

**DOWNTOWN KANNAPOLIS:
DEMONSTRATION PROJECT RFP UPDATE**

AGENDA

- Demonstration Project Purpose & Program
- Summary of Proposals Received
- Next Steps



PURPOSE & PROGRAM

Program Details	
Residential Units	218
Retail Square Footage	36,000
Parking Spaces	418
Total Square Footage (excl. parking)	214,000

Program Financials	
Total Estimated Private Investment	\$29.7M
Total Estimated Public Investment	\$6.2M

"An early project that could build momentum for downtown, generate interest and leverage publicity, attract investment for future projects and best demonstrate the City's commitment to creating public-private partnerships in enhancing Kannapolis' downtown core."



SUMMARY OF PROPOSALS RECEIVED

NEYLAND ASSOCIATES TEAM

DEVELOPER: NEYLAND ASSOCIATES, KNOXVILLE

CONTRACTOR: JA FIELDEN, KNOXVILLE

ARCHITECT: FUGLEBERG KOCH, ORLANDO

MANAGEMENT: FORTY2 LLC, PHILADELPHIA

RETAIL: KEITH CORPORATION, CHARLOTTE

NEYLAND TEAM PROJECT EXPERIENCE

Cottages on Tazewell

Knoxville

- 280-unit apartment home community
- 28-acre site
- Completed 2015



NEYLAND TEAM PROJECT EXPERIENCE



Northshore Town Center

Knoxville

- Multi-phase, mixed-use residential-retail-office
- Includes “Main Street” design of small retailers and live-work spaces as well as large anchors
- Multi-family, townhomes, and single-family residential products
- Phase I under construction



NEYLAND TEAM PROJECT EXPERIENCE

The Stadium District

(Fugleberg Koch Architects)

Lansing, MI

- 50 residential units (condo and apartment)
- 25,000 SF street-level retail
- 11,000 SF office space



NEYLAND TEAM KANNAPOLIS PROPOSAL



Precedent images of past team projects included in proposal in lieu of specific renderings

Proposal Highlights

- Closely-aligned with RFP
- Brings full team, including marketing and leasing consultants
- Amenity-rich residential units

Team

- Developer: Neyland Associates, Knoxville
- Contractor: JA Fielden, Knoxville
- Architect: Fugleberg Koch, Orlando
- Management: Forty2 LLC, Philadelphia
- Retail: Keith Corporation, Charlotte

