

August 12, 2019

Mr. Stewart Gray  
Charlotte-Mecklenburg Historic Landmarks Commission  
2100 Randolph Rd.  
Charlotte, NC 28207

**RE:** Request for Certificate of Appropriateness (COA)  
**Project:** Johnston Mill, 3315 N. Davidson Street, NC

Dear Mr. Gray:

This shall serve as a follow-up to our previous meeting held on June 26, 2019 and subsequent conversations related to the demolition of the SRO/Machine Storage Building and correlated redevelopment of the Johnston Mill located at 3315 N. Davidson Street in Charlotte. Together, these two buildings and adjoining surface lots comprise the redevelopment site. The project site is hence roughly bounded by East 36<sup>th</sup> Street to the west, N. Davidson Street to the south, the Mecklenburg Mill to the east, and railroad tracks along the north.

We believe the demolition of the SRO building and redevelopment of the Johnston Mill building will meet the Secretary of Interior Guidelines for Historic Renovations; furthermore, such SRO building demolition is necessary to complete the planned redevelopment of the site. As part of a preliminary review process, we presented materials to the NC SHPO in Raleigh on July 30, 2019 to convey why we believe that the SRO building should be razed while the Johnston Mill Building would be retained. (We have attached many of the supporting materials presented.) While they are unable to provide official feedback absent the review of the National Park Service, the reception received was very positive. We left the meeting feeling very encouraged by the probability that we will receive the approval to proceed with demolition of the SRO building and move forward with the new development of the larger project. We now await the materials being submitted by SHPO to NPS and their subsequent concurrence that the SRO building should be razed given the current factors. We invite direct communication with SHPO to confirm our understanding.

As background, we intend to redevelop the site for the purposes of a total of ~225 units consisting of studio, 1-bedroom, 2-bedroom and 3-bedroom units. The Johnston Mill building will be rehabilitated to the Secretary of the Interior's Standards for a total of 75 units. This housing project will also provide an estimated 1.2 parking stalls to every one unit, with common area amenities to be focused at the southeastern side of the site. In addition to a first-floor lobby and fitness center in the Johnston Mill main mill building, the project will provide an outdoor recreation area and pool, concealed from view by plantings. The project also includes ~12,000-square-footage of retail space and associated required parking stalls along East 36<sup>th</sup> Street.

The following are the primary factors why we propose to remove the ancillary SRO Building and construct a new mixed-use building along the west and northern portions of the site. Factors include:

- existing deteriorated conditions of the SRO Building
- existing lack of structural integrity of the SRO Building

- existing secondary nature of the SRO building
- The constraints of the original building layouts and tightly-woven site, inclusive of the underutilized surface lot
  - The SRO Building is sitting closer to E. 36th street than our new building would legally be allowed per zoning, so it restricts views into and out of the site
  - From a safety standpoint and where an access drive would need to be located if the SRO building remained, would reduce sight distances for vehicles entering and exiting the site This poses a concern for the increased number of pedestrians and cyclists utilizing 36th Street to access the CATS 36th Street LYNX Light Rail Station
  - The elevation of the drive access would be further downhill which would impact sight distances even more
  - Keeping the SRO Building would also limit views to both the existing main mill building and the new building retail and leasing offices, which could impact rent rates and takeaway from the primary historic aspect (main mill building) of the site
- the required minimum number of apartment units and construction type for a financially feasible project
- the need to accommodate the market-required ratio of parking
- the need to reactivate East 36<sup>th</sup> Street as a pedestrian street-scape

Prior to the continuation of planning and design of the proposed redevelopment, some certainty of the proposed scope related to the above and its appropriateness must be determined. We are requesting that the Charlotte-Mecklenburg Historic Landmarks Commission review these limited design items. Specifically, we are requesting a Certificate of Appropriateness for the removal of the ancillary SRO Building.

## The Project

- The Community Builders (TCB) and partner, FCP, are looking to preserve and restore the 100,000 SF Johnston Mill main building, while also developing ground-up new construction apartments and retail to support the costs associated with the project
- Both TCB and FCP have extensive experience re-developing historic buildings as well as ground-up construction
- The preservation of the main mill building, and new construction will allow the developer to revitalize the area surrounding the mill and celebrate the historic aspects of the mill, while also satisfying housing needs in the Charlotte area and specifically the NoDa submarket.
- The multifamily portion of the current program calls for the Johnston Mill building to contain 75 units within 86,250 SF and new construction to contain 150 units within 105,500 SF
- The retail portion of the current program intends to revitalize the corner of 36<sup>th</sup> Street and North Davidson by installing 12,600 SF of ground floor space to be inhabited by community engaging retailers, restaurants, and services
- Please see Exhibit A for the existing site plan, preliminary sketches, and inspiration images
- The project team has experience and has done extensive research on the market to best understand the current housing and retail needs for the specific node
- The project team feels confident in their ability to execute on the revitalization of the Johnston Mill and ground-up execution of apartments/retail to meet the needs of the greater Charlotte and NoDa community

## SRO Building

In order to bring this project to fruition and ensure the positive impact to the community, it is necessary to therefore remove the existing SRO Building, an ancillary structure to the Johnston Mill.

