



Greenfire to pump millions into downtown

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DURHAM -- Greenfire Development unveiled its long-awaited master plan on Friday, showing that the downtown developer has big plans -- about \$284 million worth -- for the city center.

Although Michael Lemanski and Carl Webb, partners on Greenfire, had previously maintained the company will deliver \$100 million on top of the \$50 million they've already fed into downtown, the plan released Friday showed they are much more ambitious.

Greenfire will put about \$260 million into seven projects in the next five to seven years, building 430 residential units, 240,000 square feet of office space, 70,000 square feet of retail space and 1,700 parking spaces.

The new plan includes turning the SunTrust building into a 150-room boutique hotel, building a mixed-use parking deck on Chapel Hill Street and a new Class A -- or top of the line -- office tower on the old Woolworth's site.

In turn, the city is proposing to contribute \$20 million in incentives over the next 17 years, including \$400,000 from a downtown fund. Adjusting for inflation and other changes in cost, the total incentive package will be worth roughly \$12 million to Greenfire.

The incentives are performance-based and will not be paid until construction is completed. The city will recoup the costs, Assistant City Manager for Economic and Workforce Development Alan DeLisle said Friday.

City Council members received a memo on the proposal this week and will discuss it at a workshop Thursday.

Friday's announcement capped months of work by Greenfire and city officials in putting together the plan.

Since 2003, the company has been snapping up properties in the city center and now holds about 30 in its portfolio, ranging from small buildings to landmarks like the SunTrust tower.

Bill Kalkhof, president of Downtown Durham Inc., said Friday the firm's new plan has been approved by the booster organization's board of directors.

"This really jump-starts the city center," he said. "The growing residential base will help feed the retail on the street level, and the class A office space allows you to recruit some pretty high-profile companies to locate in the city center."

In the new plan, Greenfire is looking into purchasing publicly-owned properties -- in addition to its existing properties -- for redevelopment or new construction. Residential units will be available in all seven projects.

"Our objective is to have people living throughout the city center," said spokeswoman Anna Branly.

The exact number of units in many projects is unknown at this time, Branly added.

Regarding the Chapel Hill Street parking deck, in which engineers have found cracks in 35 support beams, Greenfire plans to raze it and build a new deck with ground floor retail and residential units on upper floors.

Greenfire will set aside 380 spaces to make up for existing public parking.

And although there are residential units planned for all seven projects, the concentration of housing will be in two new buildings, on Ramseur and East Parrish streets.

To that end, Greenfire will purchase two more properties from the city, parking lots 20 and 8, one on the corner of Corcoran and Ramseur streets and another on 109 N. Church St. behind the Durham County Courthouse.

The developer is planning similar residential properties in both locations. Both will have ground level retail and a green roof or courtyard, and the Church Street lot will have a parking deck wrapped by retail.

The two projects will be the last in the plan to be built. SunTrust and Rogers Alley, a mixed-use project that renovates the historic Fire Station No. 1, will be the first.

The city will lease or repurchase all the current public parking spaces available at the two lots and the Chapel Hill Street deck.

"The city is going to make money. Over the first five years, the city will make \$2.5 million," DeLisle said. "Over 15 years, the city will make \$4.5 million. Over 20, \$10 million. In addition to the new revenue stream to the city, the city will get a new deck and \$240 million worth of redevelopment in downtown."

The city also will retain the right to repurchase more public parking spaces if the need arises.

For Greenfire though, that still leaves about \$11 million that the developer will have to find elsewhere. Branly said Greenfire will look first to the county government.

GREENFIRE MASTER PLAN

Some details of Greenfire's master plan, in chronological order of construction.

Rogers Alley: Converts three historic buildings on Parrish and Mangum streets into office, retail and four residential units.

Boutique Hotel and Spa: Converts the SunTrust Building into a 150-room hotel, with restaurants and retail at ground level and three penthouse condominiums.

Orange Street Mixed Use: Ground floor retail wrapping a new parking deck at West Chapel Hill Street across from City Hall. Residential units on upper floors. Invigorates Orange Street as a pedestrian walk.

Parrish Street Office Tower: 200,000 Class A office space at the old Woolworth's site on West Parrish and Corcoran streets. Includes retail and a museum celebrating the history of Parrish Street.

Four Buildings: Adapts four buildings along Parrish and Main streets into office and/or retail.

Ramseur Residential: Turns public parking lot into retail, a new residential tower with a green roof or courtyard and on-site parking.

East Parrish Street Mixed Use: Turns public lot into retail wrapping a parking deck, residential units on upper floors and a green roof.

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