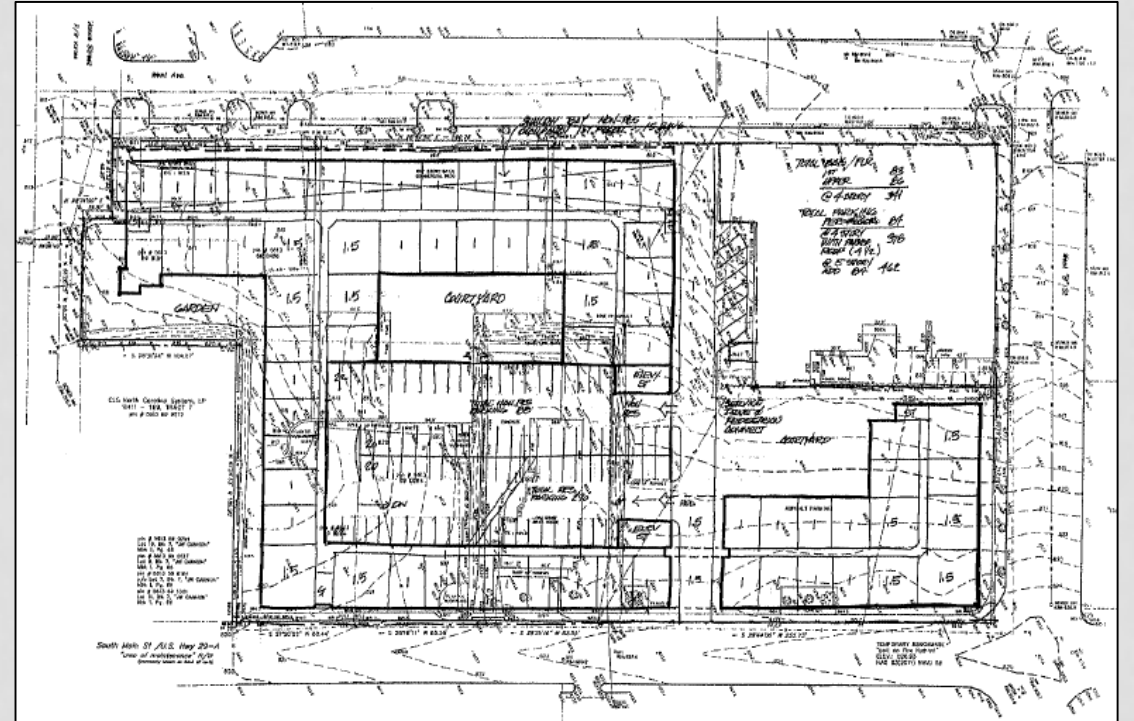
Team Experience

- Neyland has extensive multifamily residential experience
- Fielden brings strong retail construction focus

NEYLAND TEAM PROPOSAL FOR DEMONSTRATION PROJECT

Program Comparison	RFP	Neyland
Residential Units	218	252
Retail Square Footage	35,800	10,000-20,000
Parking Spaces	418	378-462
Total Square Footage (excl. parking)	214,000	254,000

Program Financials (not finalized)	RFP	Neyland
Proposed Acquisition Cost	\$571,000	\$571,000
Total Estimated Private Investment	\$29.7M	\$28.7M
Total Estimated Public Investment	\$6.2M	\$5.7M-\$6.9M



LANSING MELBOURNE GROUP (LMG) TEAM

DEVELOPER: LMG, FORT LAUDERDALE

CO-DEVELOPER: MGB DEVELOPMENT GROUP, SAVANNAH

DESIGNER/ARCHITECT: BOB BISTRY, MIAMI

CONTRACTOR: KAUFMAN LYNN, BOCA RATON

LMG TEAM PROJECT EXPERIENCE



The Heights at Eastwood

Lansing, MI

- Multi-phase mixed-use residential-retail-hotel
- 750-space garage
- 45,000 SF retail
- 150 residential units
- Completed 2014

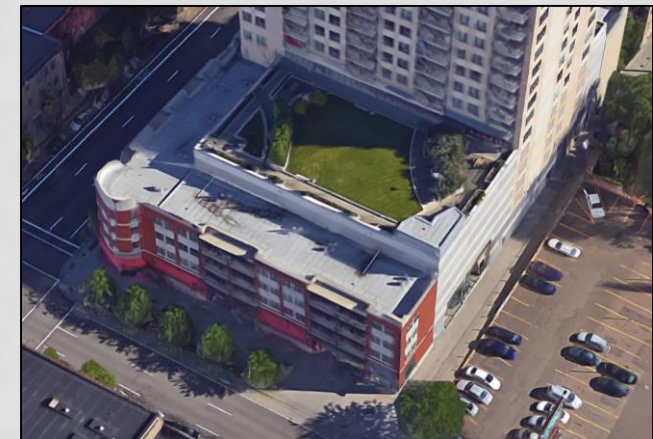
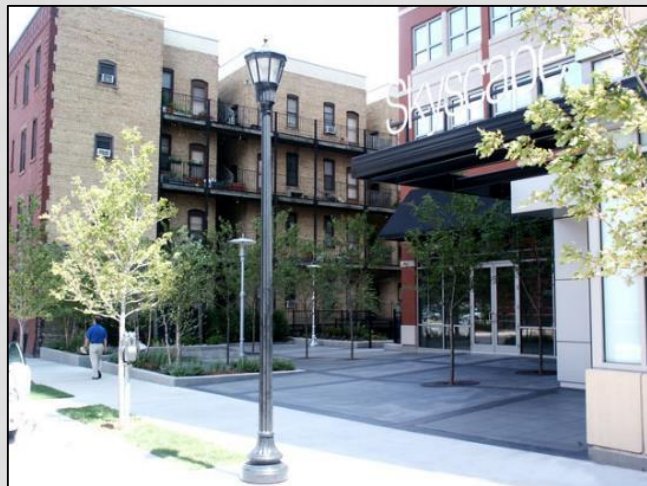