- Although not readily evident from the exterior, the SRO Building has lost structural integrity as per an independent structural engineers' evaluation in an interior inspection of 12 July 2019;
  - Please see Exhibit B, *Stewart, "SRO, Building Johnston Mill Site – Preliminary Building Evaluation," dated 12 July 2019;*
  - These issues and the building's determination as unsafe for rehabilitation is further corroborated by the Charlotte Fire Department's follow-up letter to that of 6 June 2019 (previously submitted with this project's NPS HPCA Part 1)
    - Please see Exhibit C, *Charlotte Fire Department, dated 11 July 2019*
- The SRO Building lacks historic significance in that the building's sole historic purpose was for storage of machines;
- The SRO Building lacks architectural significance in that its street-facing elevation (36<sup>th</sup> Street façade) has been replaced in post-period of significance (post-1939) by a blank wall of modern brick laid in common bond one-to-six (please see Exhibit E);
- The SRO Building does not occupy a major portion of the site in terms of footprint (please see Exhibit B, Page 1):
  - The SRO Building comprises only 2.9% of the project site
    - [6,934SF / 235,521SF]
- The SRO Building does not occupy a major portion of the site in terms of overall building square footages:
  - The SRO Building comprises only 6.5% of the total gross-square-footage of the two buildings
    - [6,924 SF / 106,934 SF]
- It is not technically feasible to retain the SRO Building:
  - A 40' x 40' section of the building experienced a full collapse of two stories, severely damaging the frame that once supported it (please see photos 6-8 on the previously referenced Exhibit B)
  - Due to the loss of structural integrity there is no feasible way to shore up the building to safely rehabilitate it
  - Leaving the SRO Building poses grading challenges with shoring and a lack of workable clearances around the building and its footings, which would be required to construct basement level parking needed for the project
- It is not economically feasible to retain the SRO Building:
  - As per the market analysis, this project requires a minimum of 225 units for feasibility
  - Retaining the SRO Building would result in a minimum of loss of 25 units
  - Retaining the SRO Building would result in the need to proceed with a more expensive construction type, 100% wood frame over concrete podium
    - Given the reduction in units and increase in construction cost, we estimate the total development cost would increase by 25% while the weighted average market rent/month would need to increase by 40% for a developer to even consider this project
    - Please see Exhibit F for the full economic feasibility study

Due to the above factors, it is our position that the SRO Building must be and may be removed, thereby allowing us to build new construction on site as seen in the attached exhibits which subsequently achieves the footprint, massing and height necessary to bring the project to economic fruition while still preserving and glorifying the historic Johnston Mill main mill building.

We believe the initial feedback from NC SHPO appears to affirm that the above proposal meets the *Secretary of the Interior's Standards of Rehabilitation*. We are hopeful Charlotte-Mecklenburg Historic Landmarks Commission concurs.

We also have the support of the NoDa Neighborhood and Business Association based upon a relationship established many years ago, which is shown through their community support letter in Exhibit D

We look forward to receiving your feedback on the enclosed package to ensure we can, with your guidance, bring this Project to fruition.

Sincerely,



Juan Powell

The Community Builders, Inc.

