	5.2%	63,041	4.9%	4,763	0.8%
Retail	112,787	10.1%	126,740	9.8%	13,953	1.2%
Subtotal:	**171,065**	**15.4%**	**189,781**	**14.6%**	**18,716**	**1.0%**
Transportation & Warehousing	**46,142**	**4.1%**	**51,391**	**4.0%**	**5,249**	**1.1%**
Information	**24,030**	**2.2%**	**25,087**	**1.9%**	**1,057**	**0.4%**
Financial Activities						
Finance & Insurance	**63,765**	**5.7%**	**78,396**	**6.0%**	**14,631**	**2.1%**
Real Estate Rental & Leasing	**14,921**	**1.3%**	**17,187**	**1.3%**	**2,266**	**1.4%**
Subtotal:						
Services						
Professional/Scientific & Technical	58,181	5.2%	68,828	5.3%	10,647	1.7%
Management of Companies & Enterprises	35,819	3.2%	48,837	3.8%	13,018	3.1%
Admin/Support/Waste Management	83,170	7.5%	96,542	7.4%	13,372	1.5%
Educational Services	70,995	6.4%	82,327	6.3%	11,332	1.5%
Health Care & Social Assistance	113,381	10.2%	147,735	11.4%	34,354	2.7%
Arts/Entertainment & Recreation	21,285	1.9%	27,092	2.1%	5,807	2.4%
Accommodation & Food Services	90,640	8.1%	111,005	8.5%	20,365	2.0%
Other Services	44,700	4.0%	48,226	3.7%	3,526	0.8%
Subtotal:	**518,171**	**46.6%**	**630,592**	**48.5%**	**112,421**	**2.0%**
Government	**52,407**	**4.7%**	**59,142**	**4.6%**	**6,735**	**1.2%**
Self-Employed & Unpaid Family Workers	**68,925**	**6.2%**	**78,676**	**6.1%**	**9,751**	**1.3%**
TOTAL:	**1,112,532**	**100%**	**1,299,097**	**100%**	**186,565**	**1.6%**
Annual Increase (Rounded):					**18,700**	
SPZ Jobs (2014)						
From On-the-Map/US Census	**1,033,468**					
As % of 2014 State Estimate	*93%*					
City of Charlotte Share						
From On-the-Map/US Census	**547,311**					
As % of SPZ Jobs	**49.20%**					
If City Maintains 2014 Share			**639,092**		**91,800**	

(1) The Southwest Prosperity Zone comprises 10 counties around the Charlotte Region, including: Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union Counties.

https://nccareers.org/employmentprojections/occupation_employment_projections.html

Source: North Carolina Department of Commerce, Labor & Economic Analysis Division; WTL +a, November 2018.

Table 11: Business Mix—West Boulevard Study Area, 2018

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**15**	1.4%	**113**	0.8%
Construction	**93**	8.6%	**1,401**	10.0%
Manufacturing	**67**	6.2%	**1,005**	7.1%
Transportation & Warehousing	**38**	3.5%	**853**	6.1%
Communications	**15**	1.4%	**449**	3.2%
Utilities	**2**	0.2%	**178**	1.3%
Wholesale & Retail Trade				
Wholesale	77		1,160	
Retail	209		3,202	
- Home Improvement	15		134	
- General Merchandise	9		485	
- Food Stores	30		197	
- Auto Dealers/Gas Stations	34		578	
- Apparel & Accessory Stores	10		78	
- Furniture/Home Furnishings	16		150	
- Eating & Drinking Places	52		743	
- Miscellaneous & Non-store Retail	43		836	
Subtotal - All Retail:	**286**	26.5%	**4,362**	31.0%
Finance/Insurance/Real Estate	**67**	6.2%	**457**	3.2%
Services				
- Hotel/Lodging	14		361	
- Automotive Services	51		290	
- Motion Pictures & Amusements	25		303	
- Health Services	31		747	
- Legal Services	6		40	
- Educational Institutions	15		458	
- Other Services	270		2,330	
Subtotal - Services:	**412**	38.2%	**4,529**	32.2%
Government	**16**	1.5%	**707**	5.0%
Unclassified Establishments	**68**	6.3%	**20**	0.1%
TOTAL:	**1,079**	**100.0%**	**14,074**	**100.0%**

ANALYSIS:	
2018 Employment	**14,074**
As Share of City of Charlotte	**2.85%**
2018 Population	**19,028**
Jobs/Population Ratio	**0.74**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, October 2018.

- In order to determine the share of future jobs for the City of Charlotte, WTL+a utilized the city's 2014 share of the Southwest Prosperity Zone's total jobs based on employment data from On-the-Map, prepared by the U.S. Census Bureau. Based on this data, the city contained 547,311 jobs in 2014, or 49.2% of the SPZ's total jobs. **If the City of Charlotte *maintains* its 49.2% share in 2024 would translate into 91,800 new jobs over the forecast period.**

Employment Trends—West Boulevard Study Area

- As illustrated in Table 11 above, Dun & Bradstreet, Inc. estimates that there are **14,074 jobs in 1,079 registered businesses in the study area**. The study area accounts for approximately 2.85% of the 493,230 full-time jobs in the City of Charlotte;

- The two largest sectors generating demand for "workplace" real estate in the study area include: Wholesale/Retail Trade (4,362 jobs, or 31%) and Services (4,529 jobs, or 32%). Within Services, "Other Services" accounts for fully 51% of the total (2,330 jobs). Together, these sectors account for 63% of the 14,074 jobs in the study area. "Other Services" includes such industries as automotive repair and maintenance, which are prominent along the West Boulevard corridor;

- As noted, the study area **contains 2.85% of all at-place jobs in the City of Charlotte.** This is known as *fair share*, and has been considered in our analysis of workplace market potentials in Section 4 of this report;

***Fair Share*:**

West Boulevard Study Area Accounts for

2.85% of the City's Total Jobs

- The data also suggest that the study area's current jobs-to-population ratio is 0.74 (i.e., there is three-quarters of a job for the 19,028 residents living in the study area). This is higher than the City's ratio (0.57) and reflects a diverse business mix and concentration of businesses along commercial corridors such as Wilkinson Boulevard, and in office/business

WTL +a

Table 12: 10-Year Employment Trends—West Boulevard Study Area, 2006—2015

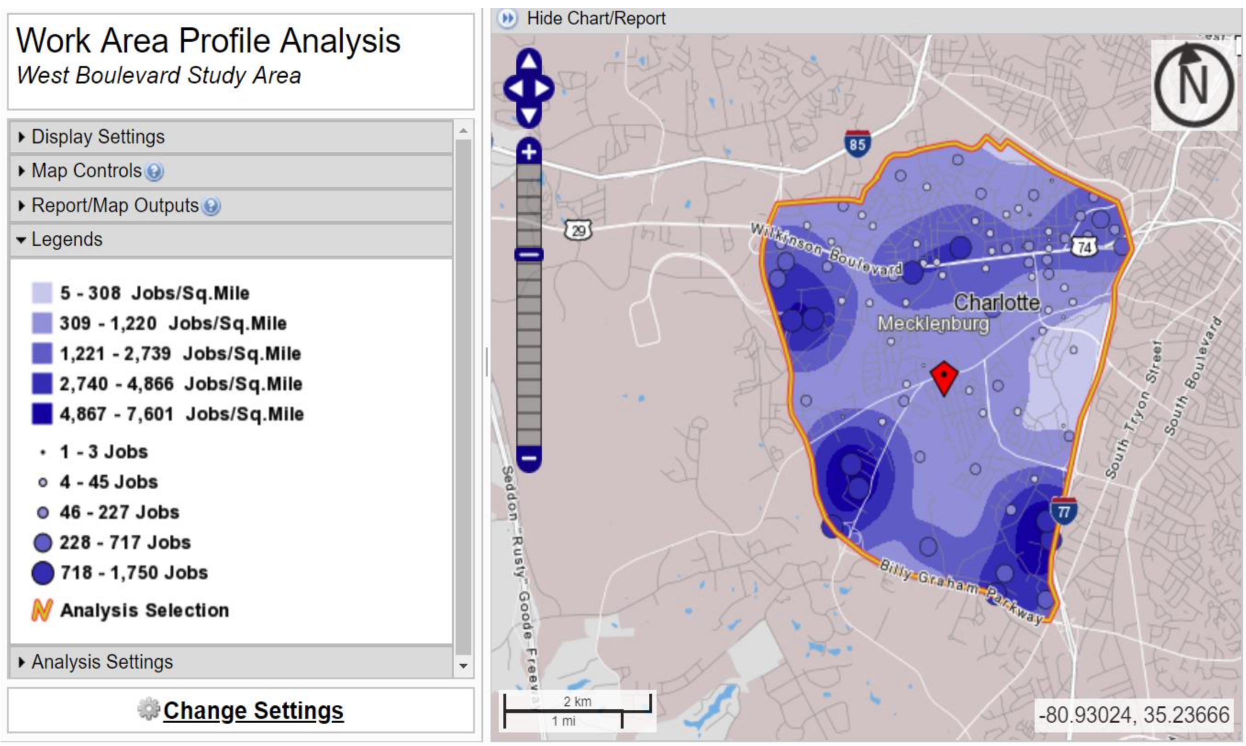
Industry Sector	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Dist.	Change: 2006-2015 Amount	CAGR %
Agriculture & Mining	-	1	1	1	3	-	-	2	4	3	0.0%	3	N/A
Construction	1,355	1,448	1,255	1,097	1,068	1,069	1,094	1,224	1,481	1,811	10.1%	456	3.3%
Manufacturing	809	840	862	606	658	714	718	847	848	902	5.0%	93	1.2%
Transp & Warehousing	969	1,036	847	803	724	1,050	945	967	1,270	879	4.9%	(90)	-1.1%
Utilities	-	-	8	7	-	-	1	-	-	-	0.0%	-	0.0%
Trade													
Wholesale	2,507	2,540	2,180	2,069	2,308	2,302	2,558	2,302	2,304	2,367	13.2%	(140)	-0.6%
Retail	702	856	965	980	948	982	989	1,030	1,089	1,197	6.7%	495	6.1%
Information	1,165	1,199	1,189	1,215	1,107	968	1,187	1,223	1,228	1,282	7.1%	117	1.1%
Finance & Insurance	233	233	213	255	144	105	125	131	166	98	0.5%	(135)	-9.2%
Real Estate/Rental & Leasing	194	149	295	124	209	300	263	387	432	226	1.3%	32	1.7%
Services													
Prof'l/Business Services	1,718	1,668	1,735	1,856	1,828	2,059	2,154	2,351	2,257	2,924	16.3%	1,206	6.1%
Management of Companies	509	526	418	514	550	617	996	980	152	150	0.8%	(359)	-12.7%
Administration/Waste Mgmt.	2,167	2,332	2,412	1,647	2,135	2,081	2,224	2,139	2,149	2,400	13.4%	233	1.1%
Educational Services	762	137	49	137	76	460	718	718	816	922	5.1%	160	2.1%
Health Care & Social Assistance	386	377	602	575	488	448	534	470	542	866	4.8%	480	9.4%
Arts/Entertainment/Recreation	34	63	42	98	95	130	103	148	170	256	1.4%	222	25.1%
Accommodation & Food Services	461	449	429	316	1,316	351	484	454	496	434	2.4%	(27)	-0.7%
Other Services	718	705	813	654	521	560	626	766	942	1,211	6.7%	493	6.0%
Public Administration/Gov't	36	36	4	6	14	21	65	46	2	35	0.2%	(1)	-0.3%
Total (In 000s):	**14,725**	**14,595**	**14,319**	**12,960**	**14,192**	**14,217**	**15,784**	**16,185**	**16,348**	**17,963**		**3,238**	**2.23%**
Annual Change:	-	*(130)*	*(276)*	*(1,359)*	*1,232*	*25*	*1,567*	*401*	*163*	*1,615*			
Job Loss (As % of All Jobs):		*-1%*	*-2%*	*-10%*	*9%*	*0%*	*10%*	*2%*	*1%*	*9%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, October 2018.

parks along Billy Graham Parkway at W. Tyvola Road, Golf Acres Drive and Morris Fields Road;

- As illustrated in Table 12 below, U.S. Census Bureau On-the-Map data for 2006—2015 (latest data available) indicate that the **2007—2010 recession had a significant impact on the study area's employment base as 1,765 jobs were lost**. Construction and Wholesale Trade exhibited the largest job losses, as did Administrative jobs within the Services sector;
- Since 2010, however, the study area's economy has strengthened, **adding fully 5,003 new jobs over this six-year period**;
- **Despite recession-based job losses, the West Boulevard study area had a net gain of 3,238 new jobs between 2005 and 2015.** We note that differences between Dun & Bradstreet (Table 11) and U.S. Census Bureau (Table 12) are attributed to part-time, self-employed and those jobs not contributing to the Unemployment Insurance Fund;

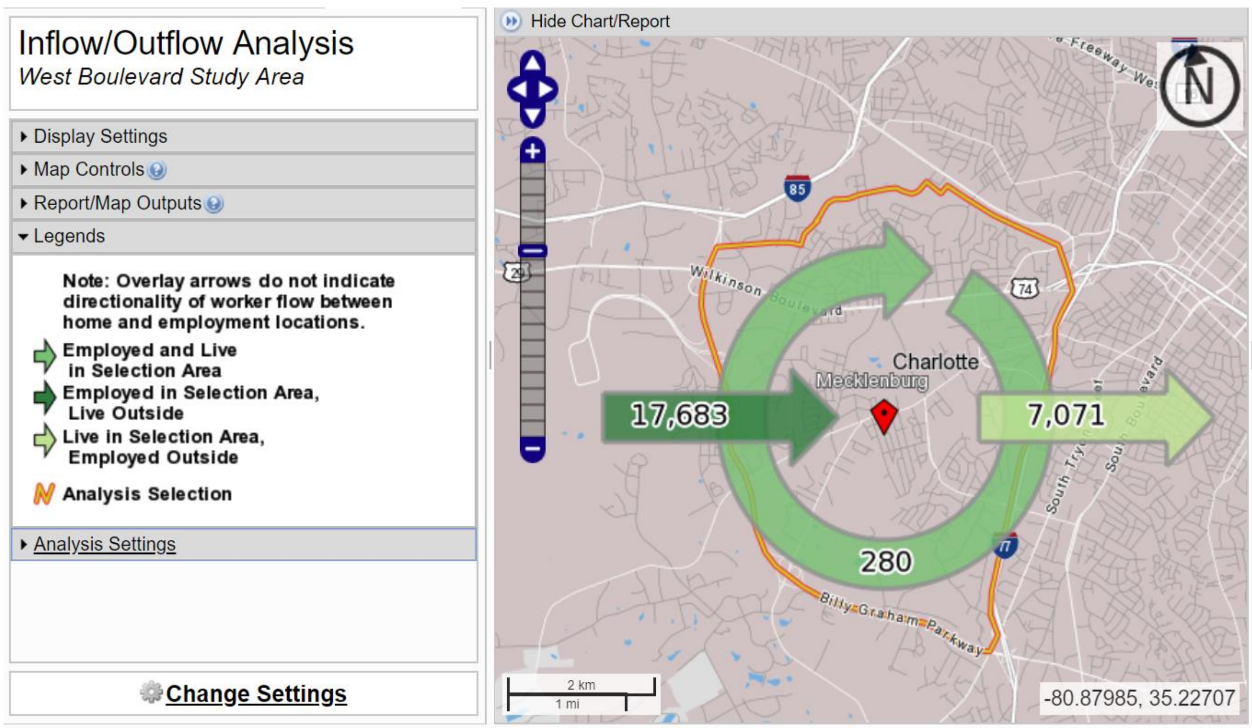
Figure 6: Employment Densities—West Boulevard Study Area, 2015



- As illustrated in Figure 6, in 2015, the U.S. Census Bureau estimates that the highest employment densities were concentrated in clusters along Billy Graham Parkway, the office park on Perimeter Pointe Parkway, the industrial/business park on Pressley Road/Stuart Andrew Boulevard and Barringer Drive, and in the retail businesses along Wilkinson Boulevard; and

- As illustrated in Figure 7 below, according to U.S. Census Bureau data, in 2015 the West Boulevard study area exhibited a gain of 17,683 workers who live elsewhere working in the study area while over 7,000 residents leave the study area on a daily basis to work elsewhere.

Figure 7: Employment Inflow/Outflow—West Boulevard Study Area, 2015



In conclusion, it is notable that the study area's jobs are concentrated on its periphery—along Billy Graham Parkway, Wilkinson Boulevard and I-77. This reinforces the importance of strategies that serve to attract businesses and jobs to West Boulevard that benefit study area residents.

3 Real Estate Market Conditions

WTL +a evaluated real estate market conditions in the West Boulevard study area and in other selected, nearby competitive locations in Charlotte to understand how recent market trends, current economic conditions, and future growth affect revitalization opportunities in the study area generally and in specific locations/nodes in particular.

This section of the report analyzes historic and current building inventory, occupancy and vacancy levels, annual absorption (leasing) activity, historic development trends, and other appropriate market indices for housing, "workplace" (office and business), supporting commercial (retail) and lodging/hospitality uses based on available data. Key findings are summarized below and illustrated in Table 13 through Table 21.

Housing

The West Boulevard study area contains a diverse array of residential neighborhoods. Market metrics of the study area's housing stock are illustrated in Table 13 and detailed below:

- Based on data from ESRI Business Analyst and the American Community Survey (ACS), the study area contains 8,085 housing units. Since 2010, ESRI data suggest that the study area's housing inventory has increased by fully 1,231 units;
- Like many communities across the U.S. after the 2007—2009 recession, **the number of owner-occupied units has *decreased***—from 32% in 2010 to 28% in 2018. Conversely, the number of renter-occupied units increased during this time—from almost 55.8% in 2010 to 59.8% by 2018. As discussed in greater detail below, 12% of the study area's housing stock is "unoccupied" (estimated at 826 units in 2010 and 981 units in 2018);

Table 13: Housing Profile—West Boulevard Study Area, 2010—2023

	2010	2018	% Dist.	2023	% Dist.	Change: 2018-2023 No.	Change: 2018-2023 CAGR %
Housing Tenure							
Owner-occupied	2,205	2,269		2,502		233	1.97%
% of Total	32.2%	28.1%		28.0%			
Renter-occupied	3,823	4,835		5,340		505	2.01%
% of Total	55.8%	59.8%		59.8%			
Unoccupied	826	981		1,087		106	2.07%
% of Total	12.1%	12.1%		12.2%			
Total Units:	**6,854**	**8,085**		**8,929**		**844**	**2.01%**
		1,231					
Owner-Occupied Value							
$0 - $99,999		1,507	66%	1,512	60%	5	0.1%
$100,000 - $199,999		494	22%	558	22%	64	2.5%
$200,000 - $299,999		130	6%	171	7%	41	5.6%
$300,000 - $399,999		69	3%	122	5%	53	12.1%
$400,000 - $499,999		24	1%	48	2%	24	14.9%
$500,000 - $749,999		19	1%	40	2%	21	16.1%
$750,000 - $999,999		13	1%	41	2%	28	25.8%
$1,000,000+		14	1%	9	0%	(5)	-8.5%
Median Value		**$ 85,469**		**$ 90,011**			**1.0%**
Average Value		**$ 124,086**		**$ 144,282**			**3.1%**
All Housing Units By Structure (2016 American Community Survey)							
1 Unit, Detached		4,560	56.4%				
1 Unit, Attached		194	2.4%				
2 Units		550	6.8%				
3 or 4 Units		509	6.3%				
5 to 9 Units		825	10.2%				
10 to 19 Units		889	11.0%				
20 to 49 Units		299	3.7%				
50 or More Units		129	1.6%				
Mobile Home		137	1.7%				
Total Units:		**8,093**	**100%**				

Unoccupied Housing Units By Status

Unoccupied-All Reasons	**2010**	**2016 (ACS)**
Rented (Not Occupied)	9	
For Sale Only	51	
Sold (Not Occupied)	21	
Seasonal Use	9	0%
For Migrant Workers	-	
Subtotal:	**90**	
TRUE VACANCIES		
Other Vacant	240	
Vacant, For Rent	498	
Subtotal:	**738**	**874**
True Vacancy Rate	**10.8%**	**12.6%**
Total Unoccupied Units:	**828**	**981**
True Vacant Only	*89.1%*	

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF

Source: ESRI Business Analyst; American Community Survey; WTL +a, October 2018.

WTL +a
Real Estate & Economic Advisors
Washington, DC—Provincetown, MA
202.885.9121 301.502.4171 774.538.6070

- The average unit value of all housing units in the study area in 2018 is slightly more than $124,000. Over the next five years, ESRI forecasts suggest that average housing values in the study area will increase at a nominal compound annual rate of 3.1% per year—to almost $144,300;

- More specific analysis of the study area's unoccupied housing stock indicates that units are unoccupied for various reasons. As a result, this does not accurately reflect actual *vacant* units. Based on U.S. Census data, 826 units were unoccupied in 2010. While recovery from the 2007—2009 recession gained momentum in many housing markets, in the West Boulevard study area **the number of unoccupied units actually *increased* between 2010 and 2018**—from 826 units in 2010 to 981 units in 2018;

- The number of unoccupied units includes nine "seasonally-owned" (i.e., as defined by the Census Bureau, occupied for only a portion of the year) as well as 81 unoccupied units that have been sold, rented or for-sale and are not yet occupied. When such units are removed from the unoccupied category**, the study area's *true vacancy* in 2010 was lower—10.8% (738 units).** The 2016 American Community Survey (ACS) suggests that the number of truly vacant units has increased—to 874 units in 2016, revealing a true vacancy rate of 12.6%. These findings reinforce appropriate strategies designed to reduce the study area's vacant housing stock and increase homeownership opportunities; and

- ACS data reveal that the study area's housing stock consists of a diverse array of housing types. This includes single-family attached and detached (58.4%) and multi-family units (39.6%). In addition, another 1.7% of the study area's housing stock, or 137 units, consists of mobile homes.