LMG TEAM PROJECT EXPERIENCE

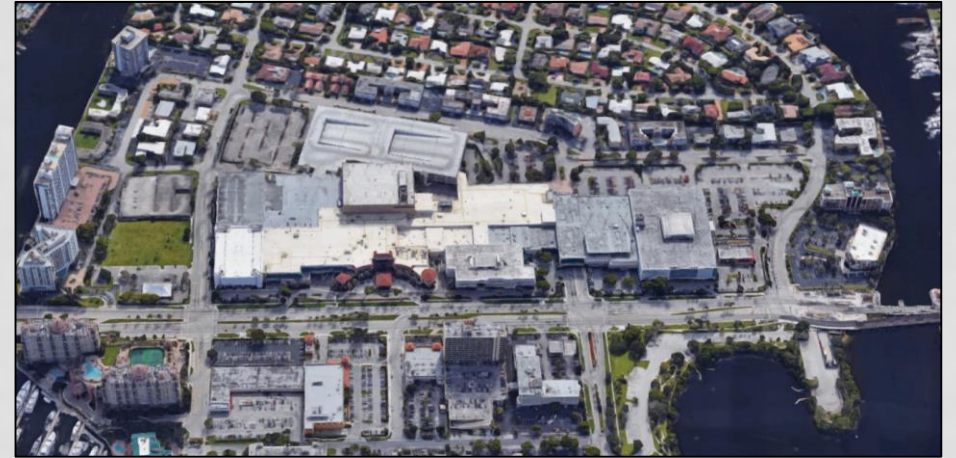
Skyscape Condos (Built Form Architects)

Downtown Minneapolis

- Mixed-use residential-retail
- 252 residential units
- 12,000 SF street-level retail
- 325-space wrapped garage
- Completed 2008



LMG TEAM PROJECT EXPERIENCE



LIVE Galleria

Fort Lauderdale

- Mixed-use re-development of existing, traditional 1M SF mall
- 1,250 residential units on 7 sites
- 60,000 SF retail
- 1,400 parking spaces in multiple garages
- Entitlement process underway



LMG TEAM KANNAPOLIS PROPOSAL



Proposal Highlights

- Additional residential units and hotel on demonstration block
- Includes second phase, in which LMG team develops residential, retail, and PAC on western block
- Team will act as developer for infrastructure and roadway improvements, if desired
- Developer can offer financing for public elements, if desired

