

# Cone Mill

# Master Development

*Solicitation for Development Partner Qualifications*

Pineville, NC

Fall 2017

**dfi**



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## Executive Summary

The Town of Pineville seeks a private development partner to undertake the redevelopment of the 30-acre historic Cone Mill property (436 Cone Avenue, Pineville, NC) which includes structures dating from 1892. Acquired by the Town in 2015, this vacant mill site in historic downtown Pineville is primed for a major commercial and residential redevelopment and is intended to be a catalytic project for the Town and contribute the supply of commercial and residential space demanded in downtown.

To aid in defining and guiding the vision of the Town, the Town engaged the UNC School of Government's Development Finance Initiative (DFI) to provide pre-development services for the Cone Mill property. The Town now seeks a private development partner to undertake this mixed-use development opportunity in multiple phases and is requesting development team qualifications prior to moving into a formal Solicitation for Development Partners (SDP). The qualifications stage of this process is intended to identify development teams that have the experience and expertise to serve as master developer for the new construction and adaptive reuse that any development process will entail.

The Town has worked with DFI and ColeJenest & Stone to develop the following potential program for the site, which is intended to serve as an example of the type of mixed-use, adaptive reuse development program that the Town seeks:

- 75,000 SF adaptive reuse commercial
- 80,000 SF new construction commercial
- 55 new construction townhomes
- 42,000 SF adaptive reuse institutional (potential for town hall and/or library branch)
- Public green space with pedestrian connectivity to Main Street

For information concerning the procedure for responding to this Solicitation for Development Partner Qualifications or for any clarifications regarding terms, conditions, and requirements, please contact Andrew Trump, DFI Project Manager, at [trump@sog.unc.edu](mailto:trump@sog.unc.edu).

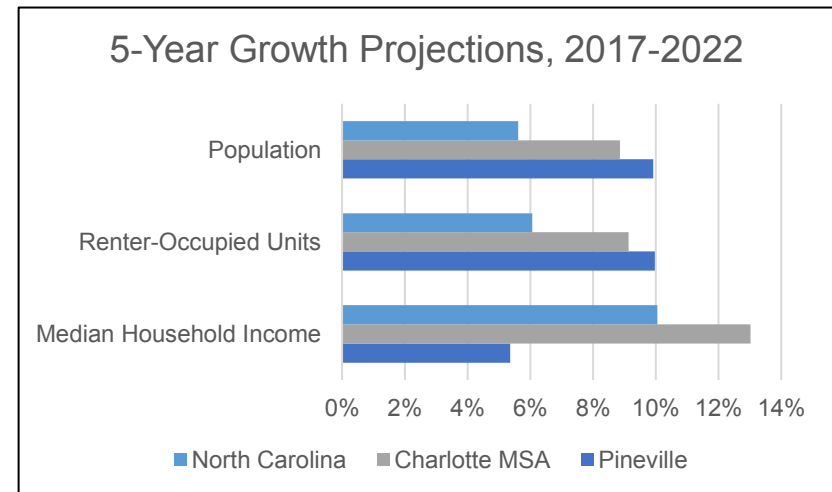
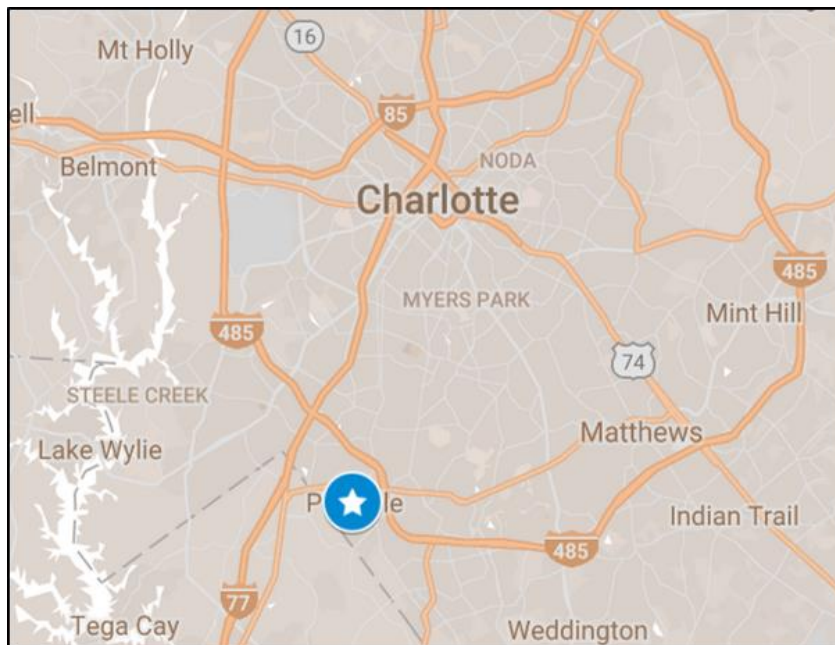
## About this Solicitation