Housing Starts

To document how population and household growth affects market potentials for new housing in the West Boulevard study area, WTL+a reviewed information on annual housing starts/residential building permits. This analysis also compares housing starts to household growth to understand whether the pace of one metric is consistent with (or exceeds) the other. Housing starts for the 10-year period between 2008 and 2017 are illustrated in Table 14 below. Key findings indicate that:

- Since the 2007-2009 recession and subsequent recovery and economic momentum, housing starts across Mecklenburg County resulted in delivery of 71,601 new housing units, producing a *sustained* annual pace of **7,160 units per year**. According to data from the U.S. Department of Housing & Urban Development (HUD), this includes 32,588 single-family units (46% of the total) and 39,013 multi-family units (54% of the total);
- Based on data from the City and ESRI (May 2019), there were 61,371 units built in the City of Charlotte in the 11 years between 2008 and 2018, resulting in a sustained annual pace of **5,579 units per year.** This equates to a sustained average annual increase in citywide housing stock of 1.6% per year (17.5% total)**;**
- Using both City and new ESRI data (May 2019), between 2008 and 2018 **there were 1,265 housing starts in 10 neighborhoods roughly coinciding with the West Boulevard study area, equating to a sustained annual pace of 115 units per year.** This equates to a sustained average annual increase in study area housing stock of 1.7% per year (18.5% total), reflecting a *rate* of growth slightly higher than the city as a whole. This includes:
  - Few new “infill” units in Clanton Park and Revolution Park
  - Scattered units built in various neighborhoods such as Westerly Hills and Arbor Glen/Reid Park, and
  - Larger new residential developments in Bryant Park and Marsh Estates (north of Wilkinson Boulevard) and the Residences at Renaissance, a Hope VI development, with 477 new units delivered between 2014 and 2016, located at the intersection of West Boulevard and Billy Graham Parkway

Table 14: 10-Year Housing Starts—Selected Geographies, 2008—2017

Map Key	Municipality	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Change: 2008-2017 Total Starts	Change: 2008-2017 Annual Average	Change: 2008-2017 %
Mecklenburg County (HUD Data)														
	Single-family	2,496	1,315	1,869	1,949	3,200	3,863	3,896	3,972	4,901	5,127	32,588	3,259	46%
	Multi-family	4,354	1,729	803	1,145	4,812	4,695	5,444	5,084	4,858	6,089	39,013	3,901	54%
Total:		**6,850**	**3,044**	**2,672**	**3,094**	**8,012**	**8,558**	**9,340**	**9,056**	**9,759**	**11,216**	**71,601**	**7,160**	**100%**
City of Charlotte (City Data)														
	All Units	6,533	4,877	3,052	1,996	4,549	5,778	9,668	4,906	-	-	**41,359**	**4,136**	**58%**
	As % of County	*95%*	*160%*	*114%*	*65%*	*57%*	*68%*	*104%*	*54%*	*0%*	*0%*			
West Boulevard Area Neighborhoods														
7	Arbor Glen/Reid Park	14	1	9	9	7	6	14	30	7	6	103	10	9%
	Bryant Park	-	-	-	-	-	-	21	84	103	36	244	24	21%
1	Clanton Park/Roseland	-	-	-	-	-	-	-	-	2	-	2	0	0%
	Marsh Estates	1	-	-	-	-	-	213	-	-	1	215	22	19%
9	Ponderosa/Wingate	9	-	-	-	6	2	-	-	-	2	19	2	2%
10	Residences at Renaissance	-	-	-	-	-	-	184	153	140	-	477	48	42%
16	Revolution Park	-	-	-	-	-	-	1	-	-	-	1	0	0%
8	West Boulevard	-	-	-	-	-	-	48	-	-	-	48	5	4%
12	Westerly Hills	-	9	4	1	-	-	-	4	-	3	21	2	2%
11	Westover Hills	-	-	-	-	-	1	3	1	2	1	8	1	1%
Total-West Boulevard Area:		**24**	**10**	**13**	**10**	**13**	**9**	**484**	**272**	**254**	**49**	**1,138**	**114**	**2.8%**

http://socds.huduser.org/permits/
Note: Residences at Renaissance is located on the site of the former Boulevard Homes.

Source: U.S. Dept. of Housing & Urban Development; Mecklenburg County Certificate of Occupancy Data; City of Charlotte; WTL+a, revised November 2018.

Multi-family Rental

WTL+a examined market trends among selected multi-family rental apartment properties located within or immediately adjacent to the West Boulevard study area based on data from REIS, Inc. (a national real estate database), as overall market conditions are key to understanding development potentials for new rental housing in the study area.

According to REIS, Inc., a national real estate data provider, the West Boulevard study area is located in the West/Charlotte Airport apartment submarket of Mecklenburg County. Market performance statistics for this submarket are illustrated in Table 15, with more detailed metrics of selected, specific properties located in or surrounding the study area illustrated in Table 16:

- The West/Charlotte Airport submarket contains 10,355 multi-family apartment units. There have been significant levels of new construction over the past 10 years—with more than 6,600 new units delivered between 2009 and 2018;
- Vacancies have fluctuated with new construction deliveries. Vacancies peaked in 2010 at the end of the 2007—2009 recession at 14.7% but have since declined by 57% to 6.3% in 2018. The apartment industry considers vacancies of 5% to be stabilized;
- Monthly rents have increased fully 69% since 2009—from $770 to $1,302 per month in 2018. After concessions, which generally discount monthly rents from 6% to 9%, effective rents were $1,222 per month in 2018; and
- Over the past 10 years, **net absorption in the West/Charlotte Airport submarket totaled a strong 6,272 units, or 627 units per year**. Notably, average annual absorption is generally keeping pace with new unit deliveries, which averaged 664 units per year over the past 10 years.

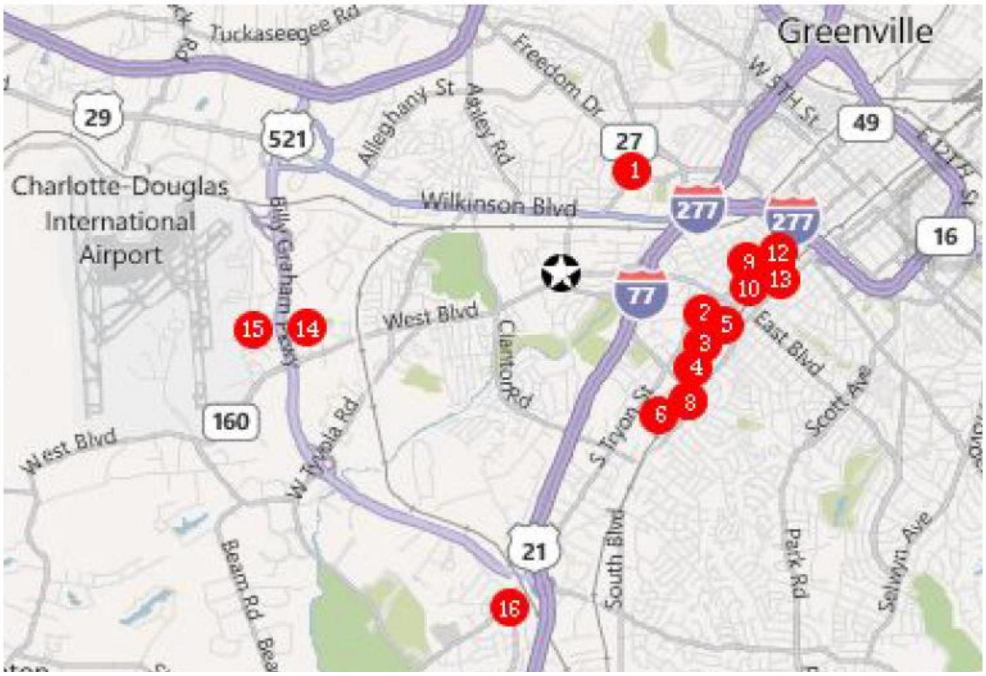
WTL+a

Table 15: Key Statistics—West/Charlotte Airport Apartment Market, 2009-2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Change: 2009-2018 Amt.	Change: 2009-2018 %
Inventory (Units)	4,028	5,392	5,392	5,392	6,698	8,070	8,774	8,911	10,355	10,355	**6,327**	**157%**
Completions (Units)	309	1,364	-	-	1,306	1,372	704	137	1,444	-	**6,636**	
Annual Average											**664**	
% Vacant	14.6%	14.7%	8.4%	6.2%	9.4%	8.5%	4.8%	3.8%	7.1%	6.3%		**-57%**
Annual Net Absorption	11	1,159	340	119	1,010	1,319	968	217	1,046	83	**6,272**	
Annual Average											**627**	
Monthly Asking Rent	$ 770	$ 869	$ 877	$ 916	$ 1,002	$ 1,136	$ 1,218	$ 1,208	$ 1,282	$ 1,302		**69%**
Effective Rent	$ 698	$ 796	$ 804	$ 842	$ 908	$ 1,028	$ 1,099	$ 1,088	$ 1,203	$ 1,222		**75%**
Concessions Discount	-9.4%	-8.4%	-8.3%	-8.1%	-9.4%	-9.5%	-9.8%	-9.9%	-6.2%	-6.1%	**-8.5%**	**-34%**

Source: REIS, Inc.; WTL+a, December 2018.

Figure 8: Area Multi-Family Properties Map



Based on data from REIS, Inc., a national real estate data provider, WTL+a prepared a detailed profile of 15 multi-family rental properties located in or surrounding the West Boulevard study area. Key findings are summarized below and illustrated in Table 16:

- Within the study area, there are **three multi-family properties containing 549 units**, which comprise 5% of the West/Charlotte Airport submarket. This include Morehead West (210 units delivered in 2014), Residences at Renaissance (60 of the project's 477 units, 2014), and Courtney Ridge (279 units, 2001);

- The weighted average unit size is 1,039 sq. ft. in these three properties with a weighted average rent of $1,204 per month ($1.16 per sq. ft.);
- Annual absorption (leasing) has fluctuated over the past five years, **averaging only one unit per year**; and

Table 16: Market Profile of Selected Competitive Apartment Properties

Project/Location	Distance from West & Remount	Year Built Class & Height	Average Monthly Concession	Unit Type	No. of Units	Size (In SF)	Per Month Asking Rent	Per Month Rent Per SF	Vacant Units	Vacancy & Absorption Analysis 2018	2017	2015	2013
West of I-77													
Morehead West	1.00	2014	$ 75	1 BR	133	726	$ 996	$ 1.37	68	32.4%	25.0%	40.6%	40.6%
2024 Millerton Ave		A		2 BR	55	1,158	1,642	1.42		(16)	33	-	-
Charlotte		4 floors		3 BR	22	1,197	1,690	1.41					
					210	**888**	**$ 1,238**	**$ 1.39**					
Residences at Renaissance	2.06	2014	$ 49	1 BR	12	829	$ 651	$ 0.79	1	1.7%	3.3%	8.3%	8.3%
3610 Nobles Avenue		B/C		2 BR	29	1,040	810	0.78		1	3	-	-
Charlotte		4 floors		3 BR	19	1,248	893	0.72					
					60	**1,064**	**$ 804**	**$ 0.76**					
Courtney Ridge Apartments	2.78	2001/2006	$ 71	1 BR	94	889	$ 1,177	$ 1.32	28	10.0%	3.0%	3.9%	3.8%
920 Yorkmount Ridge Lane		A		2 BR	153	1,233	1,301	1.06		(20)	3	(0.3)	-
Charlotte		3 floors		3 BR	32	1,491	1,340	0.90					
					279	**1,147**	**$ 1,264**	**$ 1.10**					
COMPARABLES ANALYSIS-West of I-77:													
Total/Weighted Average			**$ 65**		**549**	**1,039**	**$ 1,204**	**$ 1.16**	**97**	**17.7%**	**11.4%**	**18.42%**	**18.37%**
As % of West/Charlotte Airport Submarket					**5%**								
Total Unit Absorption (2013-2018):										**(34)**	**38**	**(0.3)**	**-**
Average Annual										**1**			

Table 16 (Continued): Market Profile of Selected Competitive Apartment Properties

Project/Location	Distance from West & Remount	Year Built Class & Height	Average Monthly Concession	Unit Type	No. of Units	Size (In SF)	Per Month Asking Rent	Per Month Rent Per SF	Vacancy & Absorption Analysis Vacant Units	2018	2017	2015	2013
East of I-77/South End													
Three 30 Five	1.17	2013	$ 82	Studio	26	543	$ 1,010	$ 1.86	8	4.9%	5.8%	4.8%	22.9%
335 Doggett Street		A		1 BR	54	776	1,123	1.45		1	(2)	30	-
Charlotte		5 floors		2 BR	67	1,050	1,446	1.38					
				3 BR	16	1,186	2,306	1.94					
					163	**892**	**$ 1,354**	**$ 1.52**					
Spectrum South End	1.26	2010	$ 95	Studio	22	663	$ 1,379	$ 2.08	26	7.9%	7.9%	5.4%	5.2%
2225 Hawkins Street		A		1 BR	205	828	1,475	1.78		-	(8)	(1)	-
Charlotte		4 floors		2 BR	103	1,267	1,784	1.41					
					330	**954**	**$ 1,565**	**$ 1.64**					
Junction 1504	1.31	2013	$ 101	1 BR	177	805	$ 1,533	$ 1.90	7	2.5%	4.4%	3.6%	5.6%
1504 Mainline Boulevard		A		2 BR	104	1,084	1,920	1.77		5	(2)	6	-
Charlotte		3 floors		3 BR	-	-	-	-					
					281	**908**	**$ 1,676**	**$ 1.85**					
Ashton South End	1.37	2009	$ 142	1 BR	151	1,052	$ 1,850	$ 1.76	7	2.3%	2.6%	2.5%	4.2%
125 W. Tremont		A		1 BR	15	1,190	$ 2,000	1.68					
Charlotte		11 floors		2 BR	122	1,393	2,200	1.58		1	(0.3)	5	-
				2 BR	21	2,084	3,500	1.68					
					309	**1,263**	**$ 2,352**	**$ 1.86**					
Fountains South End	1.40	2013	$ 100	Studio	18	546	$ 1,164	$ 2.13	8	3.9%	4.9%	4.0%	3.6%
126 New Bern Street		A		1 BR	110	770	1,612	2.09		2	(2)	(1)	-
Charlotte		5 floors		2 BR	2	863	1,095	1.27					
				2 BR	72	1,171	2,243	1.92					
				3 BR	4	1,296	2,122	1.64					
					206	**902**	**$ 1,656**	**$ 1.84**					

Table 16 (Continued): Market Profile of Selected Competitive Apartment Properties

Project/Location	Distance from West & Remount	Year Built Class & Height	Average Monthly Concession	Unit Type	No. of Units	Size (In SF)	Per Month Asking Rent	Per Month Rent Per SF	Vacancy & Absorption Analysis Vacant Units	2018	2017	2015	2013
East of I-77/South End													
Silos South End	1.46	2013	$ 118	Studio	21	606	$ 1,345	$ 2.22	11	2.8%	3.2%	2.6%	14.3%
131 Poindexter Drive		A		1 BR	144	800	1,500	1.88		2	(2)	46	-
Charlotte		4 floors		2 BR	182	1,272	2,200	1.73					
				3 BR	42	1,675	2,800	1.67					
					389	**1,105**	**$ 1,959**	**$ 1.77**					
Colonial Reserve at South End	1.46	2014	$ 127	Studio	5	520	$ 1,551	$ 2.98	16	4.5%	8.1%	13.2%	13.2%
2720 South Boulevard		A		1 BR	149	802	1,813	2.26		13	18	-	-
Charlotte		4 floors		2 BR	199	1,122	2,336	2.08					
					353	**978**	**$ 2,104**	**$ 2.15**					
District Flats @ Summit & Church	1.48	2014	$ 93	Studio	81	621	$ 1,337	$ 2.15	9	4.6%	4.1%	6.8%	6.8%
1449 S. Church Street		A		1 BR	76	807	1,629	2.02		(1)	5	-	-
Charlotte		6 floors		2 BR	37	1,132	1,796	1.59					
					194	**791**	**$ 1,539**	**$ 1.94**					
Park and Kingston	1.50	2013	$ 71	Studio	45	545	$ 1,092	$ 2.00	4	2.4%	6.6%	22.9%	36.3%
125 W. Park Avenue		A		1 BR	106	821	1,197	1.46		7	27	22	-
Charlotte		4 floors		1 BR	16	1,191	1,221	1.03					
					167	**782**	**$ 1,180**	**$ 1.51**					
Mosaic South End	1.71	2010	$ 83	Studio	8	576	$ 1,048	$ 1.82	7	2.6%	3.9%	4.2%	4.0%
1312 S. College Street		A		1 BR	178	999	1,264	1.27		3	1	(1)	-
Charlotte		5 floors		2 BR	65	1,182	1,420	1.20					
				3 BR	16	1,378	2,489	1.81					
					267	**1,054**	**$ 1,369**	**$ 1.30**					

Table 16 (Continued): Market Profile of Selected Competitive Apartment Properties

Project/Location	Distance from West & Remount	Year Built Class & Height	Average Monthly Concession	Unit Type	No. of Units	Size (In SF)	Per Month Asking Rent	Per Month Rent Per SF	Vacant Units	Vacancy & Absorption Analysis 2018	2017	2015	2013
East of I-77/South End													
Camden South End	1.74	2003/2013	$ 100	Studio	3	502	$ 1,119	$ 2.23	21	7.0%	4.8%	3.1%	3.5%
125 W. Tryon Street		A		1 BR	127	740	1,362	1.84		(7)	(5)	1	-
Charlotte		4 floors		2 BR	172	1,237	1,887	1.53					
					302	**1,021**	**$ 1,659**	**$ 1.63**					
Post South End	1.75	2009/2016	$ 177	Studio	5	657	$ 1,268	$ 1.93	26	7.2%	10.7%	6.5%	4.9%
222 E. Bland Street		A		1 BR	132	778	1,523	1.96		13	(15)	(6)	-
Charlotte		4 floors		2 BR	178	1,341	1,709	1.27					
				2 BR	44	1,242	2,700	2.17					
					359	**1,112**	**$ 1,756**	**$ 1.58**					
COMPARABLES ANALYSIS-East of I-77/South End:													
Total/Weighted Average			**$ 107**		**3,320**	**1,006**	**$ 1,739**	**$ 1.73**	**150**	**4.5%**	**5.7%**	**6.1%**	**9.2%**
As % of West/Charlotte Airport Submarket					***32%***								
Total Unit Absorption (2013-2018):										**39**	**14**	**102**	**-**
Average Annual										**31**			

Source: REIS, Inc.; WTL+a, October 2018.

- Vacancies are problematic—and have declined only slightly over the past five years—from 18.4% in 2013 to 17.7% in 2018.

The remaining 12 competitive properties are clustered in the South Boulevard corridor to the east of I-77 and the study area, where significant new residential development has been fueled by opening of multiple CATS Blue Line light rail stations. According to REIS:

- These 12 properties contain 3,320 units and comprise fully 32% of the 10,355 units in the West/Charlotte Airport submarket;
- The weighted average unit size is 1,006 sq. ft. in these 12 properties with a weighted average rent of $1,739 per month ($1.73 per sq. ft.). Rents are well-above the four competitive properties located in the study area;
- Annual absorption (leasing) is also stronger than the study area's competitive properties, **averaging 31 units per year**; and
- Vacancies are also lower, declining from 9.2% in 2013 to 4.5% in 2018. In effect, these 12 competitive properties are operating at stabilized market performance.

Table 17: For-Sale Market Trends—West Boulevard Study Area, 2013—2018

	2013	2014	2015	2016	2017	2018	% Change: 2013-2018
North Trade Area							
Average Sales Price	$ 142,512	$ 153,973	$ 159,758	$ 198,846	$ 193,030	$ 192,666	**35%**
Median Sales Price	$ 42,000	$ 48,000	$ 154,960	$ 155,500	$ 154,450	$ 143,000	**240%**
Days On Market *(2)*	84	59	40	33	25	30	**-64%**
Months of Supply	6.8	5.3	3.6	2.1	1.7	2.6	**-62%**
Homes for Sale/Inventory *(3)*	24	19	19	20	15	17	**-29%**
South Trade Area							
Average Sales Price	$ 51,057	$ 61,869	$ 64,270	$ 73,449	$ 99,150	$ 132,690	**160%**
Median Sales Price	$ 48,500	$ 45,500	$ 58,000	$ 65,000	$ 100,100	$ 128,500	**165%**
Days On Market *(2)*	108	114	55	82	57	31	**-71%**
Months of Supply	13.4	12.8	7.7	5.8	4.9	3.3	**-75%**
Homes for Sale/Inventory *(3)*	47	55	37	32	31	26	**-45%**

(1) All data is as reported by Carolina Multiple Listing Services, Inc. (CarolinaMLS) for 2013-2018. Data reflects Single-Family and Condominium/Townhome only for the custom trade areas.

(2) Days on Market (DOM) tracks the days on market for a property specific to the MLS number. DOM accrues for "Active" and "Under Contract-Show" categories. DOM does not include any days that the listing is in "Under Contract-No Show", "Temporary Off Market", "Closed", "Expired" or "Withdrawn" status.

(3) Homes for Sale/Inventory include properties available for sale in Active status at the end of a given month.

Source: Charlotte Regional Realtor Association; Carolina Multiple Listing Services, Inc.; WTL+a, January 2019.

Residents from the West Boulevard Neighborhood Coalition (WBNC) have expressed concern about the impacts of gentrification and economic displacement in the West Boulevard study area. To understand possible impacts and to guide appropriate implementation strategies, WTL+a examined trends in the study area's for-sale housing market based on data provided by the Carolina Multiple Listing Service, Inc. through the Charlotte Regional Realtor Association. Key findings, which are illustrated in Table 17, indicate that:

- The North Trade Area (i.e., north of the Norfolk Southern rail line and encompassing the residential neighborhoods to the north of Wilkinson Boulevard) contains the highest price housing in the entire 8.87 square mile study area—with average sales prices increasing from $142,512 in 2013 to $192,666 in 2018—an increase of 35%. More telling, however, is the change in median price (the price where 50% are above and 50% are below), which jumped by fully 240%—from $42,000 in 2013 to $143,000 in 2018;
- Other trends indicative of a competitive market includes days-on-market, months of supply, and inventory, all of which declined between 29% and 64% over the past six years.

According to the housing industry, a six-month supply is standard, but the North Trade Area's supply of houses for sale in 2018 was only 2.6;

- The South Trade Area (encompassing the remaining study area below the Norfolk Southern rail line and inside Billy Graham Parkway and I-77) also exhibited significant changes in price and sales activity between 2013 and 2018. While overall pricing is lower than the North Trade Area, average sales prices jumped 160%—from $52,057 in 2013 to $132,690 in 2018. Similarly, median prices increased by 165%—from $48,500 in 2013 to $128,500 in 2018; and
- Housing in the South Trade Area, while lower in price than North, is becoming much more competitive when trends in other metrics are considered. For example, days-on-market declined by 71%, months of supply by 75% and available inventory by 45%. In 2018, there were only 3.3 months of supply in the South Trade Area, down from 13.4 months in 2013.

In conclusion, **the West Boulevard housing market reflects apparent uneven market conditions based on a review of key metrics.** While the majority of residents are renters (72%), the study area's true vacancy rate has increased (12.6%), vacancies in three competitive properties located closest to West Boulevard have remained high in the range of 17% to 18%, and absorption has been limited over the past five years (averaging only one unit per year). Conversely, the for-sale market has become more competitive over the past six years—with significant increases in both average and median prices and declines in other sale metrics as noted above. This reinforces the importance of strategies that serve to protect existing residents, provide opportunities for homeownership, and provide public realm improvements that leverage new development to strengthen existing retailers and support new businesses.

WTL+a reviewed "The State of Housing in Charlotte", prepared by the Childress Klein Center for Real Estate at the University of North Carolina. This report (released in February 2019) was provided in April 2019 after a draft of this study was completed. The report documents the impacts of population growth, the reduction in available housing units since 2005 (both for-sale and rental properties), and the greater impacts resulting from limited supply/increasing demand on price increases, particularly on the lowest 10% of housing values in the Charlotte region. The implications of these growth and property-value pressures are clear, and the West Boulevard study area includes properties that fall within the lower-end of the area average property value spectrum. Because the report was solely focused on general housing characteristics and patterns of change, it did not include other factors which can increase pressures on ownership, such as employment growth or site-specific impacts of related initiatives such as the Lynx Line extension to Charlotte-Douglas International Airport.

