

Reimagining Vintage Office Design Competition

November 22, 2023

301 SOUTH COLLEGE



The Challenge

The Central Business District doesn't reflect Charlotte as it is today. New development is occurring at the city's perimeter, connected to neighborhoods, entertainment, and industry. A new model for Uptown and its vintage office towers is needed to give them continued life and value for the city.



“ A new model is needed to give continued life and value for the city. ”

An Urban Hub for the Community

WHAT IS THE OPPORTUNITY?

It all starts with the integration of contemporary office space and the lives of the people who live, work, and visit the Second Ward. The vision for 301 South College, historically known as One Wells Fargo Center, transforms the building's podium, which was previously the bank's private data center and trading floors, to welcome the community onto the site for cultural, wellness, and educational programs paired with mixed-use retail and residential offerings. The Urban Hub would create a world-class destination for business and culture in the Second Ward, poised to become a catalyst for future development, not only for the building but for the surrounding district as well. It's exciting to think about what the future holds for this innovative project.

HOW DOES THIS PROJECT SUCCEED?

To create a positive impact, this project introduces programming for the project that creates a community that is:

- **Visible**
New development connects to the existing building AND is visible to and accessible by a much broader community.
- **Welcoming (Hospitality/Events)**
Providing not only enhanced retail, food and beverage opportunities, but partnering with non-profit organizations to create destinations for events welcomes the city to stay at and celebrate in the project.
- **Vibrant (Residential 24/7)**
A residential community at the heart of the city adds a 24/7 vitality to the community while connecting living, work, culture and entertainment.
- **Healthy (Sustainability/Wellness)**
Building upon the existing YMCA facility and adding wellness programs throughout the development centers healthy living and working at the center of the project.
- **Creative (Arts)**
Integrating spaces for art and artists throughout the project, the development allows the community to partner and participate with the production of art.

Creating Community

Creating a transformational set of projects for 301 South College starts with strengthening what's best about the existing building and enhancing its connections to the surrounding streets and pedestrian traffic at its edges. Then in a series of strategically positioned projects, new architectural interventions encourage new people and programs to engage with the building and its dynamic outdoors spaces.

PHASE 1: ENGAGE THE STREET

Engaging the street through expanded retail and entertainment options along College Street and MLK Boulevard offers a first step to opening 301 South College to the surrounding City and the adjacent Convention Center.

PHASE 2: CREATE A RESIDENTIAL COMMUNITY

To facilitate the development of a mixed-use development that is vibrant and active not only throughout the week but into the evening and on weekends, the project proposes converting nine floors of the existing tower into housing, creating more than 160 units of housing at the heart of the City and with unmatched views of Uptown Charlotte.

PHASE 3A: RIGHT-SIZE PODIUM OFFICE FLOORS

This phase proposes removing a portion of the deep floorplates on all seven floors of the podium east of the central tower to create leasable office space with better access to natural light and the amenities of the adjacent plaza. The project recognizes that a portion of the structured parking serving the development is also the most significant barrier to expanding on mixed-use retail, hospitality, and events spaces that can better take advantage of the Center's existing plaza. Removing parking at grade and above allows for a new pedestrian street connecting the development's existing plaza with MLK Boulevard, the Convention Center, and the Light Rail.

PHASE 3B: CREATE A MULTI-LEVEL URBAN PLAZA

To improve accessibility and visibility of the existing and new retail and community spaces at the mall level of the development, the project proposes two interconnected outdoor spaces that link the existing plaza with MLK Boulevard to the south. These additional outdoors spaces promote the health and wellness programming at the heart of the project. The new architecture of glass curtain walls that surround them take inspiration from the geometry and rhythms of the existing stone building. The project design transforms the podium while respecting adjacent architecture. Finally, on the top of the existing podium, two levels of residential amenities and a rooftop terrace offer an impressive view of the urban plaza below.

PHASE 4: CONNECT TO THE LIGHT RAIL AND HOTEL

The new multi-level urban plaza offers an opportunity to transform — in partnership with the Hilton Hotel — the existing double height “connector” between the two buildings. A new glass façade and structural glass roof increases the amount of daylight in the connector while taking advantage of views from the plaza. A new stair and elevator provide access from the mall level of both buildings to ground floor mixed use retail and event spaces and strengthens the connection between the plaza and the Light Rail station.