This document is an invitation for experienced development teams to present qualifications that demonstrate their ability to undertake the adaptive reuse and new construction redevelopment of the Cone Mill Property in downtown Pineville, NC. The Town of Pineville has engaged the UNC School of Government's Development Finance Initiative (DFI) to create a redevelopment plan for the site. DFI will assist developers with understanding and responding to the Town's requirements for the site's redevelopment. Once DFI and Town staff have reviewed all respondents' qualifications, qualified teams will be invited to participate in a Solicitation for Development Partners (SDP). Upon completion, proposals will be presented to Pineville's town council with a recommendation by Town staff for endorsement. While an endorsement by the council will not be a final approval, it will trigger an exclusive period of negotiation between the Town and their selected partner for a development services agreement for the project.

*The Development Finance Initiative (DFI) at the UNC School of Government partners with local governments in North Carolina to attract private investment for transformative projects by providing specialized finance and development expertise. DFI partners with communities on projects including building reuse, community development, downtown revitalization, economic development, and neighborhood redevelopment.*

## Town and Market Overview

Pineville, NC, is located approximately 10 miles southeast of Charlotte, NC along the North Carolina-South Carolina border. Downtown Pineville has convenient access to both I-77 and I-485, center city Charlotte (20 min), the Ballantyne neighborhood (10 min), and Charlotte Douglas International Airport (20 min). Downtown Pineville retains much of the character from its founding over a century ago, and the Town seeks to capitalize on its well-preserved historic structures as it meets strong regional demand for downtown commercial and residential space.



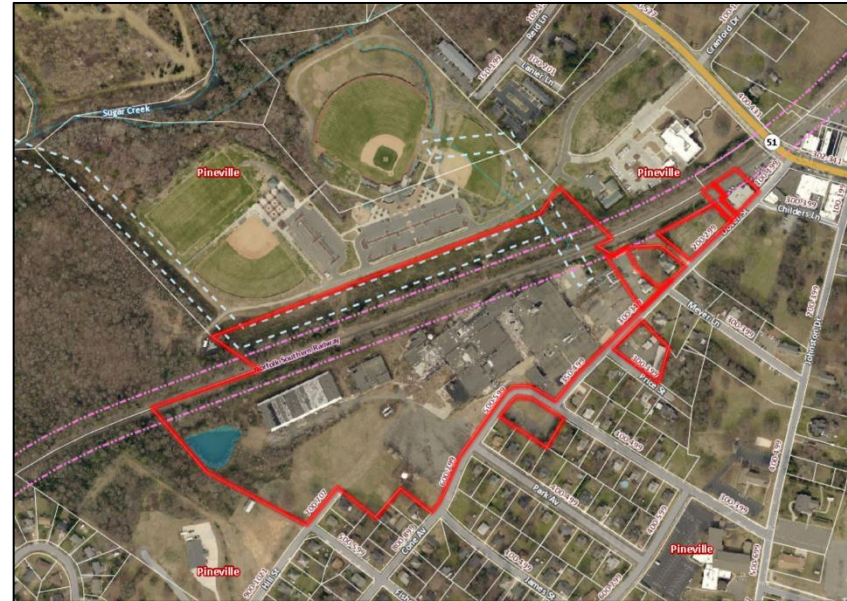
The population of Pineville has grown by 20 percent since 2010, to nearly 9,000 residents, and is projected to grow by an additional 10 percent over the next five years. Even with this strong recent growth in the town and in adjacent Charlotte neighborhoods, downtown Pineville's built environment has changed little in the last century; this site is poised to capture strong residential, retail, and office demand and benefit from its adjacency to one of the few historic business districts in the region.

## Site Information

The site consists of multiple Town-owned parcels (in red on the site map), anchored by one large parcel containing approximately 250,000 SF of former textile mill buildings. The site is known as Cone Mill, and is adjacent to Pineville's historic downtown core and an historic neighborhood of single-family homes. The site is bounded by a Norfolk Southern rail line to the west and Dover Street/Cone Avenue to the south and east. The northernmost portion of the site under Town site control lies just beyond the current town hall facility; the railroad controls this parcel, which is currently a public parking lot. The site borders Jack D. Hughes Memorial Park, which contains multiple sports fields and a 250-seat baseball stadium. The site is a half-mile walk from Pineville Elementary School.

