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The new gateway to University City?

DOUG SMITH

Crescent Resources LLC plans to develop a lifestyle center of shops, restaurants and residences around an IKEA store in University City.

The City Council approved a rezoning in May for the international home furnishing retailer's 345,000-square-foot facility off Interstate 85 at the City Boulevard exit.

Its 30-acre site is part of a larger 205-acre tract Crescent plans to develop over the next five years between I-85 and North Tryon Street.

University City residents and community leaders have been curious about what else might be coming, but Crescent has held off on disclosing details until now.

Crescent officials say that's because its development team needed to complete a conceptual master plan for the estimated \$175 million project, which it has named Belgate.

The site plan accompanying this column will be the public's first look at the proposed development, potentially The Next Big Thing in University City.

Belgate -- which Crescent believes will become a gateway to the University City area -- has about a mile of frontage on I-85.

In addition to IKEA, the developers plan 390,000 square feet of anchor stores, junior anchors and shops; 50,000 square feet of office-service space, 50,000 square feet of restaurants, 360 residential units and two hotels.

"The vast majority of what we have developed in the master site plan can be accommodated with the existing zoning," said Crescent's planning consultant Walter Fields of Kimley-Horn and Associates Inc. "There would be no big-box uses north of City Boulevard except for IKEA."

Fields said the development team met with city-county planners for advice on how to make the project comply with a new area plan in the works for University City.

Mary Hopper, executive director of University City Partners, said she has seen only sketches and hasn't had a chance to discuss details with Crescent, which will be at the organization's board meeting next week.

"We're excited about IKEA and the interesting and much-needed dynamics it brings to our commercial area," she said. "But we want to make sure what Crescent is doing enhances the offerings in University City."

One thing the board will be curious about, Hopper said, is how Belgate's buildings will address a considerably more pedestrian street there.

Fields said the plan includes creating a pedestrian-friendly streetscape along IKEA Boulevard, a new road through the center of Belgate paralleling North Tryon from City Boulevard to McCullough Drive.

Planners see the IKEA store -- the first between Atlanta and Washington -- as a magnet for other retailers, especially those with a focus on home decor, furnishings and design.

The Swedish retailer estimates that as many as 75 percent of its customers will come from outside Mecklenburg County.

With two hotels, restaurants and services, the master plan anticipates that many of Belgate's visitors will extend their shopping trip to an over-night stay.

David Niekamp, director of development for Crescent's retail division, said it's too early to talk about specific tenants.

Crescent expects interest from apparel shops, kitchen stores, electronics stores, home goods retailers, professional offices and service businesses that typically seek interstate exposure. A movie theater also is a possibility.

The developers are working with the city on a tax increment financing plan that would allow Crescent to use tax revenue generated by the development to help pay for a portion of the IKEA Boulevard extension.

The City Council has approved a framework for the agreement and will consider a final proposal on Aug. 27.

Tom Flynn, city economic development director, said the amount Crescent can receive is capped at 90 percent of the city property-tax revenue the project generates over the next 10 years.

That's estimated at about \$5 million for a road project expected to cost about \$7 million, he said.

The city said Crescent would be solely responsible for constructing the portion of IKEA Boulevard between City Boulevard and the IKEA store.

In a separate project, the developers would provide right of way through their property for the road and enter a cost-sharing agreement to extend City Boulevard -- now a dead end east of I-85 -- to North Tryon.

Crescent would construct the road, and the city would reimburse it from bond money approved for the extension.

Both projects eventually would have been done, but with IKEA's and Crescent's involvement, they will happen faster, said planning consultant Fields.

Crescent said it plans to start work on the City Boulevard extension in early 2008.

The first store in Belgate will be IKEA. Crescent plans to begin grading this month and have a

building pad ready for the retailer by March.

IKEA, which is buying the site from Crescent, will then proceed with construction of its building, expected to open in spring 2009.

Niekamp said other buildings will follow as the market dictates. He expects Belgate to be completed in about five years.

IKEA

Size: The two-story, 345,000-square-foot facility -- double the size of a typical Wal-Mart -- will be the largest retail store in the Charlotte area.

Merchandise: IKEA is known for its self-assembly furniture. Products range from \$250 sofas to \$800 for a full set of kitchen cabinets. Store will include a Swedish restaurant and supervised children's play areas.

Customers: 150,000 in the Carolinas, but officials estimate that 75 percent will come from outside Mecklenburg.

Timetable: Site work to start this month with store scheduled to open in spring 2009.

BELGATE

Overview: Lifestyle shopping center developed around IKEA with shops, restaurants, offices, residences and hotels.

Developer: Crescent Resources LLC.

Project manager: David Niekamp, Crescent director of retail development.

Land planner: LandDesign Inc.

Engineer: Kimley-Horn and Associates Inc.

The name: Bel is derived from the English and Scottish name Bel, which comes from the Old French word meaning handsome. Gate is defined as a means of entry. Combine them, Crescent says, and you get Belgate -- an entry portal to the University City area and Charlotte.

Timetable: Site work starts for the first store this month. Other projects will follow based on tenant interest. Crescent expects to complete Belgate in about five years.