

The \$125 Million Race

Phase I of Piedmont Town Center turned into a race against time to meet contractual obligations.

By James Williams

In November of 2004, a joint venture team composed of Crescent Resources and Lincoln Harris, both of Charlotte, N.C., won the competition to develop a new corporate headquarters building for Piedmont Natural Gas Co. Inc. in the South Park area of the city.

The 200,000 square foot building would anchor a \$125 million mixeduse development called Piedmont Town Center.

The joint venture retained the Charlotte office of LS3P Associates, Ltd. to design the project. Shelco, Inc., also of Charlotte, signed on as the general contractor, while Charlotte-based Cole Jenest & Stone completed the design/build team as land planner and civil engineer.

Including the Piedmont headquarters, Piedmont Town Center will have more than 400,000 square feet of office space, structured parking for more than 2,000 cars, 100,000 square feet of retail, and 180 residential units, all on an 11-acre site.

In the beginning, the schedule seemed tight but doable, even accounting for rezoning and permitting.

The gas company wanted to move in within two years and even specified a move-in date, along with other requirements in the lease. Two years to design and construct an office building seemed practical. But the start of construction would have to wait for the rest of the Town Center development to be permitted.

No Piedmont Town Center, no Piedmont headquarters building.

But everyone involved believed that the permitting schedule allowed adequate time. After all, the city of Charlotte had traditionally been amenable to good plans for good projects by companies with good track records.

Then again, while mixed-use projects have proliferated across the country in recent years, mixed-use remains relatively new to municipalities and some-



Expansive glassed areas and large balconies in the project's north face provide skyline views of uptown Charlotte.

times raises unanticipated issues. At Piedmont Town Center, several issues drew out the time it took to earn community approval, to rezone the property, and to complete the permitting process. Those problems eventually pressured the contractor, who had to build the project on a fast track.

To be sure, history suggested that difficulties might arise. The Piedmont Town

Center site was adjacent to neighborhoods of single-family homes built in the 1970s.

In 2002, those neighborhoods had protested a request to rezone Southpark Mall to allow a necessary expansion of

the region's primary fashion shopping center. The neighbors didn't like the idea of more dense development taking place in their backyards. The idispute eventually made its way to the North Carolina Supreme Court, which decided in favor of the mall.

Making Friends with the Community

The first of a series of public meetings to discuss the project with the community turned sour when community representatives objected to pieces of the project. Subsequently, officials from Lincoln Harris and Crescent contained the situation by demonstrating to the group that the consortium would work diligently with the community to address their concerns, large and small.

The most serious objection was that the nature of a mixed-use development would create a conflict with the single family character of the surrounding neighborhood. There were less dramatic objections as well. For example, a group of residents living near a grove of old oak trees wanted to be assured that the trees would remain.

In addition to the neighborhood's concerns, wetlands on the site had to be preserved and the city wanted a stormwater retention facility to ensure against urban flooding — while protecting wetlands located on the site.

To deal with these problems, the developers brought in the Charlotte offices of the Kennedy Covington law firm to advise and to assist in negotiations with the community and the city, and to shepherd the project through rezoning.

In the end, each problem found a solution.

The development team proposed creating a large natural buffer along the western edge of the site, adjacent to the neighborhoods. The grove of oak trees would become part of the buffer.

Next, the group proposed a stormwater retention pond near the wetlands. Together, the pond and the wetlands would form the heart of a park capable of providing not only a visual focus for the park, but also the requested buffer between the neighborhood and the development.

It took longer than anticipated, but the neighborhood ultimately endorsed the new proposals and the development. With community and city planning staff endorsement in hand, rezoning to add



The facades of residential and retail buildings along Piedmont Row are articulated to read as a series of individual buildings, concealing the project's large parking structures.

residential and retail to the existing office zoning followed quickly.

The Complication Called MUDDO

In Charlotte — and in many other cities — going beyond the specifications of particular zoning ordinances requires

developers to apply for an optional zoning allowance.

In Charlotte, optional zoning related to mixed use is called MUDDO or Mixed-Use Development District — Optional. Receiving an optional designation is not difficult. The hard part involves what comes with MUDDO.

