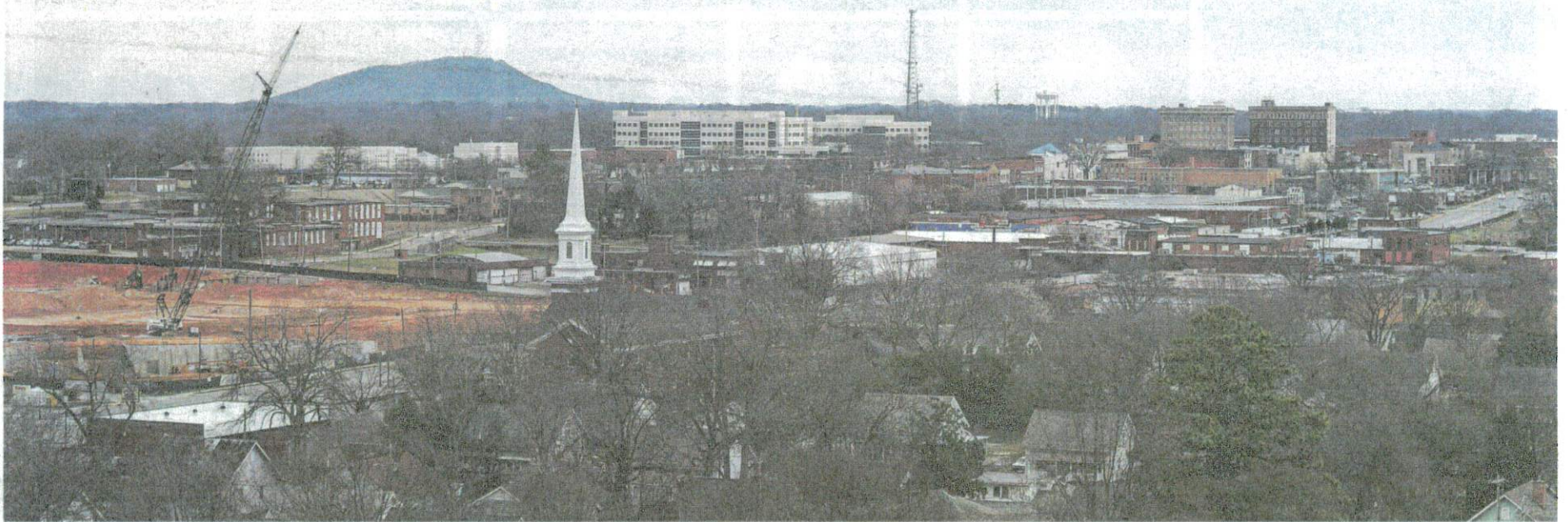


# CHARLOTTE BUSINESS JOURNAL

COVER STORY

## HOW GASTONIA IS CONNECTING WITH ITS PAST

The city's \$26 million investment in the FUSE District ballpark and related projects is drawing developers who are buying into the plan to tie a rebounding downtown to the historic Loray Mill Village community. **P20**



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COVER STORY

# HOW GASTONIA IS CONNECTING WITH ITS PAST

BY COLLIN HUGULEY

**G**astonia Mayor Walker Reid III worked in the old Sears building in west Gastonia when he was in high school. Growing up in the area, he has seen firsthand what the decline of the textile industry did to Gastonia and how the city has been forced to reinvent itself.