The Town of Pineville is open to relocating its town hall, and will consider proposals to relocate the town hall elsewhere on the site, including in a portion of the reused mill.

Please see Appendix E for a historic map for the site. Development teams invited to submit for the Solicitation for Development Partners will have the opportunity to schedule an in-person tour of the property.



## Project Development

The Town and DFI have performed multiple pre-development activities to arrive at the proposed development program. This pre-development, which is ongoing, includes:

Public Interests: Identifying and articulating public interests that should guide new downtown development, including at the mill site. These guiding public interests for development include:

- Increase diversity of retail and office uses downtown
- Promote enhanced evening activity while maintaining small town feel
- Encourage multi-family development that fits with character of downtown and Old Town
- Balance increased activity with traffic flow along Main Street

Market Assessment: Studying the supply and demand for potential private and public uses, including residential, office, and retail. A summary of the findings from this assessment is available in the appendix.

Site Assessment and Remediation: Completing structural condition assessment; performing Phase I and II environmental site assessments and recommended ESA remediation activities, including removal of barrels and asbestos-containing materials (ACMs). A summary of these activities is available upon request.

Historic Status: This site is on the study list for the National Register of Historic Places that is kept by the North Carolina

State Historic Preservation Office (SHPO). The site was originally added to the study list in 2011 and determined to still be eligible in 2017. The site borders both commercial and residential National Register historic districts, and the site contains structures dating from 1892; the Town has engaged a consultant to begin the nomination process for the National Register.

Conceptual Site Plan: Designing, in collaboration with ColeJenest & Stone, a conceptual site plan and development program that accomplishes the Town's guiding public interests. This site plan is attached.

Financial Feasibility: Modeling the development costs and projected cash flows of the proposed program to ensure the viability of the project for private investors. This analysis will be available upon request at the SDP stage of the process.

## Development Plan and Program

In conjunction with the Town and ColeJenest & Stone, DFI has identified a development program that will meet the Town of Pineville's goals for this site. The Town Council has endorsed a mixed-use program consisting of adaptive reuse of the Cone Mill, new construction, public green space, and pedestrian connectivity to Main Street. The Town seeks to sell the site to a development partner capable of executing on such a master development program.

The Town has worked with DFI and ColeJenest & Stone to develop the following potential program for the site, which is intended to serve as an example of the type of mixed-use, adaptive reuse development program that the Town seeks:

- 75,000 SF adaptive reuse commercial
- 80,000 SF new construction commercial
- 55 new construction townhomes
- 42,000 SF adaptive reuse institutional
- Public green space with pedestrian connectivity to Main Street

The 42,000 SF institutional space represents the Town's interest in discussing with a developer how it can relocate Town functions from the current town hall (located along Main Street in the northeast corner of the site) to a new town hall location deeper into the site. The Town estimates its space needs to be approximately 20,000 SF. The remaining institutional square footage represents the potential for a master development of the site to include a Mecklenburg County library branch.



The Town will encourage respondents to the solicitation for development partners to propose different quantities of residential and commercial square footage depending on respondents' pre-development findings. For example, the Town would welcome either commercial or residential reuse of the mill, or a mix of both.

Conceptual drawings, shown here, are included in more detail in Appendix C.

## DFI Role

DFI's predevelopment work thus far will benefit the private developer taking on the project by significantly reducing the time, effort, and expense required to move the project through the Town's public planning process. The Town has therefore agreed in a contract fully executed on February 18, 2016; amended May 10, 2016; and further amended on November 1, 2017; that the developer selected following the Solicitation for Development Partners pay a fee equal to one percent of the total development cost to SOG (School of Government) as part of any Development Services Agreement related to the development of the Cone Mill project site. The terms of the fee are further described in Appendix B of this document.

## Submission of Qualifications

Developers shall organize their submission in the format described below. Please provide the requested information in appropriate detail to allow adequate review and evaluation of qualifications.

### 1. Letter of Introduction

Include a summary of the respondent's basic qualifications, experience, and reasons for interest in this opportunity. The letter should be signed by a principal or authorized officer for the entity.

### 2. Development Team

Identification of partner firms and roles, including codevelopers, architects/designers, and general contractor.

