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CHARLOTTE BUSINESS JOURNAL

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IKEA to open University-area store

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by [Katy Stafford](#)

Staff Writer

International retailer IKEA will build a 345,000-square-foot store in the University area, as first reported by the Charlotte Business Journal on Jan. 3.

The store will be built on 25 acres off Interstate 85 at City Boulevard. Construction will begin this fall, with the home-furnishings giant set to open in spring 2009.

"To have this in Charlotte is a major step to further diversify the retail opportunities," says Mayor Pat McCrory. "IKEA could have selected anywhere in the Southeast. We feel very fortunate they selected Charlotte."

The store will be the chain's first in the Carolinas. Along with offering nearly 10,000 items, IKEA Charlotte will feature three model homes, 50 room settings, a supervised children's play area, a 300-seat restaurant and 1,700 parking spaces.

IKEA also will sell an adjacent 3 acres for complementary retail and restaurant development.

The project is subject to city approval and infrastructure improvements. IKEA and Crescent Resources, which is selling the site and developing the surrounding 135 acres, are filing for minor rezoning changes for the property. McCrory says the city should approve the project within three months.

Before starting construction, the retailer will need to complete a short access road from City Boulevard to the store site, says Tom Flynn, the city's economic development director. IKEA and the city will continue that road northward to McCullough Road, creating a path parallel to N.C. Highway 49 and U.S. Highway 29, Flynn adds.

The city will contribute \$2 million to \$4 million to the road project, he says.

McCrory says the city's share of those costs will be paid through property taxes generated in the area through the next 10 years.

Based on an estimated \$60 million in retail sales per year, the store will generate some \$1.5

million per year in sales tax for the county and city, Flynn says. Of that, \$320,000 will go to the city's general fund, \$300,000 will go to the Charlotte Area Transit System and the rest will go to the county, he says. The city and county will also get \$600,000 per year in property taxes, about \$250,000 of which will go to the city, he says.

The Swedish retailer was interested because it has 150,000 customers in the Carolinas, based on ZIP codes shoppers give during sales transactions online and in store locations across the country, says Joseph Roth, IKEA spokesman.

The University-area site is ideal because of its accessibility, its visibility from major roads and the area's potential customer base, Doug Greenholz, IKEA real estate manager, says.

IKEA says it needs an area population of about 2 million to support a store. With 1.6 million residents, the Charlotte-Mecklenburg area is slightly smaller than most of the company's markets, but Greenholz expects the local store will be a "super regional destination," with about three-quarters of its customers coming from outside of the county.


The store will have about 400 employees in jobs ranging from management and sales to food service and information technology.

IKEA has more than 250 stores in 34 countries. Its 29 U.S. stores generated \$2.5 billion in sales last year, Greenholz says.

The company's products are popular with young professionals living in small spaces as well as consumers looking to outfit their homes with less conventional and more European-styled furnishings.

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