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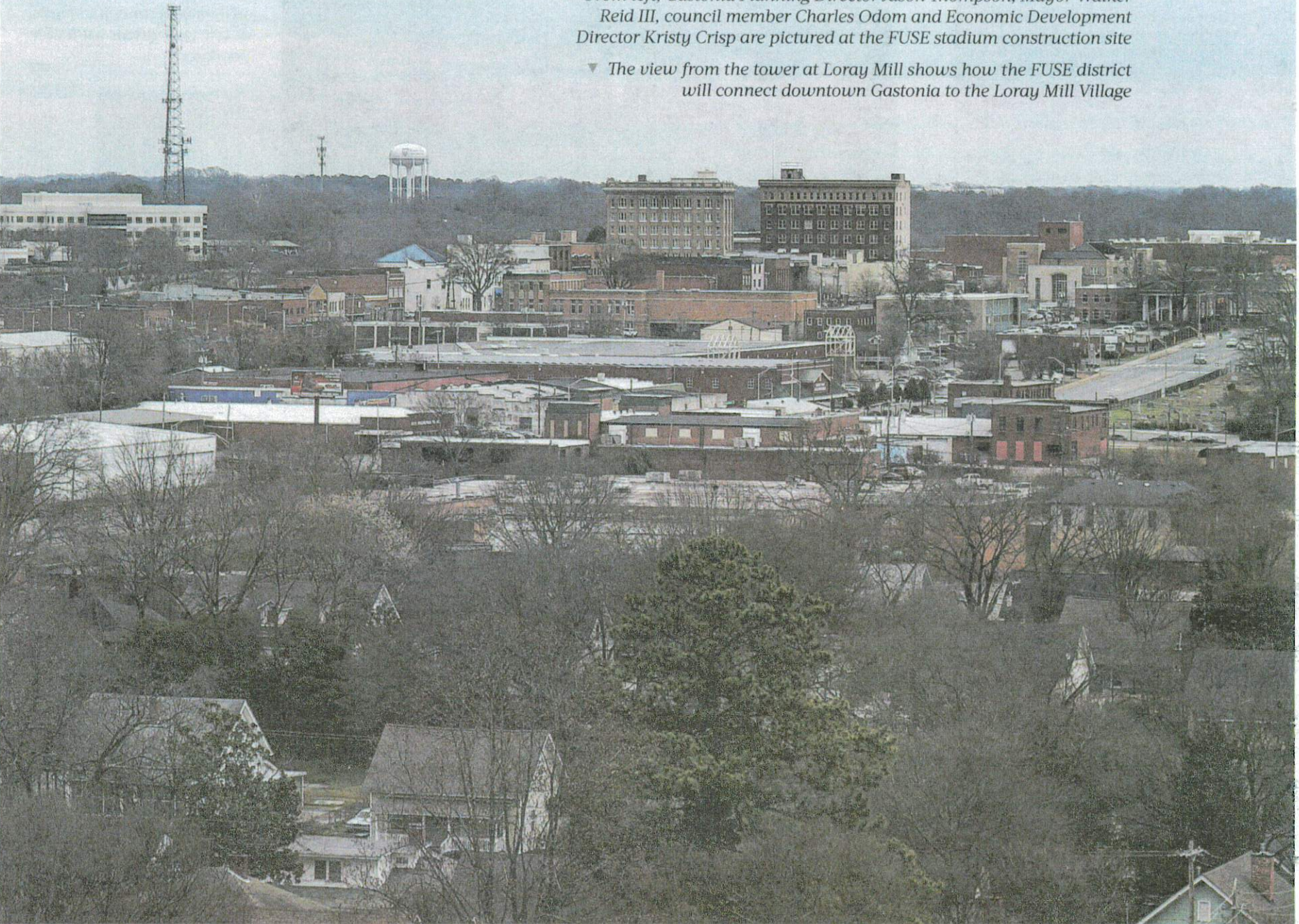






MELISSA KEY

- ▲ From left, Gastonia Planning Director Jason Thompson, Mayor Walker Reid III, council member Charles Odom and Economic Development Director Kristy Crisp are pictured at the FUSE stadium construction site
- ▼ The view from the tower at Loray Mill shows how the FUSE district will connect downtown Gastonia to the Loray Mill Village





## COVER STORY

## LORAY MILL

## THE REDEVELOPMENT THAT PUT CITY ON PATH TO BUILDING FOR THE FUTURE

**Y**ears before Gastonia embarked on developing the Franklin Urban Sports and Entertainment District to revitalize the Franklin Boulevard corridor, the redevelopment of a nearby 600,000-square-foot mill began.

Developer Joe Lenihan and his partners bought the vacant Loray Mill building for \$660,000 in March 2013 from Raleigh-based nonprofit Preservation North Carolina. Their plan was to redevelop it in two phases, with nearly 300 apartments and over 80,000 square feet of commercial space.

