

2021 Colvin Case Study Challenge: Team 6
Camperdown (Greenville, South Carolina)



CAMPERDOWN

*Former textile mill site turned 1960s-era office building,
takes on new life as mixed-use development.*

UNIVERSITY OF MARYLAND



COLVIN INSTITUTE OF
REAL ESTATE DEVELOPMENT

TABLE OF CONTENTS

Executive Summary	1
Opportunity	2
Developer’s Vision	3
Developer & Development Team	4
Market Analysis	5
Project Description & Design	7
Planning & Entitlements	11
Project Financing	13
Development Innovation & Impact	17
Exit Strategy	18
Observations & Lessons Learned	18
Appendix	20

Executive Summary

Originally the site of what was at one time the second largest textile mill in South Carolina—a state with a deep and rich textile history—and later the former *The Greenville News* building, now sits Camperdown, a recently completed mixed-use, infill development consisting of office, hotel, residential and retail components. Camperdown offers the potential to be a transformative project for Downtown Greenville, and a vital connection between the Downtown CBD and Greenville’s West End neighborhood. However, as with many other significant real estate developments similar in size and complexity to Camperdown, this particular project was plagued by a myriad of issues during the course of its development. These challenges include the loss of its original co-developer, a difficult site, a lengthy approval process, and of course the COVID-19 Pandemic, all of which the project’s master developer, the Greenville, SC-based Centennial American Properties, ultimately successfully navigated with strong support from the local municipality where the project is located—the City of Greenville, South Carolina. While a majority of the Camperdown project has only been opened less than a year now, and several of the retail and restaurant spaces are still in the process of being leased up, Camperdown already seems to be achieving what Centennial American Properties and its President Brody Glenn envisioned for this site, which was transforming a previously underutilized city block with a dated building into a mixed-use development grounded by a public plaza buzzing with activity, and with a number of tenants who are completely new to the Greenville market.



Opportunity

Greenville, South Carolina is located in the Textile Crescent which was once the “Textile Center of the World” in the late 19th and early 20th century. The approximately 4.3 acre site upon which the transformative mixed-use infill development Camperdown now sits has a rich history as it was home to Camperdown Mill No. 2, one of the first modern textile mills to open in the City of Greenville. Built in 1876, this mill originally used the power of the adjacent waterfalls to manufacture cotton thread that was exported to other areas of the United States. Within 5 years, Camperdown Mill No. 2 became the second largest mill in South Carolina employing over 260 workers that lived in the surrounding mill village. After switching hands several times and converting to the production of gingham and plaid fabrics; the mill eventually closed its doors in 1956 because they could not compete against the lower costs of foreign textile competitors. The

historic mill building was demolished in 1959.

The site was bought by *The Greenville News*, a local daily paper that eventually merged with several other news and broadcasting companies to create Multimedia Inc. Multimedia was headquartered in Greenville at the Camperdown site in a large concrete and glass monolith with 1960s design. Multimedia was bought by Gannett Inc for \$1.7 Billion in 1995, at which time *The Greenville News* still utilized the building at Camperdown for their offices and newspaper printing and distribution. Eventually though, as print news media faded in popularity and the former *Greenville News* Building became home to fewer and fewer employees, this site sat rather underutilized while other portions of Downtown Greenville were revitalized through redevelopment. By 2014 when our chapter of the site’s story began, Gannett was stuck with an outdated but still in-use building at a phenomenal location adjacent to the award winning Falls Park. Gannett needed to find a partner to develop a modern office building for *The Greenville News* and wanted to capitalize on the increased value of their real estate as Downtown Greenville has flourished into a vibrant small city.



A photograph of the original Camperdown Mill No. 2 along the Reedy River.



The former *Greenville News* Building in Downtown Greenville.

Developer's Vision

The master developer's vision for Camperdown was to take a whole block in the central part of the City of Greenville that was being underutilized, and was almost the dividing line between the City's traditional Main Street business corridor and its vibrant West End neighborhood that has been redeveloped in recent years and is now home to Greenville's minor league baseball team, the Drive, and a number of other new mixed-use development projects. Specifically, according to Brody Glenn with Centennial American Properties, the master developer of this transformative, in-fill mixed-use development project, the goal with Camperdown was to connect Greenville's West End



neighborhood with the City's Main Street business corridor, while also creating "a place for people to congregate" that "really solidifies Main Street and the river as the center of Downtown Greenville." Additionally, the developer also had a very intentional purpose behind the design and layout of the 1.5 acre public plaza at the center of this mixed-use development, "which is designed to pull people from every direction, whether through the underground garage or one of three



pedestrian entry points — Broad Street, Main Street or, perhaps most enticingly, that pathway up from Falls Park,” where the Reedy River is located, and “to create active space and then give people a reason to come.” Further, Brody Glenn and the team at Centennial American Properties vision for Camperdown was not just limited to how the site was oriented and designed, and the physical structures and spaces that were constructed within this particular development, but also the programming as well, seeking “retailers and restaurants to ‘energize’ the plaza.”

