

# What's next for \$600 million Seventh and Tryon development

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More than five years after it was first contemplated, the ambitious and complicated Seventh and Tryon project in the heart of uptown Charlotte has made its first steps to becoming reality.

Mecklenburg County commissioners, Charlotte City Council and the Charlotte Mecklenburg Library board voted this summer to approve a memorandum of understanding for the project. It would redevelop a core block along North Tryon Street, between Sixth and Seventh streets, as well as a third of an adjacent block.

An MOU is the first draft of what will eventually become a binding, final development agreement. That agreement is expected to come up for approval from the county and city within six months, said [Beth Hardin](#), vice chancellor for business affairs at UNC Charlotte and head of the steering committee for Seventh and Tryon.

"I think it is, arguably, the most important milestone in the process," Hardin said of the MOU. "The development agreement will fall from the MOU, largely — it will be a more vibrant painting but, nevertheless, the same one."

The agreement also formalizes a deal with Washington, D.C.-area developer Metropolitan Partnership, which began negotiations as master developer for the project more than a year ago. Metropolitan's plans for the development, which has an estimated construction value of \$600 million, include an office tower, mixed-use building, retail space, residential units and public amenities like a pedestrian plaza.

Kicking off the entire project was the planned redevelopment of the Main Library, at Sixth and Tryon streets. The current 157,000-square-foot library building opened in 1956. It was later renovated and expanded.

As part of envisioning a 21st century library facility, [Lee Keesler](#), CEO of the Charlotte Mecklenburg Library, and others in 2015 began to consider what would happen if the rest of the block was redeveloped.

Two years later, the project became more ambitious: a two-block redevelopment with a new library, a demolished Spirit Square, a boutique hotel in the historic Hall House Building, market-rate and affordable housing, office space and retail development. It was a bold plan involving multiple landowners: Mecklenburg County, the city of Charlotte, the Charlotte Housing Authority (now Inlivan), Bank of America Corp. and the Charlotte Mecklenburg Library.

In the years following, though, disagreements among stakeholders over land terms and challenges to obtain financing for affordable housing caused delays. A shortlist of master developers was revealed in early 2018 but not much was said publicly until earlier this year.

Inlivan and the rest of the Seventh and Tryon group ultimately went separate ways. The housing authority still has plans to build affordable housing on its site, which includes two-thirds of a block at Eighth and Tryon streets, where the Hall House is.

The core Seventh and Tryon site will not include affordable units, but proceeds from selling the land to Metropolitan as well as donations by the developer and Bank of America will provide gap financing for affordable housing outside of center city.

"I think we've ended up at the best possible outcome," Hardin said.



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Here is a rendering of what the Seventh and Tryon redevelopment could look like.

**The project that started it all: a new Main Library**

The final development agreement to be voted on this year will iron out more specifics and is a binding agreement, which will lock in commitments outlined in the MOU after further negotiations.

Multiple attempts to reach [Cary Euwer](#), CEO of Metropolitan Partnership, were unsuccessful by deadline Wednesday.

The library redevelopment is seen as the first major piece of the project. Demolition of the current building is expected to occur next fall. Current functions at the Main Library will begin relocating out of uptown next summer.

The Charlotte Mecklenburg Library Foundation last fall launched a \$70 million campaign to raise funds for the new Main Library, on top of \$65 million from Mecklenburg County earmarked in a previous budget. About \$50 million each of the campaign and the county's share will go toward the new facility in uptown. The remaining \$20 million raised will help pay for new technology and programming across the library system.

So far, \$27.5 million of the goal has been raised.

Jenni Gaisbauer, executive director of the foundation who is leading the campaign, said the foundation and library leadership remains optimistic they will reach the goal. The effort took a pause earlier this spring as the Covid-19 pandemic resulted in stay-at-home orders and an economic slump, uncertainty that's expected indefinitely.

Gaisbauer said a lot of outstanding requests for the campaign are still "very strong" but newer prospects may be more willing to commit in early 2021. The goal is to have the campaign mostly finished by the time the new library breaks ground next fall. "We're a little nervous, of course, with the environment we're in and the uncertainty of the direction this virus is going to go in with the economy, but we've certainly got everybody's heads together and focused, and some really good leaders there who, I feel confident, will help us uncover every stone we need to," Gaisbauer said.

The new Main Library will be smaller — 115,000 square feet — but taller, at five stories above ground and one below. It will still include reading collections, the Robinson-Spangler Carolina Room and a job center like the current library but more square footage will be given to functions like event spaces, technology and makerspace labs, and "immersive" theaters.

Keesler said the library architects have been coordinating with architects on the larger Seventh and Tryon project. Library leadership has been "doing some work" on the cost side with architects and contractors. "We've been working on this for about five years ... it's more important now than it ever has been," Keesler said.