In our view, these two factors are specific to West Boulevard above and beyond the general economic pressures on housing supply and property values throughout the area. These two factors pose an even greater concern about displacement of long-term residents, limiting prospects to remain in the area if property owners decide to sell, and the ability to retain ownership in the neighborhood in the face of pending development pressures. While TOD has contributed to Charlotte's economic and property tax base along South Boulevard and the Blue Line extension, these changes are likely to result in a significant alteration of ownership, community connections and family legacies along the West Boulevard corridor. The West Side Community Land Trust is an immediate opportunity to provide an alternative to neighborhood dislocation.

Hotel/Lodging

Given West Boulevard's proximity to Charlotte-Douglas International Airport (CLT), which serves as a major economic development engine, WTL+a reviewed data on market conditions for hotel and lodging uses in this area based on performance data provided by STR Global, the industry leader in hotel market data. Performance metrics from this analysis were used to determine hotel/lodging market potentials, particularly in locations most proximate to the airport such as parcels along Billy Graham Parkway.

In larger population centers and communities with established commercial office concentrations, hotels can serve as an important supporting amenity to corporate and business activity generators, for tourism destinations and for nearby residential clusters. Hotel quality levels are generally determined by the depth and sustainability of support from available market segments. In areas with lower spending potentials or more price-sensitive consumers (such as logistics-related markets serving truck drivers and others), market potentials may be best met by a limited-service property (which is defined by the hotel industry to include no on-site restaurant, and limited other amenities such as gyms, meeting/conference/event spaces, swimming pools, spas, etc.) as opposed to higher-priced hotel categories (such as full-service business-oriented hotels, which include all of the above amenities) or destination resort properties oriented toward beaches/waterfronts, golf courses, etc.

As illustrated in Table 18, the Charlotte metropolitan area contains 27,615 hotel rooms in multiple submarkets. Uptown/Airport is the largest submarket, with 9,197 rooms, or 33% of the area's total. In addition, there are 400 rooms under construction. STR Global, the industry leader in tracking hotel market performance, categorizes hotel properties into the following class levels:

- **Economy—**properties in this class include EconoLodge, Day's Inn, Extended Stay America, Red Roof Inn and a number of smaller, non-chain affiliated properties across Mecklenburg County. This category comprises 22% of the metropolitan area hotel market
- **Midscale**—hotels in this category include Best Western, Quality Inn, Sleep Inn and Wingate by Wyndham. This category comprises 9% of the metropolitan area's hotel market
- **Upper Midscale**—properties in this category include the Comfort Inn, Fairfield Inn, Hampton Inn and Holiday Inn Express & Suites. This category comprises 22% of the metropolitan area's hotel market
- **Upscale**—properties in this class include Marriott Courtyard, Hilton Garden Inn, Hyatt Place and Residence Inn. This category comprises 27% of the area's hotel market
- **Upper Upscale**—properties in this class include Hyatt Regency, Marriott, Sheraton and Wyndham. This category comprises 18% of the area's hotel market, and
- **Luxury**—properties in this class include Ritz Carlton, The Ivey's Hotel and Dunhill Hotel. This category comprises only 2% of the area's hotel market.

Table 18: Charlotte Area Hotel Inventory, 2018

Submarket	Economy (1)	Mid-scale (2)	Upper Mid-scale (3)	Upscale (4)	Upper Upscale (5)	Luxury (6)	Existing Inventory	As % of Mecklenburg County	Under Construction
	No. of Rooms by Property Class								
Charlotte CBD & Airport	**1,375**	**440**	**1,377**	**2,507**	**3,250**	**248**	**9,197**	**33.3%**	**400**
I-77 & Southpark	1,506	1,003	1,597	2,477	1,363	-	7,946	28.8%	-
University Place	1,980	507	1,522	913	393	-	5,315	19.2%	-
Monroe & Rock Hill	970	272	974	1,198	-	244	3,658	13.2%	368
Gastonia & NW	60	141	456	168	-	-	825	3.0%	-
Cornelius	266	-	280	128	-	-	674	2.4%	-
TOTAL:	**6,157**	**2,363**	**6,206**	**7,391**	**5,006**	**492**	**27,615**	**100%**	**768**
% Dist. by Class	***22%***	***9%***	***22%***	***27%***	***18%***	***2%***			

(1) Examples of economy class properties include: Days Inn; Extended Stay America; Red Roof Inn; Super 8; and Travelodge.
(2) Examples of mid-scale class properties include: Best Western; LaQuinta Inn; Quality Inn; Sleep Inn & Suites and Wingate By Wyndham.
(3) Examples of upper mid-scale properties include: Comfort Inn; Fairfield Inn; Hampton Inn; and Holiday Inn Express & Suites.
(4) Examples of upscale properties include: Marriott Courtyard; Crowne Plaza; Doubletree; Hilton Garden Inn; Hyatt Place; and Residence Inn.
(5) Examples of upper upscale properties include: Hyatt Regency; Marriott; Sheraton and Wyndham.
(6) Examples of luxury properties include: Ritz Carlton Charlotte, The Ivey's Hotel, Ballantyne Hotel and Dunhill Hotel.

Source: STR Global; WTL+a, October 2018.

Hotel occupancies are a principal source of information on both business and leisure travel markets; measures of demand for hotel development follow general industry patterns that identify markets to determine readiness to add more room capacity. The general investment thresholds used in capital markets to test expansion feasibility for new hotel rooms include Average Daily Rates (ADRs) and sustained average annual room occupancies (allowing for seasonal changes over the year in major visitor markets.

The industry benchmark identified for construction feasibility/potential expansion is a ***sustained* annual occupancy level between 65% and 72%**. If a market/location sustains an average annual occupancy within these levels (or higher), that location can support additional capacity and warrant development of new hotel rooms.

Table 19 illustrates key performance metrics among selected competitive hotel properties identified by WTL+a. We note that the competitive set is comprised of 24 properties in a mix of product classes and located on the periphery of the West Boulevard study area, including various interchanges of I-77, along Billy Graham Parkway and a cluster of hotels located to the north of the airport at Little Rock Road/I-85 and Billy Graham Parkway/I-85. Key findings from STR Global data on these competitive properties indicate that:

- The 24 properties selected for this analysis include 2,883 rooms, fully 10% of the metropolitan area's room inventory in a mix of product classes;
- Occupancy levels are strong; over the past six years, **average annual occupancies ranged from 63.4% in 2012 to a peak of 73.7% in 2016, with a six-year average of 69.9%;**
- Notably, for the past three years, ***sustained* annual occupancies for these properties have averaged 72.7%**. In 2018, occupancies through September averaged 71.6%;
- Other indicators of solid market performance include Average Daily Rates (ADRs) and Revenue per Available Room (REVPAR). In both metrics, compound annual growth was 4.15% and 6.93% per year, respectively, which is considered very strong;

Table 19: Market Performance of Selected Competitive Hotel Properties, 2012—2017

	2012	2013	2014	2015	2016	2017	Thru Sept 2018	Change: 2012-2017 6-Year Avg.	Change: 2012-2017 CAGR
Performance Characteristics									*(1)*
Number of Rooms	2,403	2,638	2,639	2,635	2,752	2,883	2,883		
Available Room Nights (Supply)	841,645	910,724	963,115	963,020	986,813	1,023,391		948,118	3.99%
Occupied Room Nights (Demand)	533,348	599,859	680,710	694,307	727,070	739,744		662,506	6.76%
Annual Occupancy (%)	**63.4%**	**65.9%**	**70.7%**	**72.1%**	**73.7%**	**72.3%**	**71.6%**	**69.9%**	**2.67%**
Average Daily Rate	$ 75.75	$ 73.25	$ 79.40	$ 86.18	$ 90.93	$ 92.82	$ 85.52	$ 83.77	4.15%
(2) Revenue Per Available Room	$ 48.00	$ 48.25	$ 56.12	$ 62.13	$ 67.00	$ 67.09	$ 61.24	$ 58.54	6.93%
Year-to-Year % Growth									
Annual Occupancy	-	3.9%	7.3%	2.0%	2.2%	(1.9%)			
Average Daily Rate	-	(3.3%)	8.4%	8.5%	5.5%	2.1%			
Revenue/Available Room	-	0.5%	16.3%	10.7%	7.8%	0.1%			

Selected Property	Rooms	% Dist.
Econo Lodge Inn & Suites Airport Charlotte	126	4.4%
Quality Inn & Suites Airport Charlotte	130	4.5%
Comfort Suites Airport Charlotte	84	2.9%
Sleep Inn Airport Billy Graham Parkway Charlotte	79	2.7%
Clarion Hotel Airport & Conference Center Charlotte	102	3.5%
Courtyard Charlotte Airport Billy Graham Parkway	175	6.1%
Springhill Suites Charlotte Airport	95	3.3%
Motel 6 Charlotte	84	2.9%
Microtel Inn & Suites by Wyndham Charlotte Airport	99	3.4%
Super 8 Charlotte Airport North	116	4.0%
Super 8 Charlotte Downtown Area	54	1.9%
Baymont Inn & Suite Charlotte Airport Coliseum	111	3.9%
La Quinta Inns & Suites Charlotte Airport North	119	4.1%
La Quinta Inns & Suites Charlotte Airport South	131	4.5%
Ramada Plaza Charlotte Hotel & Conference Center	215	7.5%
Hilton Garden Inn Charlotte Airport	157	5.4%
Homewood Suites Charlotte Airport	103	3.6%
Doubletree Charlotte Airport	173	6.0%
Hyatt House Charlotte Airport	136	4.7%
Hyatt Place Charlotte Airport Lake Pointe	122	4.2%
Hyatt Place Charlotte Airport Tyvola Road	127	4.4%
Extended Stay America Charlotte Airport	137	4.8%
Holiday Inn Express & Suites Charlotte Airport	117	4.1%
Radisson Hotel Charlotte Airport	91	3.2%
TOTAL ROOMS:	**2,883**	**100%**
As % of Mecklenburg County Inventory	***10.4%***	

Source: STR Global; RDS, LLC; WTL+a, November 2018.

In conclusion, this analysis suggests that **there may be sufficient demand/investment-level performance necessary to justify the addition of new hotel rooms in the competitive market area.** The ability of the West Boulevard corridor to capture this growth is likely limited to its most marketable location—the intersection with Billy Graham Parkway. However, WTL+a notes that the Airport Commercial Development Strategy, prepared in March 2017 to guide preparation of the CLT Airport Strategic Development Plan on behalf of the City of Charlotte Aviation Department, identifies multiple locations of airport-controlled sites for future hotel development under various economic scenarios:

- **Low Economic Growth**—Up to 769 keys (rooms) on 15 acres
- **Moderate Economic Growth**—Up to 1,106 rooms on 21 acres
- **High Economic Growth**—Up to 1,442 rooms plus a convention hotel on 29 acres

As a result, these competitive market forces are likely to prove difficult for a speculative hotel to be developed on West Boulevard—even at its most marketable location with Billy Graham Parkway. This will also be affected by the time required to implement the airport's strategic development plan. Additional detailed market/financial feasibility studies will be required.

Workplace: Office

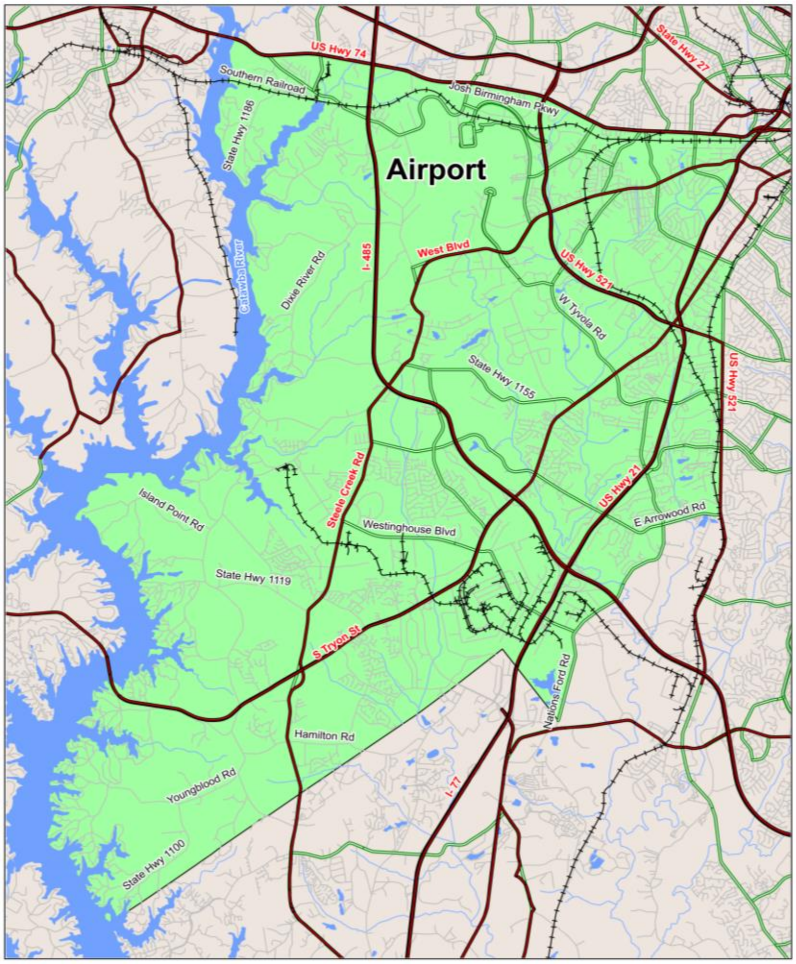
Residents in the West Boulevard study area expressed the need for additional professional services/office businesses, including medical, dental, insurance and legal. As such, the market analysis evaluated market conditions in "workplace" uses, including multi-tenant/speculative office and business services sectors in the Airport office submarket to:

- Understand the submarket's overall competitive position for such uses based on data from various commercial real estate sources, in the following key market indices: total inventory, construction deliveries, net absorption (i.e., leasing) activity, vacant stock, vacancy rates, and rental rates;
- Inform our evaluation of market opportunities for workplace uses and the ability of the West Boulevard corridor to capture these opportunities based on the findings of key metrics in this profile; and
- Guide the planning/design team's testing of revitalization scenarios to ensure that uses such as office space will physically fit and be sufficiently marketable.

Charlotte Airport Office Submarket

Key findings for the Airport office market are summarized below and based on data from CoStar, Inc., a national commercial real estate data provider that tracks office (and retail) market performance in locations nationwide. The Airport submarket's boundaries are illustrated in Figure 9. Key metrics are illustrated in Table 20 and summarized below:

Figure 9: CLT Airport Office Submarket Boundaries



- As illustrated in Table 20, the Airport submarket contains **13.5 million sq. ft. of office space**. There are **more than 1.81 million sq. ft. of vacant office space** (including direct vacancies and sublet space), which reflects a third-quarter 2018 vacancy rate of 13.4%. Notably, office vacancies decreased from their 20.3% peak recorded at the end of the recession in 2011 as economic recovery gained momentum;

Table 20: Office Market Profile—Airport Submarket, 2009—3Q/2018

	National Recession & Recovery									3Q	Change: 2009-3Q/2018		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Ann'l Avg.	% CAGR
Office													
Inventory	11,988,451	12,091,731	12,262,731	12,632,388	12,632,388	12,641,388	12,753,343	13,215,028	13,238,253	13,549,575	**1,561,124**		
No. of Buildings	319	324	325	329	329	330	333	339	340	346			
Vacant Stock	2,224,362	2,236,548	2,494,681	2,364,235	1,897,016	1,700,587	1,560,237	1,660,145	1,640,487	1,816,456	**(407,906)**		
Vacancy Rate	18.6%	18.5%	20.3%	18.7%	15.0%	13.5%	12.2%	12.6%	12.4%	13.4%			**-3.5%**
Total Net Absorption	**(44,959)**	**91,094**	**(87,133)**	**500,103**	**467,219**	**205,429**	**252,305**	**361,777**	**42,883**	**135,353**	**1,924,071**	**197,341**	
Past 5 Years											**997,747**	**210,052**	
Construction Deliveries	644	103,280	171,000	369,657	-	9,000	111,955	461,685	23,225	311,322	**1,561,768**		
Gross Rent/SF	$ 16.14	$ 16.20	$ 16.00	$ 15.91	$ 17.12	$ 18.28	$ 19.34	$ 19.83	$ 19.97	$ 22.43			**3.7%**
Average Annual % Change		*0.4%*	*-1.2%*	*-0.6%*	*7.6%*	*6.8%*	*5.8%*	*2.5%*	*0.7%*	*12.3%*			
Base Rent/SF	$ 15.18	$ 15.21	$ 15.09	$ 15.31	$ 16.47	$ 17.78	$ 18.76	$ 19.07	$ 19.04	$ 21.44			**3.9%**

Source: City of Charlotte; CoStar, Inc.; WTL+a, November 2018.

- Multiple factors have combined to strengthen overall leasing activity, including recovery from the 2007—2009 recession, net new job growth in office-using sectors and new or expanded businesses throughout the Charlotte metropolitan area;
- In the Airport submarket, *net* absorption totaled **1,924,071 sq. ft. over the past 9.75 years.** If this annual pace of 197,341 sq. ft. can be sustained, it would require approximately 8.5 years to reduce the 1.8 million sq. ft. of vacant office space to stabilized levels in the range of 7% vacancy (i.e., the real estate industry considers stabilized occupancies for office buildings to be in the range of 93% to 95%). Based on absorption trends, **the Airport submarket's office market has strengthened over the past five years—with 210,000 sq. ft. of annual net absorption since 2014;** and
- Indicative of this strengthening market, office rents continue to increase. In fact, average asking (gross) rents increased by a compound annual rate of 3.7% per year between 2009 and 2018—from $16.14 per sq. ft. in 2009 to $22.43 per sq. ft. as of the third-quarter of 2018.

West Boulevard Study Area

WTL+a conducted a more detailed analysis of office market trends in and near West Boulevard based on data from CoStar, Inc., a national real estate data provider. Data are illustrated in Table 21 and summarized below:

- The larger study area contains 1,889,632 gross sq. ft. of office space in 57 buildings. This includes office buildings located in the *Perimeter Pointe* office park off of W. Tyvola Road, *Atrium Corporate Center* located on Pressley Road, and others;
- The study area comprises 14% of the Airport submarket's 13.5 million sq. ft. of office space. Since 2009, over 550,800 sq. ft. of new office space was built;
- There are **more than 210,600 sq. ft. of vacant office space** (including direct vacancies and sublet space), which reflects a third-quarter 2018 vacancy rate of 11.1%. Office vacancies decreased from a peak of 27.4% recorded at the end of the recession in 2011;
- Notably, key metrics suggest that the study area's office market is strengthening. For example, **net absorption totaled 449,579 sq. ft. between 2009 and 2018, or 46,111 sq. ft. per year.** While the study area accounted for 23% of the entire submarket's annual

absorption over 9.75 years, stronger economic performance over the last five years generated higher absorption of 112,410 sq. ft. per year—or 54% of the larger Airport submarket's annual net absorption during this period;

- Indicative of stronger market performance, office rents in the West Boulevard study area continue to increase. In fact, average asking (gross) rents increased by a compound annual rate of 5.2% per year between 2009 and 2018—from $15.09 per sq. ft. in 2009 to $23.83 per sq. ft. as of the third-quarter of 2018, which is higher than the submarket as a whole.

Atrium Corporate Center

Dwight Evans Road flex-tech/office

Perimeter Pointe

Table 21: Office Market Profile—West Boulevard Study Area, 2009—3Q/2018

	National Recession & Recovery									3Q	Change: 2009-3Q/2018		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Ann'l Avg.	% CAGR
Office													
Inventory *(1)*	1,438,811	1,443,491	1,443,491	1,443,491	1,443,491	1,443,491	1,443,491	1,889,632	1,889,632	1,889,632	**450,821**		
As % of Airport Submarket	*12%*	*12%*	*12%*	*11%*	*11%*	*11%*	*11%*	*14%*	*14%*	*14%*			
No. of Buildings	53	54	54	54	54	54	54	57	57	57			
Vacant Stock	175,668	201,164	395,866	332,239	298,455	265,499	211,322	281,886	180,848	210,649	**34,981**		
Vacancy Rate	12.2%	13.9%	27.4%	23.0%	20.7%	18.4%	14.6%	14.9%	9.6%	11.1%			**-1.0%**
Total Net Absorption	**33,739**	**(20,816)**	**(194,702)**	**63,627**	**33,784**	**32,956**	**54,177**	**375,577**	**101,038**	**(29,801)**	**449,579**	**46,111**	
Past 5 Years											**533,947**	**112,410**	
Construction Deliveries	100,000	4,680	-	-	-	-	-	446,141	-	-	**550,821**		
Gross Rent/SF	$ 15.09	$ 16.33	$ 16.40	$ 15.17	$ 16.87	$ 19.09	$ 20.17	$ 21.21	$ 21.96	$ 23.83			**5.2%**
Average Annual % Change		*8.2%*	*0.4%*	*-7.5%*	*11.2%*	*13.2%*	*5.7%*	*5.2%*	*3.5%*	*8.5%*			
Base Rent/SF	$ 14.81	$ 16.05	$ 16.15	$ 15.05	$ 16.75	$ 18.80	$ 19.54	$ 20.13	$ 21.43	$ 23.82			**5.4%**

(1) Inventory includes Class A/B office buildings clustered on Cascade Point Boulevard/Perimeter Pointe Parkway/W. Tyvola Road as well as flex-tech buildings in various business parks (e.g., Westport Road, Interstate Street, Golf Acres Drive, Pressley Road and Stuart Andrews Boulevard.

Source: City of Charlotte; CoStar, Inc.; WTL+a, November 2018.