Developer & Development Team

Centennial American Properties (“CAP”), the master developer behind Camperdown, is a real estate development firm headquartered in Greenville, SC that was originally founded in 1976 by David Glenn, the company’s current CEO. CAP has extensive experience throughout the Southeastern United States working on a myriad of projects, including several prominent developments the Greenville area such as Flour Field, the Drive, the Erwin Penland building, and The Lofts at Mills Mill, an adaptive reuse project that converted a former textile mill into residential condominiums. Brody Glenn, David’s son and the former chair of the City of Greenville’s planning commission, joined CAP in 1999, and currently serves as the company’s President. There is also a strong family connection to the property upon which Camperdown now sits, as David’s mother, Brody’s grandmother, and a number of other family members actually worked at the Camperdown Mill, the former textile mill from which this project’s name is derived. In addition to CAP serving as master developer, this mixed-use development also involved two other developers—Daniel Corporation and Auro Hotels—who were responsible for the residential apartment complex now known as “DECA,” and the new AC Hotel that this project features, respectively. In addition to CAP, Daniel Corporation and Auro Hotels, some of the other key members of the development team, including their respective roles, are noted in the diagram.

General Contractor

Brasfield & Gorrie

Architect

Nelson Worldwide

Civil Engineer

Bluewater Civil Design

Structural Engineer

Fuller Design Group

Mechanical Engineer

Jordan and Skala

Electrical Engineer

Burdette Engineering

Hardscape and Landscape Designers

Beau Welling Design

Market Analysis

Market Overview.

The City of Greenville is located in the northwestern corner of the state of South Carolina, approximately 100 miles southwest of Charlotte, North Carolina and approximately 140 miles northeast of Atlanta, Georgia along Interstate 85, in what is considered the “Upstate” region of South Carolina. The City of Greenville, SC, which is a part of the larger Greenville–Spartanburg–Anderson, SC Combined Statistical Area that encompasses all of the counties in the Upstate, serves as seat of the Greenville County, South Carolina, and is currently home to close to 75,000 people within its city limits alone. At the county level, Greenville County, South Carolina has an estimated population of roughly 535,000 people, and is currently home to 17 major international, national and regional headquarters according to the Greenville Area Development Corporation, including the international headquarters of Hubbell Lighting and



Michelin North America, the North American headquarters of the French multinational tire manufacturing company, Michelin. Most notably, the City of Greenville has boasted one of the highest, if not the highest, levels of foreign capital investment per capita in the nation over the last decade or so, which is also due in part to BMW opening its first and only U.S. manufacturing plant in the neighboring county of Spartanburg that is only about 15 miles from the City of Greenville. On November 18, 2021, BMW announced plans to expand its current operations with a new \$100 million logistics center.

Additionally, there are also a number of colleges and universities located in the Greenville County, such as Furman University, or within close proximity to it, including Clemson University, which is currently recognized as a Carnegie R1: Doctoral University (highest research activity), and has even relocated some of its graduate-level professional programs to the heart of Downtown Greenville.





Clemson University's Main Campus.

Office Market.

While several notable companies have located their North American Headquarters in the greater Greenville-Spartanburg CSA, few have decided to lease office space in the Downtown Greenville, SC Central Business District submarket. However, there has been strong demand for Class A office space in this particular submarket in recent years, as exemplified by asking rates in the office sector increasing almost 50% between 2010 and 2017 according to CBRE Research, as well as a dearth of new Class A office buildings that have been constructed over the last five years or so since the One Building was completed in 2016. Newly-built Class A office buildings are also at a premium these days following the COVID-19 Pandemic, and the growing current trend amongst many companies of a “flight to quality,” or tenants leaving older their older offices in favor of new Class A office space that has the latest technology and amenities such as high quality air purification systems. Currently, the Downtown Greenville CBD office market consists of an inventory of approximately 4,727,732 square feet of space.

Retail Market.

Over the last few decades, Downtown Greenville has become one of the most attractive places for people to visit in Upstate South Carolina. With a pedestrian-focused design, the area offers more than 100 retail establishments ranging from local boutique shops to national brands such as Orvis, Anthropologie, and Lulu Lemon. The variety of dining options also acts as a major amenity to the city. Visitors can choose from more than 120 eateries providing a wide variety of options at all different price ranges.

Camperdown has focused on igniting the block with a myriad of different options that would act as attractions for people of all ages through all hours of the day. The team at CAP has been very persistent in their search for tenants who will bring exciting experiences to Downtown Greenville. The goal has been to introduce new tenants to the area rather than relocate existing ones ultimately creating a more diverse and unique environment to enjoy, with several exciting announcements expected.

Residential Market.

The condominiums located on the top floor of the office building Falls Tower are the first high-rise condominiums in the Downtown Greenville market which makes it hard to create a market analysis with no comparable properties. Additionally, what makes these new-build high rise condominiums even more unique was the CAP's plan to deliver these residential units as “cold gray” shells, thus allowing purchasers of these condominiums to totally personalize them based on their respective needs

and design preferences--an approach that is very uncommon in this particular market. However, the developer felt that there was an untapped market for wealthy couples nearing retirement whose adult children either go to the local universities or have moved to the area for jobs. This educated guess has paid off as within 18 months of the office building opening all 18 of the condominiums shells above are under contract with 10 selling in the same day at an average price north of \$500/SF. Ultimately, this has set a precedent for the residential market in Greenville. With the looming effects of COVID-19 pandemic potentially driving individuals out of the larger metropolitan markets, Camperdown has illustrated that Greenville can support the luxury living options that are typically found in the nation's larger markets.

