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Crescent unveils plans for 2 uptown projects

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Crescent Communities unveiled plans for an ambitious office and hotel development on Tryon Street on Monday, the same day the Charlotte City Council approved the firm's \$10.3 million bid to buy a city-owned parcel near the NASCAR Hall of Fame.

The firm wants to build another mixed-use project on the second site, which would include a 450-room hotel, 70,000 square feet of retail, including a grocery store, and 600 apartments, according to a city memo.

Crescent's concept for the 3-acre site it owns at Tryon and Stonewall streets has been public since last year, when the company announced it had picked the Little architectural firm to begin designing a master plan for the property. The company hadn't, until now, publicly unveiled detailed sketches of the buildings or the design philosophy behind them.

The real estate development firm said Monday that the plans for the project – now named Tryon Place – are gaining speed.

Crescent officials released artists' renderings showing a 27-story tower, as well as green space, street-level retail and a tree-lined "front porch" plaza fronting Tryon that features shady seating areas and spaces for musicians and food vendors.

"This will be a transformative addition to uptown," said Todd Mansfield, president of Crescent Communities. "We can't wait to get some concrete flowing."

Officials said the project would include 500,000 to 1 million square feet of office space, which would make it larger than the 20-story, 395,000-square-foot NASCAR Plaza building.

Design on Crescent's project is expected to be completed by year's end; construction won't start, however, until anchor tenants sign on and leasing reaches levels necessary to support a construction loan.

Crescent officials said they are negotiating with potential anchor tenants. The building could still shrink or grow depending on the demand.

Company officials expressed optimism, pointing to the improving economy and tightening vacancy rates for office space uptown.

"The market is ready for new product here," said Whit Duncan, president of Crescent Communities' commercial division. "We're pretty confident we'll bring something here that will capture the needs and desires of the tenant base."

Crescent has hired Balfour Beatty for pre-construction services and is working with the global design firm WATG, as well as smart-growth and livability expert Fred Kent of Project for Public Spaces.

The uptown real estate market has been showing signs of strength lately, but most recent project announcements and groundbreakings have been for apartment complexes.

Developers have been reluctant to build new office towers uptown since the recession.



Crescent Communities - CRESCENT COMMUNITIE

Artists rendering of the proposed Tryon Place 27 story, 715,000 square foot mixed-use office development at 601 S. Tryon Street, Charlotte.

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The 48-story Duke Energy Center, which opened in 2010, was the last major center-city office tower to go up. Real estate experts have said little office space has been available uptown for a major company since Chiquita Brands International moved into NASCAR Plaza in 2012.

Portman Holdings, the Atlanta-based company that built the Westin hotel in 2003, announced plans last May for a 15-story, 350,000-square-foot office building on top of the property's parking deck at South College and Stonewall streets.

Center City Partners President Michael Smith said Crescent is responding to a need in the office space market. The vacancy rate for the most desirable class of office space uptown has dropped from 15.1 percent in 2010 to 6.8 percent currently.

"To me, that spells out a market that needs more supply," he said. "If we want to continue to bring jobs, we've got to continue bringing more supply."

Crescent officials also want to create a second mixed-use development on 3.6 acres the city owns a short distance down Stonewall Street, across from the NASCAR Hall of Fame.

The City Council on Monday evening approved Crescent's plan to spend \$10.3 million to buy the parcel.

Another company could still present an "upset bid." But if no one puts forth an offer, Crescent will move ahead with its plan to create another mixed-use development there.

Two other companies put in bids for the property – MacCompany's LLC and Portman Holdings.

The land was created roughly 10 years ago when the city was preparing to build the NASCAR Hall of Fame.

The city and N.C. Department of Transportation remade the I-277 interchange with Caldwell Street by narrowing the on and off ramps. That created surplus land, which the city would sell.

The proceeds must go to pay off a \$20 million loan for the NASCAR Hall, backed by Bank of America and Wachovia, now Wells Fargo. The city must also repay the state DOT the \$5 million it spent reconfiguring the interchange.

The city hoped to sell the land years ago, but the 2008 recession depressed the uptown real estate market.

There are five parcels for sale.

The first piece – at Stonewall and McDowell streets – sold last year for \$3.84 million. Proffit Dixon Partners is building a six-story, 230-unit luxury apartment complex called Fountains Uptown.

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