WTL+a notes that **there is very little office space on West Boulevard** itself. In fact, according to CoStar, Inc. data, there are **only 12,500 sq. ft. of office space in a handful of buildings**, including conversions of single-family units into office space for professional/business services. **Limited market data on key performance metrics—such as vacancy rates and net absorption—preclude a detailed analysis of the corridor's office market performance.**

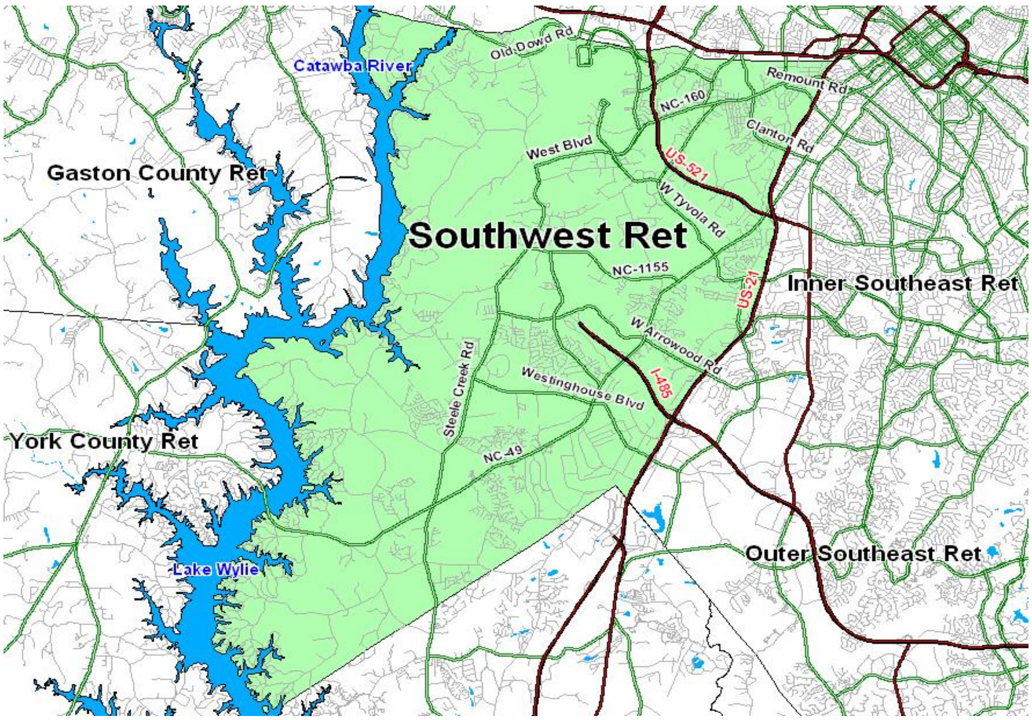
By comparison, the Wilkinson Boulevard corridor contains 283,700 sq. ft. of office space in multiple, small "garden" office buildings, which are generally defined by the real estate industry as 5,000 to 15,000 sq. ft. in size and typically occupied by owner-users. According to CoStar, current vacancy rates are in the range of 6%, which would be considered near stabilized levels.

In conclusion, the office market in the larger West Boulevard study area is generally improving—with rising rents, solid (and increasing) net absorption and investment-grade new construction driven by positive locational characteristics. Notably, office inventory is located along the periphery of the study area in office and business parks along Billy Graham Parkway and I-77. There is a very limited amount of tertiary office space in the West Boulevard corridor specifically.

General Retail

To understand potential market support for retail as a component of the revitalization of the West Boulevard corridor, WTL+a examined market conditions and performance in the surrounding area. As illustrated in Figure 10, the West Boulevard corridor and study area are located in the Southwest Charlotte retail submarket as defined by CoStar, Inc. Key findings from this analysis are summarized below:

Figure 10: Southwest Charlotte Retail Submarket Boundaries



Southwest Charlotte Retail Market

- As illustrated in Table 22, the Southwest Charlotte submarket contains **3.82 million sq. ft. of retail space**. Notably, there is only **62,500 sq. ft. of vacant retail space** (including direct vacancies and sublet space), which reflects a third-quarter 2018 vacancy rate of only 1.6%. Retail vacancies decreased from their 8.2% peak in 2009 as economic recovery gained momentum from the 2007—2009 recession. In effect, **the Southwest Charlotte retail submarket is operating *better than* stabilized levels** (considered by the real estate industry to be 5% vacancy);

WTL+a

Table 22: Retail Market Profile—Southwest Charlotte, 2009—3Q/2018

	National Recession & Recovery									3Q	Change: 2009-3Q/2018		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Ann'l Avg.	% CAGR
Retail													
Inventory	3,020,672	3,051,972	3,089,838	3,102,790	3,107,317	3,481,548	3,651,814	3,771,739	3,800,910	3,822,641	**801,969**		
No. of Buildings/Centers	221	225	229	231	232	240	248	253	256	259			
Vacant Stock	248,696	169,328	200,579	158,719	167,098	104,916	95,333	82,716	61,395	62,522	**(186,174)**		
Vacancy Rate	8.2%	5.5%	6.5%	5.1%	5.4%	3.0%	2.6%	2.2%	1.6%	1.6%			**-16.4%**
Total Net Absorption	**(34,355)**	**110,668**	**6,615**	**54,812**	**(3,852)**	**436,413**	**179,849**	**132,542**	**50,492**	**20,604**	**953,788**	**97,824**	
Past 5 Years											**819,900**	**172,611**	
Construction Deliveries	67,192	31,300	37,866	12,952	4,527	374,231	170,266	119,925	29,171	21,731	**869,161**		
Gross Rent/SF	$ 19.41	$ 18.32	$ 16.29	$ 15.75	$ 17.15	$ 18.08	$ 21.00	$ 23.09	$ 20.73	$ 19.47			**0.03%**
Average Annual % Change		*-5.6%*	*-11.1%*	*-3.3%*	*8.9%*	*5.4%*	*16.2%*	*10.0%*	*-10.2%*	*-6.1%*			
Base Rent/SF (NNN)	$ 19.48	$ 18.41	$ 16.38	$ 15.75	$ 17.18	$ 18.21	$ 20.61	$ 22.85	$ 20.98	$ 19.64			**0.09%**

Source: City of Charlotte; CoStar, Inc.; WTL+a, November 2018.

- Southwest Charlotte's *net* retail absorption totaled almost **953,800 sq. ft. over the past 9.75 years, or 97,800 sq. ft. per year.** However, based on more recent trends, **Southwest Charlotte's retail market strengthened over the past five years—with 172,600 sq. ft. of annual net absorption since 2014;** and

- Interestingly, despite stabilized market conditions, retail rents fluctuated during this period. Retail rents (on a triple net basis where the retailer pays its pro rata share of utilities, real estate taxes and common area maintenance) averaged $19.48 per sq. ft. in 2009, $22.85 in 2016 and $19.64 per sq. ft. during the third-quarter of 2018. Thus, triple net rents increased by a compound annual rate of only 0.9% between 2009 and 2018. Generally flat rents may, in part, be a function of competition generated by new construction, as over 869,100 sq. ft. of new retail space was delivered to the submarket since 2009.

West Boulevard Study Area

WTL+a conducted a more detailed analysis of retail market trends in and near West Boulevard based on data from CoStar, Inc., a national real estate data provider. Data are illustrated in Table 23 and summarized below:

- The West Boulevard study area contains 1,190,600 gross sq. ft. of retail space in 132 buildings or centers. This includes the cluster of retail uses located on Wilkinson Boulevard, such as the Walmart Supercenter, and both strip centers and freestanding pad retail sites along Freedom Drive, West Boulevard and Remount Road;

- The study area comprises 31% of the Southwest Charlotte submarket's 3.82 million sq. ft. of retail space. Since 2009, only 60,400 sq. ft. of new retail space was built;

- There are only **23,300 sq. ft. of vacant retail space** (including direct vacancies and sublet space), which reflects a third-quarter 2018 vacancy rate of 2.0%. Retail vacancies decreased from a peak of only 6.3% recorded during the national recession in 2009;

- While key metrics suggest that the study area's retail market is stabilized—with very low vacancies—its pace of absorption (net leasing activity) has been limited over the past 9.74 years. For example, **net absorption totaled only 81,900 sq. ft. between 2009 and 2018, or 8,400 sq. ft. per year.** The study area accounted for only 8.6% of the entire submarket's annual absorption over 9.75 years. Over the last five years, the study area accounted for even less—only 4.9% of Southwest Charlotte's 172,600 sq. ft. of annual net absorption;

WTL+a

Table 23: Retail Market Profile—West Boulevard Study Area, 2009—3Q/2018

	National Recession & Recovery									3Q	Change: 2009-3Q/2018		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Ann'l Avg.	% CAGR
Retail													
Inventory	1,152,998	1,152,998	1,176,220	1,176,220	1,183,849	1,183,849	1,190,600	1,190,600	1,190,600	1,190,600	**37,602**		
As % of Southwest Submarke	*38%*	*38%*	*38%*	*38%*	*38%*	*34%*	*33%*	*32%*	*31%*	*31%*			
No. of Buildings/Centers	128	128	130	130	131	131	132	132	132	132			
Vacant Stock	72,736	63,945	70,838	61,140	57,096	46,096	38,586	48,886	26,594	23,317	**(49,419)**		
Vacancy Rate	6.3%	5.5%	6.0%	5.2%	4.8%	3.9%	3.2%	4.1%	2.2%	2.0%			**-12.2%**
Total Net Absorption	**(5,112)**	**8,791**	**16,329**	**9,698**	**11,673**	**11,000**	**14,261**	**(10,300)**	**22,292**	**3,277**	**81,909**	**8,401**	
Past 5 Years											**40,530**	**8,533**	
Construction Deliveries	22,812	-	23,222	-	7,629	-	6,751	-	-	-	**60,414**		
Gross Rent/SF	$ 10.75	$ 11.73	$ 11.68	$ 11.03	$ 11.15	$ 11.00	$ 11.46	$ 15.42	$ 16.84	$ 27.77			**11.1%**
Average Annual % Change		*9.1%*	*-0.4%*	*-5.6%*	*1.1%*	*-1.3%*	*4.2%*	*34.6%*	*9.2%*	*64.9%*			
Base Rent/SF (NNN)	$ 12.11	$ 14.22	$ 11.70	$ 10.95	$ 10.69	$ 10.13	$ 10.72	$ 15.71	$ 17.91	$ 14.25			**1.8%**

Source: City of Charlotte; CoStar, Inc.; WTL+a, November 2018.

- In other words, with limited new construction, the study area is comprising a smaller share of Southwest Charlotte's retail activity, with new retail development and leasing focused at interchanges along the I-485 corridor and Highway 49/S. Tryon Street to the west of the study area; and

- While overall net absorption has been limited in the study area, retail rents have increased. In fact, between 2009 and the 3Q/2018, base rents increased from $12.11 per sq. ft. to $14.25 per sq. ft. on a triple net basis. This translated into a compound annual increase of 1.8% per year. Triple net leases, which are typical in the retail industry, are those where the tenant pays its pro rata share of operating expenses in a shopping center, including real estate taxes, common area maintenance, utilities, etc.

West Boulevard Corridor

Based on CoStar data and multiple windshield surveys conducted as part of the market study, WTL+a documented the amount and type of retail uses located on the West Boulevard corridor and on intersecting streets such as Remount Road. This information, which benchmarks existing conditions and serves as the basis for retail implementation policies and strategies, is summarized below and illustrated in Table 24:

Table 24: Retail Inventory—West Boulevard Corridor, 2018

	Inventory	% of Total	
Location	**(In SF)**	**Location**	**Study Area**
West Boulevard	59,513	46%	5%
City West Commons	37,158	29%	3%
Tyvola Road	13,801	11%	1%
Remount Road	10,431	8%	1%
Other Locations	7,104	6%	1%
TOTAL:			
Selected Corridors/Locations:	**128,007**	**100%**	**10.8%**

Source: City of Charlotte; CoStar, Inc.; WTL+a, November 2018.

- **West Boulevard's retail inventory is generally characterized by auto-oriented, low-scale freestanding pad buildings and small retail strip centers.** There are an estimated **128,000 sq. ft. of retail space** on the corridor and in several other locations, including Tyvola Road, Remount Road and Clanton Road. This inventory comprises approximately 10.8% of the 1,190,600 sq. ft. of retail space located in the larger "Area of Influence";

- Other than the internalized, self-contained layout of City West Commons, a 37,150 sq. ft. unanchored neighborhood retail center built in a cluster of three buildings in 2003, the corridor is not pedestrian-scale or walkable. According to Walkscore.com, which ranks locations nationwide according to their "walkability", the **West Boulevard corridor has low- to moderate-walk scores ranging from 29 to 41**. These scores are defined as "Car Dependent", meaning that most errands require a car;

- West Boulevard itself accounts for almost half of the corridor's retail supply, with 59,500 sq. ft. This includes freestanding pad uses such as the former Jack-in-the-Box, or small strip retail centers such as 1501 or 1527 West Boulevard;

- The corridor also contains 15,954 sq. ft. of Automotive uses, which includes gas stations; auto parts sales; automotive repair services; used car sales; transmission and brake services, etc. This includes the Amoco at 1601 Remount Road, the Citgo at 2650 West Boulevard and Glen's Automotive at 2715 West Boulevard;

- Most notably, **Automotive retail sales comprise a disproportionate share of all retail sales**. As illustrated previously in Table 7, Automotive sales accounted for $6.1 million (53%) of the $11.5 million in total retail sales in the corridor in 2018;

- The largest retail business in the corridor includes Family Dollar, which has two locations at 4611 W. Tyvola Road (13,801 sq. ft.) and 1560 West Boulevard in City West Commons (13,420 sq. ft.);

- There are also four mini-marts, or convenience stores, with 9,066 sq. ft., including two on West Boulevard and one each on Donald Ross Road and Remount Road;
- One of the metrics used to understand retail market potentials is to determine the supply of retail space on a per capita basis. Key findings indicate that:
  - The West Boulevard corridor (and adjacent streets such as Remount Road) contains **128,000 sq. ft. of retail space. As this inventory is located entirely in the "South Trade Area", which has a 2018 population of 12,490, this equates to approximately 10.2 sq. ft. of retail space per resident**
  - The entire "Area of Influence" (both North and South trade areas), with a 2018 population of 19,028 and 1,190,600 sq. ft. of retail space equates to **62.5 sq. ft. of retail space per resident**. This illustrates the significant levels of inflow spending generated by pass-through traffic and residents who live outside of the trade areas, particularly to the retail cluster located along Wilkinson Boulevard
- To put the study area's retail supply into perspective, the 2018 U.S. estimate of total retail space is approximately 26 sq. ft. per capita. Even at 26 sq. ft. per capita, the U.S. average is one of the highest in the world; by comparison, average retail supply per resident in developed European countries is about 2.5 sq. ft.; and
- CoStar data indicate that there are 17,770 sq. ft. of vacant retail space in the West Boulevard corridor, equating to a vacancy rate of 14%. Information on annual net absorption was unavailable from CoStar.

4 Market Potentials

This section of the report details our analysis of real estate market potentials for four key land uses in the West Boulevard corridor based on the demographic profile in Section 2 and evaluation of real estate market conditions in Section 3. This analysis is intended to inform land use planning concepts prepared by the planning and design team with the City of Charlotte, and to guide specific implementation strategies and public policies to ensure that revitalization of West Boulevard is successful. As presented in detail below, the market analysis focused on four core uses: housing, workplace/office, retail and hotel/lodging.

Potential Land Use Concepts

Based on the market analysis, the following land use concepts were created by the City's planning and design team. Mixed-use development concepts are illustrated for two notes—the Remount Road intersection in Figure 11 and the Clanton Road intersection in Figure 12.

Remount Road

- **Residential**—Includes 327 multi-family units and 326,480 sq. ft. of gross building area (assuming 1,000 sq. ft. per unit)
- **Townhouses**—46 units
- **Commercial**—12,000 sq. ft. for either street-level retail and/or office

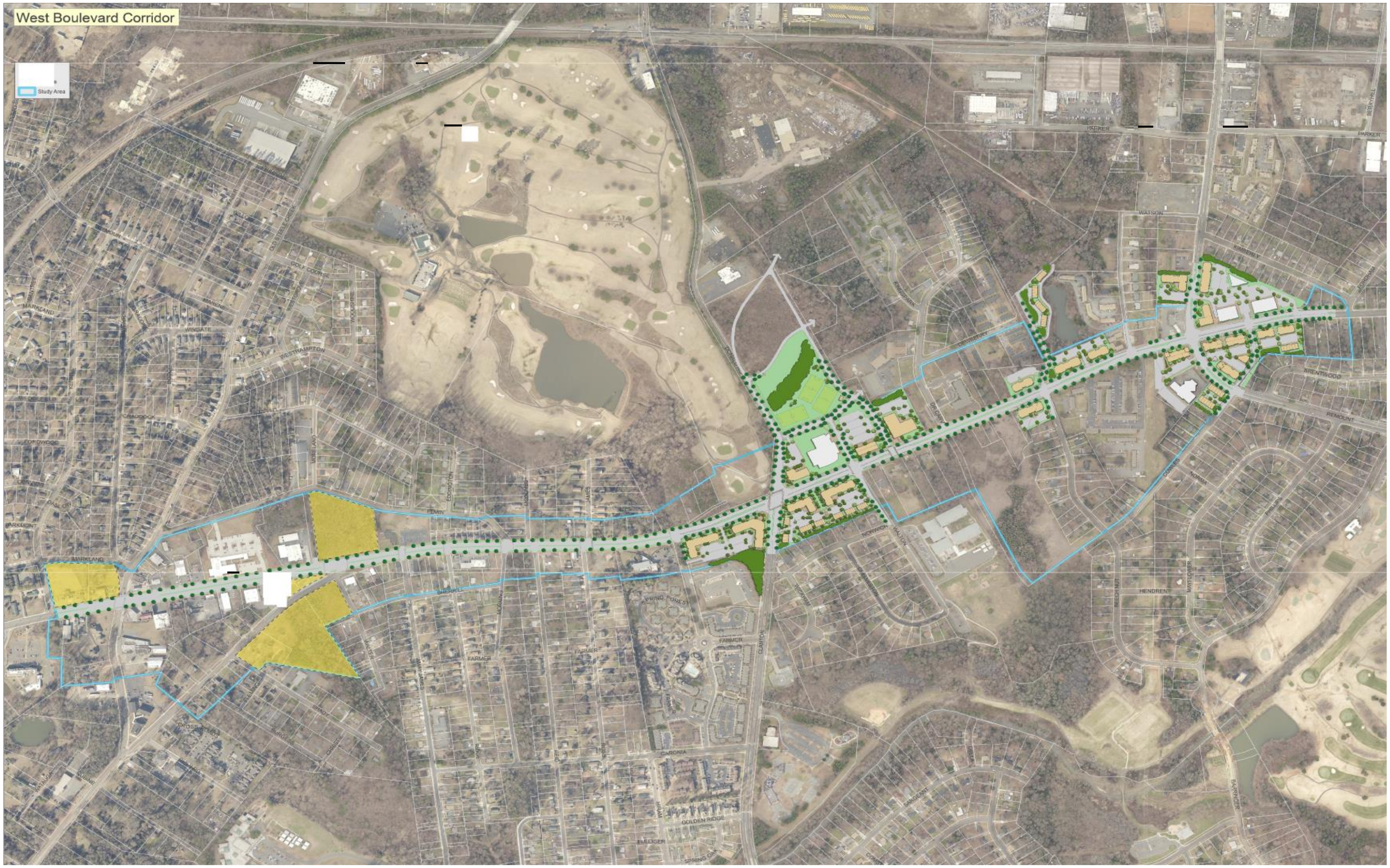
Clanton:

- **Residential**—Includes 258 multi-family units and 257,280 sq. ft. of gross building area (assuming 1,000 sq. ft. per unit)
- **Townhouses**—33 units
- **Commercial**—16,800 sq. ft. for either street-level retail and/or office
- **Office (Mecklenburg County Community Resource Center)**—117,000 sq. ft.

Figure 11: Illustrative Land Use Concept—Remount Road

Figure 12: Illustrative Land Use Concept—Clanton Road

Figure 13: Illustrative Site Plan—West Boulevard Corridor



Market-rate Housing

A key recommendation to ensure the successful revitalization of the West Boulevard corridor is to encourage mixed-use redevelopment with infill housing and other/supporting uses as illustrated above. Expanding the neighborhood's population—particularly in key redevelopment "nodes"—provides multiple benefits, including new jobs and additional consumers for the corridor's existing retail businesses as well as opportunities to support new businesses, and generate new tax revenues for the City of Charlotte.

WTL+a prepared a demand analysis that measures market potentials for new housing for a 10-year period between 2019 and 2028. For both the North and South "trade areas" within the larger "Area of Influence", the analysis utilizes an annual ("straight-line") growth rate of 3.14% per year (North) and 1.67% per year (South), based on forecasts prepared by ESRI Business Analyst, a demographic data provider. For purposes of this analysis, we extrapolated ESRI's five-year forecast through 2028.

At the time of the analysis, there were no known approved/entitled residential projects in either the North or South trade areas. If there are any currently approved projects, the analysis allocates market share to these known residential projects to determine the number of "unallocated" units elsewhere in the trade areas that could be available to accommodate future population/household growth as part of a revitalization strategy for West Boulevard.

North Trade Area

- As noted in the demographic profile in Section 2, the population of the North trade area increased at a compound annual rate of 3.59% per year between 2010 and 2018—producing a net gain of **1,608 new residents and 589 new households**. This can be attributed to new development, such as construction of Morehead West, a new 210-unit multi-family complex located on Millerton Avenue, and new infill single-family detached units in selected neighborhoods in the North trade area;
- In 2018, the North trade area had a population of **6,538 residents in 2,508 households;** and
- As illustrated in Table 25, ESRI Business Analyst is forecasting a compound annual growth rate of 3.14% over the next five years. WTL+a believes this strong growth rate is in anticipation of future CATS transit service along the Wilkinson Boulevard corridor.

Extrapolating this five-year forecast for 10 years would yield **2,369 new residents in 911 new households** **(i.e., housing units)** assuming the North trade area's average household size of 2.60 remains unchanged. This would translate into *annual* demand of roughly 90 units per year.

Table 25: Housing Potentials—North & South Trade Areas, 2019—2028

Municipality	2019	Forecasts *(1)* 2028	Population Change	Average Household Size *(2)*	2028 Housing Units
Study Area-North					
Forecast Annual Growth Rate (2019-2023)	**3.14%**				
Current & Future Population	6,538	8,907	2,369	2.60	**911**
Allocation to Known Residential Projects:					**-**
Study Area North - Unallocated Units:					**911**
Study Area South					
Forecast Annual Growth Rate (2019-2023)	**1.53%**				
Current & Future Population	12,490	14,531	2,041	2.67	**764**
Allocation to Known Residential Projects:					**-**
Study Area South - Unallocated Units:					**764**

(1) This analysis assumes that the 2019-2023 growth forecast continues for 2024-2028.
(2) In order to convert 2028 population into housing units, the analysis assumes that average household size remains the same as it was in 2018.

Source: ESRI Business Analyst; WTL+a, November 2018.

South Trade Area

- As noted in the demographic profile in Section 2, the population of the South trade area increased at a compound annual rate of 1.56% per year between 2010 and 2018—producing a net gain of **1,452 new residents and 487 new households**. This can be attributed to new development, such as construction of the Residences at Renaissance, a 477-unit mix of apartments and townhouses located at the western edge of the West Boulevard corridor;

- In 2018, the South trade area had a population of **12,490 residents in 4,596 households;** and
- As illustrated in Table 25 above, ESRI Business Analyst is forecasting a compound annual growth rate of 1.53% over the next five years. This forecast is roughly half of the anticipated growth of the North trade area. Extrapolating this five-year forecast for 10 years would yield **2,041 new residents in 764 new households (i.e., housing units)** assuming the South trade area's average household size of 2.67 remains unchanged. This would translate into *annual* demand of roughly 75 units per year.

