The Liggett Project

DEVELOPING DURHAM'S
PAST, PRESENT, AND FUTURE

Liggett Group Inc.

THE LUNDY GROUP, INC.

DURHAM 1869 CITY OF MEDICINE

Durham NC City of Medicine

HISTORY

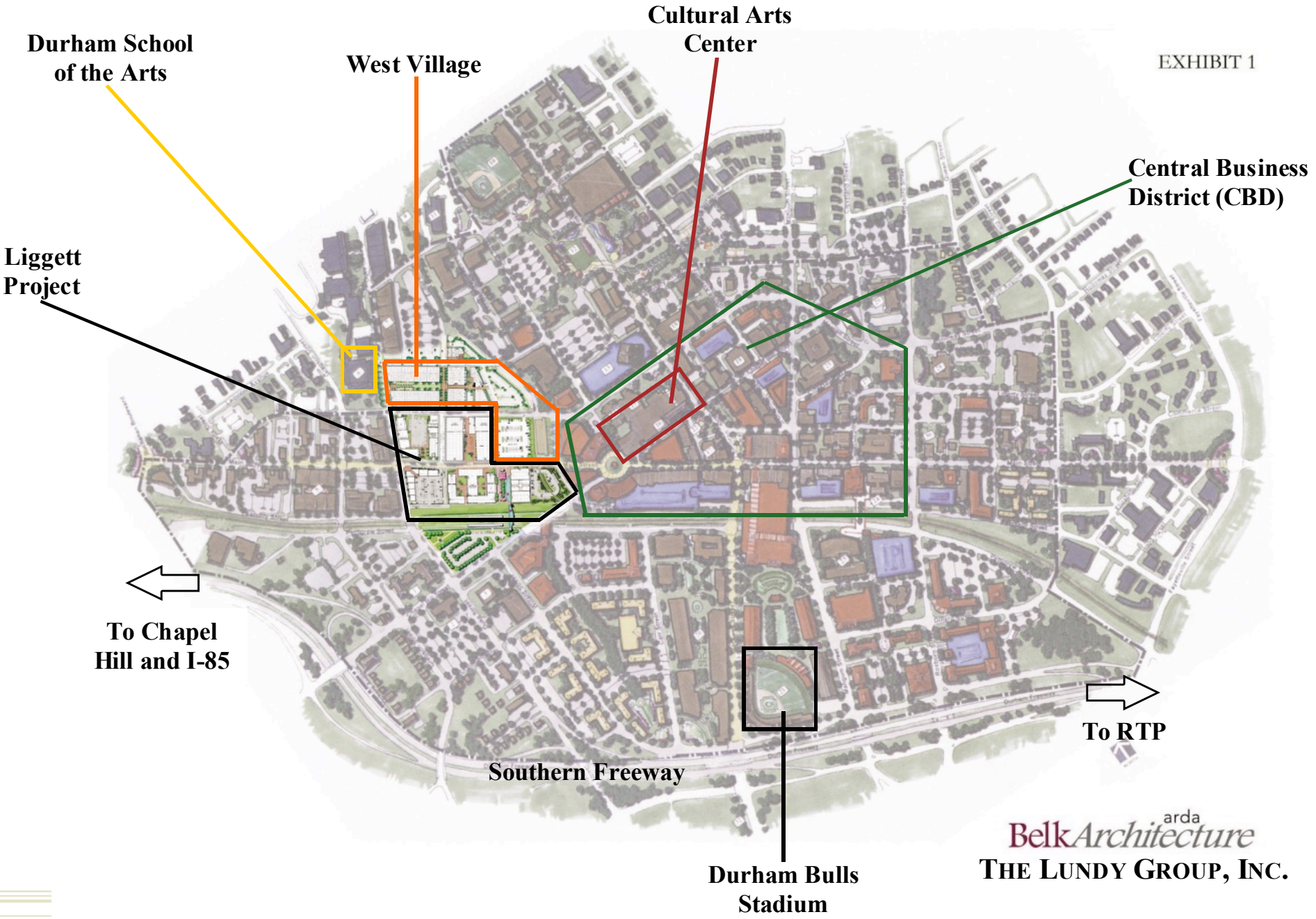
The Liggett & Myers Tobacco Company was founded prior to 1880 in Durham, North Carolina. Beginning in 1884, the company began constructing a series of buildings to warehouse tobacco and manufacture tobacco products. These facilities evolved over the next 70 years, with the completion of the newest building occurring in 1949. Liggett's operations in Durham had significant influence on the success of the warehouse district and Durham's economy in general. Over the years, Liggett & Myers has sold a number of the outlying buildings and property for rehabilitation, including the 200,000 square foot Brightleaf Square project, the 300,000 square foot West Village project, and the 80,000 square foot Measurement Incorporated building. The tobacco company operated in the remaining facilities until the summer of 2000, when they relocated their manufacturing operations to a new facility in Mebane, North Carolina.

