

'Midtown' closer to reality

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A large piece of property between Upper King and Meeting streets has changed hands, a sign that redevelopment of the area could start soon.

Regent Charleston LLC bought the 4.3-acre property between Spring and Woolfe streets late last month for \$17 million. Plans for the property, which developers are calling "Midtown," include a mix of housing, shops and a hotel.

The new ownership group is made up of local developer Robert L. Clement III; Raleigh-based developer Cherokee Investment Partners; and two Atlanta firms, Regent Partners LLC and Integral Urban Investments, a private equity fund that invests in urban revitalization projects.

The ownership change means the property is one step closer to becoming a developed urban block that blends in with the upper King Street area, Clement said.

The group doesn't have specific plans for the site yet, but the project will likely include a mix of work force housing, market-rate housing, retail space and a hotel. It will also "in some way" incorporate the railroad line that cuts through the property, which could become part of a proposed commuter rail line, Clement said.

Construction on the site is expected to begin late next year.

CC&T Real Estate Services, a local brokerage group that Clement leads as broker-in-charge, will coordinate the property's development.

The new group bought the property from a partnership named Charleston Midtown LLC that also included Clement and Cherokee. Greenhawk Partners, a North Carolina investment group, sold its stake in the property through the sale.

"I have become close to the African-American community, and we made some commitments to them, and I thought it was important to stay in (as an owner) to ensure that we did the right thing by them," Clement said.

Reid Freeman, president of Regent Partners, says the company has looked at buying into different redevelopment projects in Charleston for several years. He said the group was sold on the Midtown site's size and its location at the tip of upper King's revitalization.

"Here you have a large enough canvas that you can do something exciting," he said.

The previous owners bought the site in 2003 for \$9.8 million, but the property hasn't seen much action since then.

Several businesses on the property were closed last year, including a Bank of America branch at 544 King St. The closing of that branch, which occupied a building that had been a bank for decades, brought protests from local residents and community activists; it was the only full-service bank branch on upper King Street.

Other shuttered business on the site included a dry cleaner. Clement said chemical contamination from that business, as well as from industrial companies that formerly clustered around the rail line, led to a longer-than-expected cleanup on the property.

The start of redevelopment has been delayed also because investors have been waiting for the area to "mature," as new shops and restaurants moved to King Street and as the city made improvements to the sidewalks and streets.

"The whole area looks vastly different than when I started looking at that area in the 1990s," Clement said.

Getting input from local groups has also slowed the development process.

"When you work with the neighborhood groups and the historic groups and the environmental groups, it just takes time to get it right," Clement said. "It's nobody's fault, that's just the way it is."

So far, the project has been warmly received by some local organizations. Dana Beach of the Coastal Conservation League praised the infill development as one that could ease development pressure on the outskirts of the metropolitan area.

"As a community feeling the stress of exploding growth and the impact of development, we need to continue to look to redevelopment projects near the historic district as part of the answer," he said in a statement.