In addition, as noted previously in Section 3 (Table 13), the larger "Area of Influence" has a number of "true vacant" housing units. True vacancy is defined as unoccupied units available for rent but excludes units that are unoccupied because they are for sale or are seasonally-occupied units. According to the 2016 American Community Survey (ACS), the study area has an estimated **874 "truly vacant" units, which reflects a vacancy rate of 12.6%.** While the physical and/or functional obsolescence of these units is unknown, **some portion of these vacant units are assumed to be habitable and may serve to *reduce* demand for *new* residential construction** that are also affected by such variables as the availability of financing, developable sites and other macro-economic factors.

In summary, these forecast growth rates would yield **over 4,400 new residents in more than 1,670 new households (housing units) over the next 10 years**. This forecast is a solid, positive factor that will generate other supporting benefits as part of the revitalization of the West Boulevard corridor.

Workplace/Office

Knowledge-based industries like finance, software, business and management consulting services, market and communications, professional/business services such as accountants, legal and medical and other similar businesses house most of their employees in commercial office buildings.

The first step in measuring support for new multi-tenant/speculative office space as part of a revitalization strategy for West Boulevard examines market potentials for office use in the "Southwest Prosperity Zone" (a multi-county region identified by the state's Department of Commerce for employment forecasts), and allocates demand to the City of Charlotte, the larger study area generally and West Boulevard in particular. The analysis translates employment forecasts (for 2014—2024) among specific industry sectors in Charlotte (as prepared by the North Carolina Department of Commerce), into demand for office space by applying an occupancy factor (of occupied space per employee) and estimates the proportion of employees in each sector who are office workers. We note that the state's employment forecasts are issued only in 10-year periods (with 2014 being the most recent base year).

The analysis also considers demand generated by other market factors, such as vacancy adjustments, part-time/self-employed individuals (who may or may not occupy multi-tenant office space), and cumulative replacement; these estimates either increase or reduce future demand for office space. Cumulative replacement, for example, considers tenants that move when a building is removed from the inventory due to physical and/or functional obsolescence.

We note that assumptions pertaining to occupancy factors *may* be overstated. Since the 2007—2009 recession, office-using businesses have been reducing office occupancies, in some cases by significant amounts. Historically, the commercial real estate industry has used an average occupancy factor of 250 sq. ft. per office employee. However, according to a 2017 study by REIS, Inc. (a national commercial real estate data provider) the amount of office space per employee has been steadily declining in each successive business cycle after a recession. REIS data indicate that, in the national economic expansion of the late 1990s, a new office employee was typically associated with approximately 175 sq. ft. of additional office space. During the early- and mid-2000s (until the 2007—2009 recession), the typical employee was associated with approximately 125 sq. ft. of additional office space. Since 2010, however, each added/new employee has been associated with only about 50 sq. ft. of additional office space. This is particularly notable in space-efficient industries like software and professional/business services, which have been the strongest growing sectors in this business cycle. Moreover, hoteling and remote work-arrangements, where employees share space rather than having dedicated offices or cubicles, enables companies to accommodate even more workers in a given amount of occupied space.

The office analysis is illustrated in Table 26 and Table 27, and summarized below:

Southwest Prosperity Zone

- Employment forecasts for specific jurisdictions in North Carolina are prepared by the state's Department of Commerce, Labor & Economic Analysis Division in 10-year forecast periods for specific regions across the state; each region includes a cluster of counties. Mecklenburg County is in the "Southwest Prosperity Zone" (SPZ), which includes the following 10 counties: Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union;
- **The entire Southwest Prosperity Zone is expected to add 186,565 new jobs between 2014 and 2024**, reflecting a forecast of almost 18,700 new jobs annually over this 10-year period; and
- The analysis indicates ***gross*** **demand for 11.8 million sq. ft. of office space across the Southwest Prosperity Zone between 2014 and 2024**, assuming an average occupancy factor of 176 sq. ft. per office employee, generated by growth in office-using jobs. This is inclusive of adjustments related to vacancy, cumulative (building) replacements, tenant churn, etc. We note that this occupancy factor of 176 sq. ft. per employee reflects the declining occupancies among office-using employees as detailed above;

City of Charlotte

- In order to determine the share of future jobs located in the City of Charlotte, WTL+a utilized the city's 2014 share of the Southwest Prosperity Zone's total jobs based on employment data from On-the-Map, prepared by the U.S. Census Bureau. Based on this data, the city contained 547,311 jobs in 2014, or 49.2% of the SPZ's total jobs;
- **If the City of Charlotte *maintains* its 49.2% share in 2024 would translate into 91,800 new jobs over the forecast period;**
- If these jobs are created, office-using jobs would translate into ***gross*** **demand for 5.4 million sq. ft. of office space in the City of Charlotte between 2014 and 2024**, assuming the same average occupancy factor of 176 sq. ft. per office employee. This is inclusive of adjustments related to vacancy, cumulative (building) replacements, tenant churn, etc.;

Table 26: Office Potentials—Southwest Prosperity Zone & City of Charlotte, 2014—2024

Industry Sector		New Jobs 2014-2024	% Office-Using	SF Occupancy Factor	2024 Demand (In SF)
Southwest Prosperity Zone					
Agriculture & Mining		(52)	10%	150	(800)
Utilities		(24)	20%	175	(800)
Construction		12,234	10%	200	244,700
Manufacturing		3,581	20%	175	125,300
Wholesale & Retail Trade					
Wholesale		4,763	10%	150	71,400
Retail		13,953	10%	150	209,300
Transportation & Warehousing		5,249	10%	150	78,700
Information		1,057	75%	175	138,700
Financial Activities					
Finance & Insurance		14,631	90%	200	2,633,600
Real Estate Rental & Leasing		2,266	75%	175	297,400
Services					
Professional/Scientific & Technical		10,647	90%	250	2,395,600
Management of Companies & Enterprises		13,018	45%	200	1,171,600
Admin/Support/Waste Management		13,372	35%	150	702,000
Educational Services		11,332	20%	175	396,600
Health Care & Social Assistance		34,354	20%	175	1,202,400
Arts/Entertainment & Recreation		5,807	15%	150	130,700
Accommodation & Food Services		20,365	15%	150	458,200
Other Services		3,526	10%	150	52,900
Government		6,735	45%	150	454,600
Self-Employed		9,751	15%	200	292,500
Total/Weighted Average:		**186,565**	**31%**	**176**	**11,054,600**
+ Vacancy Adjustment @			2.5%	*(1)*	276,400
+ Cumulative Replacement Demand			5.0%	*(2)*	552,700
2024 Gross Demand - Southwest Prosperity Zone:					**11,883,700**
City of Charlotte					
Share of SPZ Employment (2014)		**49.20%**			
2024 Capture If Share Maintained		**91,800**	**31%**	**176**	**5,025,800**
+ Vacancy Adjustment @			2.5%	*(1)*	125,600
+ Cumulative Replacement Demand			5.0%	*(2)*	251,300
2024 Gross Demand - City of Charlotte:					**5,402,700**
Existing Vacant Office Space			6,949,584		
- *Lease-up Required @*		*35%*	(2,432,354)	*(3)*	(2,432,354)
Remaining Vacant Space:			**4,517,230**		
% Vacant			*5.7%*		
2024 Net Demand:					**2,970,346**

(1) This allows for a 2.5% "frictional" vacancy rate in new office space delivered to the market (i.e., this accounts for tenant movement to new space).

(2) This represents new space required by existing businesses to replace obsolete or otherwise unusable office space. This is assumed to represent 5% of total demand.

(3) From a financing perspective, some portion of existing vacant office space in the City of Charlotte will need to be leased before financing of new construction is viable. The analysis assumes that 35% of existing vacant office space is leased, thereby reducing the overall vacancy rate to approximately 5.8%.

Source: North Carolina Dept. of Commerce; City of Charlotte; CoStar, Inc.; WTL +a, November 2018.

- From a financing perspective, however, some portion of the city's existing 6.94 million sq. ft. of vacant office space would need to be leased before new office space could be financed. It is also not known how much of the remaining existing vacant inventory suffers from physical and/or functional obsolescence, will be converted to other uses such as residential, or could be demolished; and
- For purposes of this analysis, WTL+a conservatively assumes that 35% of the city's vacant office inventory (approximately 2.4 million sq. ft.) is leased before financing is provided for new office construction. This serves to reduce the city's office vacancy rate to roughly 5.7% from current levels (in other words, near stabilized levels). This serves to lower **demand generated by job growth in office-using sectors to approximately 2.97 million sq. ft. of *net new* space citywide by 2024.**

West Boulevard "Area of Influence"

The next step in the analysis for the West Boulevard study area is illustrated in Table 27 and detailed below:

- With an estimated 14,074 employees working in the study area, its share of the city's total jobs is 2.85%;
- Under this "fair share" analysis, the study area would continue to capture 2.85% of future citywide job growth, or approximately 2,619 new employees, by 2024. Assuming similar proportions of office-using jobs and occupancy factors translates into **gross demand for 143,500 sq. ft. of office space by 2024**; and
- For purposes of this analysis, WTL+a conservatively assumes that 25% of the study area's vacant office inventory (approximately 210,650 sq. ft.) is leased before financing is provided for new office construction. This serves to reduce the study area's office vacancy rate to roughly 8.4% from current levels, and lowers **demand generated by job growth in office-using sectors to approximately 90,700 sq. ft. of *net new* space across the study area by 2024.**

Table 27: Office Potentials—West Boulevard Study Area & Corridor, 2014—2024

					Demand Analysis
West Boulevard Study Area					
2018 Citywide Employment					**493,233**
2018 Study Area Employment					**14,074**
As % of City of Charlotte				*(4)*	**2.85%**
Fair Share Analysis					
2024 New Jobs-Citywide					**91,800**
2024 New Jobs-Study Area (If Fair Share Maintained)					**2,619**
% Office-using					31%
New Office Jobs:					**815**
SF Occupancy Factor					176
2024 Gross Demand - Study Area (In SF):					**143,406**
Existing Vacant Office Space			210,649		
- *Lease-up Required @*		*25%*	(52,662)		(52,662)
Remaining Vacant Space:			**157,987**		
% Vacant			*8.4%*		
2024 Net Demand - Study Area (In SF):					**90,700**
West Boulevard Corridor					
Existing Office Space (In SF)					**12,553**
SF Occupancy Factor					176
Existing Office Employment:					**71**
% Share of Study Area Total Employment				*(5)*	**0.5%**
Fair Share Analysis					
2024 New Office Jobs (If Fair Share Maintained)					4
SF Occupancy Factor					176
2024 Gross Demand - Corridor (In SF):					**727**

(4) This reflects the Study Area's share of all jobs in the City of Charlotte. The analysis assumes that the Study Area maintains its "fair share" of the City's total employment base in 2024.

(5) If the proposed 100,000 sq. ft. Community Resource Center is built by Mecklenburg County, the corridor's share of total employment increases to 4.5%. This could be expected to increase 2024 demand to 6,500 sq. ft.

Source: North Carolina Dept. of Commerce; City of Charlotte; CoStar, Inc.; WTL +a, November 2018.

West Boulevard Corridor

- Using CoStar data, the corridor contains an estimated 12,550 sq. ft. of office space. Using the same office occupancy factor of 176 sq. ft. per employee suggests that there are only 71 office employees working in the corridor (or on nearby/surrounding streets such as Remount Road); and

- These 71 office employees represent a 0.5% share of the 14,074 total jobs located in the West Boulevard “Area of Influence”. If this share is maintained in the future, it would translate into very few (4) office-using jobs and into demand for less than 750 sq. ft. of speculative/general office space in the corridor.

In conclusion, the West Boulevard corridor contains a very limited amount of office space today. Moreover, **limited data preclude an accurate understanding of key metrics such as existing vacant space and annual net absorption.** Feedback from community residents and members of the West Boulevard Neighborhood Coalition identified the need and community support for additional professional services such as accounting, legal and medical businesses. However, the fair share analysis suggests very limited market support for office uses based on forecast job growth in office-using sectors. Thus, consideration of public policies tailored to business retention and recruitment in office-using sectors as well as regulatory and/or financial incentives for office/professional and business service tenants will be critical to enhance the marketability of the West Boulevard corridor. Concurrently, supporting new residential development, that serves to generate population/household growth throughout the study area, will also expand potential market support for office/professional and business service tenants.

Office Market Potentials on West Boulevard are Very Limited

& Tied to Public Policies/Incentives & Future Population Growth

Hotel/Lodging

As noted previously in Section 3, the industry benchmark identified for construction feasibility/potential expansion is a ***sustained*** **annual occupancy level** **between 65% and 72%**. If a market/location sustains an average annual occupancy within these levels (or higher), that location can support additional capacity and warrant development of new hotel rooms. The 24 properties selected for our analysis include 2,883 rooms and occupancy levels are strong. In fact, over the past six years, average annual occupancies ranged from 63.4% in 2012 to a peak of 73.7% in 2016, with a six-year average of 69.9%. Notably, for the past three years, ***sustained* annual occupancies for these properties have averaged 72.7%.**

These findings suggest that **there may be sufficient demand/investment-level performance necessary to justify the addition of new hotel rooms in the competitive market area.** The ability of the West Boulevard corridor to capture this growth is likely limited to its most marketable location—the intersection with Billy Graham Parkway. However, WTL+a notes that the Airport Commercial Development Strategy, prepared in March 2017 to guide preparation of the CLT Airport Strategic Development Plan on behalf of the City of Charlotte Aviation Department, identifies multiple locations of airport-controlled sites for future hotel development under various economic scenarios:

- **Low Economic Growth**—Up to 769 keys (rooms) on 15 acres
- **Moderate Economic Growth**—Up to 1,106 rooms on 21 acres
- **High Economic Growth**—Up to 1,442 rooms plus a convention hotel on 29 acres

As a result, these competitive market forces are likely to prove difficult for a speculative hotel to be developed on West Boulevard—even at its most marketable location with Billy Graham Parkway. This will also be affected by the time required to implement the airport's strategic development plan. Additional detailed market/financial feasibility studies will be required.

General Retail

Demonstrated retail demand and the desire for additional retail by study area residents are two very different conditions. As detailed in this report, the West Boulevard corridor is undersupplied in many basic neighborhood needs, including a grocery store and a pharmacy; lacking in professional and consumer services such as medical and legal offices and banking; and, there are few options for dining out at food and beverage locations. In part, this is due to the length of the West Boulevard corridor, which is approximately 2.5 miles in length from Billy

Graham Parkway to its eastern edge near Remount Road. There is only 128,000 sq. ft. of retail and commercial space along the corridor (and adjacent streets), as opposed to 665,800 sq. ft. of retail uses located along Wilkerson Boulevard to the north of West Boulevard. The limited supply of retail space is also hampered by the closing and extended vacancy of the Jack-in-the Box restaurant—a national, creditworthy tenant—as well as scattered vacancies and limited other creditworthy businesses, which has combined to symbolize a lack of activity and perceived demand for quality retail space.

From the standpoint of overall retail demand, general development patterns along West Boulevard are lower densities and the study area's total population is not large enough to meet threshold criteria for a conventional commercial grocery store. The proximity of the study area to Charlotte-Douglas International Airport is potentially of value, but most vehicular traffic to the airport is concentrated on Wilkinson Boulevard. Higher traffic counts ensure that Wilkinson is a more vibrant commercial corridor today, as it meets (and exceeds) vehicular traffic counts critical to attracting national/creditworthy retail businesses.

Additional retail space will be based in large measure on new housing, as "retail follows rooftops" in industry location theory. As demonstrated in the housing demand analysis, **new housing generated by population/household growth over the next 10 years is expected to add approximately 900 new housing units in the North trade area (above the Norfolk Southern rail line), and another 750 to 800 units in the South trade area** (below the Norfolk Southern rail line). These new residents will create net new spending potentials to the existing market base.

For new retail to be feasible based on market conditions, it is useful to consider the relationship between sales and achieved rents. From the standpoint of real estate investment, most property owners require average rents of between $20 and $35 per sq. ft. to provide a reasonable return on their initial capital investment in buildings, maintenance, operating systems and reinvestment over time. A retailer's ability to pay those threshold rents is a function of sales. Most retailers can afford to spend between 8% and 12% of their gross annual sales on rent costs. Using an average of 10% of gross sales, required "investment-grade" rents would necessitate annual sales of $200 to $350 per sq. ft. per year to meet these investment standards. We note that **both current rents for retail space in the West Boulevard corridor**

and non-automotive annual retail sales of only $42 per sq. ft. (as illustrated previously in Table 7) are far below these threshold levels.

The following illustrates retail demand potentials for the West Boulevard study area over the next 10 years:

- First, to project new supportable space, and using the investment-grade retail sales-to-rent ratio, **each new resident in a lower-income residential area supports between three and five square feet of retail space**
- Applying this factor to forecast growth in population over the next 10 years, 4,400 new residents within the "Area of Influence" for future retail will support between **7,100 and 11,800 sq. ft. of retail space in the North trade area and an additional 6,100 to 10,200 sq. ft. in the South trade area.**

It should be noted that these totals must also include filling of currently vacant retail space as well as possible new construction. The demographic profile of the resident market does not support a commercial grocer, but the recommended food co-operative offers a non-profit approach that is a better match for the study area's consumer characteristics. The suggested prototype co-op would be about 10,000 sq. ft. in size, completely absorbing potential 10-year demand in the South trade area. This analysis illustrates the limited additional retail potentials that can be supported by current and future resident-based demand.

Additional market support for retail from office workers and hotel guests is also limited, as the study area is not an office destination, and new hotels near the airport will be more likely to cluster in the airport's designated new growth area located to the north of the main terminal. Small, price-sensitive retail and food service businesses may be possible in the ground floors of new residential mixed-use projects, such as those illustrated in the concept plans for both the Remount Road and Clanton Road intersections. However, limited demand will restrict both the total square footage and long-term market potentials for new retail space in the West Boulevard corridor.

5 Recommended Implementation Strategies

Introduction

This section presents a series of recommended actions for consideration by the City of Charlotte, Mecklenburg County in partnership with the West Side Community Land Trust (WSCLT), the West Boulevard Neighborhood Coalition (WBNC) and other area businesses, charitable foundations and community development entities. As documented in the market analyses, West Boulevard is challenged in several sectors:

- **General Retail**—Residents of the study area expressed the desire to attract more retail to the corridor to serve neighborhood needs. However, retail is governed by the depth and type of available market support. The study area is characterized by lower development densities and population, lower household incomes (as compared to other neighborhoods of Charlotte), and limited household retail spending ($9,057 per year per household in the North trade area and $8,482 per year per household in the South trade area as compared to $20,247 per year per household in the City of Charlotte).

  Areas with low household incomes are viewed by many retailers as conditions that limit their interest in considering store locations. There are also perceptions of crime, although actual crime data suggests that this is not a real issue. As a result, **West Boulevard's key problem is its consumer population is not currently as 'competitive' in attracting retailers when compared to other areas of Charlotte.** In fact, the city has stronger residential markets elsewhere that generate higher demand than the West Boulevard study area.

  In addition, average daily traffic counts (as determined in transportation studies) are another metric used by retailers in store location decisions. The study area is generally below required thresholds of at least 25,000 vehicles per day. In fact, **West Boulevard and Remount Road is the only intersection in the entire study area that approaches sufficient traffic count requirements used by retailers.**

There is also a substantial supply of competitive retail along Wilkinson Boulevard to the north, although the north/south links between West and Wilkinson Boulevards range from marginal to non-existent and are considered unsafe. Pedestrian and bicycle routes along West Boulevard are also inadequate and inconsistently illuminated to provide a safe walking and biking environment.

The City of Charlotte is fully aware of these inadequacies and has identified improvements in various plans, such as the city's Capital Improvement Plan (CIP) for improvements as part of this analysis, but should consider prioritizing these projects higher on the potential for funding. Planning for the Ashley Road extension/reconfiguration should incorporate significant pedestrian and bicycle circulation improvements. Because of the potential infill development being planned for the YMCA site (the Community Resource Center and new library, and the potential location for the food cooperative), better linkages for pedestrians and bicycles can improve circulation to this central destination.

As a result of these market limitations as well as the linear nature of the corridor and its poor links to Wilkinson Boulevard, **West Boulevard residents are undersupplied with reasonably priced groceries and fresh foods**. There are also few places available for dining out, despite the presence of several small, locally-owned fast food and casual dining/carry out restaurants, located primarily at the Remount Road intersection. **A key recommendation of this study is that a new food coop be located somewhere within or near the YMCA site**, perhaps associated with the new public library to be constructed, and near the YMCA facility. As described previously, the charitable and subsidized economics of operating a food coop are a better fit for the study area than the significantly greater subsidy which would be required for a commercial grocery store.

While initial plans for a food coop (to be called the Three Sisters Market) have been under consideration by the West Boulevard Neighborhood Coalition, plans are still evolving. A detailed description of two successful food coops, in Durham, NC and in Washington, DC, are included to provide background on how they were established, what annual revenues and operating costs should be sought, and how programming and educational opportunities can be created through the provision of fresh, locally-grown foods and products and community services.

- **Housing**—as detailed in the market study, there is both sufficient demand and market opportunities for additional residential units in the study area, including both market-rate and mixed-income/affordable housing. Like most growing U.S. cities, Charlotte needs to provide more affordable and workforce housing as continued economic development and job growth have attracted new residents and generated additional, concurrent development pressures in many older, less dense neighborhoods.

  The planning elements of this market study provide a series of 'test fit' locations in which new, mixed-income, infill housing can be incorporated without overly increasing densities and pricing pressures. In all cases, **the scale of proposed infill housing is compatible with the existing character of the residential neighborhoods surrounding West Boulevard.** The planned locations of new infill housing suggested by the City reinforce the benefits of emerging nodes along the West Boulevard corridor. There are multiple vacant or underutilized parcels where several hundred new housing units can be built over time, whether in multi-family, mixed use projects or in townhouse blocks at a scale that is compatible with adjacent single-family detached housing. While the addition of new housing along West Boulevard will introduce new residents to the neighborhood, it should be noted that, at investment-grade retail sales requirements, each new resident will support only two to five square feet of retail space.

  With regard to multiple vacant or underutilized parcels, this study did not include a detailed mapping component of land uses, nor did the scope incorporate a building-by-building analysis of conditions and/or uses. As future developments, such as the Ashley Road connector between Wilkinson and West Boulevards, relocation of the library and construction of the County's CRC are completed along the corridor, they will affect multiple elements of the built environment and currently undeveloped/open spaces. Therefore, WTL+a recommends that the City of Charlotte:

  - Consider a detailed planning analysis of buildings and sites
  - Create urban design standards (incorporating the new streetscape enhancements planned for West Boulevard)
  - Integrate the planning concepts for new infill housing and mixed-use development as illustrated in Section 4 of this report, and

- Identify potential station locations for the Lynx rail extension just south of Wilkinson Boulevard.

This more detailed land and planning analysis should involve extensive community review and consideration to ensure protection of elements of the existing character, careful introduction of new development and uses which will benefit residents, and improve the safety and mobility of pedestrians, bicycles and other non-auto transportation modes.

