

Light Rail in Charlotte

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TRANSPORTATION
BLUEPRINTS

With the early success of its first light-rail line, Charlotte, North Carolina, is embracing both transit and transit-oriented development.

THE FIRST LIGHT-RAIL LINE in Charlotte, North Carolina—called the Blue Line—opened in November 2007 with 15 stations serving the central business district, or Uptown, and neighborhoods on the south side of the city. Uptown, where 70,000 jobs are located, also has rider destinations that include 1.2 million square feet (111,500 sq m) of retail space, two sports arenas, nearly 3,800 hotel rooms, and the Charlotte Convention Center. The line connects to a neighborhood known as South End, a reviving and popular sector of town, as well as numerous middle-income to upscale neighborhoods that flank the line. The southern seven stations have park-and-ride facilities that draw additional ridership for commuting and sports events.

Construction of the Blue Line cost \$463 million, funded—as will be future transit lines—by a half-cent sales tax enacted by Mecklenburg County in 1998. A 2007 ballot initiative to repeal the sales tax was rejected by 70 percent of the voters, who favored continued investment in transit in the Charlotte metropolitan area. Before construction of the Blue Line, the Charlotte Area Transit System (CATS), which operates the line, forecast 9,100 average daily trips in 2008, but most recent numbers indicate that average daily trips are totaling 14,000—already closing in on the 18,100 figure forecast for 2025.

The Charlotte area has been aggressive in planning for transit and development around stations. Beginning in the mid-1990s, both city/county and transit agencies created a series of plans to address the substantial growth in the metropolitan area, guiding development to road and transit corridors and population centers in an effort to reduce sprawl. With an initial light-rail corridor decided on, the city created a transit-oriented development (TOD) zoning district to accommodate growth in station areas.

Charlotte's first light-rail line, called the Blue Line, has 15 stations and serves Uptown, the city's central business district. Nearly 5,000 housing units and more than 1 million square feet (93,000 sq m) of commercial space are planned for the five stations located just outside Uptown.



“It is not *if*, but *how* we grow,” explains Tina Votaw, TOD specialist with CATS, referring to the overall smart growth policy adopted by the transit agency and the Charlotte-Mecklenburg Planning Department to guide planning. Votaw notes that the original impetus was to deal with rapid growth and sprawl in Charlotte; transit is a key piece of the planning process.

In addition to the various station area plans, the most significant piece of planning for transit-oriented development is the city’s 2003 TOD zoning code, which includes minimum density and maximum parking requirements. The code calls for at least 20 residential units per acre (49 units per ha), though most TODs planned along the line are between 70 and 100 units per acre (173 to 247 units per ha), says Votaw. The parking maximum is 1.6 spaces per unit. In addition, the code mandates that development be attractive and walkable by design.

Numerous projects have been started and some have been completed along the Blue Line since early 2005, when funding for the route was secured and construction of the rail line began. According to the Charlotte-Mecklenburg Planning Department, thousands of housing units have been built or are planned built near light-rail stations. Nearly 5,000 of those homes, plus over 1 million square feet (93,000 sq m) of commercial space, are planned for the five stations located just outside Uptown. With plans for each of the station areas already in place or in the works and TOD zoning adopted, public agencies have set the table for developers. Specifically, with ridership higher than expected, demand for TOD has been even greater than initially anticipated.

The Blue Line corridor is especially ripe for development because it follows a former freight rail corridor and is surrounded by industrial uses, many related to the textile business. Over the years, a number of textile mills and other industrial businesses have closed or moved, freeing up buildings and land for redevelopment. Beyond the industrial sites, the corridor is surrounded by stable and affluent single-family neighborhoods, particularly to the east. It is not unusual in nearby Dilworth, for example, to see homes sell for more than \$1 million or for a developer to spend \$350,000 for an existing home and tear it down, says Monte Ritchey, president of Conformity Corp., a small Charlotte-based development firm specializing in infill



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projects. These stable urban neighborhoods stand to blend well with denser mixed-use development around the station areas.

