

# Case Study

## Historic Disposition

In 2015 and as buyer representation, Dowell Commercial Realty (DCR) contracted Lakeside Mill for a NCHFA apartment conversion. This conversion was contracted for a year and this deal was not financed. This property sat with no market exposure until DCR approached this owner about listing the property in 2018. In 1Q19, this property came to market through DCR. Over the next two years, this property had serious interest and highly credible buyers. DCR had aggressively pushed incentives in marketing, which allowed the asset real consideration. Being a challenged property, it took time to find the right buyer party however.

Property: 423 Lakeside Avenue, Burlington NC. Approx. 28K national register mill built in the late 1890's on 6.47 acres. At time of listing, this property's roof is starting to leak which makes leasing the facility impossible.

Team: Sean Dowell of Dowell Commercial Realty (DCR)

Reference: Available Upon Request.



### Approach

*Overcoming Underground Storage Tanks (UST):* USTs made a conventional loan on this property impossible. DCR pursued cash offers, none of which satisfied seller expectations. This UST work was enough to be problematic but not enough to warrant going through the brownsfields program. With diligence and patience, we worked with the purchaser to align EPA grant money for UST removal. The purchase price was a \$190K sales price minus a max \$40K sellers contribution towards UST removal. With the addition of EPA funds, this covered full UST removal cost for the purchaser.

*Economic Development Assistance To Fill Gaps:* This transaction required extensive economic development assistance. Besides aligning the above UST dollars, Burlington Economic Development aided the buyer in receiving a Building Reuse grant. This is a matching funds grant type that made rehab numbers palatable for this purchaser.

### Results

This property sold for \$150K in May 2021. For this purchaser, this was an incentives rich transaction including historic tax credits, removal of USTs, and a Building Reuse Grant. For Burlington, this is a new headquarters and related jobs. For the seller, this was a full release of liability and a property sale. This was a win – win – win deal.