It is expected that condominiums like the ones found in Falls Tower will continue to be constructed in Greenville going forward. The residential aspect of this mixed-use development will function as the foundational example of luxury living in Downtown Greenville for many years to come.

Hotel Market.

Except for the Westin-Poinsett Hotel and the Hyatt Regency, the hotel market in Downtown Greenville, South Carolina is currently characterized by a large number of limited-service hotels, and a dearth of quality, higher-end options. Additionally, hotel demand in Greenville, SC has been strong over the past several years, with occupancy rates hovering around an average of 70%. The AC Hotel has provided downtown visitors with a modern upscale space to relax and unwind that

really has not been seen in the market previously.



Project Description & Design

CAP, the master developers, planned the overall site layout and design. They were also responsible for all development and the horizontal construction of the site. In addition, CAP built out the 3-level parking deck capped by the public plaza and Falls Tower, which contains 9 floors of office and 3 of condominiums. The 11-story DECA apartment building sits on the plaza-level podium and is built and owned by Daniel Corporation, who utilized the same design and construction teams as CAP to create a cohesive design and easier construction. The 8-story AC Hotel by Marriot was developed by Auro Hotels and was designed and constructed by a separate team. All retail on the ground floors of the DECA Apartments and AC Hotel buildings was sold back to CAP so that they are more easily able to control a well-balanced tenant mix over the whole project.



A major consideration in the site layout was the orientation and what should be considered the front of the site. Because Falls Tower demands the most income per square foot of the different buildings, the tower should be located in the prominent location. Originally Falls Tower and the AC hotel were in opposite locations because most people thought that the corner of Main St and Broad St was the front of the development. However, CAP had the vision to place the office next to the Reedy River and Falls Park to give the offices and condominiums views of the waterfall as well as having a face to the public park. Auro Hotel wanted the AC Hotel to be located on Main Street to be visible by pedestrians and across the street from the Peace Center, the City of Greenville’s performing arts venue. By process of elimination that left the DECA building at

the east side of the site on Falls Street. DECA does not have the best visibility from either Main Street or Falls Park, the largest pedestrian thoroughfares, however this does enable the residential units to have more privacy. Between the three buildings is nestled the plaza, which is surrounded by retail from the plaza-level of the three main buildings as well as containing two small single-story jewel-box buildings inside the plaza for additional retail and restaurants. There are three main entrances into the central plaza besides from the parking deck below. The first entrance is from Broad Street to the north of the plaza, the second is up the monumental stairs from Main Street between Falls Tower and the AC hotel, and the third is a smaller entrance from Falls Park.

PROJECT OVERVIEW

Name

Camperdown

Location

Greenville, SC

Project Type

Mixed-Use

Project Area

4.3 Acres

Development Cost

\$240 Million

Features

- 150,000 SF of Office Space
- 76,000 SF+ Retail Space
- 75,000 SF Public Plaza
- 18 Luxury Condominiums
- 241 Luxury Apartments
- 619-Space Parking Deck
- 196-room AC Hotel

Design Highlights.

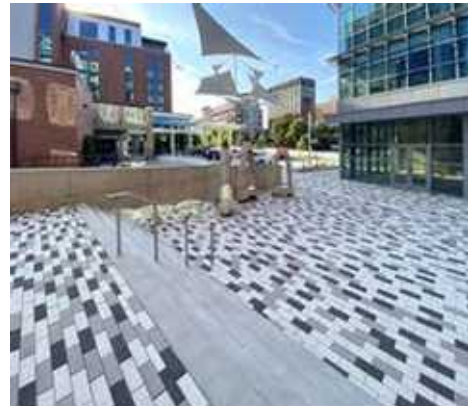
With a nod to the site’s history as the former Camperdown Mill, the project incorporates the textile heritage with the “Our Common Thread” series of functional art installations that utilizes historic textile weaving components, parts, and patterns. The history of Camperdown Mill is also celebrated in the project’s signage and grand stair feature as aluminum panels with laser-cut holes will be back-lit to emulate the night sky over the Historic Mill from when it was built in 1876. The buildings’ brick veneers and the plaza’s pavers also feature a textile pattern to further incorporate the site’s rich heritage.

In recent years, Greenville has also become a technology and manufacturing hub with major national and international companies having headquarters and manufacturing centers to utilize the depth of local skilled workers as well as the graduates from nearby technical universities. To celebrate the technology-centric local economy, a substantial, high tech tensile membrane shade sail structure in the central plaza unifies and connects the different components of the development as it spans between buildings. Strategic lighting on the sails creates a beautiful and high tech foreground to the night sky.