Exhibit A: Existing Site Plan and Concept Sketches

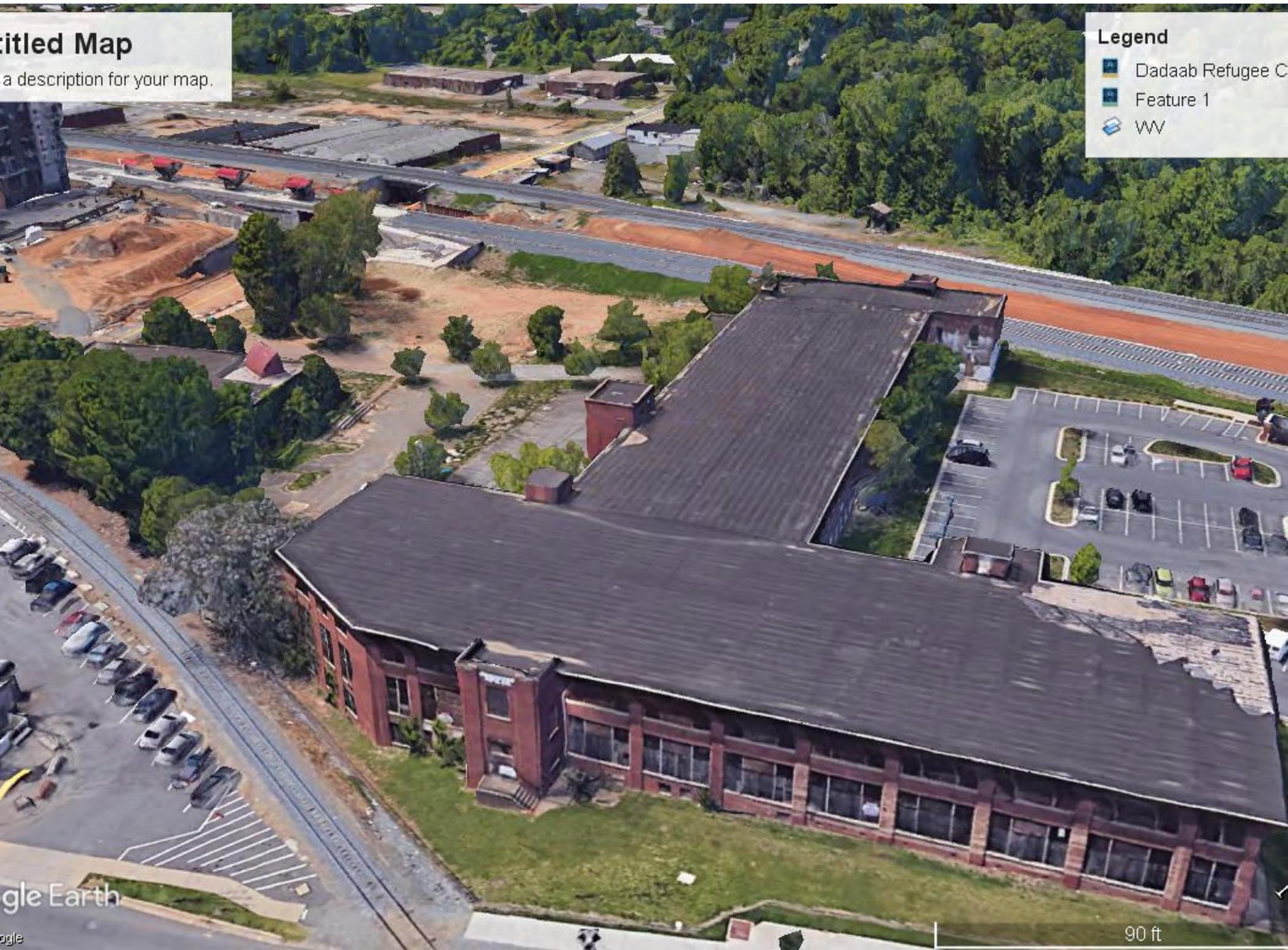


# Untitled Map

A description for your map.