Technical

Progressive AE proactively assembled a team including representation by the owner, leasing broker, and construction partner. We have ensured that the proposal is grounded and feasible by including input throughout the re-imagining process from all these critical voices and community non-profit stakeholders. This inclusive approach to the design process has resulted in a technically feasible and constructible proposal, addresses key factors around feasibility, and has engendered input from vital nonprofit partners.

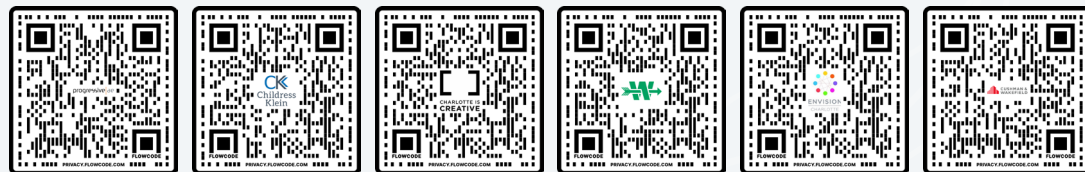
Economic

The proposal considers the new realities of current and future office space needs by addressing the increased use of mass transit, reduced parking demand, and the need for more housing in the Uptown area. Additionally, we focus on educating people on sustainability and the circular economy by partnering with Envision Charlotte and health and wellness by partnering with the YMCA. Finally, we aim to create a vibrant, interactive urban plaza that is self-sufficient and not dependent on external factors while remaining open and engaged with the surrounding development that is currently underway.

Meet Your City Center Partners



Our Team is enthusiastic about this project, see for yourself:



Progressive AE

Childress Klein

Charlotte is Creative

Archer Western

Envision Charlotte

Cushman & Wakefield



Ryan Doherty



Kim Marks



Denny Gappens



Ned Baxter



Wes Jones



Melissa Brown



Amy Clement



David Stuckey



Jessica Brown



David Dorsch



Jordan Williams



Alex DiGiorgio



Jacqueline Thrift



Amy Aussieker



Tim Miner



Joe Angelon

Policy & Innovation

LIGHT RAIL PASS INCENTIVE PROGRAM

The significant expense of parking in the uptown area remains a hurdle for companies and residents of the Central Business district. This increased cost has contributed to a trend of companies relocating from uptown to alternative submarkets like South End, Midtown, and Freemore West. To address this shift and promote public mass transit usage, we propose an incentive program. Under this program, the city would provide Free Light Rail passes to companies or residents that lease within converted office developments designed for mixed uses, similar to the proposal for 301 South College.

UPTOWN ACTIVATION INCENTIVE PROGRAM

The economic future of Uptown Charlotte depends on a diverse workforce, necessitating investment in a variety of uses, businesses, and industries to appeal to a broad range of workers. Our proposal involves providing incentives through either direct grant funding or Tax Increment Financing (TIF) to promote economic development within the central city. This support aims to facilitate a diverse mix of uses, as outlined in an approved list derived from the conversion of existing office space. With our proposal we are converting more than 250,000sf of existing office space to new residential housing, retail, restaurant, artist studio, art exhibit, small business pop up shops, event space, health and wellness, and child day care spaces. Additionally, we are committed to supporting small and emerging businesses.

ARTS AND CULTURAL INCENTIVE

Our redevelopment proposal involves allocating space specifically for local artists and entrepreneurs, aiming to revitalize the city by bringing vibrancy to public plaza areas through art displays, galleries, and artist studios. (TIF) or direct grant funding from the City of Charlotte allows for these artist studio spaces to be accessible to small business owners and startup entrepreneurs at rental rates below the market average. This initiative is designed to benefit the broader community, small businesses, artists, and property owners in the area. By establishing dynamic ground-floor public spaces, our plan seeks to encourage activity, promote local businesses, and provide support for local artists, with a particular emphasis on Black, Indigenous, and other entrepreneurs and artists of color.

OFFICE TO RESIDENTIAL CONVERSION INCENTIVE

The Incentive Program suggests providing Tax Increment Financing (TIF) for office conversion projects, determined by the initial gross floor area of the existing office space to be transformed into Residential, Retail, Public/Community space, event space, or arts and cultural uses. As part of the proposal, a payment in lieu of taxes program is outlined, offering an abatement of up to 75% of the fair market assessed residential value for a duration of up to 20 years.