### **Affordable housing**

The lack of affordable housing in the main Seventh and Tryon project reignited a conversation among elected officials on how to get a better mix of housing in pricey uptown — and ensure center city is accessible to all.

In fact, the North Tryon Vision Plan adopted in 2016, which called for specific principals on how more than 50 acres along and around North Tryon should develop, says many feel that changes to the city landscape caters to a relatively narrow audience.

"There is a sense among many stakeholders that uptown does not reflect the diversity of the larger Charlotte community," the plan reads.

Combined with the movement around systemic racism spurred by the death of a Black man, George Floyd, who suffocated under the knee of a white police officer, calls for equity have become louder and even more urgent.

"We're going to have to figure out how do we tap into the resources we have to bring more affordability because market forces will not deliver the affordability and the mix of incomes that we want this neighborhood to have," said [Michael Smith](#), president of Charlotte Center City Partners, which helped develop the North Tryon Vision Plan.

With so much of the larger North Tryon district owned by public entities, including the substantial county-owned Hal Marshall property, that could create an opportunity to build more affordable units, he continued.

The path to adding affordable housing along North Tryon — even if not on the main Seventh and Tryon site — was a meandering one, Hardin said.

Earlier this year, the developer said it could include 36 below-market units onsite with the money earmarked for affordable housing, but most county commissioners said they felt the money could go farther elsewhere. An alternative — to use \$18.7

million from the county, BofA and Metropolitan to help fund Inlivan's plans next door and provide gap financing for up to 581 units outside of uptown — was selected.

The route ultimately taken will, eventually, bring affordable units to North Tryon Street, which is what most housing advocates were seeking, Hardin said.

Fulton Meachem, president and CEO of Inlivan, was not available for a phone interview by deadline Wednesday. He said in an email the project will hold to the affordability model in the original Seventh and Tryon RFP, which called for 70% market rate units and 30% affordable units. A third of the affordable units would be income restricted to those earning 30% of the area median income, and the remaining units would be split between 60% and 80% AMI.

The total number of units is still to be determined but the county commission gave support for funds — \$6 million — to help pay for 110 affordable units at Inlivan's site, a project that could be developed "in the near term." Timing is still uncertain.

Inlivan, which is working with Maryland developer Urban Atlantic on the project, said the group is currently vetting design concepts and costs. Other financing tools, such as low-income housing tax credits, will also be pursued.

The proposed project could result in the demolition of the Hall House, which opened in 1940 as the Barringer Hotel. The Art Deco building was acquired by the housing authority in 1981 and converted into public housing, although it's been vacant for many years.

### **What's next?**

Elected officials and city boosters have long credited the Seventh and Tryon redevelopment as the needed catalyst to bring new momentum to the North Tryon corridor, which has sat largely dormant compared to the southern edge of uptown.

"Not very often do you have the opportunity to create an edge city, and I think that's what we're about to do on the northern side of North Tryon Street," said council member [Malcolm Graham](#) at Monday night's meeting.

The North Tryon Vision Plan outlines principles such as dense mixed-use development, subterranean parking and "opportunities for a broad range of ages, incomes, cultures and abilities" for the district. A North Tryon advisory committee, chaired by BofA executive [Cathy Bessant](#), continues to meet to discuss how to achieve the plan's goals and visions.

But the pandemic has brought what seemed like an endless boom cycle in Charlotte's center city to a screeching halt. Projects already under construction or long planned are still moving forward but another long-planned North Tryon development, 10 Tryon, was put on pause this spring.

That project, at Ninth and Tryon streets, is expected to include uptown's first Publix grocery store and a 15-story office building. Louis Haddad, president and CEO of lead Ten Tryon developer Armada Hoffler Properties, said in a statement in March the project would be deferred until economic conditions normalize.

Smith said despite the unique conditions that Covid-19 has created, he felt capital would be interested in Charlotte when those sources are ready to invest again. He said almost 4 million square feet of office space delivered around the time of the global financial crisis, which provided Charlotte "a step up" when the economy began to recover.

Hardin said the Seventh and Tryon stakeholder group has no concerns about the developer's financing structure and commitments, even with the pandemic's challenges.

But, she continued, there will be other kinds of uncertainty because of the historic nature of the pandemic and subsequent recession, in addition to the protests and conversations around social justice.

"There's uncertainty everywhere and we will encounter it in this project, I have no doubt," Hardin said. "Some of that ... provides us an opportunity to reflect in different ways. What is it that real estate should look like in the future? What should office space look like?"

The project is now entering a phase where hardly anything can be conceptual — timeline, demolition, construction or financing.

But to be able to move forward — even with the current uncertainty — is significant, Hardin said.