## Legend

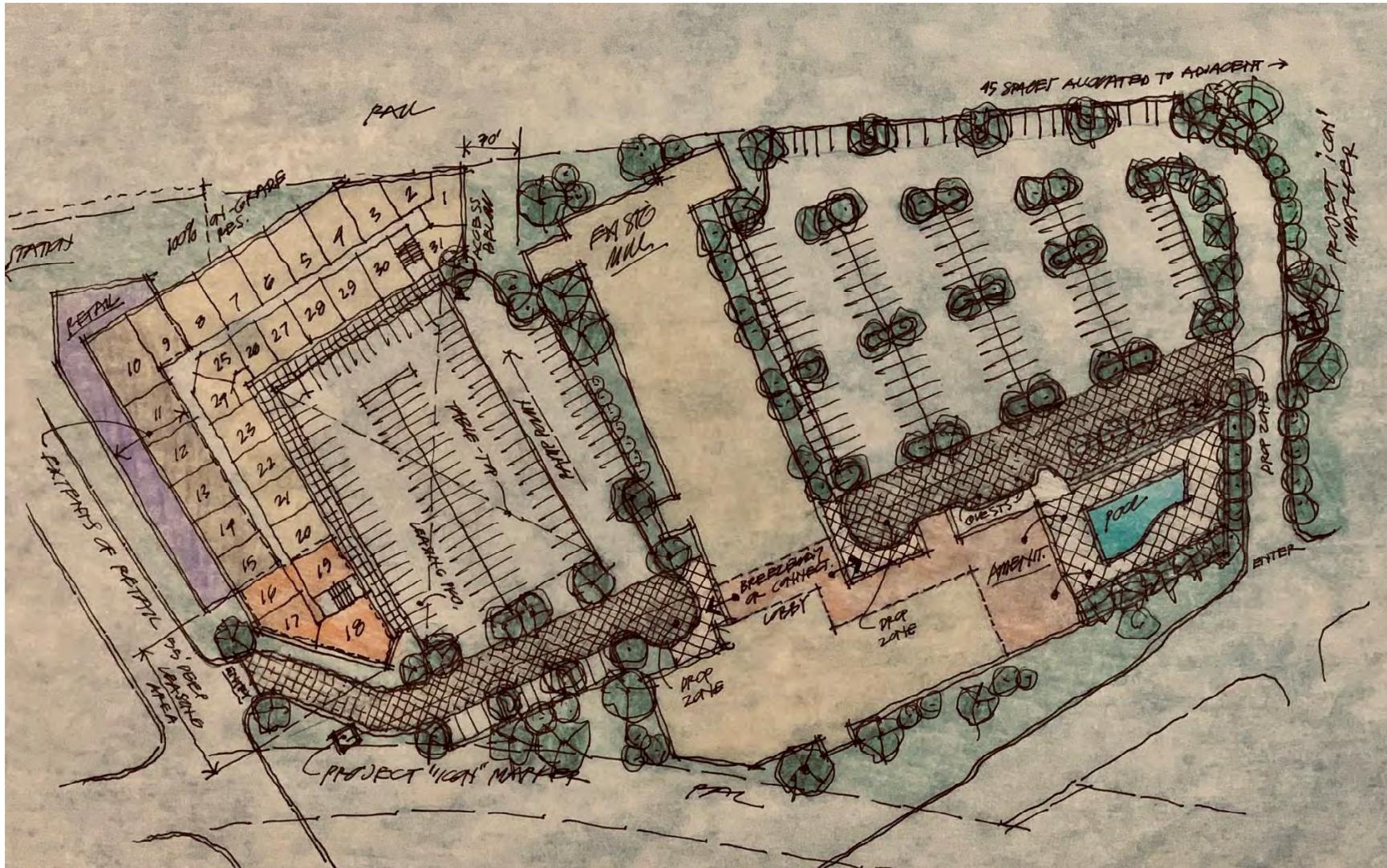
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-  Feature 1
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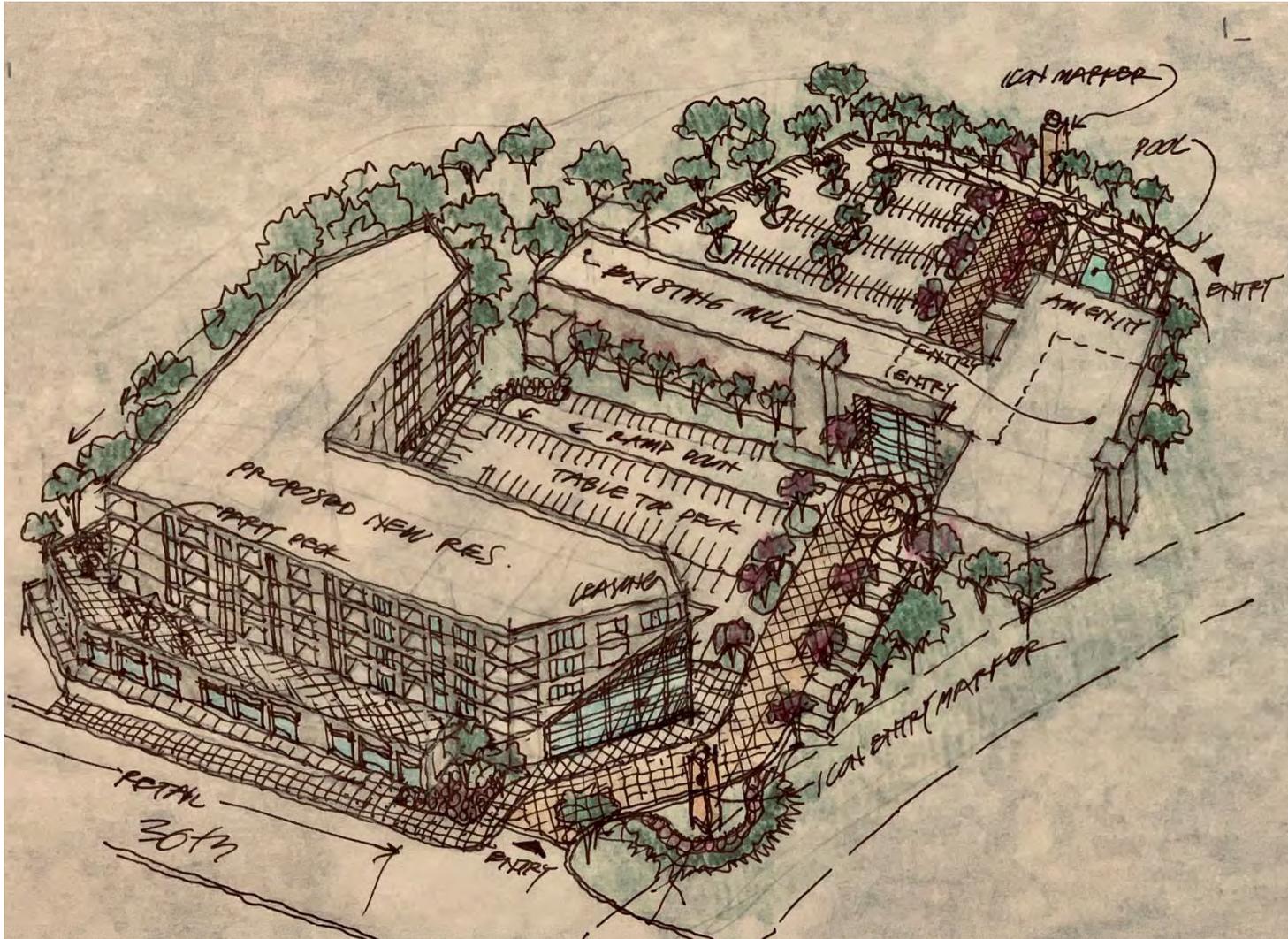
Google Earth