- **Office & Commercial**—As detailed in this study, there is limited market demand for new office and commercial space in the study area, although it was noted that many essential professional services, such as accountants, attorneys, doctors, dentists and others, are not available to current residents. The County's proposed Community Resource Center (CRC) could be planned to incorporate a limited amount of office space for professional and/or business services tenants or located in adjacent structures to complement planned social services operations within the County facility. As the CRC's intended location will be somewhere on the expansive YMCA site along a reconfigured Ashley Road, the addition of other professional services would reinforce the destinational role of this central location in the study area. Alternatively, professional/business services could be located in the mixed-use blocks of multi-family residential, as illustrated in the concept plans in Figure 11 and Figure 12.
- **General Industrial**—there are light industrial, and flex-tech uses located in the study area, such as Dwight Evans Square (an office/warehouse park on Dwight Evans Road) and Greenbrier Business Park (on Taggart Creek Road). WTL+a considers these uses to be important as employment generators for local residents and as a diversifying land use for less developed areas. While the City did not request an analysis of industrial demand potentials, we note that growth in airport-related shipping and distribution may also affect industrial potentials in portions of the study area. We also note that industrial uses generally require lower-priced land and buildings than office, residential or retail. As land and building values rise, these uses should be weighed as to their employment benefits to study area residents. While some cities have created maker spaces as potential industrial catalysts, the West Boulevard study did not include assessments of specific buildings; the volume and location of other maker spaces elsewhere in Charlotte is also unknown. As a result, the competitive position of specific buildings along West Boulevard will require further study.

Potential Economic 'Drivers'

The timing of the market assessment and strategic revitalization study for West Boulevard is occurring at a point in which there are several emerging possibilities that could have a significant effect on longer-term strategies. None of these economic drivers is fully determined or planned, but each has the potential to address development pressures, community needs, and longer-term implementation strategies as specific details are finalized. In order of precedence, these economic catalysts include:

- **Fully Operational West Side Community Land Trust (WSCLT)**—The WSCLT was created as a legal entity in 2017 as an outgrowth of concerns of grassroots community organizations—the West Boulevard Neighborhood Coalition and QC Family Tree—about increasing displacement of African-American, low-income residents from Charlotte's west side due to rapidly rising rents and real estate speculation. The WSCLT's mission is to provide permanently affordable housing with community-centered development in West Charlotte. It is operating with a Board of Directors (which meets regularly), working committees, and a half-time Executive Director who began work in May 2018. As this study was being completed, the WSCLT presented its five-year (2019—2023) business plan as a basis for seeking funding for its operational and capital budget needs. This section of the report outlines practices and principles of Community Land Trusts (CLTs) which illustrate the usefulness of this model for stabilizing neighborhoods in the West Boulevard corridor and the broader West Charlotte community as residents face the market conditions analyzed in this report.
- **Growth of Charlotte-Douglas International Airport**—the airport is located adjacent to the western edge of the West Boulevard study area. Its recent CLT Airport Strategic Development Plan, prepared on behalf of the City of Charlotte Aviation Department in March 2017, is intended to guide airport investments, development of new supporting services such as warehousing and distribution, and add new non-aviation revenues to the airport's sources of income. This growth (primarily in the area north of the airport entrance) will also potentially provide new jobs, some of which could go to West Boulevard neighborhood residents.

  The airport plan has designated two sub-areas for future development that could affect the West Boulevard study area. The first, designated as "Billy Graham Corridor", includes land east of the existing CLT Airside/runway areas and north of the western edge of the West Boulevard study area. The preferred "Economic Positioning" use for this sub-area is for "Knowledge-based Education and Skills Training" facilities. The second area, designated as "CLT South", combines Logistics and Distribution, National Defense/NC Air National Guard and Aerospace and Truck Services, among other uses.

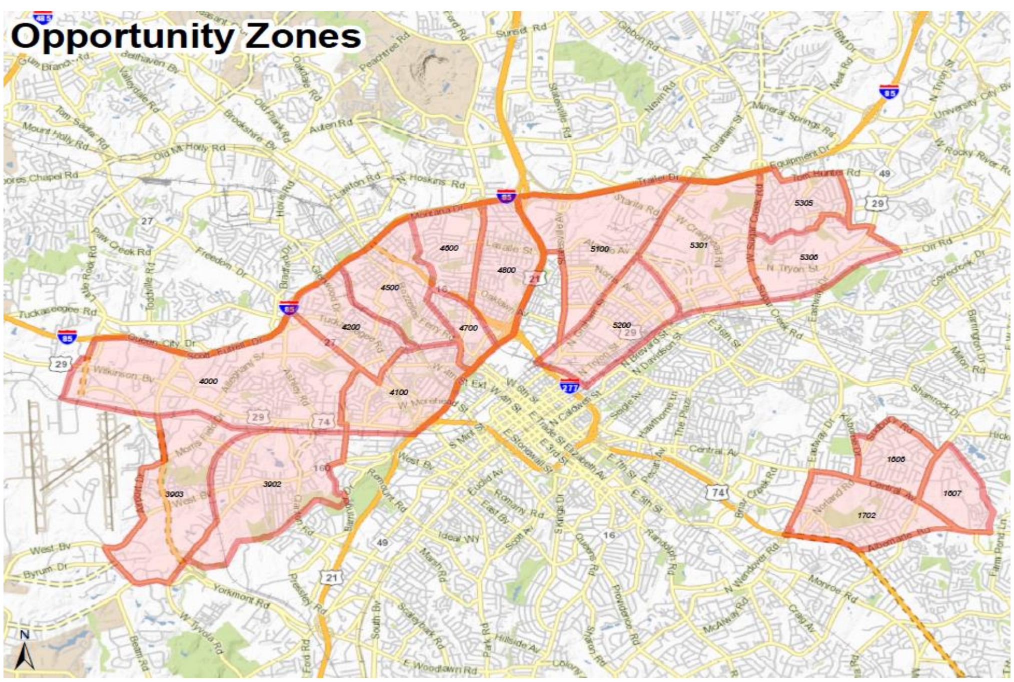
In order to provide for these uses over the long-term, one possible outcome would restrict public access to the airport property along West Boulevard to the west of Billy Graham Parkway, possibly through a controlled access gate or by removing part of the existing roadway. However this planning concept is resolved, **it is likely that the traffic pattern and road configuration at West Boulevard and Billy Graham Parkway could change**. The market study has identified this intersection as a possible hotel site for an 80-120 room limited-service hotel over the long-term. This would most likely occur *after* all hotels on airport-controlled land (identified in Section 3) are built out.

- **Extension of the Lynx System from Uptown to CLT Airport**—CATS is considering extension of the Lynx Light Rail system from its Uptown Charlotte hub west to the airport, and eventually to Gastonia/Gaston County. The existing Norfolk Southern rail corridor is parallel to Wilkinson Boulevard and continues westward between the airport terminal and Wilkinson. Based on our stakeholder discussions with CATS staff, light rail may be located within the Wilkinson Boulevard right-of-way/corridor. While there are no station designations identified for this proposed rail transit extension, possible construction of the line would increase development pressures in the West Boulevard study area, similar to that which has occurred along South Boulevard and the UNC Charlotte corridor over the last five to 10 years. The impact of transit-oriented development (TOD) is certain to attract greater developer interest and the potential to increase development pressures in the study area.
- **Location of Charlotte's Opportunity Zone (OZ) Designated Areas**—The Federal government's recently announced investment incentive program, called "Opportunity Zones" (OZs), is a new initiative to induce reinvestment in designated lower-income areas across the country. In response to this initiative, states identified over 8,700 Opportunity Zones as investment target areas. Charlotte's Opportunity Zone includes two areas (sub-sections 3902 and 3903) within the West Boulevard study area, extending from the existing Norfolk Southern rail alignment south to one-half mile below West Boulevard. Other parts of the

city's Opportunity Zone area extends north and south of the airport and continues east from I-85 to Orr Road and Route 29 near Gethsemane Cemetery.

Opportunity Zone boundaries were determined by income mapping and exclude properties around the West Boulevard/Remount Road intersection. The program provides tax shelter protection for capital gains made by investors, allowing them to reinvest gains into Certified Opportunity Zone Funds for economic development and real estate investment in traditionally lower income areas. A full 90% of the Certified Opportunity Funds must be invested in designated Opportunity Zone areas, and can be used for new development, property upgrades, funding for start-up businesses, or other qualifying local initiatives. Investors are required to remain in OZs for specific time periods, with tax benefits increasing the longer the investments remain in-place; after 10 years, any gains generated by their investments would be tax-free. Final rules (called "guidance") have not yet been released by the Internal Revenue Service (IRS). While access to Certified Opportunity Zone Funds can direct investment into West Boulevard (and other parts of the Charlotte Opportunity Zone), it is anticipated that the program can also accelerate gentrification if not carefully managed. The Opportunity Zone program is more fully explained in implementation strategies below. Charlotte's OZ boundaries are illustrated in Figure 14 below:

Figure 14: Charlotte Opportunity Zone Boundaries



Implementation Overview

Recommended strategies and actions in this section were determined based on two intersecting priorities:

- **Opportunities & Current Constraints—**as determined by general market conditions for residential, office/commercial and retail land uses along the West Boulevard study area/corridor, and
- **Specific Approaches—**which can assist residents, community organizations and local government in addressing larger real estate forces/conditions as they affect ownership patterns, property values, displacement and future redevelopment

Strategic recommendations are organized into three major categories:

- **Coordination—**these actions involve opportunities for local residents, churches, community organizations like the WBNC, WSCLT and governmental/economic development/charitable organizations to coordinate collective efforts to assure beneficial outcomes for West Boulevard neighborhood residents as the area evolves
- **Specific Projects & Initiatives—**the City of Charlotte and Mecklenburg County are currently planning a series of infrastructure and facility improvements along the West Boulevard corridor to address a range of needs. These include: pedestrian safety; vehicular traffic calming and mitigation; improved accessibility through bike lanes, wider sidewalks and better lighting; expansion/relocation of the West Boulevard Public Library; introduction of a new County-funded CRC being planned for a location near the YMCA; relocation of the Ashley Road north-south connector between West Boulevard and Wilkinson Boulevard; and (at some point in the future) potential extension of CATS' Silver Line light rail on the existing Norfolk Southern freight rail corridor, which will link Uptown Charlotte and the Charlotte-Douglas International Airport, and eventually extending to Gastonia.

  As part of the recently initiated Comprehensive Plan 2040 process, a range of public policies controlling or affecting zoning, land use and future development potentials along the West Boulevard corridor are also being considered. Because of increasing real estate speculation and rising rents, the resulting displacement of current neighborhood residents due to increasing property value, and market-based pressures resulting from historic property under-valuations (as compared to the regional marketplace) is a significant concern.

The potential to alter the character and patterns of land and property ownership of West Boulevard and its residential neighborhoods is clear when the influence of TOD along South Boulevard is considered. **Market opportunities presented by lower-priced land along the West Boulevard corridor can serve to create imbalances in current ownership patterns and densities to the detriment of study area neighborhoods and populations. Unless strategies to balance these market, forces are implemented to allow measured change over time and retention of residents who want to remain in their homes, traditional real estate development momentum will likely occur.** As documented in the South Boulevard corridor, the momentum for change will also increase if the proposed CATS transit line extension is built. Just as the densities and character of South Boulevard has dramatically changed over the past 10 years, the next 10 to 20 years along Wilkinson and West Boulevard could result in the same degree of change unless properly planned and adopted. A priority of this market analysis and strategic revitalization study is to find the best ways to understand, manage and address these conditions, and to maintain neighborhood and resident stability during the process.

- **Incentives to Build Neighborhood Capacity**—a critical objective in this study is to recommend potential types of financial, public policy and outside partnership-based incentives to foster greater stability for West Boulevard corridor neighborhoods—through direct funding, proper application of public policy to balance redevelopment and opportunities for new partners from the foundation and redevelopment communities in Charlotte—to increase the neighborhood's capacity to maintain and strengthen its own future in the face of property-value driven redevelopment forces.

The Charlotte area has particular advantages because of the city's economic position as a banking capital. Having the headquarters of Bank of America and the recently announced merger of SunTrust Bank and Winston-Salem-based BB&T with its new headquarters in

Charlotte could provide particular opportunities for partnerships and projects fostered by large commercial banks. These strategies could include a number of initiatives:

- Demonstration project funding partnerships with large-scale banks to demonstrate new commitments to more affordable housing, including $50 million in funding already committed
- Property retention by long-time owners and the ability to age-in-place rather than selling and moving out of the neighborhood
- Innovative financing mechanisms to incorporate a range of housing types and prices into redeveloped neighborhoods
- Suitable adaptation and incorporation of Opportunity Zone (OZ) investments by registered and certified OZ funds in the near-term, and
- Explore use of existing City of Charlotte programs for Business Security Improvement Grants and Façade Improvement Matching Grants

Charlotte also has a number of other corporations headquartered in either the city or county. In fact, **the area is the headquarters of six Fortune 500 companies** (Bank of America, Lowes, Nucor, Sealed Air, Sonic Automotive and Duke Energy); by contrast, Raleigh has only one headquarters. According to Fortune magazine, at least half of all Fortune 500 Companies have a presence in the Charlotte area. The racing industry is also in Charlotte and the rapidly growing CLT airport is ranked seventh in passenger volume in the United States, with over 45 million passengers in 2018. **Due to the concentration of large financial institutions, the Charlotte area offers advantages in seeking corporate and company foundation support for innovative approaches to community redevelopment, such as the recommendations proposed for West Boulevard.**

Near-Term Implementation Recommendations (Next 3 Years)

Three near-term implementation recommendations are suggested as primary action steps for the West Boulevard community and both City of Charlotte and Mecklenburg County governments:

1. Support the West Side Community Land Trust (WSCLT)
2. Establish a food cooperative (co-op) grocery store

3. Utilize appropriate financial and regulatory incentives

Recommendation #1:

Support the West Side Community Land Trust (WSCLT)

The first implementation strategy is to address increasing property values and displacement of long-time residents through supporting work that has already begun in the West Boulevard study area by the West Side Community Land Trust (WSCLT). The WSCLT is a non-profit created by grassroots organizations rooted in the neighborhoods it intends to serve in West Charlotte to address the increasing displacement of residents and disruption of neighborhood stability due to housing market pressures. Its mission is to provide permanently affordable housing with community-centered development in West Charlotte.

The WSCLT has been operating for two years with an active Board of Directors and, in the last year, with a part-time Executive Director. It recently completed a five-year business plan (2019—2023). The WSCLT's goal is to acquire, develop, and sell 50 affordable homes by 2023. This would establish its proof of concept and serve as an example of permanent affordability and community ownership. WSCLT's focus on educational efforts and demonstration of concrete results on the ground will facilitate its ability to interact with and gain credibility in the eyes of the residents of these long-neglected neighborhoods as well as public and private sector advocates for affordable housing.

Community Land Trust Model

Community land trusts (CLTs) are place-based organizations with a core commitment to the community both in governance and in service. They work to create stable, thriving neighborhoods by making housing permanently affordable. CLTs do this by acquiring land through purchase and donation, and holding it in trust. Housing is sold (or in some cases rented) to neighbors who own the structure and improvements on the land and hold an inheritable and renewable 99-year lease on the land itself.

By removing the cost of land from the cost of housing, CLTs can create permanent affordability, stabilizing neighborhoods and neighbors facing displacement because of the rising cost of land. A key feature which distinguishes CLTs from most other types of investments in affordable housing is that the subsidy invested in a home/building stays with it in perpetuity through shared-equity ownership. The most common investments in affordable housing entail time-limited deed restrictions applied to most tax-credit funded properties or the capture of the full appreciation of the property's market value by the first owner when a subsidized affordable property is sold.

The CLT model has existed for more than 40 years and CLTs have been operating in many communities for 35 years of more. Early land trusts were created to prevent development of open space and natural landscapes. The evolution of the land trust model for application in urban districts is a more recent approach to maintaining a balance between uncontrolled, market-driven growth and the ability for long-standing neighborhoods to exercise some control over rapidly increasing land values. In rapidly growing cities like Charlotte, it is frequently the case that, particularly in older neighborhoods, the majority of market value in real estate is the land itself, not structures (whether homes, retail and office commercial buildings, or industrial facilities). **Partnership with a CLT can provide property owners with a mechanism to retain their properties over time, while transferring the value of the underlying land to a community based non-profit organization.** Because it is non-profit with a formalized model of service for valuation and resale, the motivation to sell for higher prices is removed. The CLT also creates new opportunities for low-income residents to become homeowners and to access affordable rental properties.

By providing an alternative to speculative increases in land values, the CLT model can balance the pricing differences that often encourage owners to 'cash-out' to development interests, but who may not be able to find other properties in their price range. As a custodial owner without a profit motive, the CLT can relieve this pressure and **allow residents to remain in their homes and determine what will happen to their properties later on. By removing the speculative component of increasing land values, the CLT can manage and maintain the objective of broader community stability.** Of course, the CLT does not prevent property owners who are not lessees of the trust from selling their properties to developers and investors, nor do CLTs reduced-priced homes affect the value of other homes in the community when selling.

Land Trust Duties & Responsibilities

CLTs have clear responsibilities and duties in addressing their objectives:

- As non-profit entities, CLTs are organized to prevent displacement through speculative valuation, and maintain stability in changing neighborhoods;
- CLTs have the ability to assemble and manage land, and their ownership is established in perpetuity;
- By removing real estate valuation pressures to sell and relocate, owner-occupied homes can remain affordable, and provide flexibility to owners for future decisions;
- CLTs are able to market homes (and CLT ground leases for the land under the buildings) to income-qualified buyers in a fair and transparent process;
- CLTs educate participating property owners on the rights and responsibilities resulting from participation in the Land Trust structure;
- As part of the future sale process, CLTs are responsible for selecting and verifying that prospective buyers meet requirements for income-qualification; and
- CLTs provide ongoing stewardship to CLT homes and homeowners.

After transfer of a land title, property owners pay a nominal monthly ground lease fee to the CLT in exchange for the protection of values that the Trust provides. Property owners are required to hold property insurance, to pay property taxes on the buildings (but not the land), and to provide 'responsible maintenance' levels so that buildings do not deteriorate. The partnership with the CLT reduces property taxes (since the land is held by a non-profit and the equity of the property is shared at time of sale as stipulated in the ground lease). Restrictions on re-sale make it possible to maintain affordability for future buyers by relieving speculative pricing pressure on current owners. By preserving more affordable property values for re-sale to income-qualified buyers, the probability of maintaining a mix of incomes in the neighborhood increases. Property owners can also leave their properties to their heirs and transfer ownership, subject to the terms of the Land Trust title transfer.

Because the participation and ground lease for land underneath the owners' structures require "appropriate maintenance levels," CLT stewardship includes monitoring and enforcing homeowner compliance with controls over occupancy, subletting, financing, repairs and necessary building improvements. The CLT also verifies that property taxes are paid, that property and other insurance is maintained and that owners are in a position to keep the buildings in acceptable conditions. Because participating properties are dually-owned, both the CLT and the property owners have an interest in keeping the buildings in good condition, and in preventing blighted conditions or demolition by neglect. The goal is to keep the scale and positive characteristics of the neighborhood intact over time, while supporting changes embodying the community's needs and aspirations.

Another benefit of the dual-ownership structure is that CLTs can intervene if a property owner has financial challenges and cannot keep up mortgage payments; without the CLT ownership role, a property owner could lose the property through mortgage default. The CLT can be the intermediary with the mortgage company. In addition, mortgage companies have more difficulty displacing a property owner if the site is co-owned, and the land is owned by a CLT. Notably, mortgage lenders to individual property owners can require full payments on the outstanding debt if property transfers happen. If a CLT holds title to the underlying land, lenders have more difficulty in requiring accelerated full payment, as there are two property holders.

Governance of CLTs

There are a number of 'checks and balances' in CLTs which protect private property owners who participate in a CLT. First, participation is completely voluntary. No property owner is forced to join in the CLT partnership. This is why it is a central responsibility of CLTs to educate the general public about what participation means and what rights and responsibilities are assigned to participating property owners as well as to the Land Trust upon transferring title to the land. This is also why the management structure for Land Trusts requires a diversified Board of Directors. In the most typical CLT Board of Directors (which is the organizational structure in place for the WSCLT), two-thirds of the Board is comprised and controlled by community members:

- Property owners who have land leases appoint one-third of the Board members,
- Members of the CLT who are community residents but not lessees appoint another one-third, and
- The last one-third of the Board is comprised of non-resident members of the CLT who represent other forms of oversight and advice, including public officials, local funders, persons with skills relevant to the CLT's business (e.g. accountants, lawyers, real estate brokers, bankers) and non-profit providers of affordable housing and/or social services.

By requiring broad participation, CLT Boards of Directors are able to represent community residents' interests in a comprehensive way and draw on a broad range of opinions and knowledge for defining policies and making decisions.

WSCLT: A Critical Tool to Address Pressing Market Conditions

The approach embodied by the WSCLT is critical to the future of the West Boulevard corridor. As one of the fastest growing metropolitan areas in the country, the Charlotte-Mecklenburg housing market is under strong market pressures as documented in "The State of Housing in Charlotte" report issued in February 2018 by UNC Charlotte's Childress Klein Center for Real Estate. That study found that the largest increases in housing prices and rental costs are in the lowest 10% in value of the regional market; this price level largely characterizes the area covered by the WSCLT including the West Boulevard study area.

The West Boulevard study area is positioned on all sides by other, more developed areas with significantly higher property values. Moreover, these areas have already been affected by economic "drivers" generating rapid change—including significant new residential and commercial development resulting from development of the LYNX rail line along South Boulevard. These same economic dynamics are expected to occur when rail is extended between Uptown and Charlotte-Douglas International Airport with potential for Transit-Oriented Development (TOD) along the rail corridor near Wilkinson Boulevard. When compared to land values in Uptown and the immediate airport area, the study area's real estate is generally valued at lower levels (on a per acre basis) and is comprised of multiple properties (and owners) of smaller sizes and scattered undeveloped parcels.

While the proximity of Charlotte-Douglas International Airport is its own economic engine for the region, **the study area's adjacency/proximity to Wilkinson Boulevard could make it a prime redevelopment area for TOD.** This most relevant example is the rapid redevelopment of the South Boulevard corridor along the LYNX Blue Line—from stations in Uptown Charlotte south to the I-485 station. New commercial mixed use and multi-family residential development along the southern extension of the Blue Line have significantly increased densities and property values there. This has also established a likely precedent for future TOD projects along other extensions of the LYNX rapid transit system such as is currently happening along the Blue Line to UNC Charlotte.

In March 2019, the Charlotte Area Transit System (CATS) announced its choice for the West Corridor Transit Alignment for the new LYNX light-rail Silver Line to the airport and beyond. The choice is to align the rail along Wilkinson Boulevard with stations in Wesley Heights, Morehead, Remount, Ashley and Morris Field. Wilkinson Boulevard is located approximately one-quarter mile north of West Boulevard. **A key element of the adopted concept is to implement enhanced bus services and bus stop capital improvements along West Boulevard and Freedom Drive**. While the need for substantial funding for construction and operating costs of the Silver Line make the timing for start-up of service uncertain, the goal is to have final engineering and property acquisition completed by the end of 2026 with construction beginning in 2027, and start of service in 2030.