OTHER PROPOSED CITY OF CHARLOTTE INCENTIVES

We propose a waiver of Permitting and Design Review fees, accompanied by an expedited approval process through the express review procedure at no additional cost. Additionally, we recommend administrative approval for a reduction in any currently mandated parking for the proposed specific uses. Lastly, we recommend administrative waivers/approval for any changes that would affect our current zoning.



TENANT-IMPROVEMENT ALLOWANCE INCENTIVE

We propose that the City of Charlotte finances a portion of designated office and retail spaces to alleviate the financial burden on non-profits and small businesses during the process of upfitting and occupying these spaces. This approach eliminates restrictions on space build-out for such businesses, encouraging innovative designs that were previously hindered by financial constraints. Additionally, this initiative incentivizes companies to utilize older, vacant spaces, contributing to the revitalization of these buildings and enhancing their overall value.

FEDERAL INCENTIVES

Office to Residential Conversion is being incentivized by the federal government for projects located along transportation hubs with the following policies and programs that can potentially be applied to this proposed project:

- **Grants to cover pre-development, acquisition, construction, and other costs**

The Community Development Block Grant (CDBG) Program by the Department of Housing and Urban Development (HUD), with \$10 billion allocated during this Administration, offers grant funding for the acquisition and rehabilitation linked to converting commercial properties into residential uses. States and localities have the opportunity to access up to five times their annual CDBG allocation through low-cost loan guarantees to support projects like the conversion of properties into housing or mixed-use developments.

HUD's new Pathways to Removing Obstacles to Housing program, with an \$85 million budget, will provide grants to states, local governments, and multi-jurisdictional entities. The program aims to eliminate barriers to affordable housing production, allowing for eligible activities such as the development of adaptive reuse strategies and financing conversions.

- **Below-market loans that make the numbers work**

The Department of Transportation's (DOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation & Improvement Financing (RRIF) programs present an extensive lending capacity exceeding \$35 billion. These programs offer large-scale, below-market loans intended for financing conversions in proximity to transportation hubs.

Uptown Activation

The upcoming renovation aims to transform the existing private plaza into a vibrant community-centric space that fosters connectivity among uptown neighborhoods, tourists, and office workers. The mixed-use and retail development will offer various cultural events, health and wellness opportunities, and educational programs throughout the week, welcoming local artists to showcase their work.

2 Levels

Allocated to health and wellness activities anchored by the YMCA with childcare center and SPA.

20k

Square feet of space allocated to the arts and cultural events including gallery space, studios, and event space — indoor and outdoor.

7+

New retail opportunities including full scale restaurants and cafes to micro-retail areas.



Sustainability Hub

Establishing a Circular Economy hub right in the heart of our Uptown area represents a significant stride towards realizing Charlotte's ambitious objective of becoming a zero-waste city. This visionary hub could function as a dynamic center, encouraging and facilitating citizens to embrace "reduce, reuse, refuse, recycle, and repair." Let's delve into the exciting potential of such a hub.

First and foremost, this hub would provide a tangible space where individuals can actively participate in these sustainable activities. It becomes a focal point for bringing materials to be recycled, demystifying the recycling process by showcasing it on-site. For instance, envision an innovative glass crusher right within the hub, transforming discarded glass into sand, a valuable resource that local entrepreneurs can utilize for projects like eco-friendly concrete.

In addition to recycling, part of this transformative hub's vision includes the creation of a "repair cafe." This dynamic concept would house various tools and offer classes for residents to acquire the skills needed to repair their small appliances rather than discard and buy new ones. This approach reduces waste and empowers the community with valuable DIY repair skills, contributing to a culture of sustainability.

Moreover, the hub can take sustainability a step further by providing products and services aimed at helping people minimize their environmental footprint. One innovative offering could be a dishwashing soap refill station, encouraging residents to reduce single-use plastic waste by refilling their containers. This promotes sustainability and serves as a convenient and eco-conscious option for the community.

In summary, establishing a Circular Economy hub in the Uptown area is not just a significant step towards Charlotte's goal of zero-waste but a visionary concept that promotes education, innovation, and hands-on involvement in building.

301 South College, a LEED building, currently has a robust sustainability program within the building, including:

- Tracking waste diversion
- Tenant recycling program and on-site compactor
- Building Management System that monitors/controls significant systems within building

New potential initiatives being considered include:

- Waste management diversion for construction projects reuse within the project "Green Leasing" strategy, including Light Rail passes, EV charging stations, etc.
- Restaurant tenant incentives for the purchase of local food

Economic Development

Our proposal aims to enhance the local economy by strategically increasing residential units in the Second Ward. We believe that by providing affordable housing options and easy access to Light Rail, we can create opportunities for career growth and contribute to the overall well-being of the community.