Falls Tower, AC Hotel, and DECA have all incorporated art from local artists. The lobby in Falls Tower includes an art gallery curated by local women-owned business Art Houzze. The Art Houzze Art Walk in Camperdown plaza provides space for local artists to paint murals on the two jewel-box retail buildings in the middle of the plaza; the murals will be switched out a couple

times a year to provide exposure to different artists and artwork.

Falls Tower is the newest class A office space in Downtown Greenville and as such has attracted high-end tenants such as the Bank of America, CBRE, Elliot and Davis, and others. These tenants drove the decision to build the tower as a LEED certified project to show their commitment to sustainability.



Construction Challenges.

An initial challenge in determining phasing of construction was that *The Greenville News*, in selling the property, had a requirement that their new building on the northeast corner of the property had to be built before their old building was demolished so that they only had to move once. In addition to delaying when the rest of the buildings could start construction, this created the additional challenge of having an in-use office building on-site during the primary demolition and construction.

While in an ideal location, the approximately 4-acre site presented serious challenges in extreme grade variations and geology. The site sat on a partially weathered rock deposit that required 62 days of blasting in order to obtain level building pads. The top of rock



elevation drastically varied over the site making some building sit directly on the rock while others sat on clay soils. The difference in bearing pressures can cause differential settlement that had to be resolved through the use of deep foundations.

Another challenge caused by the varied rock below was a site with a grade difference of 20 to 35 feet. The site slopes from an elevation of 945 ft at the north corner at the intersection of Main St and Broad St down to a low of 911 ft at Japanese Dogwood Lane to the south.

This sloping site was a challenge during the initial grading work and foundations because any rainwater on site would want to run down to Falls Park taking the top soil with it. This elevation differential was mitigated in design through the use of retaining walls in the parking deck, stairs to access Falls Park and the south side of Main Street, and a

lower level of retail that is on Main Street below the Plaza level. Another issue is that this project is located on a brownfield site that required a Voluntary Cleanup Contract (VCC) with South Carolina's Department of Health and Environmental Control (DHEC). The contractor had to haul off tons of contaminated soil to an appropriate landfill in order for the site to meet DHEC's approval.

The 3-level parking deck capped by the plaza level creates a level podium for the DECA Apartments and Falls Tower to sit on as well as the single-story jewel-box retail building. It was originally intended to be cast-in-place concrete but due to the unique loading of the buildings above as well as the heavy plaza loads this option was cost-prohibitive at approximately \$60,000 per parking space. The entire garage and plaza floor was redesigned with precast concrete, a creative solution that cut the construction price in half for the garage. Using precast

concrete did come with some negatives in that they had to reduce the number of spaces to make the layout work, all the planters on the plaza had to be raised as they could not be recessed down into the plaza's slab, and they had to switch to light weight pavers to reduce the loading. This required a high level of coordination between the architect, site engineer, building engineers, and precast engineers to transfer loads from the buildings and plaza design features to the precast concrete structure.

Another difficulty was that this project was under construction in 2020 during the COVID-19 pandemic. When the world shut down, Brasfield & Gorrie, the general contractor, had to rapidly implement safety measures for the health of their workers to prevent construction delays. COVID-19 pandemic resulted in delays in material procurement and daily cost increases that in particular affected the final build out of interior spaces. After construction this has hampered the ability to find retail tenants as retail and in particular companies that sell nonessential soft goods have been slower to recover from the shock to the economy.

Planning & Entitlements

Land Assemblage & Approvals.

The site of the former *Greenville News* building was originally placed on the market in 2013 by Gannett, its parent company, and went under contract in August of 2014 to be sold to Trammell Crow Co., a wholly owned subsidiary of CBRE, and a prominent national commercial real estate developer, which at the time, in the words of Mayor Knox White, sent “a message really across the country that Downtown Greenville is a

great place to invest.” From the beginning, the City of Greenville envisioned a mixed-use development on this old textile mill site, the most high-profile tract along the City's Main Street that had yet to be redeveloped, which could bring “energy and dynamism” to the Downtown Greenville area according to Mayor White, as well as significantly improve this particular part of Downtown between North Main and the West End. Shortly after the property went under contract, Trammell Crow Co. (“TCC”) enlisted CAP to serve as co-developer of the proposed mixed-use development that was initially proposed. While a representative of TCC told *The Greenville News* in August of 2014 that their site plan required approval from the City of Greenville in order for the proposed mixed-use development to move forward, at least openly, TCC didn't initially voice any concerns about this process, even though this would be their first project in Greenville. The TCC and CAP team sought the first public approval that was required for their proposed mixed-use development to proceed forward—an approved overall site plan for this tract of land—at the January 28, 2015 meeting of the City of Greenville's Design Review Board – Urban Panel (“DRB”). At the time of submission of this project's first site plan to the DRB, the development team was still trying to acquire two adjacent properties along Main Street which were holdouts, creating an even more challenging site to design around. Shortly thereafter, the respective owners of these two parcels agreed to sell to the development team, so the overall site plan had to be redesigned again to incorporate these properties, as well as initial feedback received from the DRB. Unfortunately for CAP, TCC exercised its rights to

terminate the contract to purchase *The Greenville News* Building in June 2015, allegedly due to concerns with the length of time it was taking to secure the requisite approvals from the DRB, leaving CAP as the sole developer of the proposed project. Following TCC's withdrawal, CAP went forward with the project as its sole developer, eventually acquiring all of the parcels owned by Gannett in early 2016.