It appears that land speculation has begun even before the alignment was announced in March. It is likely that new TOD projects will be developed near Wilkinson Boulevard on both sides of the rail line. As transit stations are typically located about one-half mile apart (allowing for up to a one-quarter mile walking distance from each station), parcels and neighborhoods located closest to the tracks will be under increasing development pressure, which will generate speculation and increases in land values due to the increased densities that mixed-use projects create. It is likely that the West Boulevard corridor will be affected by this development and the WSCLT could be a tool to help manage these impacts in positive ways.

Funding for Community Land Trusts

CLTs require considerable funding for operations, capital investments (including land acquisition, construction, and rehabilitation), and subsidies. Subsidies, in the form of land, bonus densities and/or additional funds, are used to make the initial home/building affordable to target home buyers and remains with each property as a sunk cost. As a CLT's portfolio of homes under its stewardship increases (owned/occupied by lessees), its revenues increase and it becomes less dependent on outside funding for operational costs. The start-up stage of a CLT is challenging as it needs to raise initial funding capital to enable establishment of the CLT and sufficient funding to:

- Allow for professional staffing;
- Accept land title transfers and the legal mechanisms necessary to complete transactions;
- Provide for early strategic land acquisitions (often of vacant land to prevent speculation);
- Consider joint development of neighborhood-serving uses; and
- Continue ongoing operations while the program grows.

In some CLTs, initial funding has been provided by private charitable foundations or individual donors, by corporate foundations, and by local government.

The Charlotte community is galvanized around the need for affordable housing as one of the key components of creating better opportunities for social mobility of its poorest residents and meeting the housing needs generated by a rapid influx of new residents. Since its establishment, the WSCLT has been supported by $136,000 in private donations. Up to this point, the City of Charlotte and Mecklenburg County have funded some small grants for some of its specific activities. The WSCLT's recently completed Business Plan (2019—2023) defines its near-term goals and the operational and capital funding required to achieve them. One important source of support that other CLTs have relied on is donation of county- or city-owned vacant lots or potential tax foreclosure properties before they go to auction. While it appears that the City of Charlotte and Mecklenburg County are reviewing these options, the WSCLT has not yet been a recipient of any such properties. The WSCLT should continue to actively explore sources of financial and in-kind (e.g. property, building materials) support.

One potential source of funding is the private sector. Charlotte has a number of major financial and other corporations headquartered in either the city or county. In fact, **the area is the headquarters of six Fortune 500 companies** (Bank of America, Lowes, Nucor, Sealed Air, Sonic Automotive and Duke Energy); by contrast, Raleigh has only one headquarters. Charlotte is also the location of the intended headquarters of recently merged BB&T Bank and SunTrust Banks, and has a very large presence of Wells Fargo Bank (although the headquarters is in San Francisco).

According to Fortune magazine, at least half of all Fortune 500 Companies have a presence in the Charlotte area. The racing industry is also in Charlotte and the rapidly-growing Charlotte-Douglas International Airport is ranked seventh in passenger volume in the United States, with over 45 million passengers in 2018. **Due to the concentration of large financial institutions, the Charlotte area offers advantages in seeking corporate and company foundation support for innovative approaches to community redevelopment, such as the recommendations proposed for West Boulevard including the WSCLT.**

As noted previously, as a CLT's portfolio of occupied properties increases, it will become increasingly able to cover most of its operating costs. These latter stage revenues are produced by several categories of income:

- Annual ground lease fees paid by participating property owners;
- Fees resulting from resale of CLT-owned properties to income-qualified buyers;
- Rental income generated by CLT-owned properties; and
- Other management income such as development fees.

The CLTs in Carrboro and Chapel Hill have partnered with affordable housing developers to create for sale and affordable rental residential projects on CLT-held land.

Despite increasing revenues to cover operating costs as its portfolio grows, the WSCLT will have an on-going need for capital funds to subsidize new and affordable homes for low-income buyers and renters. Fortunately, CLT homes retain subsidy requiring a one-time investment in each property to maintain affordability in perpetuity for multiple families and generations to come.

Recommendation # 2:

Establish a Food Cooperative (Co-op) Grocery Store

West Boulevard's surrounding neighborhoods are considered a 'food desert' by the U.S. Department of Agriculture. According to USDA, food deserts comprise an area in which residents do not have easy access to fresh fruits and vegetables, affordable healthy prepared foods and nutritional training. This condition is not unique to Charlotte, but lack of affordable fresh, locally-sourced foods can affect general health, nutrition and eating habits, and allocation of household income for groceries. In response to this need, a number of communities nationwide have encouraged development of Food Cooperatives, or Co-ops. Co-ops differ from conventional commercial grocery stores in several ways:

- Co-ops are non-profit entities, so they can offer higher quality foods for lower prices, and do not need the 1.5% to 5% profit margins that conventional grocery stores require
- Co-ops do not seek to make a profit, but to balance annual revenues with costs of goods and operating costs so they can "break even" every year; if profits exceed operating costs
- Food co-ops carry selected nationally branded foods (fresh, canned and frozen), but primarily focus on high-quality, locally-sources food and other products
- Food co-ops often provide educational materials and cooking training based on healthier eating, good nutritional practices and support of local food producers, providing a source of sales for local food products
- Co-ops require modestly-priced annual 'memberships' (often in the $15 per year range), for which 'members can buy food at a discount over the year

- As public entities, food co-ops are community-based, controlled and operated, and are positioned to fill affordability gaps, offer community-centered activities and programming to encourage healthier eating and food preparation, and
- Based on the examples described in the two food co-op case studies below, these programs can attract financial and technical support from corporate, university/educational, philanthropic and other sources.

As part of the West Boulevard market study, the City requested that two previous reports, commissioned by the West Boulevard Neighborhood Coalition, on the feasibility of a grocery store and/or a food co-op be reviewed. Both studies analyzed a potential grocery/co-op location at the intersection of Clanton Road and West Boulevard.

The first study was completed in 2016 by MTN Retail Consultants of Salt Lake City, UT, and tested the feasibility of five different grocery store concepts ranging in size from about 15,000 sq. ft. to 22,000 sq. ft. Identified grocery concepts included conventional grocery stores through to the location and performance criteria for smaller chain grocery stores active in the Southeastern United States, Aldi and Lidl.

The second study was completed in 2018 by G2G Research Group, and focused more directly on the potential to develop a food co-op. The analysis tested two store concepts, of 7,200 and 10,000 sq. ft. The sales analysis projected stabilized third-year gross sales of $4.11 million for the 7,200 sq. ft. prototype (equating to sales of $570 per sq. ft. per year), and of $4.89 million for the 10,000 sq. ft. model (or $489 per sq. ft. per year). Both reports commented on the smaller population and lower disposable incomes among West Boulevard households. Notably, suggested trade areas were large—reaching from west of the airport (MTN Retail Consultants) almost to Uptown/downtown Charlotte. The reports also identified potential “retail capture rates”, noting that capture rates are likely to be highest in the central portion of West Boulevard, and lower at the eastern and western edges, in particular because of the limited supply on the west end of the West Boulevard corridor.

To complement the analyses in these two reports, WTL+a and RDS LLC conducted research into proven models in which locally-sourced, healthier foods are made available to similar neighborhoods, both in North Carolina and in the Washington, DC area. The purpose of these case study analyses is to (a) consider actual performance for a similarly located food co-op in a

North Carolina community; and (b) to compare operating costs, sales and employment in working examples as a basis for more detailed planning for a food co-op in the West Boulevard study area. The two selected examples of relevant food co-ops are the Durham Co-op Market, located in a downtown neighborhood, and Good Food Markets in Washington, DC. Goals, community services and available operating data for each example are more fully detailed in the case studies which follow.

Case Study #1: The Durham Co-op Market, Durham, NC

The Durham Coop Market was established in 2015 after almost six years of research and planning. It was patterned after the 30-year-old Weaver Street Market stores, fresh and locally-sourced markets 'with locations in Raleigh (Hillsborough), Carrboro, and Chapel Hill. The Durham market is cooperatively owned by its 4,425 owner/members who paid the required $15 per year membership fee (2018). Memberships have increased each year since the co-op was created, adding 558 new members in 2017-2018. As of the 2018 annual report, the Durham Co-op has about 50 full-time employees with preferences for community-based resident jobs.

In 2018, total gross sales for the Durham Co-op were $6.4 million, averaging between $140,000 and $175,000 per week. Annual sales averaged $640 per sq. ft., in line with sales productivities for smaller commercial grocery stores; it should be noted that both sales and the number of supporting member/owners has increased each year since the market opened.

Construction costs for the 10,000 sq. ft. building were $13,000,000 (or $1,300 per sq. ft.) in 2015, including hard and soft costs. The original effort to raise funds for the Durham Coop included selling 'memberships' to local businesses for $250, to phone banks to raise money through $100 contributions in exchange for a Tee shirt, brochure and a thank-you note ($440,000 was raised over six months in this way). Duke University also formed a Community Partnership with the coop through its Office of Civic Engagement, although it is not clear if this included direct funding. Other charitable organizations such as the Self Help Ventures Fund also contributed.

According to the 2018 annual report, more than 60% of the staff are people of color, 15% identify as LGBTQ, and 15% have primary or native languages other than English, a testament to the Durham Co-op's commitment to hire locally and to create job training to accommodate all people. The benefit of participating as a member/owner is that food prices are discounted by 20% over comparable products in other stores, adding value and affordability to other operating goals for area consumers. A $3 dinner and a $5 lunch are offered in the store weekly, both as a service and as a way to build community among members. Based on five years of operations, the Durham Co-op has reorganized both its back-of-house and front-of-house spaces to modify an expanded products list and improve the flow of goods through the store.

In addition to wellness and nutritional training and products for member/owners, the Durham Co-op has also created a series of sustainability projects, including: a dry creek storm water management system, a pollinator garden with native and environmentally friendly plants for bees and butterflies, food waste recycling and refilling stations for soaps and cleansers to allow for re-use of household product containers.

Because the co-op is a non-profit enterprise, its goal is to break even over the year, balancing sales and revenues with operating costs and their ability to discount the price of their products. Table 28 below illustrates the shares of revenues and operating costs for the Durham Co-op as of June 30, 2018. Negative net income represents a successful outcome, as a modest "loss" against total revenues achieves the 'break even' objective for the operating year. Non-profit cooperatives seek to have a small operating loss each year, as one of their objectives is to pass along the benefit of no-profit sales as discounts to their customers.

The operating percentages are based on 2018 reporting, which should be considered as 'stabilized-year' performance. Revenues and operating costs in the first three to five years of operations are usually less; there may be greater annual losses as sales and members increase over time. The potential performance of a food co-op in the West Boulevard corridor should be considered within this multi-year context, and the percentages in Table 28 should be a guide for future planning for a West Boulevard food cooperative rather than a requirement.

Table 28: Durham Co-op Market Annual Income Statement, 2018

Revenues & Expenses		Amount	% of Total
Operating Revenues			
Product Sales	$	6,398,109	99.5%
Donations & Other Support		33,499	0.5%
Total Income:	**$**	**6,431,608**	**100.0%**
Cost of Goods Sold	$	4,355,595	67.7%
Gross Profit:	**$**	**2,076,013**	**32.3%**
Operating Expenses			
Personnel Costs	$	1,260,071	60.7%
Other Operations Expenses		674,630	32.5%
Total Operating Expenses:	**$**	**1,934,701**	**93.2%**
Net Operating Income (NOI):	**$**	**141,313**	**6.8%**
Other Income (Interest, Patronage, etc.)	$	13,451	0.7%
Depreciation Expense		(115,953)	6.0%
Interest Expense		(67,197)	3.5%
Taxes		(2,295)	0.1%
Total Other Income/Expenses:	**$**	**(171,994)**	**10.3%**
NET INCOME:	**$**	**(30,682)**	

Source: Durham Coop Market Annual Report, June 30, 2018; RDS LLC; WTL+a, February 2019.

Marketing Programs & Community Outreach

As a community-serving operation, the Durham Co-op performs numerous community outreach programs, including electing its Board of Directors by the member/owners, neighborhood events with free food and music to promote participation by new owners and reminding members of its purpose. As described earlier, the Co-op sponsors weekly $5 lunches and $3 dinners, and holds classes in wellness, nutrition and food preparation. By partnering with farms, cheese mongers, farmers who grow vegetables and fruits, meat and poultry providers, dairy producers from the area and others, the co-op can also generate economic benefit to the producers, while sourcing customer products from the area. Because farmers and food producers are selling directly to the Durham Co-op, they retain more income, transportation costs are reduced, and the freshness and food quality are better. Because the co-op's business model does not seek to maximize profit, locally-sourced foods are available at more reasonable prices. Transparency in management and decision-making is directed at the member/owners, who ultimately control the success of the co-op.

Relevance to West Boulevard

The Durham Co-op Market is an example of a successful in-state operation of a neighborhood-based food store that provides fresh, nutritional and prepared foods at discounted prices in a user-friendly small store. As the planned West Side neighborhood community garden and food cooperative initiatives are further developed, the operating approaches, management practices and community-serving goals to make fresh food more available at more affordable prices is directly transferrable to the residents of the West Boulevard corridor.

If possible, WTL+a and RDS LLC suggest that a field trip to Durham could be planned to visit the site, interview the management of the Durham Co-op and discuss plans and management requirements to help establish a successful food cooperative operation in the West Boulevard corridor.

Case Study #2: Good Food Markets/Oasis Community Partners, Washington, DC

The Good Food Markets are a subsidiary program of a Washington, D.C.-based non-profit charitable organization: Oasis Community Partners (OCP). Oasis Community Partners is a 501(c) (3) educational group that has attracted both public and private funding sources to address a range of issues in lower-income neighborhoods in Washington, DC. Programming includes:

- Educating youth about food production, nutrition, food service and preparation, applications of practical math, and plant sciences. Curriculum and classroom programs begin with Kindergarten through Grade 8 in D.C. Public Schools
- Building, managing and operating community gardens and garden installations at community schools, including a rooftop garden at one school location, and
- Creating adult education programs for those populations which have experienced traditional barriers to employment (e.g., homelessness, persons who were formerly incarcerated, participants in drug rehabilitation programs, etc.); these service groups are offered training and on the job experience with Good Food Markets and their local Washington-area suppliers, by agreement.

OASIS COMMUNITY PARTNERS

GOOD FOOD MARKETS

As a means to address both neighborhood 'food desert' conditions in underserved areas of Washington, DC, OCP determined to open a small-format neighborhood store, Good Food Markets. The first location was opened in Ward 5 in Northeast DC in a small (2,000 sq. ft.) former deli. The store is also a training and employment site for OCP's trainees and neighborhood residents. Good Food Markets are sponsored by Oasis Community Partners and are called "Flagship Social Enterprise" projects. They are more than neighborhood food stores; they are social benefit programs that prepare and sell food to underserved locations. Although the store spaces are small, the original store carries about 2,000 different products, including both conventional packaged foods as well as fresh and nutritious local produce, meat and poultry, dairy and beverages.

OCP/Good Food Markets is currently constructing a second, larger store located in the Anacostia neighborhood of Ward 8 in Southeast DC. The second store will be sized between 4,000 and 5,000 sq. ft. and will anchor a new mixed-use project currently under construction.

While Good Food Markets' organizational goals are not structured in the same way as most food cooperatives (which focus on locally-sourced and higher nutrition products), it is highly connected to Washington, DC-area food providers/growers and prepared food and cleaning product manufacturers. In only a few years of operation, Oasis Community Partners has built partnerships with an unusually broad range of development and product partners. The four categories of partnerships include:

- **Funding Partners**—who provide financial and operating support
- **Programming Partners**—who provide social and educational services to the target audiences for employment and social benefit assistance
- **Service Partners**—that provide supporting services such as food distribution, and
- **Retail Partners**—who provide products, jobs and job training and other goods to the stores.

Additional detail for each of these supporting and operating partners includes:

- **Funding Partners**—include a number of departments and programs within the District of Columbia Government (The Office of the Deputy Mayor for Planning and Economic Development, DC Public Libraries, and DC Department of Small and Local Business Development). Other Funding Partners include: City First Enterprises; the Friends of Rhode

Island Avenue NE; the Enterprise Foundation (which finances affordable housing and communities); and Share Our Strength (a program which funds provision of food for children); LISC/Local Initiative Support Corporation; and, Boston Medical Center, a health management company

- **Programming Partners**—include STEM/Science, Technology, Engineering & Mathematics (an educational coalition fostering programs for underserved communities and increased participation in STEM programs for girls); Byte Back/Tech Within Reach (a tech skills training program that creates inclusive educational and employment programs for underserved groups); DC Public Libraries (education resources, study areas and assistance, and computer access); Food Corps (an educational program that addresses health and nutrition for school-age children); Mary's Center (a 30-year old health services organization specializing in HIV/AIDS counseling and treatment); the Latino Economic Development Center (supporting housing and business development for Latino Communities); the DC Office of the Chief Technology Officer (providing computer and tech support); and the Washington YMCA (a possible precedent for including the West Boulevard Y)
- **Service Partners**—include the DC Department of Human Services, the District of Columbia Office on Aging; and Made in Union Kitchen (the distribution subsidiary of Union Kitchen, DC's six-year old social enterprise commercial kitchen and marketing network). Union Kitchen originally opened as a participating member-based 7,500 sq. ft. shared commercial kitchen, in which local food entrepreneurs could make food products (baked goods, ice cream, sauces and condiments, etc.); the founders of the program realized that there was no distribution network to market and send these products to local grocery stores, so they created a three-truck delivery and inventory management system to create selling destinations for locally-produced, small-batch food items. Good Food Markets carry a number of these DC-made food products. In the last five years, almost 200 local businesses have participated in the Union Kitchen production and distribution system, creating a new, small-business based food industry in the region.

- **Retail Partners**—retail partners working with Oasis include retail businesses and stores; restaurants and cafes that hire food trainees; and food manufacturers/wholesalers, including: Capital Candy Jar, Zeke's Coffee, Capital Kombucha, Michele's Granola, Misfit Juicery and DC Vegan.

Relevance to West Boulevard

The broader social objectives of Oasis Community Partners extend the positive benefits of a comprehensive approach to job skills, nutrition and food science and product-creation beyond the more straightforward benefits of the food cooperative concept alone. While it is not known if the full range of local foods manufacturing exists in Charlotte, the example of OCP's programs and its partnerships with technical advisors, educational institutions and programs and job skills providers may offer longer-term lessons by which the recommended food cooperative can extend beyond the singular purpose of making more fresh foods available to West Boulevard's residents. Much of the impact of the Oasis programs and Good Food Markets as a social enterprise business has occurred in the past five years. A similar approach in Charlotte could work in the West Boulevard corridor; it will take a similarly broad outreach to these types of partners to ensure its success in locations such as West Boulevard as a prototype for Charlotte.

Recommendation # 3:

Utilize Appropriate Financial & Regulatory Incentives

Opportunity Zones & Other Incentives

Eighteen months ago, the U.S. Congress passed the Federal Tax Cuts and Jobs Act of 2017. One of the provisions of the Act created a new program entitled Opportunity Zones. Approximately 8,700 areas were designated as Qualified Opportunity Zones, including a large section of Charlotte stretching from east to west on the northern side of Uptown. The western areas of the largest Charlotte Opportunity Zone include most of the West Boulevard study area, although the southeast corner of the Remount Road/West Boulevard intersection is excluded from the boundaries, as illustrated in Figure 15.

Figure 15: Opportunity Zones—West Side

The Opportunity Zone (OZ) legislation is designed to redirect a portion of the country's long-term capital gains into investments in lower income areas. A capital gain is the difference between the original total investment in an asset (stocks/equities, real estate, etc.) and its value after it has been held for a period of time. Short-term capital gains are investment assets held for less than one year, while long-term capital gains are held for more than one year. The difference between the original investment amount and the value when it is sold is taxable at differing rates, depending on overall annual income. As an example, if an investment in stock has increased, and the stock is sold after 11 months, the difference in value is taxed at ordinary income rates. The same investment held for more than 12 months would be taxed at the 15% long-term capital gains rate. This tax policy therefore encourages forms of long-term investment and savings by reducing the tax rate on increased value.

Because most stocks and real estate investments are held by high-income investors and their values have generally increased, there are huge amounts of capital gains in-place, potentially totaling in the trillions of dollars. More recent guidance from the IRS has capped the total amount of capital gain revenue 'offset' to a maximum of $100 billion. Capital gains taxes are lower for longer-term investments, but the profit at sale is taxable, both as income and is subject to an additional 3.8% Investment Income Tax. Depending how long the Qualified Opportunity Zone investment is held, up to ALL of the capital gains tax requirements can be eliminated. Some commentators have called Opportunity Zones a "once-in-a-generation chance to shelter taxable income."

The Opportunity Zone program creates an alternative to provide tax shelter of long-term capital gains by allowing those investments to be placed into Qualified Opportunity Funds (QOFs), which will invest at least 90% of their resources in designated Qualified Opportunity Zones. Based on income data in lower-income areas proposed by each state, the U.S. Department of Treasury approved thousands of Opportunity Zones (this is what constitutes a 'Qualified Opportunity Zone). Across the country, investment service companies like accountants and investment advisory companies are offering training on how to take advantage of OZs for investors and for creators of the QOFs. Although the Tax Cut Act was passed in November 2017, it has taken over a year for IRS Guidance (rules of eligibility) to be determined; the most recent guidance was issued in April 2019. Qualified Opportunity Zone Funds are defined simply in the IRS Guidance as: "an investment vehicle that is set up as either a partnership or corporation for investing in eligible property that is located in a Qualified Opportunity Zone."

For investors, the benefits of shifting capital gains funds into the QOFs can be substantial over time. If investments in a QOF are held for five years, the reduction in capital gains is 10% of the profit/gain. If the investment is held for seven years, the reduction in taxable gains becomes 15% and is capped at that level until year 10. For investments held for 10 years or longer, all capital gains are permanently excluded. While investments in stocks and equities often require more frequent sales during the capital gains period to remain viable, real estate asset investments are well-suited for longer-term investments; that characteristic could attract substantial Opportunity Zone funds into emerging areas perceived as 'undervalued'.

Because of West Boulevard's location between Uptown Charlotte and CLT Airport and its proximity to a future light rail commuter line (and associated Transit-Oriented Development opportunities along a potential light rail route), portions of the study area demonstrate current designation of 'distressed' (because specific Census Tracts meet OZ demographic criteria, such as lower incomes) and 'undervalued' (when compared to overall redevelopment potentials).

Although the Opportunity Zone program is just getting underway, it is certain to attract billions of dollars, nationally and locally, into real estate investment, and is therefore worth consideration of the possible impacts on areas such as West Boulevard.

The language of the Tax Cut Act of 2017 and of the Opportunity Zone legislation does not specifically require that the investments have a measurable impact on local areas. **West Boulevard is already attracting speculative real estate investment and creating immediate value prospects for long-time owners and residents to sell and relocate, as evidenced by increasing in housing values in the adjacent Wilmore neighborhood as well as increases in sales prices in the study area.** The creation of Opportunity Funds will assemble ready investment capital to accelerate speculation and redevelopment/increased density in the study area.