The first phase opened in January 2015. It included 195 apartments and all of the commercial space and cost more than \$40 million.

The apartments at Loray Mill have been at 94% occupancy for the last three years, Lenihan said. His retail space is at about 50% occupancy.

Gastonia planning director Jason Thompson said the efforts at Loray were pioneering and helped pave the way for the rise of FUSE.

"We proved out the market," Lenihan said. "We knew if we invested the money, people would move here."

Lenihan never envisioned a project of FUSE's magnitude could land near Loray. But the FUSE District will aim to connect the momentum started at Loray to the city's downtown.

The \$26.2 million multipurpose baseball stadium at FUSE broke ground in October and soon, Lenihan will begin the second phase of the Loray Mill redevelopment this summer, investing \$18 million to add 105 apartments.

Interest has also picked up in Loray's remaining 40,000 square feet of commercial space, Lenihan said. He has spoken to two new businesses and a hair salon about leasing space.

Lenihan moved to the area from California to see the second phase of the Loray Mill redevelopment through. He said he is stunned at how the neighborhood has changed in the seven years since he bought the Loray Mill site.

"This FUSE thing is changing perceptions in Gastonia," Lenihan said. "I'm very impressed."

The success at Loray Mill also changed perceptions of the Franklin Boulevard corridor, Thompson said, and was critical to the revitalization projects the city is working on with FUSE.

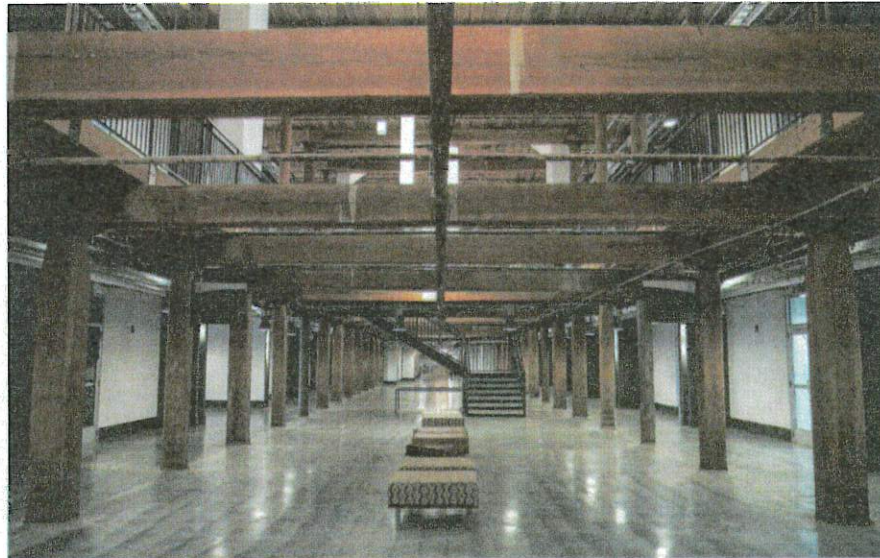
It's been a hard seven years, Lenihan said. But now, his Loray Mill project will reap the benefits of being more connected to downtown and neighboring the FUSE District.

— Collin Huguley



MELISSA KEY

▲ The apartments at Loray Mill include amenities such as a large outdoor saltwater pool area



MELISSA KEY

◀ Loray Mill has over 80,000 square feet of commercial space

## CONTINUED FROM PAGE 21

Reid had long held out hope for the struggling Franklin Boulevard corridor — where the Sears building sat vacant for years.

Now, the city of Gastonia is embarking on one of its largest-ever development projects — the Franklin Urban Sports and Entertainment District, or the FUSE District.

It is centered on a publicly funded \$26.2 million multipurpose baseball stadium, which will be anchored by a new team in the Atlantic League of Professional Baseball. The stadium started construction in October and is expected to open in spring 2021. Surrounding development is adding retail, residential, office and restau-

rant space.

The FUSE District will connect — or fuse — Gastonia's downtown to the Loray Mill Village redevelopment in west Gastonia, where preservationists are renovating mill houses in the neighborhoods around the Loray Mill (also known as the Firestone Mill) that closed in 1993. The mill building was converted to 195 loft apartments and commercial space anchoring the community project.