PRESENT

The relocation of Liggett & Myers' operations has left seven buildings, containing some 830,000 square feet, essentially vacant. The complex lies between Brightleaf Square, a successful office and retail rehabilitation project, and the central business district of downtown Durham. Contiguous to the northeast is West Village, a 240 unit residential rehabilitation of former Liggett warehouses. The now vacant property is integral to the City of Durham's master plan to link the Brightleaf area to downtown.

Research Laboratory
47,967 SF
Two floors & basement
Main St. Office
31,638 SF
Three floors & basement
Cobb Building
156,705 SF
Four floors
O'Brien Building
67,631 SF
Two Floors
Proposed Residential Development by Other Companies
New Factory
333,855 SF
Six floors & basement
Proposed Site for Parking Deck
Old Factory
137,228 SF
Bldgs. A-E: 2 floors & basement
Bldg. F: 1 floor & basement
Walker Warehouse
30,326 SF
One floor

EXHIBIT 1



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BelkArchitecture
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THE PROJECT

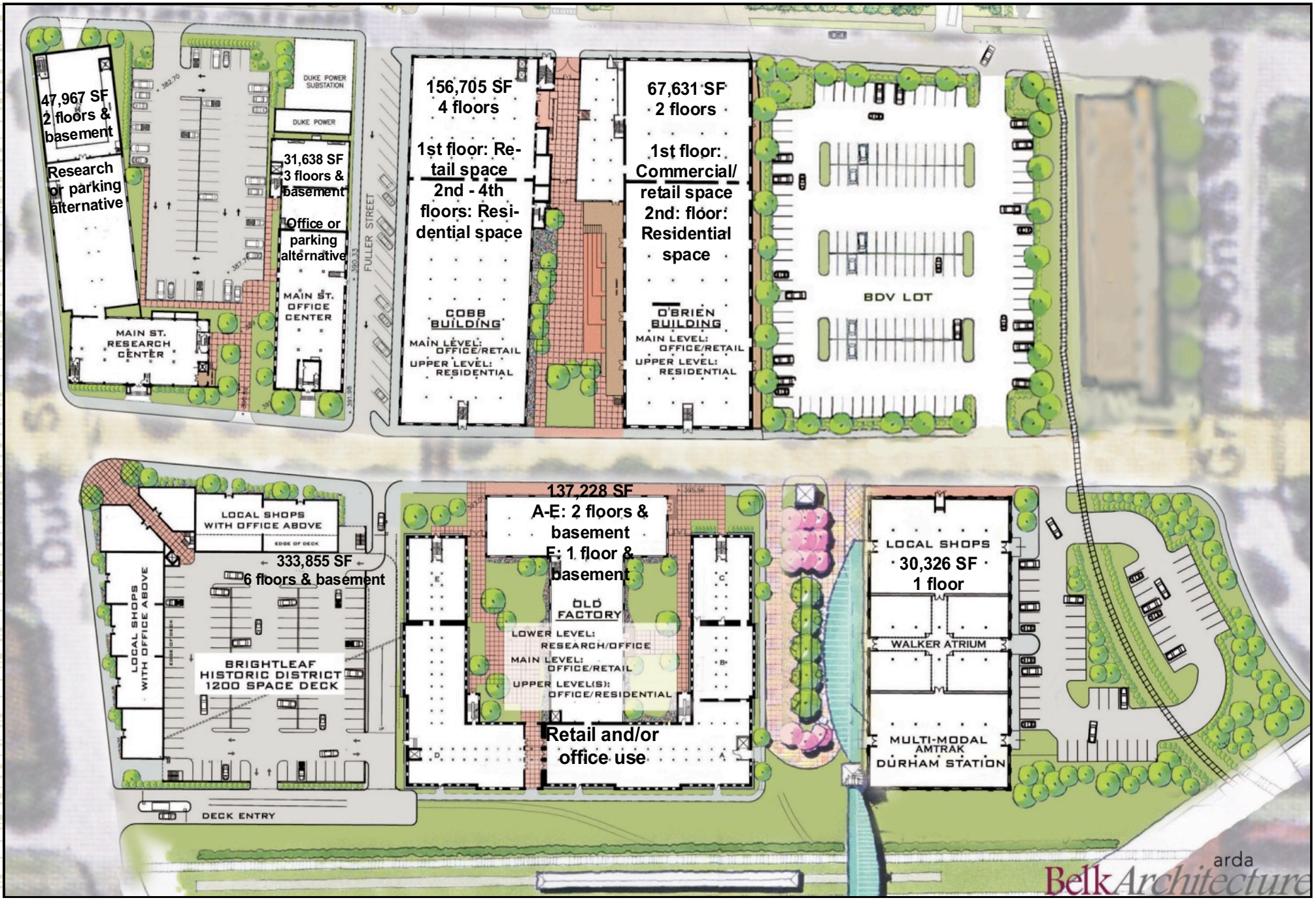
The proposed adaptive rehabilitation project incorporates a mix of office, retail, restaurant, residential, and parking. The mixed nature of the proposed uses – street level shops and cafes, entertainment venues, loft apartments or condominiums, business offices, research and development offices, and adequate parking – invites around the clock activity.