With respect to the process of obtaining the requisite public approvals necessary to construct Camperdown, due to the site's high-profile location along Main Street in Downtown Greenville near Falls Park and the Reedy River, as well as its size and complexity, this process was not only lengthy, but quite challenging. As previously mentioned, the public approval process for constructing this mixed-use development originally began at the DRB meeting on January 28, 2015, and after a number of different changes to the overall site plan and the design features that this project was permitted to include, such as the type of glass which was allowed to be used for retail storefronts, and was not completely finalized until the DRB signed off on the project's last Certificate of Appropriateness application relating to its public stairs and signage on September 5, 2019. Additionally, while not as challenging to navigate as the DRB's approval process, in light of the number of legal subdivisions which were required for this project, including the new tax parcels for the pads where the residential apartment complex DECA and AC Hotel were constructed, as well as the vertical subdivision which was necessary in order to create the for-sale residential condominiums on the top floor of Falls

Tower, this process was extensive and took over several years to complete.



Public-Private Partnerships.

Camperdown is a powerful example of public-private partnerships and the positive impact they can have on real estate development by incentivizing certain projects, features or designs.

As previously mentioned, Camperdown is centered around an approximately 1.5 acre public plaza, which but for the City of Greenville passing an ordinance that created a new CBD Tax Increment Financing District consisting of the various tax parcels that comprise the overall site upon which this mixed-use development is now located, would most likely not exist. Specifically, the formation of this new "synthetic" Tax Increment Financing ("TIF") district made it more economically feasible for CAP to set aside a significant portion of its overall site as large open public plaza area, whereas without this economic incentive from the City of Greenville, this space could become a parking deck wrapped by a building or just more buildings that could be potentially leased in order to generate more rental income and satisfy the returns demanded by real estate investors. With respect to this

“synthetic” TIF, CAP will be reimbursed by the City of Greenville for certain upfront costs related to improving the site and the immediately surrounding area, including the construction of the large public plaza at the center of this project, as well as a separate park, three staircases connecting Camperdown to the streets which are adjacent to this development, and various streetscape improvements and greenspace enhancements along the Reedy River over the next 25 years with a portion of the property taxes generated by the parcels which comprise this project, in an aggregate principal amount not to exceed \$20,000,000.

In addition to synthetic TIF financing provided by the City of Greenville, the City also separately helped financially incentivize CAP to make a number of upgrades to the existing infrastructure on this site, including sanitary sewer lines, storm drains and water lines, as well as other stormwater utility improvements, by appropriating City funds towards these expenditures which CAP could be reimbursed for once complete.

Project Financing

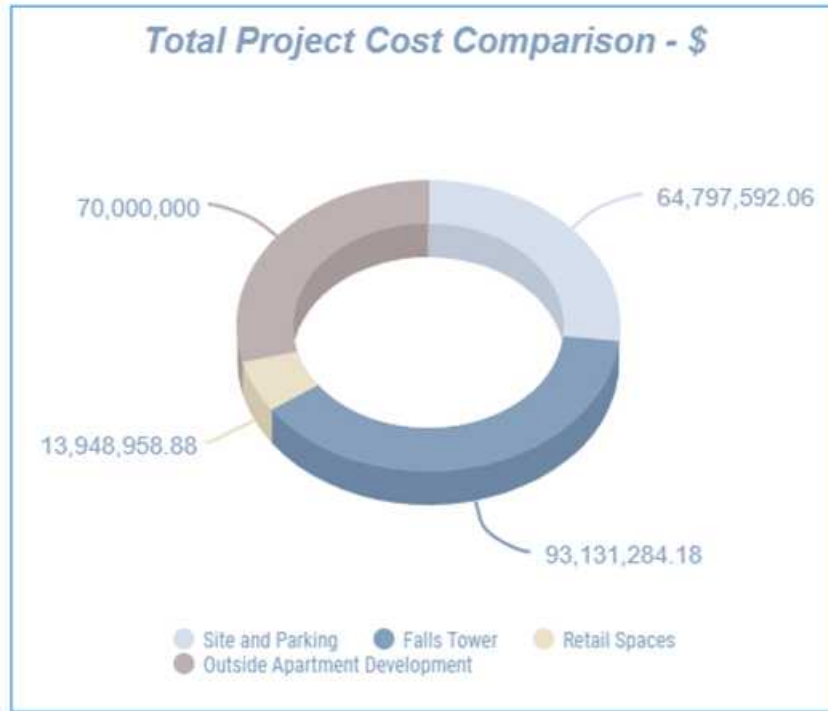
The project served as a monumental moment for the tertiary market of Greenville given the fact that Camperdown’s budget was significantly larger than any other past development in the area. With development costs totaling just over \$240 million, the CAP team elected to use a tiered approach to tackle and secure financing for an unprecedented deal of this size through

both debt and equity sources to source their responsibility of roughly \$172 million.