Gastonia planning director Jason Thompson said private investment estimates for the FUSE District have reached about \$75 million.

Two significant redevelopment projects are underway:

Florida-based Lansing Melbourne Group will redevelop the Trenton Mill site, a \$25

million project, says Lansing Melbourne Group managing member Peter Flotz. The redevelopment will include 84 loft apartments in the historic mill building. Flotz expects to break ground in May. He hopes units will be available by the time the first pitch is thrown in the ballpark in spring 2021.

Cramerton-based Lenox Development Group will take the largest portion of the historic 90,000-square-foot former Coca-Cola bottling plant that was built in the 1930s and has been vacant for years.

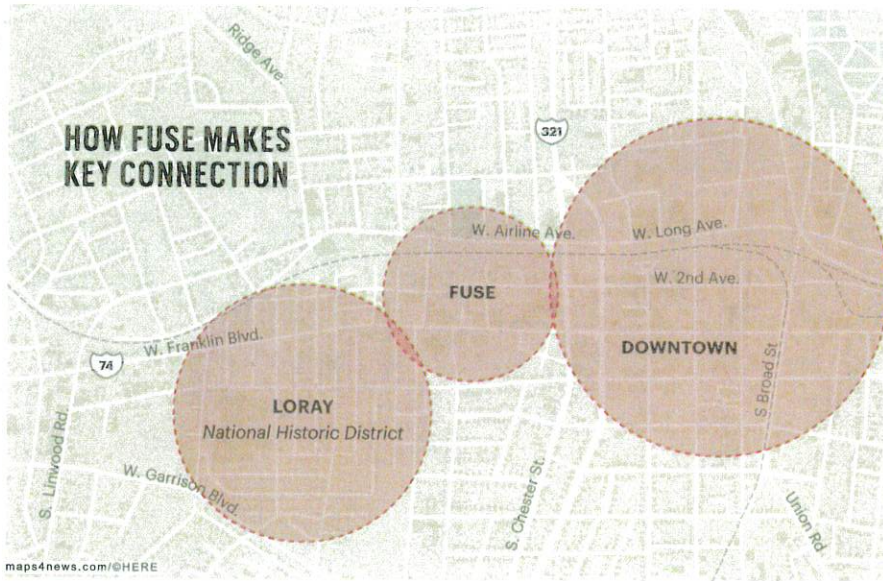
A brewery will also be developed in a 5,000-square-foot space there by DMD Investors. Eric Vargosko, managing partner for Lenox Development Group, said his project will include the redevelopment of





CITY OF GASTONIA

▲ A \$26.2 million multipurpose baseball stadium will be at the center of the Franklin Urban Sports and Entertainment District



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50,000 square feet for residential, retail, office and restaurant uses. A memorandum of understanding for the project was approved by City Council in December. Vargosko expects to close on the land by the summer. He estimated it will be a \$10 million to \$12 million project.

Vargosko and Flotz see FUSE attracting a substantial amount of investment. The city is searching for a developer for the 6-acre Central Branch YMCA property on West Franklin Boulevard.

"People looking for value are looking at the things Gastonia has to offer," Vargosko said. "There is a lot of infrastructure in Gastonia and it is evolving. ... I think we are right at the beginning of seeing how

Gastonia is going to change and evolve."

To spur development, the city approved expansion of its Municipal Service District and central business zoning district to the FUSE site in 2018. The Municipal Service District allows the city to collect taxes there that will be invested in the FUSE site. It took effect in 2019. Property owners in the district pay an additional 20 cents in taxes per \$100 valuation. Infrastructure and streetscape investments are among the common uses for that type of revenue, Thompson said.

The Central Business District zoning allows for greater density and applies design standards specific to a downtown setting.

The opportunity to revitalize the Franklin corridor arose

years ago when the city bought four properties, including the site of the old Sears building, for just under \$4 million. The Sears building was demolished in late 2017, paving the way for the sports complex and related development on 16 acres.