90 ft

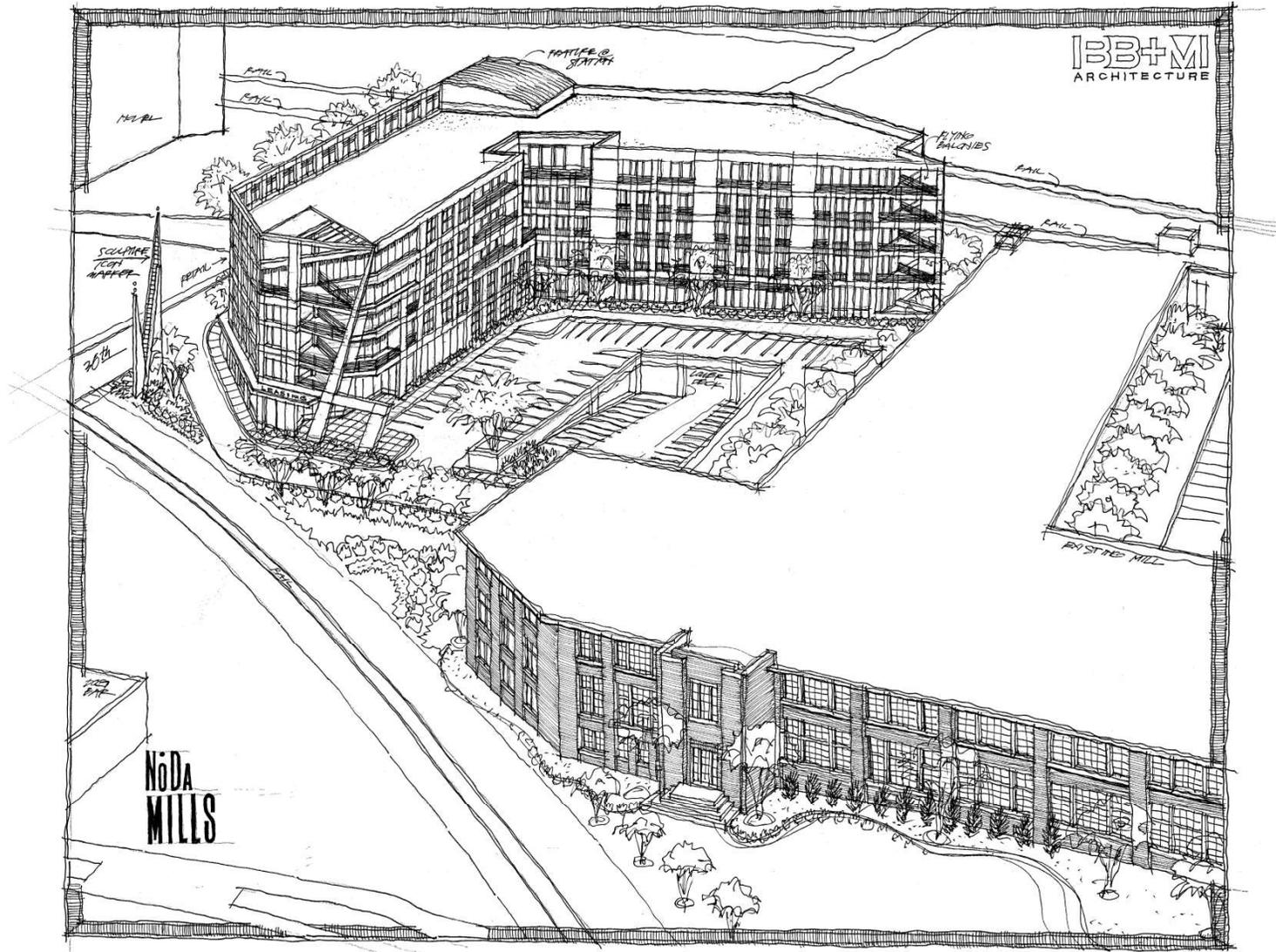
# JOHNSTON MILL | CONCEPT SITE PLAN



# JOHNSTON MILL | CONCEPT MASSING



# JOHNSTON MILL | CONCEPT MASSING



# JOHNSTON MILL | PRECEDENT INSPIRATION



**HISTORY**  
memorable  
tells a story  
**LOCATION**



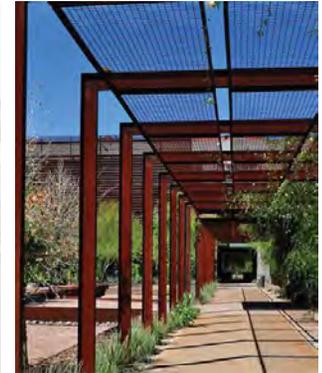
# JOHNSTON MILL | PRECEDENT INSPIRATION



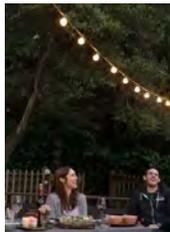
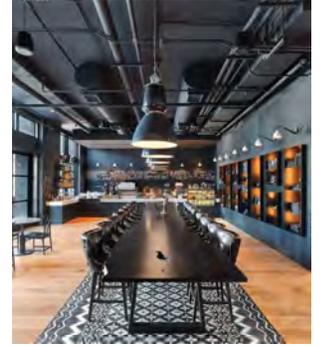
Inviting  
social space

Neighborhood

PLACE MAKING



# JOHNSTON MILL | PRECEDENT INSPIRATION



COMMUNITY  
artistic  
celebration

# JOHNSTON MILL | PRECEDENT INSPIRATION



**CREATIVITY** people **young** transit  
*Trendy* **LIFESTYLE** **ENTHUSIAM**





## Exhibit B: Structural Engineer SRO Report

July 12, 2019

Ross Magette  
Senior Associate  
The Community Builders, Inc.  
4445 Willard Avenue  
Suite 900  
Chevy Chase, MD 20815

RE: SRO, Building Johnston Mill Site – Preliminary Building Evaluation  
Charlotte, NC

Dear Ross,

Stewart was asked to perform a structural assessment of the SRO building located at the intersection of North Davidson Street and 36<sup>th</sup> Street on the Johnston and Mecklenburg Mills site. The address is 3315 North Davidson Street. This building was constructed as a later date than the original mill buildings.

The SRO building has been posted "Unsafe" to enter by Mecklenburg County Fire Department. The purpose of our visit was to look inside the building to determine the extent of damage in the building. During the visit we did not enter the building. We observed the structure from openings in the front and rear of the building.

From the front of the building, we were able to observe areas where active water leaking was observed around the perimeter of the building. It appeared some roof deck boards had failed and allowed light in through the structure. Our observation into this side of the building was limited to one open room.