To initiate the process, CAP partnered with WCM Global Wealth, a financial services firm headquartered in Greenville, SC with many decades of experience in raising equity capital for leading development firms. By doing so, the project was able to take shape with initial equity contributions being secured, while also using a local resource in WCM Global Wealth.

For the remaining funds needed, Trez Forman Capital was brought in as the debt provider. As a joint venture between Palm Beach-based Forman Capital and Trez Capital Group, one of Canada’s largest private commercial mortgage lenders, CAP felt as if they were the best fit to provide construction financing in such a significant amount. Since inception in 2016, Trez Forman has originated more than \$1B in real estate loans, but the firm had never provided as much capital on a single project as what was being requested for Camperdown. The agreed upon 3-year construction note totaling \$115 Million represents the largest commercial real estate loan for the firm as well as for their parent companies, in Forman and Trez Capital.

DECA Apartments were included in the whole development costs in the amount of \$70 million but not a part of CAP’s plan and taken on by Daniel Corporation. Unfortunately, financials from this portion of the project were not available for analysis.



Site and Parking.

The financing process began with the creation of the CAP Camperdown entity to handle the site acquisition transaction along with the development of the underground parking deck. Land cost was listed at \$16,119,688.00, and through contributions from the City of Greenville - \$3MM, Daniel Corporation - \$9.216MM, and JHM (now known as Auro Hotels) - \$4.1MM; CAP was not required to provide any capital towards the site acquisition. In exchange, they would handle the costs of developing the land and provide finished pads for Daniel Corporation and Auro Hotels to then construct the hotel and apartments.

The site and parking portion of the project accounted for 37.7% of CAP's total cost. For the first tier, approximately \$46,160,694.00 was funded through debt with Trez Forman and \$18,636,898.00 from equity with WCM Global.

<u>Tier 1</u>
<u>Site and Parking</u>
<u>Total Costs</u>
\$64,797,592.06
<u>Hard Costs</u>
\$52,190,173.03
<u>Soft Costs</u>
\$9,357,419.03
<u>Financing Costs</u>
\$3,250,000.00
75% LTC
Estimated Values

Falls Tower.

The largest portion of funds needed for the Camperdown project fell into the second tier, which would be responsible for construction of Falls Tower. Camperdown Office LLC was created to hold the new Class A office space and luxury condominiums (until they could be sold). This tier relied more heavily on equity financing compared to the others given the fact the construction loan with Trez Forman only allowed for a 60% draw.

Falls Tower was responsible for just over half of CAP's total costs at 54.2%. Equity was \$55,878,770.51 and debt \$37,252,513.67.

<p><u>Tier 2</u> <u>Falls Tower</u></p> <p><u>Total Costs</u> \$93,131,284.18</p> <p><u>Hard Costs</u> \$72,143,433.00</p> <p><u>Soft Costs</u> \$18,157,986.10</p> <p><u>Financing Costs</u> \$2,829,865.08</p> <p>60% LTC</p> <p>**Estimated Values**</p>

<p><u>Tier 3</u> <u>Retail Spaces</u></p> <p><u>Total Costs</u> \$13,948,958.88</p> <p><u>Hard Costs</u> \$10,787,416.00</p> <p><u>Soft Costs</u> \$2,625,044.46</p> <p><u>Financing Costs</u> \$536,498.42</p> <p>75% LTC</p>

Retail Spaces.

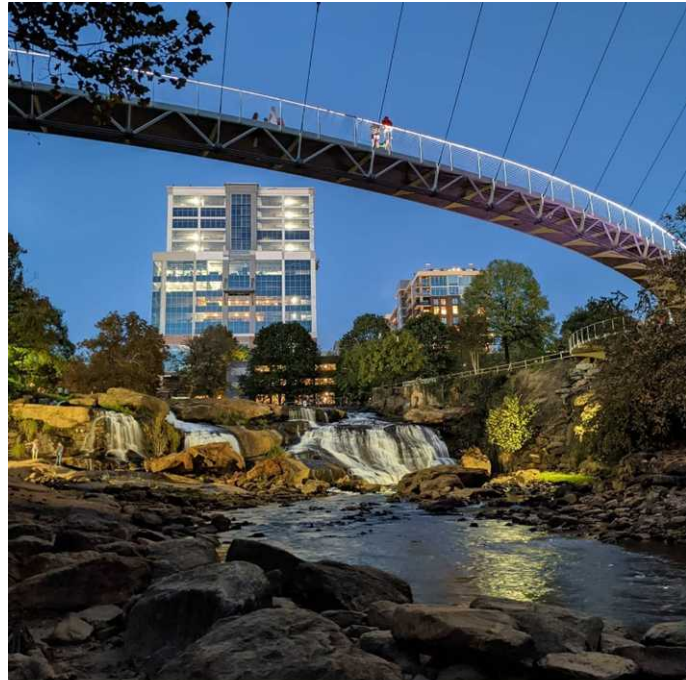
To wrap up development, Camperdown Retail LLC was created to complete the retail spaces associated with the site. Similar to Tier 1, the construction debt was used up to 75% draws with the remaining funds being supplied through equity.