Overview for each firm on the team, including brief history of firm and past experience working with the developer, if any.

### 3. Experience & References

Provide information on development experience relevant to the scope of this project. Supply information on at least three, and no more than five projects. A profile of each comparable development should include the following information:

- Location and name of project
- Scope and scale of development program
- Photos/illustrations of completed project
- Total development budget by use
- Amounts and sources of debt and equity funds used to finance the project, including governmental sources.

- List of references (including from local government officials or private development partners), with names, titles/project roles, phone numbers, and email addresses.

### 4. Disclosures

- Disclosure of any potential conflicts of interest that could be relevant to this project in any manner
- Disclosure of whether the developer or any officer, director, or owner thereof has had judgments entered against him or her within the past 10 years for the breach of contracts for governmental or nongovernmental construction or development
- Disclosure of whether the developer has been in substantial noncompliance with the terms and conditions of prior construction contracts with a public body
- Disclosure of whether any officer, director, owner, project manager, procurement manager, or chief financial official thereof has been convicted within the past 10 years of a crime related to financial fraud or to governmental or nongovernmental construction or contracting
- Disclosure of whether any officer, director, or owner is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state, or agency of the federal government

## Evaluation Criteria

Development partners invited to respond to the upcoming Solicitation for Development Partners will be selected based on the qualifications they present in response to this Solicitation for Development Partner Qualifications, including:

- Type and scale of prior development experience, and evidence of successful new construction and adaptive reuse projects
- Qualifications and experience of the development team
- Demonstrated ability to secure funding to execute a project of similar scale and complexity in a reasonable timeframe
- List of active development projects and demonstration of current capacity

## Submission Procedure and Timeline

### Submission Procedure

Development Partner qualifications are due at 5:00 p.m. EDT on December 15, 2017. Proposals should be submitted electronically in PDF format to [trump@sog.unc.edu](mailto:trump@sog.unc.edu).

Submissions must be prepared in conformance with the guidelines described under “Submission of Qualifications.” The email subject must be “Development Partner Qualifications: Cone Mill Master Development.”

All responses are subject to public disclosure under the North Carolina Public Records Law. DFI recognizes that respondents must submit information that it may deem confidential and proprietary in order to comply with the requirements of this solicitation. Respondents are entitled to request that certain information remain confidential, when permitted by law, as follows: (1) the respondent identifies the confidential proprietary portions of the response, (2) the respondent identifies as confidential and proprietary only those portions of the submittal that actually are confidential and proprietary, and (3) the respondent states why protection is necessary. Respondents shall not designate their entire response as confidential and proprietary, nor shall they so designate information that is already public.

Any information that the respondent would like to remain confidential should be e-mailed under separate cover to [trump@sog.unc.edu](mailto:trump@sog.unc.edu). The e-mail subject must be “PROTECTED:

Development Partner Qualifications: Cone Mill Master Development.”

For information concerning the procedure for responding to this request for qualifications or clarification of the terms, or the subsequent RFP/solicitation for development partners, please e-mail Andrew Trump, Project Manager, DFI, at [trump@sog.unc.edu](mailto:trump@sog.unc.edu).

### Timeline and Qualification Process

DFI will review responses and contact references as necessary. After a review of submitted qualifications packages, clarifications may be requested. DFI will advise the Town on the qualifications of development teams and will inform development teams of their qualification status once Town council approves of their qualifications package. DFI will then distribute a Solicitation for Development Partners to these qualified teams, with an invitation to submit development proposals for the site within a certain timeline.

## Additional Information

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither the Town of Pineville nor the UNC School of Government, nor any of their officers, agents, or employees, shall be responsible for the accuracy of any information provided to any respondent as part of this solicitation or vetting process. All respondents are encouraged to independently verify the accuracy of any information provided. The use of any of this information in the preparation of a response to this request is at the sole risk of the respondent.

Those submitting responses to this solicitation assume all financial costs and risks associated with the submission. No reimbursement or remuneration will be made by the Town or UNC to cover the costs of any submittal, whether or not such submittal is selected or utilized.

The Town reserves the right to reject any or all submittals at its sole and absolute discretion and accepts no responsibility for any financial loss by such action.

Any agreements that may be entered into between the developer(s) and the Town, including but not limited to a Development Services Agreement, are subject to approval by the Town Council. DFI does not act as a broker or agent of the Town, and no representation made by DFI during the solicitation and vetting process shall be binding on the Town.

The Town reserves the right to waive irregularities or informalities in any submittal in the exercise of its sole and absolute discretion.