Moreover, **once the CATS Lynx Silver Line extension is planned, similar redevelopment patterns (such as has occurred along South Boulevard/Blue Line) are highly likely**. The Tax Act does not require any community engagement with residents and property owners, nor does it require long-term planning and regulation to mitigate wholesale change. Projects are *not* required to provide affordable housing or other community-based economic development opportunities to create jobs.

A Cautionary Comment: The Opportunity Zone program is based on the use of tax-sheltered gains into designated areas requiring investment. As such, its central function is intended to generate long-term profitability for the investors. As yet, IRS guidance for Opportunity Zones has not included specific controls to address community or social benefits. As the program is developed, these issues will likely be part of local implementation of Opportunity Zones.

The City of Charlotte has realized both the opportunity and the risks associated with Opportunity Zones and has initiated this study to consider community needs and risks of future growth in the West Boulevard corridor. A degree of caution and an awareness about the potential gentrification effects of Opportunity Zones on older and lower-income neighborhoods should be part of the equation of how change is to be managed, how land use decisions are made, and who will be affected by those decisions. There is a strong opportunity to finance redevelopment in the West Boulevard neighborhoods, but that opportunity should be tempered by maintaining the interests of residents and property owners with policies that manage that reinvestment. As the OZ program is new, there are no precedents in other communities.

Other Incentives Available in Charlotte

The City of Charlotte has several incentive programs that can assist West Boulevard property owners and residents. As described below, each program is currently available, while the Aging-in-Place program was only recently implemented by the City.

Business Matching Grant Security Improvement Grant

The intent of this program is to allow businesses to improve safety and the environments around their buildings for employees and customers. Owners and tenants of existing for-profit commercial buildings can apply for matching grants up to 50% of the cost for installation of security equipment and improvements to their properties. A security analysis by a certified Charlotte-Mecklenburg entity must be completed and prioritized recommendations determined before applying for the matching grant. Any work undertaken prior to the security analysis is ineligible for the match, and the property owner or tenant must then complete the work at their cost.

The City will contract for reimbursement based on provision of approved receipts and inspection. Reimbursement of up to 60% of costs may be approved for Minority, Women and Small Business Enterprises (MWSBE) applicants. If the costs exceed the available grants, eligible costs can be re-applied for until all approved costs are covered. New construction projects are not eligible for this grant, and the building must meet all required codes and be current on property taxes. Ineligible businesses are not permitted (such as adult businesses, gambling (including sweepstakes and cyber/internet cafes, businesses operating from residential properties or uses, non-conforming uses or properties owned by non-profit institutions). Applications are to be submitted to the City of Charlotte Economic Development Department.

Eligible costs as approved by the Charlotte-Mecklenburg Police Department (CMPD) for these matching grants include:

- Alarm Systems (up to $500)
- Security Lighting
- Locking Devices
- Ironwork
- Fencing
- Security Camera
- Gates
- Doors
- Windows
- Selected Other Modifications

The maximum grant awards (per round) are:

All buildings (except shopping centers)	$ 5,000
Owners of Shopping Centers (with 3 or more tenants)	$20,000
Individual Tenants of Shopping Centers	$ 2,000

Business Matching Grant Façade Improvement Program

The Façade Improvement Matching Grant program assists building owners and businesses to make improvements in building facades appearances as well as bringing signs, parking and landscaping into compliance with current building codes. The program provides up to 50% reimbursement grants for improvements to commercial and industrial buildings for eligible renovation costs. Up to a 60% reimbursement may be made available to certified Minority, Women or Small Business Enterprise (MWSBE) companies. Similar to the Security Grant program describe above, eligibility is based on whether the following conditions apply to applicants:

- Owners or tenants of for-profit commercial buildings; building uses must conform to all applicable codes and ordinances and be current on real property taxes
- National/regional chains headquartered in Charlotte are eligible
- Certain businesses as building uses are prohibited from participating in the program, including adult businesses, gaming (including sweepstakes and cyber/internet cafes, new construction projects, businesses operating from residential properties or residential uses, properties owned by non-profit institutions and any non-conforming uses
- Owners of for-profit vacant buildings may apply if (a) the purpose of the project is to rehabilitate the building to attract eligible businesses, and (b) no portion of the building is occupied by non-conforming or ineligible businesses. Buildings owned by non-profits are ineligible

Eligible expenses include:

- Approved architectural renovations to the building façade
- Improvements to bring “grandfathered” signs, parking and landscapes into compliance with current codes and ordinances
- A 50% reimbursement of eligible architectural fees up to $3,000 in addition to the maximum award amount
- Infrastructure improvements to the public right-of-way for a change of use permit

Maximum grant awards are based upon the square footage of the eligible buildings:

Up to 3,000 square feet	$ 20,000
3,001 - 6,000 square feet	$ 30,000
Over 6,000 square feet	$ 40,000
Shopping Centers up to 30,000 Sq. Ft. with 3 tenants	$ 90,000
Shopping Centers over 30,000 Sq. Ft. with 4 tenants	$130,000

According to the City of Charlotte, a total of $248,099 has been awarded in façade and security grants to 10 projects throughout the larger study area since 2010. These grants have leveraged $1,106,507 in private investment in those projects, reflecting a leverage ratio of $1: $4.45 in private investment. **Of these 10 projects, two façade grants were approved for businesses located specifically on West Boulevard, for a total of $23,242.** Compared to other corridors in the City's Business Revitalization Geography, the City considers the West Boulevard study area to have low utilization of the program.

City of Charlotte Aging in Place Assistance Program

This new program was created by the City to assist senior homeowners who want to continue to live in their homes, but who are experiencing substantial property tax increases due to property revaluation. The program provides grants to low- and moderate-income property owners who are age qualified (age 65 or older by the end of the year for which assistance is being requested). The current year program would grant the difference between the assessed valuation tax in 2018 and 2019. The grant will be the lesser of two calculations: the percentage tax burden increase over 2018 or a maximum of $1,000, whichever is less. Applicants cannot be participating in any Mecklenburg County Tax Relief Program and cannot have any outstanding encumbrances on the property, such as back property taxes, pending legal actions, or easement disputes. After application and approval, the grants are paid directly to Mecklenburg County on behalf of the senior homeowner.

Applicants must be 65 or older during 2019. The property must be the applicant's primary residence (as only one applicant per residence is allowed). The applicant's property must be located within the City of Charlotte city limits, and the applicants name must be on the title or deed of the property. The resident must have lived in the home for at least 5 years prior to application for the relief, and applicants must demonstrate that they are income-qualified as low- or moderate-income levels. The documented gross household yearly income must be more than $30,200 but cannot exceed 80% of the Area Median Income (AMI). Maximum grant amounts are calculated depending upon how many residents are in the property. The 80% of AMI maximums are illustrated below:

City of Charlotte Housing Rehabilitation & Repairs Program

Low-income homeowners are also eligible for grants for repair and rehabilitation to address code and incipient code violations and make those corrections within the next two to three years and for general home improvements. Only single-family owner-occupied residences can receive these grants.

Homes must be located within the City of Charlotte city limits. Homeowner/occupants cannot have annual incomes greater than 60% of AMI (Area Median Income) levels.

Total Number of Residents/Property	@ 80% of Area Median Income (AMI)
One resident	$41,550
Two residents	$47,450
Three residents	$53,400
Four residents	$59,300
Five residents	$64,050
Six residents	$68,800
Seven residents	$73,550
Eight residents	$78,300

City of Charlotte Lead-Based Paint Hazard Control

The City also has a funding program for its "LeadSafe Charlotte" program; low-income homeowners are eligible to receive grant funding (on a funds-available basis) to address verified lead paint conditions. For income-qualified applicants, the City will provide free lead inspections, free blood testing of children who may have been exposed to lead paint, and free remediation work to safely remove lead hazards for either an owner-occupied home or a rental property. The program has been designed to assist owners of single-family and multi-family residential units as well as investor-owners of properties with two or more bedrooms. Due to its toxicity to humans and pets and the complications from health problems resulting from lead-based paint exposure, the City of Charlotte has received over $17 million to reduce lead hazards in over 2,000 homes over the last 11 years.

Other Potential Sources of Funding

Other potential funding sources for the West Side Community Land Trust, a potential Food Co-operative and other economic development projects include the following:

Public Sources

- **The City of Charlotte**—selected specific programs are outlined above, but the City will also have a critical role in overall physical and development planning policies, administration of incentives and regulatory obligations and other responsibilities
- **Mecklenburg County**—Police and Fire protection and other services, plus the Community Resources Center (CRC) planned for a portion of the YMCA site
- **The Charlotte-Mecklenburg Housing Partnership and Charlotte Housing Authority—**as sources for financing, planning, development and management of affordable housing
- **The Local Initiatives Support Corporation/LISC**—for sources of financing and development assistance
- **North Carolina Small Business & Technology Development Office**—for business development, technical assistance and skills development programs and targeted industry recruitment

Private Sources

As described previously, Charlotte is the headquarters location for six Fortune 500 Companies (as compared to one in Raleigh). The headquarters of the Bank of America and the recently announced merger of SunTrust Banks and BB&T (relocating from Winston-Salem after the consolidation), plus the East Coast headquarters of Wells Fargo Bank reinforces the city's role as a potential testing ground for innovative financing for community development and affordable housing initiatives.

The City of Charlotte is also part of the Knight Foundation's network of "Knight Cities"; the Knight Foundation only awards grants in cities in which it has Knight-Ridder owned newspapers, or once published newspapers there. Nationwide, Knight awarded grants of almost $118 million in 2017, and its endowment assets total almost $2.5 billion. The Knight Foundation is complemented by other charitable foundations in Charlotte, including the Charlotte-Mecklenburg

Community Foundation. Corporate and other charitable foundations can be approached for additional project and program funding.

At a smaller scale, some efforts like food co-operatives have raised funds from on-line sources such as Go Fund Me, Kickstarter, JustGiving and others.

Long-term Implementation Recommendations (Year 4 & Beyond)

While the focus of this analysis has been on near-term actions and recommendations, it will also be important to plan for continuity, growth and expansion into new opportunity areas that are likely to affect revitalization opportunities along West Boulevard. Longer-term goals and strategies should be considered to achieve the following:

1. Provide residents the option to remain in their homes and to age-in-place, if they wish
2. Implement strategies for an expanded Community Land Trust and other approaches to stabilize real estate speculation and gentrification pressures in West Boulevard's residential neighborhoods
3. Complete design and implementation of new streetscape and roadway improvements that will also enhance pedestrian and bike routes, pathways and non-vehicular circulation
4. Focus new residential and selected commercial development in mixed-use formats at under-activated intersections (particularly at Remount Road and Clanton Road)
5. Coordinate with Mecklenburg County on development of the Community Resource Center to expand the range of destination activities near the YMCA, the future new Public Library, and potentially, co-located projects to house the food co-operative, community gardens and limited professional office uses for neighborhood-serving consumer services such as banking, legal and medical professionals. (WTL+a notes that the planning and development schedule for the CRC was not available at the time of this analysis; depending on how the project is prioritized and funded, the CRC may transition as a short-term recommendation)
6. Work closely with CATS in planning the future commuter rail line between West Boulevard and Wilkinson Boulevard. As detailed below, planning should allow for increases in densities and scale near future rail stations, but without negatively affecting the balance in surrounding neighborhoods. (As with the CRC, depending upon available funding and

planning schedules, coordination on the new LYNX Silver Line project could become a near-term recommendation)

7. Explore how to create airport and airport business-related jobs training for area residents as CLT Airport continues to expand
8. Explore long-range possibilities for a future investment-grade hotel at the intersection of West Boulevard and Billy Graham Parkway, and
9. Continue to develop practical strategies and utilize incentives to attract businesses and consumer services tailored to better meet community needs.

Because CATS is considering an extension of the Lynx system along the CSX rail line between Uptown and the Charlotte-Douglas International Airport, WTL+a recommends that the following be incorporated into the analysis of the impacts and benefits of this future transit connection:

- CATS should work with the WSCLT and the City to develop a TOD plan that will do more than stimulate purely market-driven infill development, such as that which has occurred over the past 10 years along South Boulevard. The planning paradigm that suggests up to a quarter-mile walking radius from station locations is appropriate for higher-density residential and commercial development should be mapped and shown where it will impact existing neighborhoods/residents, densities under current zoning, parcel sizes, building conditions and adaptability for new uses, utility capacity and other factors;
- The WSCLT should consider acquisition (through partnership and/or purchase, depending on available funding) to acquire and control selected parcels related to TOD. By owning property in these locations, it may be possible to incorporate affordable/mixed-income housing for current and future residents, receive land lease income to further activities of WSCLT, and keep the organization central to the ongoing discussions about TOD planning and development along the West Boulevard corridor;
- There are two large assembled properties adjacent to the south side of the Norfolk Southern rail line in the study area. The Carolina Golf Club is considered one of the most convenient locations for golf in the Charlotte area; it is a short drive from Uptown and is reportedly considered the third- or fourth-ranked course in an area with an unusually large number of golf courses. The original course was designed by famed golf course designer Donald Ross and opened as the first 18-hole golf course in Charlotte in the 1930s. The club is reportedly

in solid financial footing and is appealing to younger members attracted by its location and beauty of the course. Across Ashley Road from the northeast corner of the golf course is another large (35.7 acre) parcel that is currently in use as the Southern Metals Recycling facility.

Neither site appears to be available for sale (the Carolina Golf Club may never be sold). However, from a long-term planning perspective, it is noteworthy that the club is the largest single land owner in the study area, with just over 174 acres of assembled property adjacent to the proposed Lynx Line, and the Southern Metals site is also adjacent to the proposed Ashley Road north-south connector realignment. The Southern Metals site may require environmental remediation, as is often the case with scrap metal facilities. Given the increase in property values along South Boulevard when the Lynx Blue Line was extended (particularly since 2010), these properties may, over time, become potential TOD redevelopment sites as Lynx is extended to and beyond the airport.

WTL+a recommends that these, and other larger assembled sites be incorporated by CATS into a long-term TOD redevelopment plan along the rail corridor as a basis for concentrating future density within a half-mile of station locations. Incremental development should also balance the opportunity for new infill development with the scale, composition and population of existing neighborhoods. WSCLT and WBNC should each be involved in creating the TOD plan. The purchase of multiple single-family detached houses into larger assembled parcels would potentially alter neighborhood composition more than redevelopment of already assembled larger parcels.

Other Tools & Incentives for West Boulevard

There are a range of other economic development tools and incentives that could potentially be useful as neighborhood stabilization programs and strategies for the West Boulevard study area. Among the many tools available are the following:

1. Specialized Land Use Controls & Overlay Zones
2. Better Access to Capital, and
3. Establishment of a Neighborhood-based Tax Increment Finance (TIF) District

Each is discussed below.

Specialized Land Use Controls/Overlay Zone

As Charlotte is currently developing the Charlotte 2040 Comprehensive Plan update, it is timely to consider both the real estate forces affecting the West Boulevard corridor and surrounding neighborhoods as well as appropriate strategies to sustain both the ability of residents to stay in their homes, and to afford additional forms of protection through strategies in the new Comp Plan designed to prevent displacement. One approach that may be considered is to work with the WBNC to **develop a conservation overlay district, a model of neighborhood planning that has been applied across the country to measure how growth occurs, what types of economic development are compatible with neighborhood scale and character, and as a vehicle to manage change over time.**

Often used in historic preservation or rapidly changing older neighborhoods, conservation overlays are based on neighborhood priorities and objectives. By working through the physical and land use conditions affecting current patterns, conservation overlays use zoning and land use policies to determine how new structures will best fit into the existing context, and through zoning, planning and land use mechanisms, manage issues resulting from development pressures. These community consensus goals are applied through zoning, site development and land use controls such as maximum allowable site-coverage (to direct the introduction and placement of higher-density development within existing neighborhoods), building heights and setbacks, parking requirements for residential and commercial development and preservation of open spaces. Storm water runoff controls, provision of utility infrastructure and other traditional public sector responsibilities such as streetscape enhancements, street lighting and street furniture, transit network and structures, and sustainability goals can also be integrated into the overlay zone.

The West Boulevard market study and strategic assessment is a first step in defining opportunities for growth, site-specific recommendations to introduce new uses and densities that will not overwhelm the current residential mix (e.g., selected townhouse and stacked flat multi-family housing alternatives illustrated in the report). **The critical factor in overlay districts is to base the final outcome and strategies on comprehensive neighborhood input about what residents and property owners want to see changed, and what they wish to conserve during a period of change.**

Review and management of an overlay district can occur within city government, as a separately appointed neighborhood commission, or as a combination of both. In North Carolina, this approach is possible under Home Rule authority or can be integrated within an existing zoning authority. The most effective approach should be determined after ongoing discussions with West Boulevard residents, the WBNC and WSCLT, whose function is to participate as ownership partners to manage speculative real estate increases in value, and to provide alternatives to current property owners. The timing of the Comprehensive Plan update is appropriate to undertake this suggestion, as it can be an integral part of a community-based vision for Charlotte 2040. With the goal of completing the Comprehensive Plan draft by August 2020, consideration of how to establish, monitor and manage a potential West Boulevard Conservation Overlay District should begin as a follow-on to this market study.

Better Access to Capital

Both in Charlotte and in cities across North Carolina, older low-income (by comparison to other parts of their cities) neighborhoods are frequently limited in their access to capital, whether for financing home purchases, funding rehabilitation of existing homes, redevelopment of older commercial buildings, or capitalization of small businesses. In order for the West Boulevard study area to move to the next level in participating in its future within the context of a rapidly growing Charlotte area, it will be critical to explore every possible source and mechanism to provide more capital to area residents, businesses and organizations. As one example included in this report, the West Side Community Land Trust has been created, has an established purpose and a Board and staff, but lacks the working capital and availability of financing to execute its work plan.

As noted previously, "The State of Housing in Charlotte", prepared by UNC Charlotte's Childress Klein Center for Real Estate, documents the over-weighted pressure on neighborhoods such as West Boulevard in terms of property values and the vulnerability to redevelopment that lower values represent, as well as the pressure of declining supply and growing demand. This combination of factors bring special need to the West Boulevard neighborhood, in particular because of its location between Uptown Charlotte and the Charlotte-Douglas International Airport, and the intent to expand the Lynx system between the two destinations. While traditional land use tools can help, the permanency of property ownership provides the greatest degree of control to local property owners. Property owners in these areas are often neglected by banks and financial institutions because incomes do not provide opportunities for profit that other, lower-risk areas present. However, it is increasingly recognized that this is a social inequity that can result in displacement and lack of opportunity for neighborhoods to invest in themselves.

The WSCLT is one good model, and is primarily focused on partnerships between the Trust and neighborhood property owners. In light of pressures on pricing and demand, the Trust needs working capital to execute its other responsibilities (property acquisition, etc.) during the critical early years as it becomes established. Provision of capital can come from business, philanthropic and governmental sources; accessing that capital quickly should be a priority for the Trust and all its partners.

In addition to the Land Trust model, other communities such as Providence, RI and Boston have created non-profit Revolving Loan Funds to assist local property owners and developers working in lower-income areas to improve existing housing stock and make improvements available as affordable housing. These funds, which are managed by preservation/conservation oriented non-profit organizations in these two cases, have invested targeted funds in strategic buildings, sites and locations to provide catalytic improvements while maintaining low-income and affordable housing for residents of neighborhoods and older commercial districts. The difference in the Revolving Fund model is that, once the improved properties are sold, the investment capital 'revolves' back into the fund for re-use at another property. The social goals of preserving a neighborhood context are funded through non-conventional sources. In the case of neighborhoods that have traditionally not been able to attract financing and redevelopment capital, the case can be made to local financial institutions (a particular opportunity in Charlotte as one of the nation's financial capitals) to allocate a share of their Community Reinvestment Act (CRA) funding as a basis for a revolving fund. That type of fund can be administered by a non-profit organization, but will need to have expertise in real estate investment, development and renovation to maximize the benefits of such a fund.

Federal funding for revolving funds has also been used through Community Development Block Grant (CDBG) funding, granted through the US Department of Housing and Urban Development. CDBG funding is a financing tool that provides flexibility in its uses, but as Federal allocations have focused on use of CDBG dollars for disaster relief in Puerto Rico and other areas affected by storm damage, cities have had less funding available. **The Federal**

allocation of CDBG funds to Charlotte for Fiscal Year 2019 is $5.827 million. If any of those funds could be used to capitalize one or more of these programs for the West Boulevard study area, they could help to leverage other corporate, charitable or philanthropic matched contributions.

Charlotte is a “Knight Foundation” community (The Charlotte Observer newspaper was formerly owned by Knight Corp. newspapers), and the location of one of eight regional offices for the Foundation. The Knight Foundation has funded $58 million to the Local Initiatives Support Corporation (LISC) in Charlotte and has directly supported the Historic West End Partnership and the West Side Community Land Trust. The Foundation’s $2.4 billion endowment provides millions of dollars annually in Knight-designated communities. Funding a revolving community preservation fund may be possible, or West Boulevard study area residents could explore other partnerships to address their capital needs for neighborhood-based economic development funding.

Establish a Neighborhood-based TIF District

While the idea of a Tax Increment Finance district in the West Boulevard Study area may seem aggressive at this point in the neighborhood’s renewal process, there is already speculative investment occurring through acquisition of property and houses, potentially for consolidation of sites for larger development projects. It is suggested that the study area be considered for the creation of a neighborhood-based Tax Increment Finance (TIF) district to capture a share of the new investment that may occur over the next 10 years and beyond. While most of the near-term new project funding will be public (the County CRC, the new library, etc.), over time there will be new private investment in the form of infill housing and mixed use projects resulting from extension of the Lynx system to (and beyond) the airport. Establishment of a TIF district for the benefit of the neighborhood would allow the incremental property tax increases resulting from new development to flow back into the community. According to the 2004 state enabling legislation in North Carolina, TIF revenues can be a flexible source of funding for a range of community projects and goals, including:

- Streets, sidewalks and streetscape enhancements
- Arts, cultural and entertainment facilities
- Public transportation and parking facilities

- Sanitary sewer system improvements
- Storm water management and flood control projects
- Water system improvements
- Industrial development
- New schools and community college facilities
- Low- and moderate-income housing programs

It should be noted that, under North Carolina's TIF provisions, no more than 20% of TIF-funded projects can be allocated to retail sales, hotels, banking and financial services and other commercial spaces (not including offices). Because the neighborhood is undersupplied with retail and professional services, this limitation should have little effect on appropriately scaled commercial projects. TIF can also be problematic for parks and school systems, since the basis for the increment means that properties in a designated boundary area have their taxable value "frozen" at a fixed level. Because parks and schools are funded through property tax revenues, allocation of a TIF can bring funding pressure on future growth for these uses.

As a funding mechanism, TIF has been utilized less often in North Carolina in general. The state was one of the last two in the U.S. to adopt statewide enabling legislation, and the legislation passed by only 51% of voters, so it was a close decision. Nonetheless, **TIF is a legal and usable tool to allow the West Boulevard neighborhood to recapture a share of future incremental property tax revenues from new growth to fund neighborhood priority projects.**