

The Next Big Thing



Doug Smith

COMMERCIAL REAL ESTATE
AND DEVELOPMENT

EASTSIDE'S \$400 MILLION DEVELOPMENT

Morningside Village takes first giant step

400 apartments – above shops facing Veterans Park – will take 5 of the new community's 33 acres

Morningside Village is ready to take the first giant step toward becoming a Next Big Thing in east Charlotte.

Atlanta's Post Properties has put two city blocks (5 acres) of the 10-block planned community under contract for 400 apartments to be started in the third quarter of this year.

The estimated \$65 million project will showcase the return to Charlotte of one of the nation's largest developers and operators of upscale multifamily communities after an absence of more than five years.

Jeff Harris, Post executive vice president-investments, said the 33-acre site of the old Morningside Apartments on McClintock Road at Morningside Drive creates "a unique opportunity to provide quality homes in a setting with history, character and green space."

Morningside Village developer Firmatas LLC's master plan also calls for 600 for-sale residences and 30,000 square feet of retail in a pedestrian-friendly enclave to mesh with the neighborhood.

Post plans to include in its apartment buildings about 25,000 square feet of street-level restaurants and shops overlooking 17-acre Veterans Park.

Neighbors generally were supportive of demolishing the deteriorating 58-year-old apartment complex, and the City Council approved a rezoning.

East Charlotte leaders have encouraged more for-sale housing to offset an abundance of older-generation rental properties.

District 1 City Council member Patsy Kinsey said apartments of the caliber Post plans in Morningside Village is fine with her.

"We knew all along it would be a combination of rental and ownership," she said. "I'm just excited that something is about to happen there."

Tim Griffin, president of the Morningside Neighborhood Association, agrees and adds, "I think it's a good marketing strategy for Morningside."

"People can rent while they're trying to sell their houses in other cities."

"When they finally do sell, we will have them hooked on Morningside."

Post's Morningside Village apartments won't have much in common with the sprawling complexes familiar to eastsiders.

"We are spending a lot of time and energy on architecture," Harris said. "We think the apartments will complement the for-sale units."

The two brick-and-stucco apartment structures will be designed to conceal parking and appear to be a cluster of six or seven buildings, Harris said.

Four stories of apartments will rise from street-level retail facing Veterans Park on a side of the building that will peak at 70 feet. Other parts of the project will vary from three to four stories and range from 33 to 44 feet tall.

The planned loft-style units will resemble condos in the center city, South End and SouthPark and most likely will appeal mainly to young professionals employed in the urban core.

Rents tentatively will range from \$850 to \$1,700 monthly for studio, one-bedroom, two-bedroom and three-bedroom units from 550 to 1,300 square feet, Harris said.

The redevelopment project's for-sale housing is very much in the works, too.

Firmatas is selling Morningside Village tracts to other developers, who would construct the types of buildings its master plan envisions and abide by its architectural guidelines.

Principal Rob Pressley said Firmatas is staggering land sales to help create, block by block, a \$400 million village diverse in price, size and building type.

Firmatas anticipates closing on three more blocks later this year in roughly the same time frame as Post, he said.

Developers who purchase land there most likely would build condo flats, townhomes and brownstones priced from the high \$100,000s to the mid-\$500,000s, Pressley said.

Depending on pre-sales and construction timetables, he said, the first condo owners could move into homes by spring 2009.

Post expects to have the initial apartments ready for occupancy in the fourth quarter of 2009 and complete both buildings by the second quarter of 2010.

The company, which has four communities in Charlotte, built the apartments at Phillips Place in the SouthPark area and at Gateway Village uptown in the late 1990s and early 2000s.

Over the past several years, however, it has concentrated on large urban markets such as Washington, D.C., Dallas and Houston.

Harris said Post is prepared to expand in the Carolinas primarily with a focus on urban infill development in Raleigh and Charlotte.

In east Charlotte, "What got us excited was Firmatas' plan at Morningside Village," he said. "All the pieces of the puzzle came together."

The master plan envisions buildings with traditional architecture on small blocks mixed with a variety of housing types to take advantage of active streets, plazas and courtyards.

A redesigned street network – including a new avenue along the edge of Veterans Park – will link the village with single-family houses in Morningside.

Morningside Village will be on a future Central Avenue streetcar line, which Harris said will help cement residents' ties to the eclectic shops and restaurants near Central and The Plaza.

He envisions the Central Avenue corridor as this decade's South Boulevard corridor.

Morningside Village has the potential, Harris believes, to generate eastside redevelopment in much the same manner as mill building restoration did in South End during the early 1990s.