From the rear of the building, we observed a section of the 2-story building approximately 40'x40' that had fully collapsed. The framing supporting the opening we observed the collapse through was severely damaged. We also received aerial photography of the roof of the building. Several places can be observed with active leaks and further roof damage.

Based on our observations, the building is unsafe. A significant portion of the building experienced a full collapse of two stories. It is not safe to enter the building to determine the rest of the potential damage.

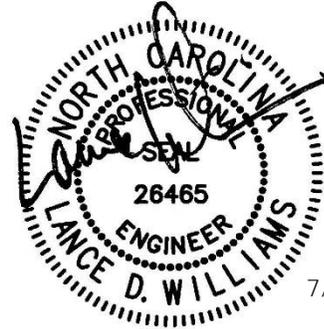
The portion of the exterior wall in the rear of the building adjacent to the collapsed area is not supported and presents a dangerous condition. This portion of the exterior wall is a two-story wall without any support to the floor or ceiling. The existing walls were not designed to cantilever two-stories. Without the ability to determine the remaining condition of the building there are likely other dangerous conditions that exist. We believe the building has very little structural integrity or the previous structural integrity has been severely compromised due to the large portion of collapse and damage observed.



Photos of our visit are included with our report. We recommend the building be demolished as soon as possible to prevent further deterioration or the potential for the dangerous conditions to become a public safety danger. If you have any questions, please contact me.

Respectfully submitted:  
Stewart

Lance Williams, PE  
Associate Vice President | Manager of Structural Engineering



7/12/2019

Encl

SRO Building Photos



Photo 1 – Aerial of SRO Building Roof Damage (not taken by Stewart)



