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DEVELOPER GIFTS RAISE ETHICS ISSUE

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When neighbors threatened to block one of Charlotte's biggest developers from building a new Lowe's store last year, \$30,000 helped change their minds.

The Crosland Group, the local company behind scores of shopping centers and thousands of homes, gave the Berkeley neighborhood landscaping money and a new entrance, among other concessions.

In return, Berkeley's leaders threw their support behind Crosland's project near Providence Road and I-485, and the city approved it.

The deal is just one example of developers using their deep pockets to win community backing for a controversial project.

Neighborhoods have reaped everything from sidewalks to playgrounds to an \$800,000 community center. Developers in east Charlotte offered a park.

In rare cases, residents have even received straight-out cash offers - sometimes known as "walkaway money."

Such transactions are perfectly legal, and some developers and elected officials say they are a legitimate part of doing business.

But they alarm Charlotte residents concerned that developer money plays too large a role in shaping the city.

"The whole process is so lopsided," said Susan Lindsay, an east Charlotte activist.

Mayor Pat McCrory said he doesn't mind when developers and neighbors cooperate to improve a project. But he opposes deals that undermine city plans, or when money or other amenities buy community support.

"That is totally unethical ... and it should come to the public light."

In Berkeley, a company merely responded to residents' concerns, said Crosland President Todd Mansfield. "I think at the end of the day, that was a win-win."

But only one neighborhood benefited from the deal, said Dottie Coplon, a longtime south Charlotte activist, while many more are affected by the Lowe's.

'Anything we can do?'

The traditional way for developers to win support is to make projects more appealing.

Builders commonly offer to preserve more green space and trees or erect screening walls.

"It's just a prudent thing to do," Mansfield said. "I think it's being responsive to the community."

Other deals go a step further.

Consultant Bob Young said a developer might ask, "Is there anything that we can do to help make you satisfied?"

"It's usually things that are beneficial to a neighborhood on a reasonable scale," Young said, like entrance walls or speed bumps.

And sometimes, residents themselves will propose a deal.

In Charlotte, next-door neighbors can file a protest petition against new development. Those petitions require nine of 12 City Council members to approve a rezoning. That gives neighbors a strong negotiating tool.

"There's certain property owners extorting money, and the protest petition allows you to do that," developer John Collett said.

Most developers insist they shy away from cash deals.

"I myself would be very uncomfortable just going out and offering somebody money," said Bailey Patrick, Crosland's attorney.

When developers and neighbors do strike a deal over a project, it looks good to the city, Lindsay said. And it undermines the remaining opposition.

"It's called divide and conquer," she said. "... Council members like to see a compromise."

On Providence Road, several neighborhoods joined Berkeley in the fight to block the Lowe's. Dozens of residents attended a public hearing to oppose the project. Then, Berkeley struck a bargain and told the city it had changed its mind.

"That was just sinful," said Sandy Petruso, president of the Quail Acres neighborhood association. "They wanted our help, then they cut their own deal."

Berkeley leaders did not return repeated calls for comment.

City doesn't track deals

City officials don't always know about the accommodations developers make to win support.

"We don't want to know," said Keith MacVean, the planning department's land-development manager. The city can't enforce those deals, he said, so it prefers to stay out of them.

Concerned leaders in other cities across the country say they may require developers to disclose such payouts, so that elected officials know whether community support is bought and paid for.

Among the enticements offered Charlotte neighborhoods:

* Crosland built an \$800,000 community center for the Hampton Park neighborhood to win backing for a large Home Depot-anchored shopping center near UNC Charlotte. Crosland also pledged to build four new homes nearby, with the sale proceeds going to run the center. The company said its willingness to work with the low-income neighborhood helped improve the community.

* The developers who want to build a Target on Albemarle Road offered a park to the Olde Savannah neighborhood.

More recently, Albemarle Land Co. said it would set aside an 18-acre buffer between the shopping center and the community.

"We felt like that was a great situation for the neighbors," said Collett, the lead developer.

* Last year, five residents opposed to a Wal-Mart shopping center on Independence Boulevard received letters from developer Lincoln Harris offering them \$40,000 each for their support.

The company quickly backed off, saying the letters were a clerical error. But the residents said they also received verbal offers basically telling them to name their price. None accepted.

Some city leaders say developers walk a fine line between assuaging residents' concerns and buying their support.

"I'm uncomfortable with it," Councilman Don Lochman said.

Others are not.

"If they're happy with the rezoning because the developer's doing something good for their neighborhood, that's all that matters to me," said Councilwoman Lynn Wheeler.

Council members benefit from builders' largesse as well. Developers, along with bankers and attorneys, are the largest contributors to local political campaigns.

Best-laid plans

The deal between Crosland and the Berkeley homeowners occurred near a closely scrutinized I-485 interchange.

The exit is the outerbelt's first in a residential area, and homeowners and the city spent more than a year planning how the land around it should develop.

Then along came Lowe's.

Coplon, the long-time activist, calls the store the first step toward gutting the plan.

The former zoning would have allowed a smaller Lowe's, but the 150,000-square-foot store approved by the city last year is about 50 percent larger.

"If you drive by and see it, it's mammoth," said Angela Pumarada, who lives in nearby Providence Plantation.

But city planners, later joined by Berkeley neighbors, backed the store after several concessions from the developer.

Lowe's agreed to limit its lighting and delivery hours; Crosland bought extra land to create a buffer for nearby homes; and planners liked design changes that put parking in back.

Coplon fears that what happened on Providence Road could occur at every outerbelt interchange, if the city and neighborhoods continue to strike deals with developers.

"It just ruined everything that was worked on out here for a long time."

Illustration:Photo

Staff Photo by CHRISTOPHER A. RECORD: 1. Developers of a Lowe's store gave the Berkeley neighborhood \$30,000 for community improvements. Dottie Coplon is a neighborhood activist who opposed the Lowe's project.

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