"I can see this marching down Central Avenue to the neighborhood restaurants, bars and Harris Teeter grocery store," he said.

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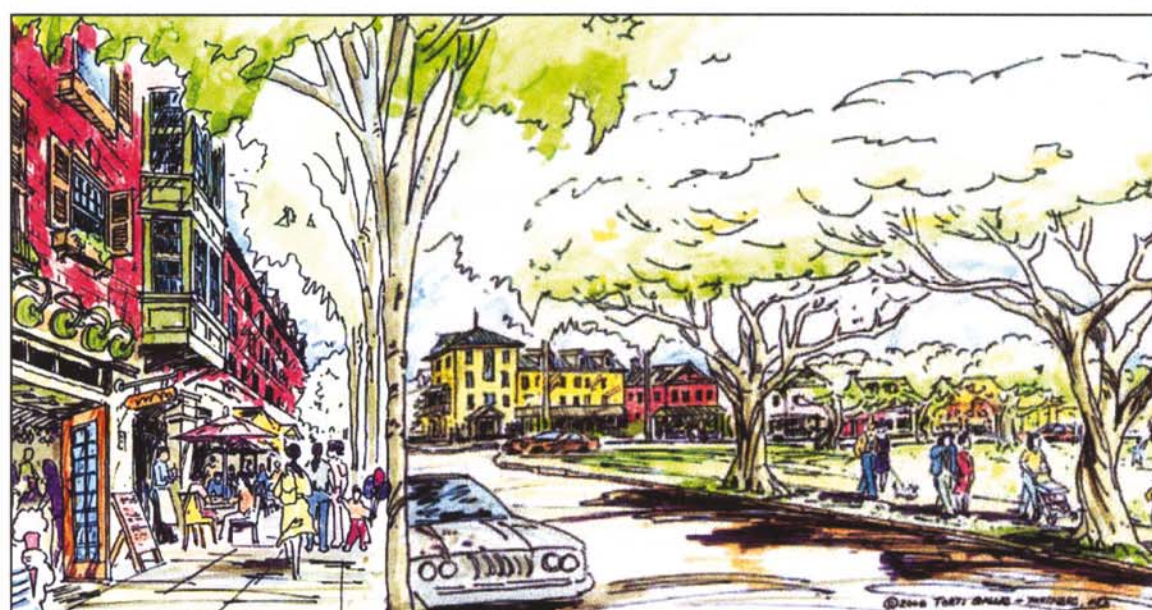
Firmatas LLC demolished Morningside Apartments at McClintock Road and Morningside Drive to clear this 33-acre site for an urban village of residences, shops and restaurants.

PHOTO COURTESY OF FIRMATAS LLC



PHOTO COURTESY OF POST PROPERTIES

Post Properties plans to develop apartments in Morningside Village similar to its Post Biltmore community in Atlanta. The rendering below illustrates how street-level shops and restaurants in the 400-unit apartment community would face Veterans Park.



RENDERING: COURTESY OF POST PROPERTIES

Morningside Village apartments

Site: Two blocks across from Veterans Park in a 33-acre redevelopment project on McClintock Road at Morningside Drive.

Size: 400 loft-style units in two buildings with 25,000 square feet of shops and restaurants.

Timetable: Construction starts in third quarter of 2008; first units available in fourth quarter 2009.

Rental rates: Tentatively \$850 to \$1,700 monthly for studio, one-bedroom, two-bedroom and three-bedroom units from 550 to 1,300 square feet.

Development team: Post Properties, developer; The Preston Partnership's Charlotte office, design; ColeJenest & Stone, civil engineering.

Post Properties

Atlanta-based Post Properties, founded more than 35 years ago, operates as a real estate investment trust.

It focuses on developing and managing Post resort-style garden and high-density urban apartments in 10 markets nationwide.

Post owns 22,578 apartment homes in 63 communities, including four in Charlotte.

It's also developing and selling 535 for-sale condos in four communities and converting apartments to condos in two communities.

Information: www.postproperties.com.



STAFF MAP

Morningside developers

Firmatas LLC's four principals formed the development company to "create high-quality human habitats." They are:

- Tom Graham of Atlanta-based Graham Development, developer of I'On Village in Mount Pleasant, S.C.
- Rob Pressley, president of Coldwell Banker Commercial MECA, who worked with Graham to acquire the land and is focused on project development and marketing.
- Mark Turner, experienced in engineering and site development, who is handling site construction and other development activities.
- Francis Reiner, experienced in land planning and urban design, who is handling design and other development activities.

The principals also are partners in two Belmont projects. Information: www.morningsidevillage.com.