

# Clemson University Master of Real Estate Development Practicum

Historic Union Bleachery, Greenville County, SC  
Bringing A Forgotten Icon of the Textile Crescent Back To Life A  
forgotten icon of the Textile Crescent...



# Attributes of the Location

- 2.5 miles from Downtown Greenville and 3 miles from Furman University
- 220 acres overall
  - 4500 linear feet adjacent to Reedy River and Swamp Rabbit Trail
- Under receivership and is listed as a Superfund site. Recently placed under contract to be redeveloped
- Recently placed under contract



## History of Union Bleachery/Cone Mills

- Built in 1903
- Anchored the San Souci Community
- Following two devastating fires, the site was heavily contaminated from chromium leakage into the groundwater
- Cone Mills declared bankruptcy and due to the severity of the contamination, the State of South Carolina referred the site to the EPA.
- Under the EPA's Emergency Response and Removal Branch, a time-critical removal action commenced.



# Union Bleachery and Community Snapshots



Home on Lester Avenue



Houses along Arrington Avenue - 1943



Union Bleachery Village



Shuffleboard in the Village.

## Homes & Community

Collection of photographs of Union Bleachery and community from the Union Bleachery Historical Society



Supervisor Apartment House - 1952



Union Bleachery Community Building



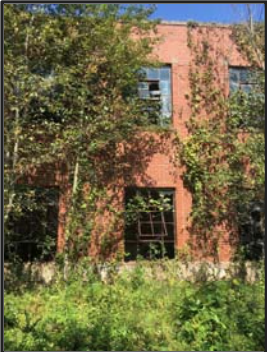
Union Bleachery Golf Course



Annual Barbecue - 1950

# EXISTING STRUCTURES

2018



# Learning Objectives of the Practicum

- Focuses on a comprehensive development proposal with supporting site analysis, market research, financial analysis, sustainable design, and adaptive-use strategies.
- Requirements – Teams Must Address:
  - Building/land relationships, community economic viability, site planning, recreation, and health
  - Entitlement processes for the intended uses, neighborhood compatibility, market demand analysis and financial feasibility parameters
  - Community feedback through neighborhood meetings
- Teams make final presentations to a jury of public officials, neighborhood leaders and stakeholders
- Final book is a comprehensive redevelopment proposal



# DEVELOPMENT VISION & STRATEGY

- Union Bleachery Background
- Creating a Community



## Legend

# SWAMP RABBIT STATION

1. Multi-Family Apartments
2. Office over Retail with Rooftop Bar
3. Community Center
4. The Market
  - Food Hall
  - Brewery
  - Retail
  - Art Space
5. Grocery Store
6. Single Family Residential





# DESIGN PRINCIPLES

Adaptive reuse of former structures & clear visibility of mill buildings throughout the site



# PROJECT PHASING



## Phase I: Infrastructure

Duration: 1 year

Activities:

- Entitlements
- Environmental Remediation
- Building Demolition
- Site Work & Infrastructure



## Phase II: Early Site Activation

Duration: 1 year

Activities:

- Food Hall
- Community Building
- Amphitheatre & Pond
- Recreational Space
- Swamp Rabbit Trail Spur
- Sell residential parcels



