

# Ballpark plan will stay on course despite legal threat

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SENIOR STAFF WRITER

The timeline for a minor-league ballpark uptown is on track, and backers don't plan to rethink their strategy in the face of the threat of a lawsuit over the deal by a prominent Charlotte lawyer.

"I don't intend on" having any delays because of potential legal skirmishes, says Michael Smith, president of Charlotte Center City Partners and the architect of the land swap that will make way for the ballpark. "I believe there is a misunderstanding. We've been very deliberate in working with the county to make sure this doesn't violate" any prior agreements.

The potential dispute centers on a 2004 bond package approved by voters. It gave the county authority to issue \$69 million in bonds for parks and included a provision prohibiting use of the funds for "a stadium for professional baseball."

Citing that bond requirement, attorney Bill Diehl vows to fight the plan in court if Mecklenburg County approves a deal to place a ballpark on a Third Ward tract previously designated for a park. "I think they're going to look at this before they do anything," Diehl says, referring to the county commissioners. "They're not stupid people. Maybe they won't do it, in which case I'll fade into the sunset."

County leaders say the proposal, which calls for the Knights to privately fund a \$35 million stadium on the county-owned land, doesn't violate the bond covenants.

Center City Partners recently outlined an ambitious schedule for gaining approval for the ballpark deal, which through a series of land swaps would also launch a mixed-use development in Second Ward and create a park near South Tryon in Third Ward.

By second quarter 2007, the uptown economic development group wants to have agreements in place between the key players in the deal: county and city government, the school system, the Charlotte Knights, Spectrum Properties and MassMutual.

The baseball stadium would open in spring 2009.

"Our next step is to come back to the board with some terms," says Bobbie Shields, Mecklenburg County general manager. "That's where we are."

And should the county approve a deal that would place the ballpark on the former Third Ward park site, that's when Diehl says he expects to file suit. He declines to identify the client he's representing in opposing the ballpark package. Stadium supporters speculate it is local real estate attorney Jerry Reese, who has opposed building a minor-league stadium in favor of trying to attract a Major League Baseball franchise. Earlier this year, Reese unveiled renderings for a \$4 billion Second Ward development with a retractable-roof big-league ballpark serving as the linchpin.

Reese declines to discuss whether he has hired Diehl. At the same time, he says pushing ahead with the minor-league project would be a mistake. He expects a court dispute over the issue could drag out four or five years, comparing it to the battle over SouthPark mall's expansion, a matter that eventually required N.C. General Assembly intervention.

# Kannapolis project expands

## Kellswater Bridge will grow to 1,000 homes, add commercial section

KEN ELKINS  
STAFF WRITER

A traditional neighborhood development in Kannapolis is expanding to include a retail and office component, as well as 560 more homes than originally planned.

With those changes, the Kellswater Bridge development off N.C. Highway 73 has grown to become a \$500 million project with as many as 1,000 residences.

The residential section will have about 600 single-family homes, with the rest of the housing to be multi-family units.

With the recent changes, Kellswater Bridge has expanded to 370 acres, up from the 202-acre, 440-home development announced two years ago.

Meanwhile, Merrifield Partners and Crosland Inc. are drawing plans for Kellswater Commons, an adjacent commercial and office component.

The Charlotte companies envision up to 400,000 square feet of retail and as much as 300,000 square feet of medical and general office space, says Edwin Thomas, development associate at Merrifield Partners.

"We feel strongly about the market in Kannapolis and Cabarrus County ... particularly in light of the Murdock project," Thomas says, referring to the \$1.5 billion N.C. Research Campus being built on former Pillowtex Corp. property in Kannapolis.

homes in October. Kellswater Bridge's initial 221 lots have been sold, as have the first 25 homes, says George Kiser, managing partner in Kellswater Bridge Development.

Homes in the community will sell from the low \$200,000s to the \$800,000s and include a condo building with four units marketed for \$384,000 to \$425,000, Kiser says.

All homes are built in the



photo courtesy KELLSWATER BRIDGE DEVELOPMENT

Home sales have been brisk in Kellswater Bridge, with the initial 221 lots sold in the Kannapolis development.

Kellswater Commons will likely include a supermarket and other stores, restaurants and several office buildings on 60 acres near Kannapolis Parkway, Thomas says. Construction should start in mid-2007, with retail or office space to be ready for the first tenants in 2008, he says.

Sales already have been brisk in the residential section, which opened a 16-home village of model

homes in October. Kellswater Bridge's initial 221 lots have been sold, as have the first 25 homes, says George Kiser, managing partner in Kellswater Bridge Development.

Homes in the community will sell from the low \$200,000s to the \$800,000s and include a condo building with four units marketed for \$384,000 to \$425,000, Kiser says.

All homes are built in the

style of traditional Southern architecture.

Homes in Kellswater Bridge will be connected by fiber-optic cable, allowing high-speed Internet, security monitoring, telephone and television connections, with charges for those services included in the homeowners' association fees.

"It keeps people's monthly bills down," says George Lang, chief executive of Connexion Technologies of Cary, which is providing fiber-optic services to Kellswater Bridge. "Residents get faster speeds in the homes than you get in offices in Charlotte ... and at one-third the retail price."

Access to Kellswater Bridge will be made easier with the construction of a one-mile, four-lane road that will link the west side of Kannapolis to Interstate 85 at Exit 54. Kiser says construction of that connector, which hasn't been named, will be key to the development's success.

"Kellswater Bridge in time will become its own destination," he says. "It will bring (Charlotte-bound commuters) right through this commercial-retail product."

Kellswater's developers are paying about a third of the \$3 million-plus cost of the new road.

A 30-acre town center is also planned, though that construction will occur later in the five- to six-year buildout of the community, Kiser says.

# Bariatric Partners raises \$12M in capital

ROBERTA FUCHS  
WEB EDITOR

Bariatric Partners Inc. has closed on \$12 million in new venture capital from an investment group led by Frazier Healthcare Ventures of Seattle.

Frazier Healthcare was joined in financing by Bariatric Partners' first-round investors, New Enterprise Associates and Woodbrook Capital, bringing the total equity raised by Charlotte-based Bariatric Partners to \$24.6 million since its launch in September 2005.

Bariatric Partners develops, owns and operates outpatient centers and programs focused on surgical and post-operative services for obese patients.

"We are gratified to have Frazier Healthcare Ventures as an investor and appreciate the confidence they have expressed in the company's strategy and in our management team," says Edmund Bujalski, chief executive of Bariatric Partners. "Frazier brings significant additional capital backing to the company but, more importantly, brings an added depth of strategic insight as well as a sophisticated understanding of varied needs of the seriously overweight population."

Bariatric Partners was co-founded last year by a senior management team that includes Stephen Puckett, founder of Charlotte-based MedCath Inc., and Bujalski, who co-founded Hospital Group of America Inc., a chain of inpatient psychiatric

hospitals and substance-abuse treatment facilities.

Coincidentally, a similar locally based business — NewHope Bariatrics — is also headed by former MedCath executives David Crane and Dennis Kelly. That company was founded last year as well.

Last month, NewHope received \$18.5 million in debt and equity financing from three institutional investors: Austin Ventures, a Texas-based venture capital firm; Versant Ventures of California; and Square 1 Bank, a Durham-based bank that markets financial services to venture capital firms.

NewHope, based in south Charlotte, will use its investment funds to develop and operate ambulatory surgery centers that treat obesity.

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