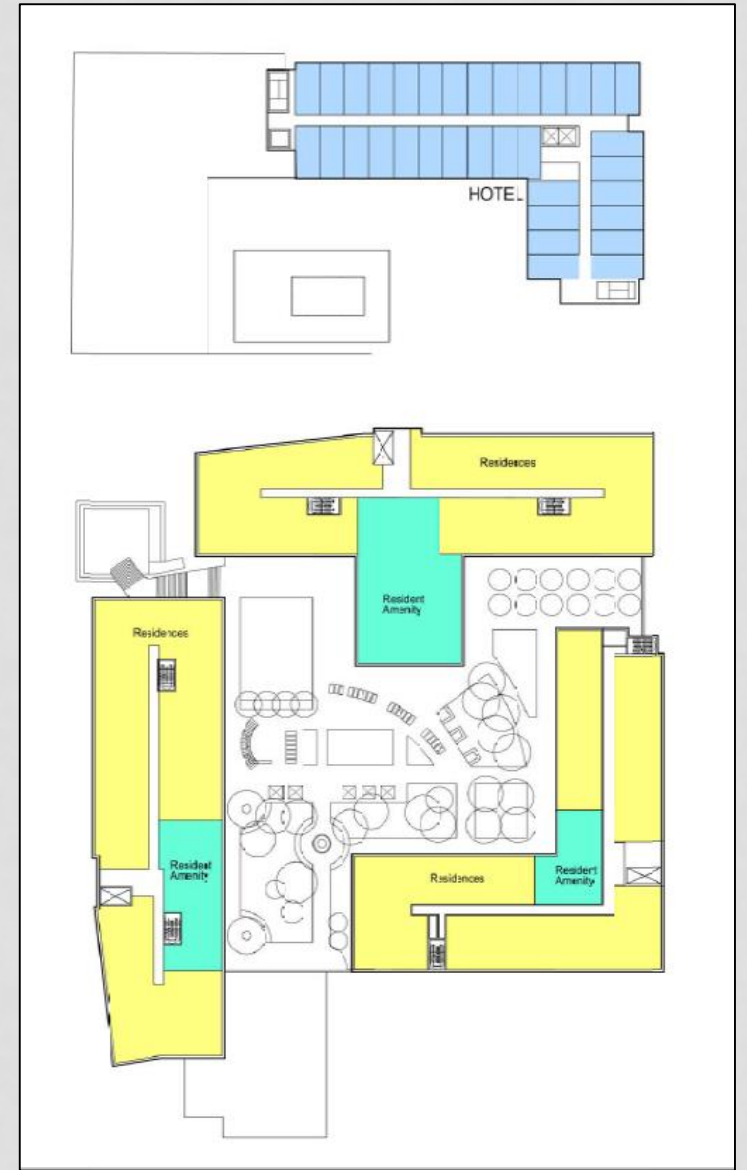
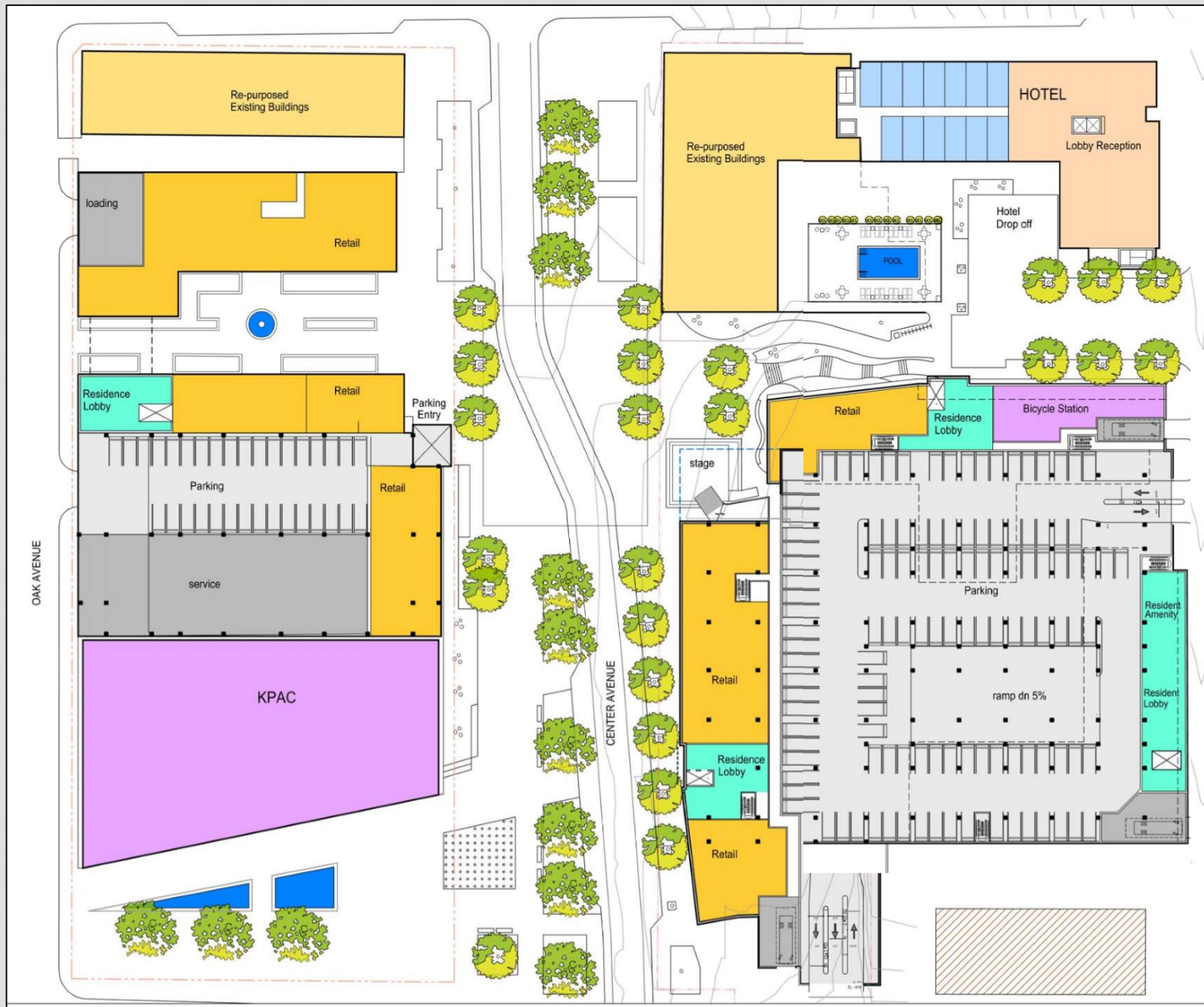
Team