The FUSE plan was built with a focus on economic development, Gastonia Economic Development Director Kristy Crisp said. "It was always about more than baseball."

Reid thinks the FUSE name could also come to symbolize a fusion of people. The development will draw more people to work, live and play downtown, bringing them together in the community.

The effects of inclusion can

CONTINUED ON PAGE 24

GAME PLAN

HOW BASEBALL PLAYED A CRITICAL ROLE IN BRINGING FUSE PLAN TO LIFE

Baseball will be at the center of Gastonia's new Franklin Urban Sports and Entertainment District. A \$26.2 million multipurpose baseball stadium now under construction will open in spring 2021.

But the Gastonia Grizzlies, which have played at Sims Legion Park in Gastonia since 2002, won't be taking the field.

The city heard three proposals for management of the new ballpark from the Atlantic League of Professional Baseball, the United Shore Professional Baseball League and Gastonia Grizzlies owner Matt Perry.

The Lancaster, Penn.-based ALPB won out, proposing the addition of its ninth franchise in Gastonia.

The ALPB's proposal for over 200 events per year at the facility, including 70 ALPB games, other sporting events, festivals and community events, made it the right fit, said city manager Michael Peoples. The ALPB declined comment on ownership of the franchise until it is finalized.

The decision left Perry and the Grizzlies looking for a new home after they play their final season in Sims Legion Park this year. Perry said the Grizzlies' new home will be nailed down by the end of the summer, with the team likely staying in the Southeast.

Perry purchased the team in 2018 and paid a premium for the Grizzlies with the understanding the team would play in the new ballpark, he said. The team's sale price was not disclosed.

The Grizzlies were positioned to potentially bring a soccer franchise to the new facility as well, Perry said. Perry was in negotiations with the United Soccer League for a Gastonia franchise to play in the new stadium.

The ALPB is an independent professional league with most of its teams in the Mid-Atlantic/Northeast region. An ALPB team began play in High Point last year, giving a Gastonia team a natural geographic rival.

The High Point Rockers played their inaugural season in the \$36 million BB&T Point ballpark in 2019. According to Gastonia city documents, the estimated private investment around the High Point park is expected to surpass \$58 million in three years. The Rockers ranked seventh in the ALPB in attendance out of eight teams, averaging 2,157 fans for their 70 games last year.

The Grizzlies are scheduled to host less than 30 home games at Sims this season and had an average attendance of 1,667 in 2019, according to Ballpark Digest. Sims is expected to remain open after the FUSE stadium debuts.

On May 29, the Grizzlies will take the field for their final home opener in Gastonia. Perry said he'd like to honor and celebrate the team's history throughout their final campaign in the city.

—Collin Huguley





Construction on the stadium began in October and has an expected completion date of spring 2021

MELISSA KEY

► Lenox Development Group will take the largest portion of the historic 90,000-square-foot former Coca-Cola bottling plant



MELISSA KEY

CONTINUED FROM PAGE 23

help local businesses grow and pave the way for attracting more development. "What's been missing in downtown Gastonia is people being downtown to support businesses after 5 o'clock," Reid said. "What's been missing is a venue of this magnitude."

Gastonia City Councilman Charles Odom said several residents have expressed concerns about the FUSE District investment's impact on taxes and housing affordability. He feels the change in Gastonia will make residents see FUSE is a win for the community. "I think (FUSE) will put a positive image on our city that I think will change things forever. I think people will forget that negative connotation that we've had over Gastonia for a long time."

Caldwell Banker MECA's Rob Pressley, who formerly served on the Belmont Planning and Zoning Board, said Gaston County just needed time to find a new path after the textile economy faltered.

With the FUSE District, Reid feels the city's reinvention is finally in the spotlight. Gaston County's unemployment rate is 3.6%, which is only slightly above the state average of 3.4%. Gaston hit a record high of 15.3% unemployment in January 2010.

"Just like any community that has suffered from a lot of disinvestment for a long time and has struggled to reinvent itself, it can be easy to let your thoughts be governed by pre-conceived assumptions," said Thompson, the planning director. "Forget about the assumptions. ... The future looks bright."