STEWART



Photo 2 - Access into the front of the building



Photo 3 - Damage and water entry at the front of the building



Photo 4 – Condition of building looking toward the collapsed area



Photo 5 – Entry to the collapsed area



STEWART



Photo 6 – Collapsed area looking at roof



Photo 7 – Collapse of floor and wall framing

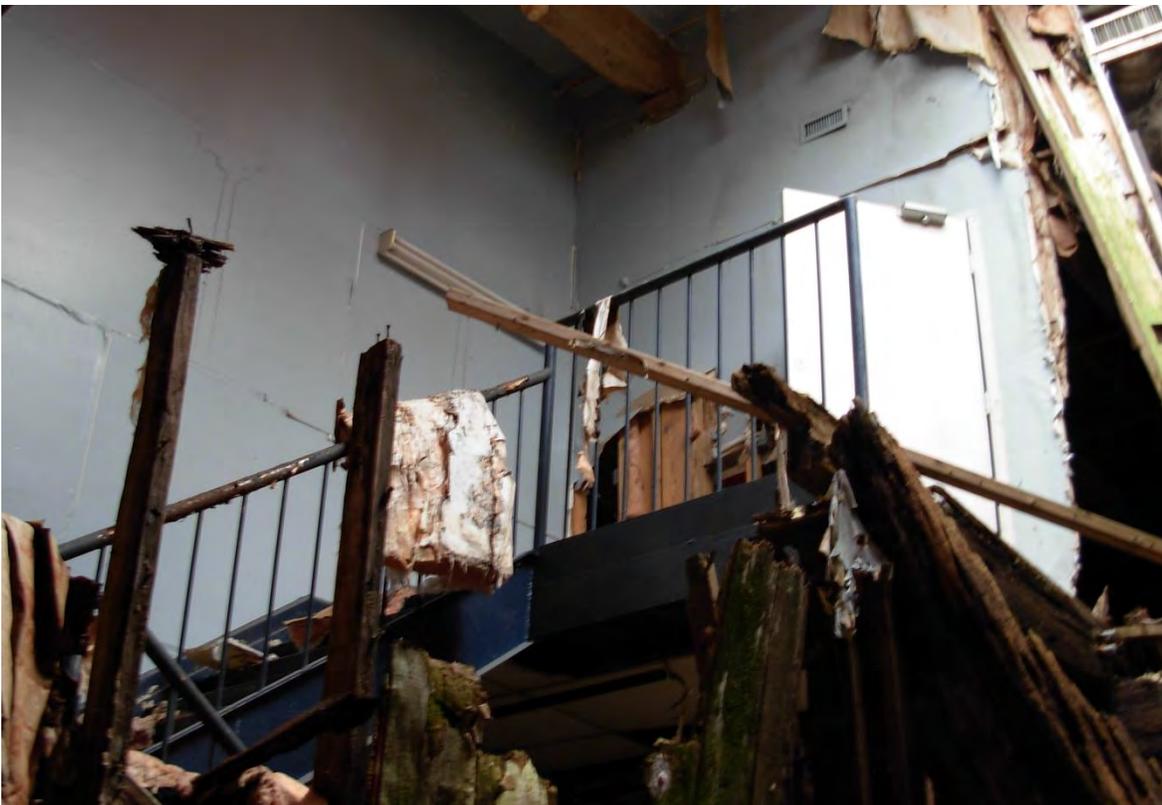


Photo 8 – Lack of stair support at collapsed area



## CHARLOTTE FIRE DEPARTMENT

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*The City of Charlotte Fire Department preserves life and property through rapid emergency response, code enforcement, education, and planning.*

07/11/2019

Juan Powell  
TCB Noda Mills LLC  
1003 K Street NW, Suite 700  
Washington, DC 20001  
(202) 552-2513  
ephillips@tcbinc.org

Dear Mr. Powell,

This is a follow up to a letter submitted on 6/6/19 regarding a vacant structure located at 401 E. 36<sup>th</sup> St, Charlotte, NC.

I met with Tracy Haynie of Trinity Partners, Lance Williams of Stewart, and Julie Ferrari of BBM on location to further evaluate the property in regards to the previously observed structural issues.

During our visit we were able to remove some of the boards from the rear window in order to observe the interior conditions. I saw what appeared to be roughly 35-50% of the second floor has collapsed completely. I observed a large, approximately 8X8 timber that seemed to be one of the main floor joist has failed and is broken in the middle and sagging into the first floor. We were also able to clearly see the roof failure from the inside. There is a very large hole that was previously observed using Google Earth maps. The roof appears to be continuing to decline and suffer further failures.

While on site we were also able to open the front door and inspect a portion of the front of the building. Upon examination I observed what appeared to be a roof failure beginning on the front side of the roof (the side closest to E. 36<sup>th</sup> St.) I also observed a large, approximately 6x6 vertical beam that appeared to be tied into the main roof joists that had a severe twist at the base where it joined the first floor. Due to the conditions overall and on my authority, I would not let anyone go more than a couple of feet into the building for safety reasons. Several pictures were taken of the interior conditions by way of verification of the structural issues.

Although I am not an engineer nor an architect, it is both my personal and professional belief that this building presents a significant hazard to the surrounding area. Given the amount of time that it has been both vacant and neglected it is obvious that the entire structure has likely been compromised and should be viewed as at risk for further structural failures. The amount of debris on the interior as well as the visible signs of major supporting structures having

already failed leads me to believe that it would be far too hazardous to even attempt to shore up the existing walls and roof as part of a rehabilitation attempt. Tracy also indicated that one of the options being discussed was to essentially put a one year hold on the building. In my opinion that would be an unacceptable solution as the building is going to continue to deteriorate in the interval.

It is not only the building itself which concerns me but also where it is located. The building sits adjacent to a very busy sidewalk which has a large amount of foot and bike traffic, especially during the evenings and weekends. Should the building suffer a catastrophic failure there is an unacceptable amount of risk that it may partially come down on the sidewalk and injure a pedestrian. There also is an on-going issue with homeless breaching the building and living in it. Part of my job is to do my best to protect people, even when they themselves are not.