- Developer: LMG, Fort Lauderdale
- Developer: MGB Development Group, Savannah
- Designer/Architect: Bob Bistry, Miami
- Contractor: Kaufman Lynn, Boca Raton

Team Experience

- Team has significant urban mixed-use experience
- Currently engaged jointly in several projects
- Significant experience with public-private partnership structures
- Familiar with downtown Kannapolis





LMG TEAM PROPOSAL FOR DEMONSTRATION BLOCK

Program Comparison	RFP	LMG
Residential Units	218	271
Retail Square Footage	35,800	83,600 SF*
Parking Spaces	418	506
Hotel Rooms	0	116
Total Square Footage (excl. parking)	214,000	377,000

Program Financials (not finalized)	RFP	LMG
Proposed Acquisition Cost	\$571,000	\$1,724,640
Total Estimated Private Investment	\$29.7M	\$60.6M
Total Estimated Public Investment	\$6.2M	\$12.6M

**includes 19,800 new SF and adaptive reuse of 63,800 existing SF*



Perspective: looking north from Vance Avenue and Main Street



218 residential units
perspective: looking south from West Avenue



19,800 square feet of street-level retail space under residential units
perspective: looking south from West Avenue



508-space parking deck capped by interior “amenity deck,” with vehicle access
from Vance Avenue and Main Street
perspective: looking north from Vance Avenue and Main Street



116-room hotel

perspective: looking north from Vance Avenue and Main Street



120 residential units in second phase across West Avenue
perspective: looking north from Vance Avenue and Main Street



26,000 square feet of street-level retail in second phase across West Avenue
perspective: looking north from Vance Avenue and Main Street



460-space parking deck in second phase across West Avenue
perspective: looking north from Vance Avenue and Main Street



