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Greenfire plan would add new life to Loop  
City Council begins public discussion of proposal that would bring millions worth of investment into downtown

MATT DEES, Staff Writer

There's good reason so many people are describing the recently unveiled plans to build \$284 million worth of new projects downtown as "transformational."

Flat asphalt would turn into towering condominiums, a bank into a boutique hotel, a former Woolworth's store into a gleaming office skyrise if Greenfire Development's proposal is realized.

The project sounds like a winner to downtown revitalization proponents.

But the complicated public-private partnership that would make it happen -- crafted in private by city and Greenfire officials -- is far from a done deal. It would require a \$20 million investment by city taxpayers over the next 17 years.

The City Council had its first public discussion about the project Thursday.

Council members peppered project leaders with questions about the details: What assurances does the city have it won't lose money? Will the public lose parking? When will the public be able to weigh in?

"We're sitting up here as elected officials and our job is to do more than a rah-rah routine," Councilman Eugene Brown said.

"The slides look great, but we really do need to make sure this project is going to work."

## WHAT WOULD GREENFIRE BUILD?

In all, more than 1 million square feet of new construction, including 240,000 square feet of office space, 70,000 square feet of retail/restaurant space, 1,700 parking spaces and 430 dwelling units. The plan is to complete all of it in seven years.

Three city-owned parking areas -- the Chapel Hill Street deck and two surface lots -- are to be converted into a mix of residential and retail.

The Chapel Hill Street deck would be expanded to 828 spaces, 380 of which would be available to the public. The deck would feature ground-floor retail and residential units in upper floors.

Lots on Ramseur and Parrish streets will be similarly developed.

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The Hill (SunTrust) Building will be converted into a 150-room hotel and spa.

The old Woolworth's site at Parrish, Corcoran and Main streets will become a high-rise office tower, featuring a museum commemorating Parrish Street and Durham history.

Several smaller properties also would be redeveloped.

All the properties involved are within the downtown loop.

#### WHAT WOULD THE CITY PAY?

Greenfire would receive \$20 million in incentives over the next 17 years, plus another \$8.3 million to rebuild the Chapel Hill Street deck.

Alan Delisle, the city's director of economic and workforce development, said the city would pay for those through increased tax revenue (an estimated \$1.5 million a year in property taxes), the sale of land, the lease of parking spaces and \$400,000 a year from the city's downtown fund.

His projections show the city with positive cash flow starting the first year of the project, once all expenses and revenues are factored in.

It's a complicated matrix.

For example, the cash flow sheet shows city expenses of \$624,000 a year for 10 years to pay for the new Chapel Hill street deck. But it subtracts \$160,000 each of those years as well to take into account the \$3.2 million the city won't have to spend to repair the 37-year-old structure.

The bottom line, Delisle believes, is that Durham will make money on the project.

#### WHY THIS PROJECT?

Delisle said the Greenfire proposal jibes perfectly with the city's downtown master plan.

It would provide "feet on the street" to spur new retail and restaurants, as well as inject life into Parrish Street.

Delisle feels comfortable with the deal because the city won't be required to pay any incentives if Greenfire doesn't invest at least \$284 million downtown.

He said, "We essentially pin the developer down and say, 'Look, this is what we expect you to do and this is what we'll do in return. And if you change the project in any way, shape or form, the deal's off.' "

#### WHO IS GREENFIRE?

A five-year-old Durham-based company that already has redeveloped the Kress Building, Legacy Tower and the Baldwin Building in downtown. Altogether it owns 19 downtown properties, many of which will be redeveloped as part of this project.

#### WHAT'S NEXT?

The City Council is being asked to approve the non-binding "deal points."

If it does, then Greenfire and city staff will negotiate a final development agreement, which also would require council approval.

[matt.dees@newsobserver.com](mailto:matt.dees@newsobserver.com) or (919) 956-2433

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