The Town of Pineville is an equal opportunity employer. It encourages minority- and women-owned firms to respond to this and all other solicitations.

## Appendix A – Solicitation for Development Partners Process

Unless requested by DFI, no additional information or qualifications packages may be submitted by developers after the December 15, 2017 deadline.

After the Town reviews qualifications packages, they will invite qualified firms to respond to a Solicitation for Development Partners for master development of the site. The Town and DFI will review all responses, contact references, and coordinate interviews as necessary. After a review of submitted proposals, clarifications may be requested. The timeline of the solicitations process will be announced to qualified firms and should be assumed to extend approximately 60 days from the invitation by the Town to participate in the solicitation portion of this process. Additional details and submission procedures will be shared with qualified teams at that time.

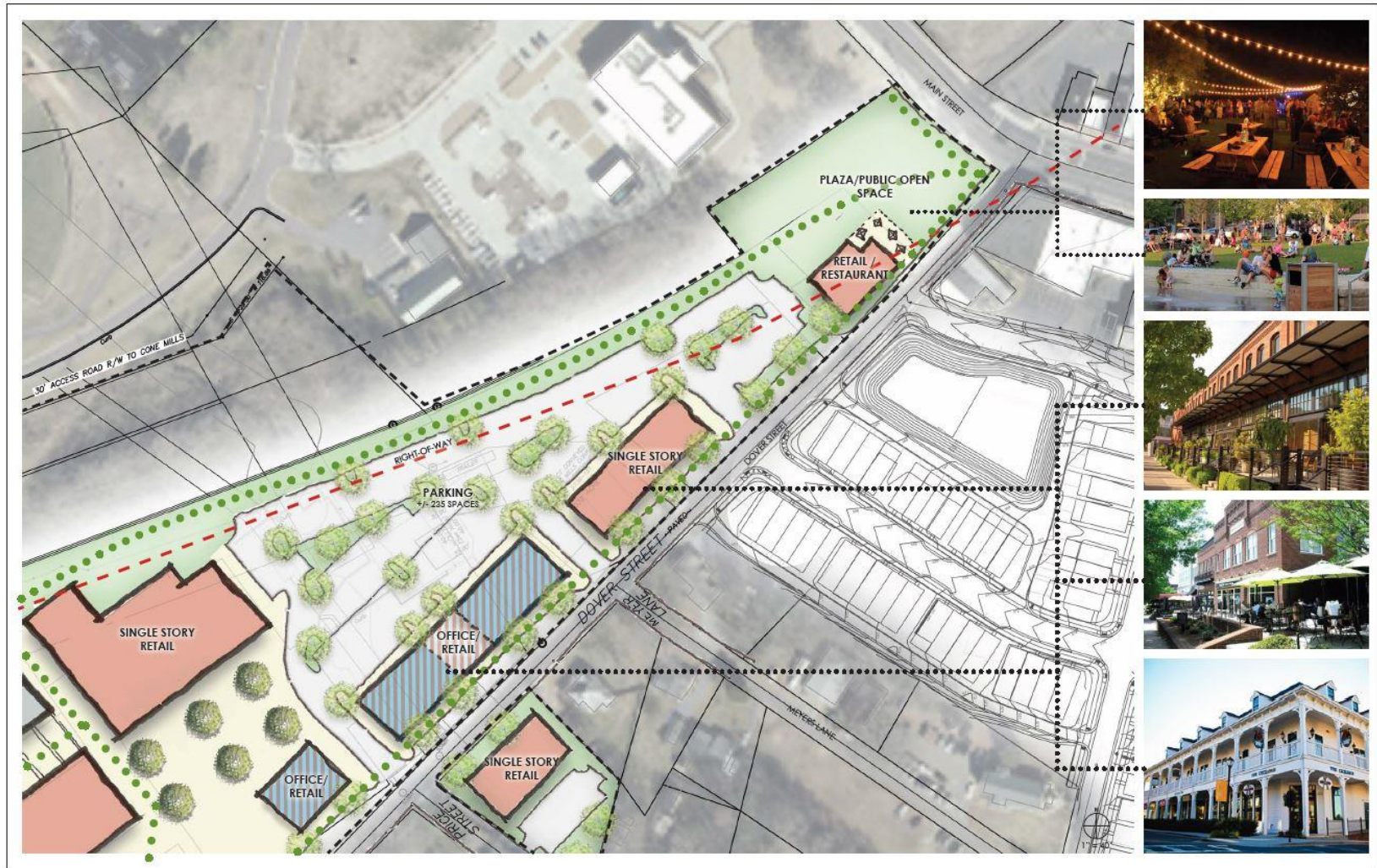
The Town will enter discussions with the developers who have the most viable proposals, and Town staff will then make a recommendation of a partner to the Pineville Town Council. An endorsement by Council of a development partner is not final approval. Rather, it will trigger an exclusive period of negotiations between the Town and their selected partner for a development services agreement for the project. DFI will advise the Town in the negotiation of a formal development services agreement.