Additionally, we recognize the historical significance of the high-rise building and believe its revitalization can have a positive impact on the existing Hilton hotel. We are confident that the ground-level retail and hospitality spaces will generate property tax revenue over time.

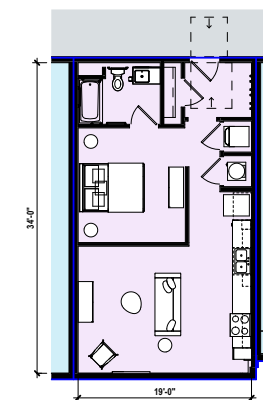
Our proposal also aims to create a safe and attractive Light Rail destination, connecting the iconic property to the broader community, starting with South End and extending along the Blue Line. The 2040 plan is a visionary 20-year roadmap rooted in an Equitable Growth Framework. It reflects our unwavering commitment to prioritize the needs of our most vulnerable communities and to create a city where every resident can thrive, irrespective of their race, income, age, ability, or location.

Our proposal seeks to transform the Uptown Central Business District into a beacon of hope for a better future by reimagining the iconic center at 301 South College as a vibrant hub for the Second Ward.

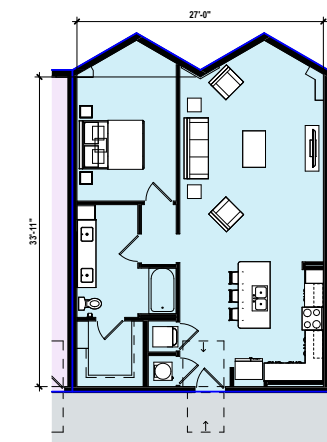
Office to Residential Conversion with Affordable Housing Option



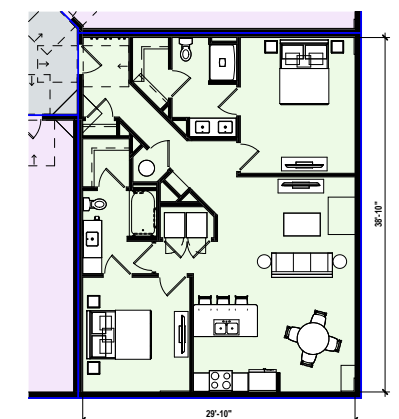
162 New Uptown residential units offering 20% at affordable housing rent levels



SAMPLE STUDIO UNIT
1/8" = 1'-0"



SAMPLE 1 BED UNIT
1/8" = 1'-0"



SAMPLE 2 BED UNIT
1/8" = 1'-0"

Preliminary Construction Costs

Proforma

PRICING BREAKOUTS				
Scope	Quantity	U/M	Unit Pricing	Total Cost
Existing Plaza Rework				\$ 2,274,125
- new pavers	12,995	SF	\$ 75	\$ 974,625
- colored concrete	12,995	SF	\$ 30	\$ 389,850
- waterproofing	25,990	SF	\$ 15	\$ 389,850
- landscape/irrigation and site furnishings	25,990	SF	\$ 15	\$ 389,850
- revised drainage	25,990	SF	\$ 5	\$ 129,950
Elevated Plaza				\$ 6,917,250
- elevated concrete slab	10,530	SF	\$ 230	\$ 2,421,900
- monumental stair	1	LS	\$ 575,000	\$ 575,000
- glass handrail	500	LF	\$ 575	\$ 287,500
- plaza finishes/roofing system	10,530	SF	\$ 200	\$ 2,106,000
- Underside soffit panels	10,530	SF	\$ 95	\$ 1,000,350
- plumbing/fire protection	10,530	SF	\$ 10	\$ 105,300
- electrical/lighting	21,060	SF	\$ 20	\$ 421,200
Podium Rework (L2-L8)				\$ 27,329,430
- exterior terraces	2,950	SF	\$ 200	\$ 590,000
- MEPs	213,388	SF	\$ 95	\$ 20,271,860
- selective demo of existing restroom finishes	7,200	SF	\$ 20	\$ 144,000
- upgraded restroom finishes	7,200	SF	\$ 185	\$ 1,332,000
- minor slab/wall prep	213,388	SF	\$ 15	\$ 3,200,820
- minor slab edge structural enhancements	6 floors		\$ 50,000	\$ 300,000
- elevator extension (structure/power/shaft)	2,050	SF	\$ 215	\$ 440,750
- MRL elevator extension	21 stops		\$ 50,000	\$ 1,050,000
RESIDENTIAL				\$ 46,742,250
- Residential Conversion (L9-L18)	206,550	SF	\$ 185	\$ 38,211,750
- Rooftop Terrace Amenity (L8)	4,590	SF	\$ 350	\$ 1,606,500
- New Residential Clubhouse (L9-L10)	13,848	SF	\$ 500	\$ 6,924,000
SPECIALTIES				\$ 23,067,475
- Structural Demolition	1	LS	\$ 6,500,000	\$ 6,500,000
- New Façade	97,435	SF	\$ 135	\$ 13,153,725
- Ground Floor Entrance Improvements	1	LS	\$ 500,000	\$ 500,000
- Glass Roof at Hotel Connector	11,655	SF	\$ 250	\$ 2,913,750
CONTINGENCY				\$ 10,633,053
- Contingency	10%		\$ 116,963,583	\$ 10,633,053