The retail portion contributed to just 8.1% of CAP's total costs but is a major contributor to making Camperdown the successful mixed-use development it is today. For the third tier, equity totaled \$3,487,239.72 and debt \$10,461,719.16.

Net Operating Income.

The Net Operating Income of Camperdown is expected to exceed \$13 million annually once fully stabilized based current market conditions, ultimately providing CAP with an attractive cash flow year over year.

The majority of the income generated by this development will be related to office leasing; however, a unique feature of this project is Camperdown's ability to partner with nearby businesses to offer them guaranteed parking, providing an additional source of revenue.



Office Net Operating Income			
Floor	SF	Rate	Total Rent
Park	2,402	\$30.00	\$72,060
Main St	1,802	\$30.25	\$54,511
Main St	2,229	\$37.00	\$82,473
Main St	3,788	\$34.00	\$128,792
Main St	5,352	\$32.00	\$171,264
Plaza	8,024	\$32.00	\$256,768
Plaza	4,556	\$30.00	\$136,680
Plaza	5,485	\$31.00	\$170,035
Office 2nd	25,978	\$31.00	\$805,318
Office 3rd	25,978	\$31.00	\$805,318
Office 4th	25,852	\$32.00	\$827,264
Office 5th	24,118	\$32.00	\$771,776
Office 6th	24,118	\$32.00	\$771,776
Office 7th	24,118	\$30.25	\$729,570
Office 8th	24,118	\$30.25	\$729,570
Total Office Rental			\$6,513,174
Operating Expenses			
Vacancy - assuming 7%		(7.00%)	(\$54,250)
Operating Expenses	\$7.50 Base Stop		(\$1,348,238)
Reserves		(1.00%)	(\$65,132)
Total Operating Expense			(\$1,467,619)
Net Operating Income			\$5,045,554

Parking Income	
Source	Annual Income
Hotel Spaces	\$325,000.00
Gannett	\$43,200.00
Office Reserved Spaces	\$77,280.00
Office Unreserved	\$313,200.00
Retail(Employees)	\$75,600.00
Total Office	\$834,280.00
Source	Annual Income
Transient Parking	\$1,004,480.00
Total Office	\$1,004,480.00
Source	Annual Income
Retail P1	\$230,559.00
Retail P2	\$340,914.00
Total Retail	\$571,473.00
Total Parking Income	\$ 2,410,233.00

Retail Net Operating Income			
Hotel (Retail Level)	SF	Rate	Total Rent
Hotel Main	8,300	\$40.00	\$332,000
Apartment			
Retail 100	15,039	\$23.00	\$345,897
Daniel	23,579	\$37.00	\$872,423
Pod Buildings			
Jewel Box	1,855	\$42.00	\$77,910
Jewel Box	3,843	\$35.00	\$134,505
Total Commercial Rental			\$1,762,735
Operating Expenses			
Vacancy on Unleased Retail		(5.00%)	\$17,295
Total Operating Expense			\$17,295
Net Operating Income			\$1,745,440

Development Innovation & Impact

While Camperdown was completed less than a year ago, it has already had a tremendous impact on Downtown Greenville, and is well on its way to becoming what its master developer, CAP, originally envisioned for this site—to activate a previously underutilized city block that will serve as a crucial node for a portion of the population that lives in Downtown Greenville, as well as better connect the City’s Main Street Business District and its West End neighborhood. Additionally, Camperdown has also created unique experiences that were not previously available downtown such as new-concept restaurants and the future Group Therapy entertainment center, which is a new and unique activity offering. From a real estate perspective, Camperdown was also the first in Greenville to offer shell condominiums, the success proving that the demographics in Greenville can support this higher end residential. The rent that the DECA apartment buildings have gotten is exponentially higher than other buildings downtown which is another sign that Greenville can support high end expensive residential product.

While Camperdown’s initial impact on Downtown Greenville has been great thus far, it will likely only increase going forward as more tenants move into Falls Tower, the 17-story office building—the second tallest in Greenville currently—overlooking Falls Park and the Reedy River, and the vacant retail and restaurant spaces surrounding this development’s 1.5 acre public plaza are officially leased up.



Exit Strategy

The team at CAP has successfully accomplished the goal of creating a state-of-the-art mixed-use development in one of the most desirable areas of Downtown Greenville. The project has defied many limitations previously seen in the market and overcome significant obstacles to ultimately come to fruition. Brody Glenn and his team are proud of the impact they have been able to create for the community and believe this is just the start for Camperdown.

