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From the Triad Business Journal:

<https://www.bizjournals.com/triad/news/2017/09/12/developers-see-financing-for-new-multi-use.html>

Developers seek financing for new multi-use project at historic Triad mill

🔑 **SUBSCRIBER CONTENT:** Sep 12, 2017, 2:41pm EDT

With a population estimated at fewer than 2,500, Haw River may not seem a likely site for a major, mixed-use development.

But Durham's D3 Development isn't worried about filling 176 apartments in a renovated granite mill for up to \$1,500 per month and finding tenants for 15,000 square feet of retail/restaurant space.

D3 principal Mike Hill told Triad Business Journal that his company is currently working to put together financing to buy and develop a \$35-million apartment and retail development to be known as Granite Mill with default insurance provided by the U.S. Department of Housing and Urban Development.

Hill said the company hopes to have the financing in place by Second Quarter 2018 to execute its option with the property owner, an LLC formed by D.H. Griffin Sr. of Greensboro and Rosemarie Williams of Danville, Va. Hill declined to reveal the purchase price, but said it increases with time on the two-year option, which began in November 2016.



COURTESY OF D3 DEVELOPMENT

The former mill was a large producer of corduroy.

When D3 transformed the former White Furniture building in Mebane into The Lofts at White Furniture in 2014, the majority of residents in the 156 market-rate apartments came from outside Alamance County, according to Shannon Moser, the project manager. The occupancy rate at White Furniture is currently 93 percent.

After closing on Granite Mill, Moser said construction would begin immediately. Residents would move in during 2019. C.T. Wilson Construction Co. of Durham, will be the general contractor. C.T. Wilson teamed with Weaver Cooke Construction of Greensboro at Self Help's Revolution Mill project in Greensboro.

"It's going to be a neat place to live," Moser told Triad Business Journal. "At White Furniture, many of the residents came from all over, including outside the state. We expect that to happen here."

D3 is betting that Granite Mill — Hill said he had never seen any record of the property referred to by another name — will be the latest in a string of renovated mill success stories in the state.

Despite the modest population of Haw River, D3 has an attractive location — along the Haw River, just east of Burlington and only a drive of 30 minutes or so to Greensboro and Triangle employers.

"We should get a lot of people from Raleigh, Chapel Hill, Durham and Burlington," Moser said.

The state of North Carolina has committed \$5 million to the project, which also will be funded by federal historic tax credits and state mill credits, and a tax credit for a bridge loan. Hill said D3 and other private investors also would provide financing. To close, D3 will need HUD to provide insurance to investors.

"All of those are critical," Hill said. "We need all the sources of financing when we go to the closing table."

But Hill is confident of obtaining the financing, and getting insurance from HUD. White Furniture, about five miles away, was redeveloped with similar financing, he said.

"It's what we do," he said.

At Granite Mill, Moser and Hill are tackling a 270,000-square-foot former mill on 12.4 acres. The unique design of the former mill provides four dozen floor plans, Moser said. Some will have porches, and some will have views of the river. Most floors will be hardwood. Others will be polished concrete.

Moser said she expected rent to be \$800-\$850 for studios, \$975-\$1,050 for one-bedroom units, \$1,100-\$1,400 for two-bedrooms and \$1,450 for three-bedrooms. Studios will be between 600 square feet and 800 square feet, with three-bedroom units up to 1,400 square feet.

Moser said she and Hill also envision a coffee shop for residents and downtown shoppers and employees as part of the development.

Hill served as vice president and general counsel for Capitol Broadcasting Company from 1991-2007.

While at Capitol, Hill directed development of the highly acclaimed [American Tobacco Campus](#) in Durham.

Hill also led the development of Durham Bulls Athletic Park and TicketReturn.com Field at Pelicans Ballpark for minor-league baseball franchises then owned by Capitol before forming D3 in October 2007.

John Brasier

Reporter

Triad Business Journal