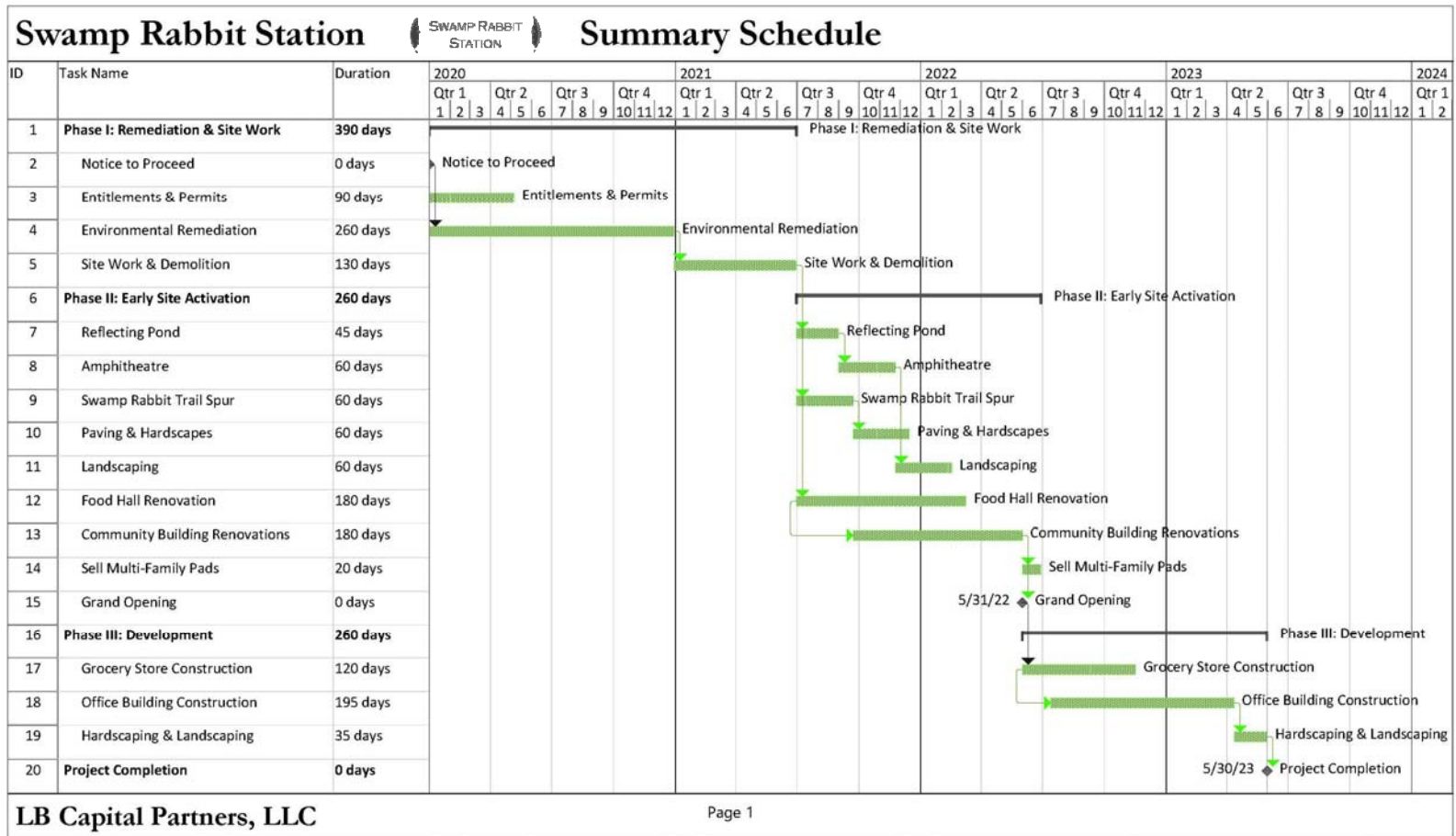
## Phase III: Development

Duration: 1 year

Activities:

- Grocery Store
- Office
- Retail
- Rooftop Bar

# PROJECT SCHEDULE



# FINANCIAL ANALYSIS- TAX INCENTIVES

Listed below are the Tax Credits and Incentives that we are currently pursuing. In order to present a conservative outlook, we have not incorporated these into the financial analysis. We are however, confident that we can potentially put these incentives to use.

State and Federal Tax Credits being Pursued:

- Textile Revitalization Act
- New Market Tax Credits
- Abandoned Buildings Revitalization Act
- Federal Historic Tax Credit



# DEVELOPMENT BUDGET



Hard Costs	
Land	\$ 420,000
Demolition (without environmental abatement)	25,000
Asbestos Removal and Lead Paint Encapsulation	39,924
Clearing & Grubbing	47,875
Grading, Erosion Control, Retaining Walls, Stormwater Retention	5,948,750
Two Lane Road	806,400
Surface Parking	1,014,000
Intersection with Stop Signs	120,000
Traffic Signals/4 Way	360,000
Traffic Circle	80,000
Parking Structure Precast Multilevel	3,750,000
Environmental Remediation	1,000,000
Residential over Retail (formed podium with wood framing above)	21,248,125
Retail Shell Total	3,596,280
Retail Upfit	899,070
Hotel - Marriott Courtyard or Hampton Inn	6,250,000
Rehabilitation of Historic Building - Masonry	755,200
Office Upfit	1,408,960
Townhomes	18,997,500
Historic Shell w/ new roof and new windows	3,425,320
Large Upfit	721,140
Farmers Market Upfit	338,885
<b>Total Hard Costs</b>	<b>\$ 71,252,429</b>

Soft Costs	
Architect	\$ 2,137,573
Engineering	1,425,049
Mini-Perm Loan Fee	288,095
Permanent Loan Fee	894,442
Legal, Title, and Recording	2,100
Environmental Consultant	1,068,786
Appraisal	100,000
Permits & Zoning	356,262
Marketing	712,524
Contingency	4,987,670
Environmental Contingency	4,987,670
<b>Total Soft Costs</b>	<b>\$ 16,960,171</b>
<b>Total Cost of Development</b>	<b>\$ 88,212,600</b>