Were it up to me and I had the authority to make such a decision, I would order the building to be demolished as soon as possible for the safety of all concerned.

If you have any questions or need clarification please don't hesitate to contact me. Thank you.

Sincerely,

Fire Inspector Marc Oddo  
(704) 564-6897  
[Marc.Oddo@CharlotteNC.Gov](mailto:Marc.Oddo@CharlotteNC.Gov)

**Exhibit D: Community Support Letter**

July 10, 2019

Mr. Stewart Gray  
Senior Preservation Planner  
Charlotte-Mecklenburg Historic Landmarks Commission  
2100 Randolph Road  
Charlotte, NC 28207



Dear Mr. Gray,

The Community Builders (TCB) seek to complete the redevelopment of a site in NoDa that contains both the Mecklenburg Mill and Johnston Mill. **The NoDa Neighborhood and Business Association (NBA) have successfully worked with TCB on the redevelopment of the site**, including master planning, rezoning, and delivery of Mecklenburg Mill. Similarly, we have met several times over the years to discuss future plans for the balance of the site.

**NoDa's overwhelming priority**, relative to redevelopment of this essential site, **has been clear and consistent that the Mecklenburg Mill and Johnston Mill must be preserved.**

TCB earned our support for many reasons, but above all they have shown an unwavering commitment to preserving both mills. The **Mecklenburg Mill has been restored** and received historic tax credits **and is now an operational all affordable housing building.** After a prolonged planning, programming and due diligence period, **TCB is now moving forward with redevelopment of Johnston Mill** and will be seeking historic tax credits for this property as well.

**We write today to underscore our strong support for this project to move forward**, as long planned and publicized, **including demolition of the small Machine Storage Building (aka "SRO building").**

It has long been understood that **to appropriately redevelop the site, the "SRO building" must be removed and we fully support the application to raze this building.**

**We see no scenario where the "SRO building" in the current condition could be economically or architecturally redeveloped.** The end result would be the demolition if the building at the end of the 365 day stay, without any benefit to the neighborhood or the overall goal to preserve the Johnston Mill.

We also are aware that restoring / repurposing any Mill is very expensive and that **a project must be viewed as a whole**, a task made even more complicated by the faulty design, construction and maintenance of previous owners. With those complications surfacing during Mecklenburg Mill development, **the economics of project completion are now only feasible due to the development of the new building.**

**Failure to raze the "SRO Building" in a timely manner could jeopardize the financial viability of the entire project**, and in turn cast the renovation of the Johnston Mill into question.

**We would find it an incredible travesty that the desire to maintain the smaller Machine Storage Building results in the community foregoing a new asset on site and potentially the saving of the Johnston Mill.**

We understand that TCB has an application before you relative to razing this building. **This shall serve as a strong letter of support for such application.**

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob Horr".

Jacob Horr  
NoDa NBA President



cc: Rob Fossi – The Community Builders, Larken Egleston – Charlotte City Council, NoDa NBA Board

Exhibit E: Lacking Historical / Architectural Significance



## Exhibit F: Economic Feasibility Analysis

A massing study completed by architect, BB+M, concludes that the overall project will be economically infeasible if the SRO building is unable to be demolished. There are two main factors that contribute to the economic infeasibility to move the project forward:

1. Site constraints due to retaining the SRO building result in an overall project loss of 25 units on an additional ground-up apartment building.
  - a. 25 units at weighted market average rent of \$1,430/mo equates to a revenue loss of \$429k/year.
2. Site constraints due to retaining the SRO building require an additional ground-up apartment building to be 100% built over a concrete podium as opposed to the plan which only had 25% podium and 75% ground-up wood frame.
  - a. The cost to build podium product in Charlotte is \$310/sf on average, compared to midrise wood frame product which costs \$190/sf on average. Therefore, the total cost of the project was ~\$220/sf ( $\$310/\text{sf} \times 25\% + \$190/\text{sf} \times 75\%$ ) compared to \$310/sf if the SRO building must be retained, resulting in an overall increase to the proposed project by 25%.

At 200 units (75 in mill building and 125 in new ground-up building) with an average unit size of 850sf, and assuming the costs represented above, the revenues necessary to achieve an economically viable project are wildly unachievable. For any developer to take on this project they would need to assume weighted average apartment rents of \$2,015/mo compared to the market average rent of \$1,430/mo, a 41% increase in total rent/month. Therefore, if the SRO building must be retained, the site as a whole will remain undeveloped and any plans to restore and revitalize the Historic Johnston Mill will be disregarded.

	Original Program	New Program (w/ SRO Building In-Place)	% Change
Units	225	200	
Average SF/Unit	850	850	
Total SF	191,250	170,000	
Total Development Cost	\$42,075,000	\$52,700,000	25%
Market Rent/Month	\$1,430	\$2,015	41%
Revenue/Year	\$321,750	\$403,000	