“We’ve had good luck with local developers,” explains Votaw. “They really embrace transit and working in station areas.” Both local and national developers are working on projects near station areas, with local firms involved in some key efforts. Among the first was 3030 South, developed by Charlotte-based Heath Partners. Consisting of 115 for-sale units, the first of its four phases opened in 2004, and only the final phase remains to be built. Located adjacent to the New Bern station, it includes a combination of 82 townhouses and 33 flats in a walkable environment.

The 3030 South project has transformed the neighborhood, says Andy Heath, president of Heath Partners, and CATS has used it in funding-request presentations to demonstrate to federal and state agencies the kind of development that can be expected as light rail became a reality. Despite the current slowdown, the South End provides an exemplary model for transit-oriented and sustainable development for the entire region, Heath says. “TODs are being viewed as very desirable and much more in step with the future.”

Harris Development Group, also based in Charlotte, has been involved in numerous TOD projects for some time. Even without the transit line, real estate along the Blue Line was primed for infill and



Southborough, a mixed-use development that includes 69 housing units and 30,000 square feet (2,800 sq m) of retail and office space, shares an 11-acre (4.5-ha) site with a Lowe's store. Loft units are attached to the store and face townhouses that border an adjacent neighborhood.

redevelopment, says Matt Browder, a developer with Harris. "It was an already burgeoning area," he says. Property values are higher not only closer to Uptown, but also closer to each rail station, he adds.

Harris Development has provided environmental remediation and project entitlement for several sites, then sold the properties to other developers for construction. Among these is Ashton South End, a 310-unit high-rise project being developed by the Hanover Company, a Houston-based developer. Harris sold another site to the Morgan Group, also based in Houston, which is developing Spectrum, a 322-unit apartment complex. Both projects are scheduled to open by the end of this year.

Harris also is preparing a 47-acre (19-ha) greenfield site near the Arrowood station, located in a less dense area closer to the southern end of the Blue Line, with correspondingly lower price points. The plan calls for 1,000 units, including townhouses starting at \$180,000 to \$250,000—a new product type and price point in an area dominated by single-family homes. Harris plans to sell the first sites to developers starting late this year.

At a site just outside Uptown, Harris itself is developing a major mixed-use project. Called 1200 South Boulevard, it will include 250,000 square feet (23,000 sq m) of office space, 250 apartment units, 160 hotel

rooms, a 900-car parking deck, and 20,000 square feet (1,900 sq m) of retail space. This project is already entitled, but Harris is awaiting better market conditions.

Within a half mile (0.8 km) of the East/West Boulevard station is Southborough, which shares an 11-acre (4.5-ha) site with a 140,000-square-foot (13,000-sq-m) Lowe's store, effectively wrapping the retail building with mixed-use development that includes residential, retail, and office space. No units face Lowe's, which has a main entrance facing south.

Attached to the store's eastern and northern facades are loft units that face townhouses that, in turn, border a residential neighborhood. To attach the loft building to the Lowe's store, Conformity Corp. had to negotiate a reciprocal easement agreement that, among other things, stipulates that the fire escape from Lowe's is a staircase of the residential loft buildings. The first residential units and retail spaces were occupied starting in September 2008, and the Lowe's opened this past November.

CATS estimates that development along the Blue Line could total \$1.5 billion by 2011, Votaw says, though some projects may be delayed due to current market conditions. "The good news is there is redevelopable land," she says. "The bad news is it will take a while to develop."

Several additional transit routes are planned. While the Blue Line runs to the south and west of the city, other lines will radiate like spokes from Uptown, including a commuter rail route to the north, light rail to the northeast, light rail or bus rapid transit to the southeast, and bus service to the airport that could be converted to rail in the future.

Continued TOD is expected along the Blue Line—particularly when the next real estate cycle begins—and along Charlotte's other planned rail lines. Growth is planned along these corridors, which are expected to have an impact on regional efforts to curb sprawl and traffic congestion. **UL**

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A series of five ULI advisory services panels was completed in the Charlotte area in 2000 and 2001. Each included specific recommendations about transit-oriented development under a variety of transit options, including BRT, express rail, and light rail. The South Corridor panel report of April 2000 was instrumental in station siting and TOD for the LYNX Blue Line. For information, visit www.uli.org/advisoryservices.