# SUMMARY DEVELOPMENT PRO FORMA & RETURNS

2024

Project	1/2020	1/2021	1/2022	1/2023	1/2024	1/2025	1/2026	1/2027	1/2028	1/2029
Revenue	-	-	2,623,787	8,713,558	9,676,145	10,607,826	11,047,291	11,217,453	11,572,941	11,988,485
Operating Expenses	-	-	(1,226,330)	(2,889,217)	(3,128,248)	(3,294,737)	(3,394,423)	(3,478,769)	(3,578,756)	(3,683,920)
<b>Net Operating Income</b>	-	-	<b>1,397,456</b>	<b>5,824,341</b>	<b>6,547,897</b>	<b>7,313,089</b>	<b>7,652,868</b>	<b>7,738,684</b>	<b>7,994,184</b>	<b>8,304,565</b>
TI/Commissions/Reserves	-	-	(4,369,620)	(492,414)	(498,805)	(550,848)	(55,236)	(738,585)	(576,199)	(59,942)
Development Costs	(7,027,477)	(13,520,832)	(53,427,261)	-	-	(1,140,842)	-	-	-	-
Scrap Sale / Outparcel Sales / Reversion	-	500,000	-	-	-	618,750	-	-	-	128,994,509
Debt Service	-	-	(2,738,603)	(4,277,527)	(4,277,527)	(5,880,368)	(5,880,368)	(5,880,368)	(5,880,368)	(5,880,368)
Capital/Debt Proceeds	-	-	54,423,293	303,381	251,674	25,065,060	-	-	-	(68,398,863)
<b>Cash Flow</b>	<b>(7,027,477)</b>	<b>(13,020,832)</b>	<b>(4,714,735)</b>	<b>1,357,782</b>	<b>2,023,240</b>	<b>25,424,841</b>	<b>1,717,263</b>	<b>1,119,731</b>	<b>1,537,617</b>	<b>62,959,900</b>
<b>Financial Metrics</b>										
DSCR			0.51	1.36	1.53	1.25	1.30	1.32	1.36	1.41
Cash on Cash Return	-28.38%	-52.58%	-19.04%	5.48%	8.17%	102.67%	6.93%	4.52%	6.21%	254.25%

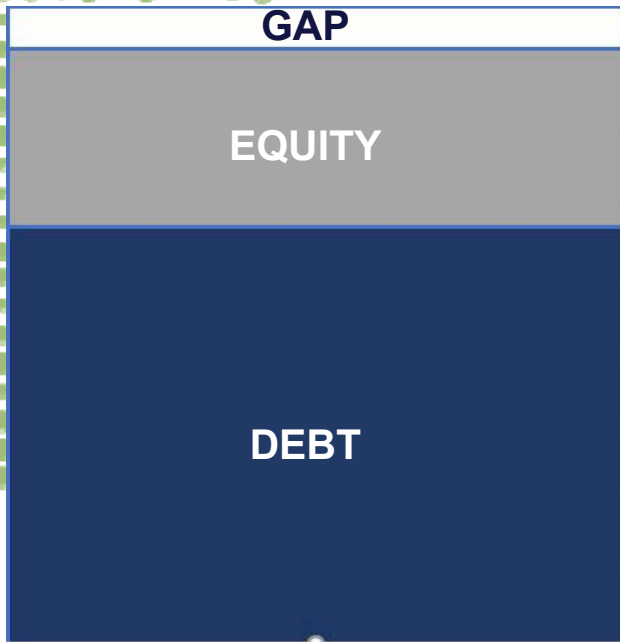
**13.89%**  
Unlevered IRR

**23.72%**  
Levered IRR

**2.88x**  
Equity Multiple

# CAPITAL STACK

2022




Mini-Perm Loan	
Principle	\$ 57,780,437
LTC	70%
Interest Rate	L + 250bps
Interest Only	3 Years
Term	5 Years
Amortization Period	25 Years

Gap Financing
NMTC Eligible Costs = \$26,539,000
X 39% tax credit = \$10,350,000
Sold at \$.57 = \$5,900,000
Total Equity Provided = \$5,900,000

Equity
Equity Required: \$24,700,000
Union Development: <u>\$12,350,000</u>
<b>Equity Ask: \$12,350,000</b>



 SWAMP RABBIT  
STATION 