PROJECT TOTALS				
TOTAL PROJECT BUDGET	543,146	GSF	\$ 218	\$ 116,963,583

PRELIMINARY DEVELOPMENT PROFORMA			
Annual Operating Statement			
Annual Rent on Entire Transformed building (Podium & Tower)		\$	41,890,469
Additional Annual Parking Income		\$	2,009,574
Annual Vacancy Loss	10.00%	\$	(4,189,047)
RE Taxes/Insurance		\$	2,654,007.34
Operating expenses (Office, Retail, Other)		\$	10,989,478.00
Operating expenses (Multi Family)	25%	\$	2,176,539.96
Net Operating Income (NOI) - Untrended		\$	23,890,971
Annual NOI Growth Rate	2.00%		
NOI (Trended thru project timeline)		\$	27,624,964
Project Timeline			
Pre-Construction	16.0 Months		18.18%
Construction	24.0 Months		27.27%
Lease up to Stabilization	48.0 Months		54.55%
Total Timeline	88.0 Months		100.00%
Development Sources & Funding			
		% of TPC	Amount
Purchase/REFI of Existing Asset (Current Debt on Building)			\$157,000,000
Acquisition Fee	2.00%	1%	\$3,140,000
Hard Costs - Construction budget	\$106,330,530	30%	\$106,330,530
Hard Costs Contingency (% of HC)	10.00%	3%	\$10,633,053
Soft Costs (A&E fees, Legal, Approvals, geotech, etc)	15.00%	5%	\$15,949,580
Soft Costs Contingency (% of SC)	10.00%	0%	\$1,594,958
Construction Loan Interest	7.00%	16%	\$57,931,462
Total Project Cost		55%	\$352,579,582
Development Fees			
Development Fees (3% of Total Project cost)	3.00%	\$	5,773,187
		\$	5,773,187
Marketing & Leasing Costs (Office & Retail)			
Leasing Commissions (Estimate)	6.00%	\$	16,105,333
TI Allowance (Office/Retail)	n/a	\$	44,006,380
		\$	55,711,075
Government Funding			
Development Grant	25.00%	\$	(33,627,030)
TI Allowance Incentive	10.00%	\$	(4,400,638)
Property Tax Abatement (Annually)	50.00%	\$	(2,654,007)
		\$	(40,681,675)
Project Funding			
Total Project Cost	(Enter cost from line above)		\$376,178,322
Construction Loan (Interest Only)	60.00%	\$	225,706,993
Equity Amount	40.00%	\$	150,471,329
Total Sources of funding	100.00%	\$	376,178,322
Disposition			
Untrended NOI @ project completion		\$	27,624,964
Exit Month after project completion			Month 24
Annual NOI Growth			2.00%
NOI Upon Exit			\$28,741,012
Cap Rate on Sale			6.00%
Gross Sales Price			\$479,016,873
Selling Costs	2.00%		(\$9,580,337)
Net Sales Proceeds			\$469,436,536
Sale Price per SF (inclusive of Parking & basement Levels)			\$340
Projected Returns			
Net Profit (exc. Cash Flows)			\$93,258,214
Equity Multiple (exc. Cash Flows)			1.62x
Development Yield (Untrended)			6.78%
Development Yield (Trended at Exit)			8.15%
Development Spread (Upon Exit)			2.15%



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