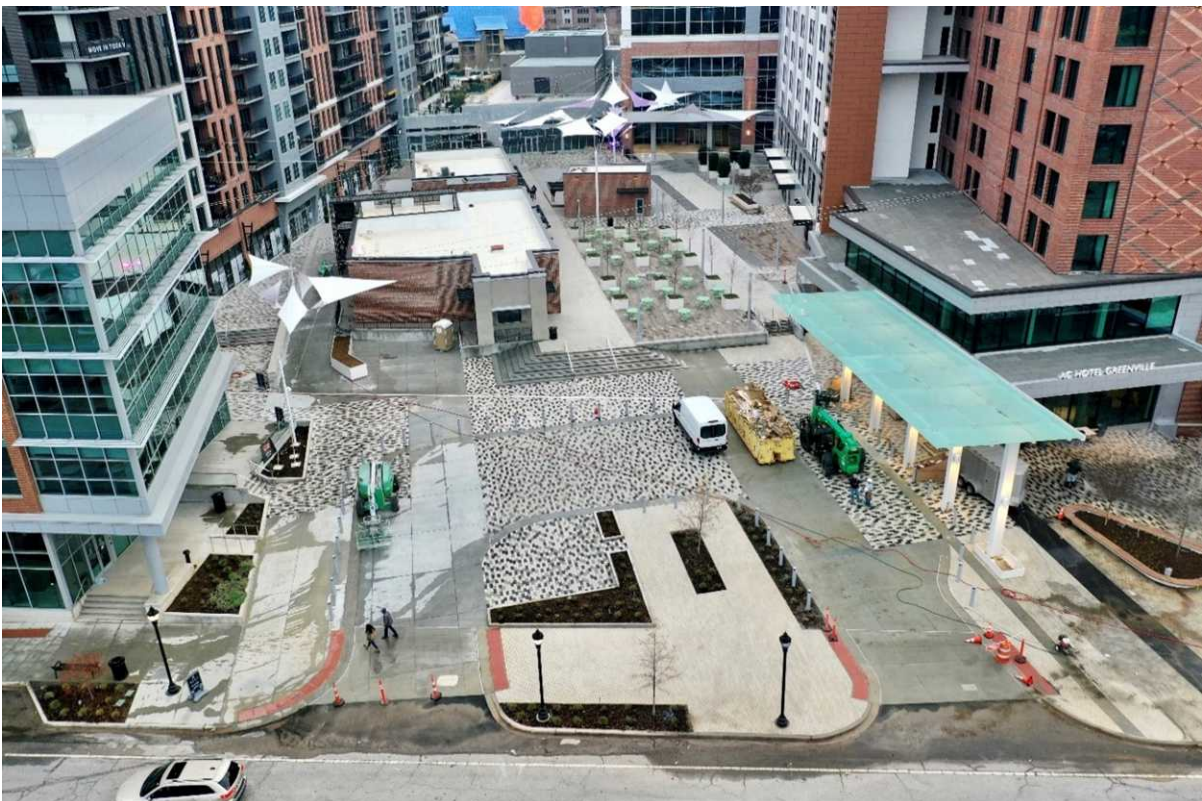
CAP plans to hold the property for the long-term in order to maximize value with Greenville growing at such a rapid rate. Refinance loan terms are currently being finalized to allow the project to roll into a permanent financing option. Camperdown has set new standards for the area and is a great example of

bringing many parties together to make big ideas a reality.

It is anticipated that Auro Hotels will hold the AC Hotel and manage it for the foreseeable future, while Daniel Corporation will most likely look to sell once stabilized due to ever-compressing cap rates in the multi-family asset class. Looking at the market projections, cap rates are expected to drop to around 5% by the end of the current calendar year, making it more attractive to sell.

Observations & Lessons Learned

With Camperdown having been up and running for almost 10 months now, a few unexpected operational issues have arisen. After the February grand opening, the team at CAP has been required to deal with a malfunctioning light system, an irregular water runoff from the plaza to the parking





deck, and congestion of space between the valet parking check-in and downtown foot traffic looking to enter the plaza.

Throughout the design review process, the teams working to gain approval were forced to be creative in potential amenities for the site as the City of Greenville was not allowing any additional water features to developments in the downtown area. The design professionals had the idea to install a high-tech light system to draw attention and create a unique illumination in the plaza. However, since the project's completion the system has not been working properly causing unexpected reflections and at times not the ideal setting that was envisioned in the team's original plans. Technology professionals have been brought onto the project to diagnose the issue to ultimately find a long-term solution.

In times of heavy rain, it has been discovered that water is seeping through the plaza's surface and into all three levels of the parking deck. As a result, individuals using the parking facility are faced with unpleasant damp conditions,

and in some instances, standing water. With the complex design and construction, it would appear some sort of pocket is allowing for this unexpected flow. Design experts have since been engaged to identify the problem and develop a solution to reroute the stormwater and keep the parking decks dry, helping to prevent any moisture-related damage.

Part of the overall plans for Camperdown focused on accessibility for foot traffic into the site as well a valet parking option to accommodate individuals arriving at the development via car. Since completion, some criticism has surfaced on the valet system currently in place. The placement of the kiosk has caused some unwanted crowding in the path leading to the plaza making the circulation of traffic not as efficient as originally planned.

Despite the challenges and issues associated with Camperdown, this development has already become a destination location for the Upstate, and has revitalized an essential city block in Downtown Greenville.

Appendix

CAMPERDOWN – WEBSITE

<https://www.camperdowngreenville.com/>

**2021 Colvin Case Study Challenge: Team 6
Camperdown (Greenville, South Carolina)**