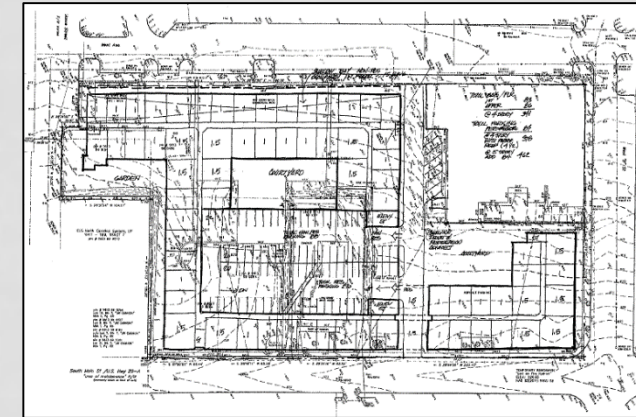
Performing arts center or other public anchor in second phase across West Avenue
perspective: looking north from Vance Avenue and Main Street

COMPARISON OF PROPOSALS

Program Comparison	RFP	Neyland	LMG
Residential Units	218	252	271
Retail Square Footage	35,800	10,000-20,000	83,600 SF*
Parking Spaces	418	378-462	506
Hotel Rooms	0	0	116
Total Square Footage (excl. parking)	214,000	254,000	377,000
Additional Square Footage Proposed on Western Block	0	0	164,000

Program Financials (not finalized)	RFP	Neyland	LMG
Proposed Acquisition Cost	\$571,000	\$571,000	\$1,724,640
Total Estimated Private Investment	\$29.7M	\$28.7M	\$60.6M
Total Estimated Public Investment	\$6.2M	\$5.7M-\$6.9M	\$12.6M
Public:Private Investment Ratio	1:5	1:4 – 1:5	1:5
Additional Private Investment Proposed	\$0	\$0	\$19.1M

*includes 19,800 new SF and adaptive reuse of 63,800 existing SF



Site plans from Neyland team (above) and LMG team (below)



FEEDBACK RECEIVED DURING RFP PROCESS

- Excitement about potential public anchors—development community wanted more certainty in form of master plan for public investments
- Uncertainty that full RFP retail component can be supported by market at this stage—retail may require more gradual phasing
- Perceived over-development of Charlotte MSA residential market among some private equity sources may impact some multi-family developers
- Some frustration in development community due to past interactions with prior owner
- Identification of several potential development partners that may seek to participate in future projects (even if demonstration project timing or product mix not a match)
- Substantial interest in Kannapolis among private development community even before Council's endorsement of master plan