## Appendix B - Contingent Fee Payment

The conveyance or lease of any portion of the property described herein (the “Property”) to the selected development entity and its successors and assigns (the “Developer”) shall be conditioned upon the execution of an agreement (the “Development Services Agreement”) between the Town and the Developer pertaining to the responsibilities of either the Town or the Developer, or both, regarding any aspect of the development of the Property or any portion thereof (the “Project”). As part of the Development Services Agreement, the Developer shall agree to pay a fee to the Town’s consultant (“SOG”) and its successors and assigns for pre-development services provided to the Town, and the Development Services Agreement shall provide that SOG is an intended third-party beneficiary of the Development Services Agreement. The fee shall be an amount equal to 1% of the total projected costs of development of the Project as calculated by the Developer in the most recent version(s) of pro forma and other financial projections (the “Developer Financials”) prepared by the Developer and delivered to Town or other parties prior to or contemporaneously with the execution of the Development Services Agreement, and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of the Project shall be used to calculate the Development Services Fee. The Development Services Fee shall be due and payable in full to SOG no later than 30 days following execution of the Development Services Agreement. An alternative payment schedule for payment of the Development Services Fee to SOG may be developed as mutually agreed in writing by Developer and SOG; by way of illustration only, such schedule of payments could be tied to the receipt of any developer fees by Developer. Developer’s obligation to pay Development Services Fee shall not be assignable by Developer to any other entity, nor shall any assignment relieve Developer of its obligation to pay Development Services Fee, except upon written consent of SOG.

## Appendix C - Plans by ColeJenest & Stone





## CONE MILL

### DOWNTOWN EXPANSION

PINEVILLE, NC

05.17.2017

THIS PLAN IS FOR INFORMATIONAL PURPOSES ONLY. IT IS NOT A CONTRACT. ALL OTHER AREAS INCLUDING OFFICIALS' JURISDICTION ARE SUBJECT TO THEIR DISCRETION ON THE PRELIMINARY AND FINAL PLANS.





## CONE MILL

### MILL REDEVELOPMENT

PINEVILLE, NC  
05.17.2017

THE PLANNED COMMUNITY VISION, LOCATION OF BUILDINGS, AND ALL OTHER AREAS INDICATED ON THIS SITE  
ARE PRELIMINARY AND SUBJECT TO FINAL DETERMINATION BY THE BOARD OF ZONING AND PLANNING.



**Cole Jenest  
& Stone**



# **CONE MILL** **TOWNHOMES** PINEVILLE, NC 05.17.2017

THE PLAN IS A CONCEPTUAL SKETCH. LOCATIONS OF BODIES OF WATER, LOTS, AND ALL OTHER AREAS INCLUDED OFFER ONLY AN APPROXIMATE INDICATION OF THE GENERAL LAYOUT AND SHALL BE SUBJECT TO FINAL DETERMINATION BY THE ENGINEER AND THE CITY.

## Appendix D – Parcel Data

The historic mill is parcel 22105017 (28.3 acres); the Town also owns the following parcels that connect the primary mill parcel to Main Street: 22105117, 22105118, 22105109, 22105111. These parcels comprise a total of 30 acres, and include the current town hall. The Town of Pineville is open to relocating its town hall, and will consider proposals in the Solicitation for Development Partners phase of this process to relocate the town hall elsewhere on the site, including to a portion of the reused mill.

The Town is also in control of the following neighboring parcels, which could be a part of master development plan: 22106304, 22107108. The full extent of the Town-owned site is represented in the map within this document.

## Appendix E – Historic Timeline



### CONE MILL HISTORICAL TIMELINE PINEVILLE, NC 04.20.2017

THE PLAN'S ECONOMIC IMPACT, LOCATION OF MILL, AND ALL OTHER AREAS INCLUDED OFFERED FOR  
INFORMATION AND USED TO DEVELOP CONCEPTS FOR FUTURE DEVELOPMENT.