MUDDO typically allows for development beyond what existing zoning permits. As a trade-off, local jurisdictions must approve designs as they progress, add infrastructure improvements as they deem necessary, and generally wield greater control over internal design elements of the project.

In this case, the City's Department of Transportation (DOT) would review and approve the design of the parking decks. Various environmental impacts that the project would create also led DOT to require considerable road improvements in areas off the site.

One of these required the addition of a signalized intersection allowing access to the site. The traffic signal represented a significant addition to the safety of

TRASHMASTER[™] Net Capture System

Removes trash, sediments and debris from Stormwater discharge systems easily and at a price you can afford.

It is used in low-flow applications (5cfs or less) and inserts in-line on the outflow piping. It is a light weight, roto-molded, unit that's easy to install on pipes 24-inches or less using on-site equipment. No special concrete construction or electrical connections are necessary.

The unit can be installed in two days or less to depths of ten feet.

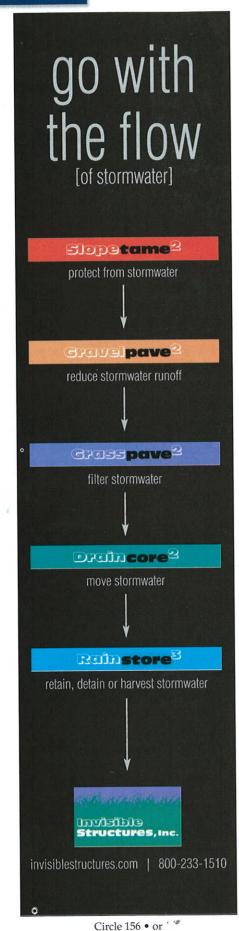
Want more info go to:

freshcreek.com
or call: 1.800.741.9486

Copyright 2007, Fresh Creek Technologies, Inc. TRASHMASTER is a Trademark of Fresh Creek Technologies, Inc.

Fresh Creek Technologies, Inc.

1425 Pompton Ave. Suite 1-2 Cedar Grove, NJ, USA 07009



traffic entering and leaving the site. Additionally, it became a critical requirement in the Piedmont Natural Gas lease. The signal had to be operating before the company's movein date arrived.

The MUDDO review process also produced some internal bureaucratic challenges. One of the key architectural

and engineering features of the project was a roundabout with a fountain in the center set in front of Piedmont's headquarters.

DOT approved the plans for the circle, which included the placement of a series of medians designed to prevent drivers from inadvertently going the wrong way.

The fire department, however, refused to approve the circle design, observing that the medians would prevent a large fire truck from moving freely through the circle. Two city departments were at loggerheads. Eventually, Cole Jenest & Stone mediated a planning session at which everyone was present and an acceptable compromise was agreed upon.

All told, MUDDO approvals took 14 weeks, while the construction schedule had allowed just three weeks.

Permission to Build

To speed the permit process, LS3P Associates Ltd. worked closely with the Charlotte Building Standards Department to develop a schedule for reviewing the project for permit in a series of packages. These packages included foundations, structure, and the core and shell of individual buildings and interior upfit. Permitting went smoothly, but the rezoning process and the MUDDO review process had put the project well behind schedule.

So it fell to Shelco, the general contractor, to put construction on a fast



Large terraces provide ample space for gathering and outdoor dining in front of buildings on the central piazza.

track. The company assigned 20 project managers to the site. At one time, there were 12 cranes and more than 1,000 construction workers on the job. Shelco put up the building as fast as the architects and engineers released construction documents and drawings.

And they made it. The new traffic signal was up and operating and Piedmont was in its new headquarters by Oct. 31, 2005, just as the lease demanded.

Lessons Learned

The pressure to get community approvals, carry out rezoning, and obtain permits to allow construction to finish on time can increase day-by-day on a complex mixed-use project. The reason is that mixed use is relatively new to developers and designers and often completely new to municipalities.

While a developer and a municipality might be accustomed to each other and well experienced in cut-and-dried single use zoning, the processes necessary to move through mixed-use can be different and quite a bit more challenging.

As a result, construction teams for mixed-use development projects - especially larger and more complicated should organize more sophisticated strategies to complete on schedule, allowing for as much time as possible. SLDT

About the author: James Williams is with LS3P Associates Ltd., and can be reached at jimwilliams@ls3p.com.