NEXT STEPS

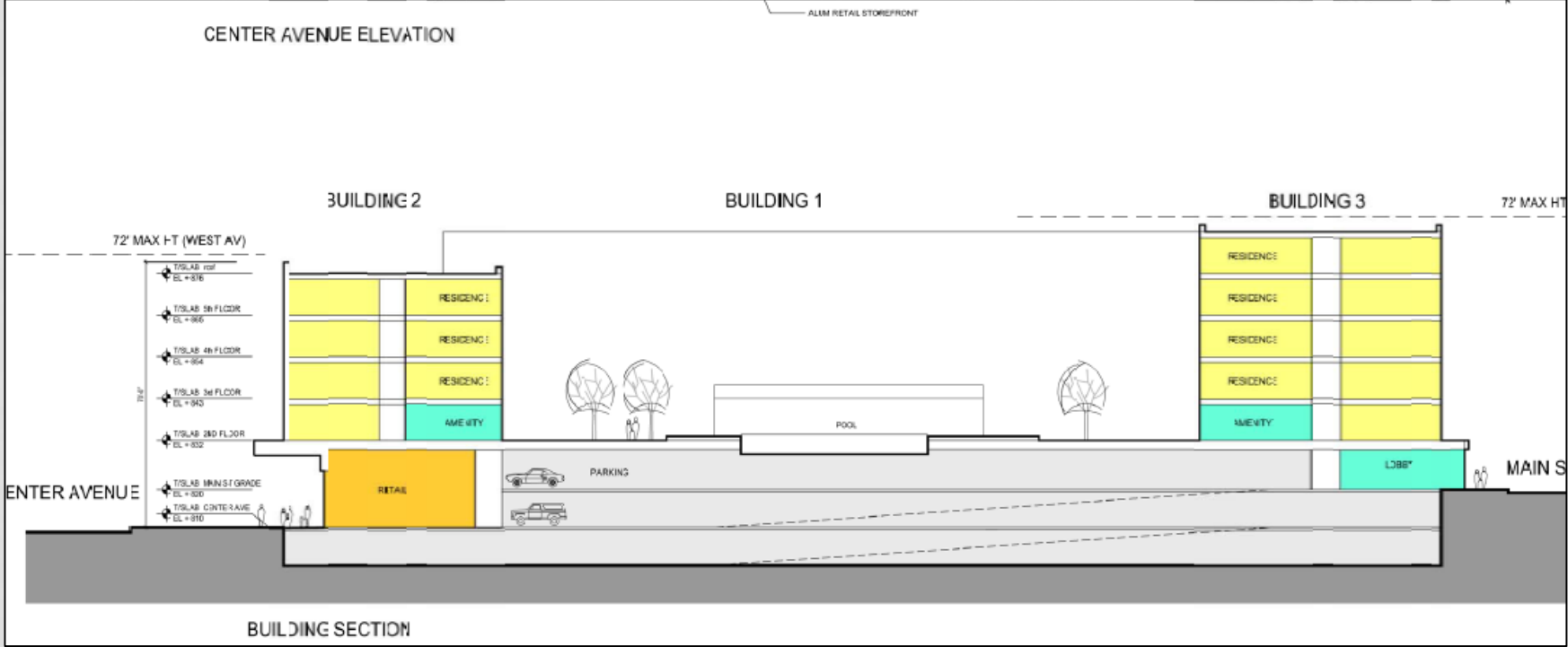
- Incorporate feedback received from Council
- Council selects firm to engage in negotiations
- Begin negotiation of MOU

Thank you.

APPENDIX



CENTER AVENUE ELEVATION



BUILDING SECTION

72' MAX HT (MAIN ST)



C STREET PEDESTRIAN MUSE



MAIN STREET ELEVATION

FIRMS WE REACHED OUT TO

Alliance Residential Company	Flywheel Group
Beauxwright	Johnson Development Associates
Blue Ridge Companies	Lansing Melbourne Group (LMG)
CampusWorks	Lat Purser
Carbon Properties	Lomax Properties
CitiSculpt	Neyland Associates
DHD Ventures	Northwood Ravin
Dominion Realty Partners	Red Partners
DPJ Residential	Signature Property Group
Fairmount Partners	Spectrum Properties
Faison	

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FIRMS WE DISCUSSED DEVELOPMENT OPPORTUNITIES WITH

Alliance Residential Company	Flywheel Group
Beauxwright	Johnson Development Associates
Blue Ridge Companies	Lansing Melbourne Group (LMG)
CampusWorks	Lat Purser
Carbon Properties	Lomax Properties
CitiSculpt	Neyland Associates
DHD Ventures	Northwood Ravin
Dominion Realty Partners	Red Partners
DPJ Residential	Signature Property Group
Fairmount Partners	Spectrum Properties
Faison	

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TEAMS THAT SUBMITTED PROPOSALS

Alliance Residential Company	Flywheel Group
Beauxwright	Johnson Development Associates
Blue Ridge Companies	Lansing Melbourne Group (LMG)
CampusWorks	Lat Purser
Carbon Properties	Lomax Properties
CitiSculpt	Neyland Associates
DHD Ventures	Northwood Ravin
Dominion Realty Partners	Red Partners
DPJ Residential	Signature Property Group
Fairmount Partners	Spectrum Properties
Faison	

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