The Project is master planned to conform with and enhance the 1999 Downtown Durham Master Plan. The location of the property and the manner in which it separates the Brightleaf area from Downtown mandates a plan that not only creates a destination, but that also links and invites flow from one area to another. The City plans to reconfigure Main Street as a focal point and enhancement to downtown.

Activity must be continued westward to Duke Street if Brightleaf Square is to be linked to the Central Business District. The Liggett Project, as planned, will create this connection from the Civic and Arts District to the Brightleaf area through historic urban streetscapes fronted by a variety of activity inducing uses.

The project is a transit-oriented development (TOD) with the City of Durham's Multi-modal Transportation Center as an integral component, accommodating various sources of transportation to and from the Brightleaf Historic District and downtown Durham. The City's bus transfer station is proposed for a site across Chapel Hill Street from the Walker Building – the proposed site of the Durham Amtrak station. The Triangle Transit Authority is planning a commuter rail station adjacent to the project. Housing the Amtrak station in the 100+-year-old Walker Building capitalizes on Durham's rich history of rail travel and makes public a portion of this historic structure.

Providing parking to support this historic preservation effort is critical. The plan calls for replacing approximately 340,000 square feet of building space with a parking structure to support the current and future needs of the Brightleaf Historic District. Paving acres of land for surface parking is not an option, nor is it appropriate. The land does not exist, and it would be inconsistent with the historic character of the area. The proposed parking deck will be located on the site of the New Factory, the second youngest and least historically significant structure of the Liggett campus. The parking deck incorporates street front, pedestrian oriented retail/restaurant/entertainment space, second and third floor commercial space, and will be designed to be architecturally compatible with the historic surroundings.


47,967 SF
2 floors &
basement
Research
or parking
alternative
DUKE POWER
SUBSTATION
DUKE POWER
31,638 SF
3 floors &
basement
Office or
parking
alternative
MAIN ST.
OFFICE
CENTER
MAIN ST.
RESEARCH
CENTER
FULLER STREET
156,705 SF
4 floors
1st floor: Re-
tail space
2nd - 4th
floors: Resi-
dential space
COBB
BUILDING
MAIN LEVEL:
OFFICE/RETAIL
UPPER LEVEL:
RESIDENTIAL
67,631 SF
2 floors
1st floor:
Commercial/
retail space
2nd: floor:
Residential
space
O'BRIEN
BUILDING
MAIN LEVEL:
OFFICE/RETAIL
UPPER LEVEL:
RESIDENTIAL
BDV LOT
LOCAL SHOPS
WITH OFFICE ABOVE
EDGE OF DECK
333,855 SF
6 floors & basement
LOCAL SHOPS
WITH OFFICE ABOVE
BRIGHTLEAF
HISTORIC DISTRICT
1200 SPACE DECK
DECK ENTRY
137,228 SF
A-E: 2 floors &
basement
F: 1 floor &
basement
OLD
FACTORY
LOWER LEVEL:
RESEARCH/OFFICE
MAIN LEVEL:
OFFICE/RETAIL
UPPER LEVEL(S):
OFFICE/RESIDENTIAL
Retail and/or
office use
LOCAL SHOPS
30,326 SF
1 floor
WALKER ATRIUM
MULTI-MODAL
AMTRAK
DURHAM STATION
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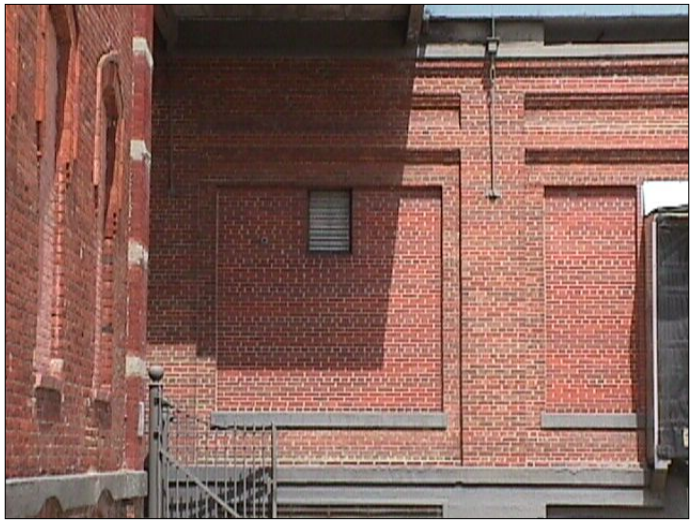
Old Factory

137,228 sq.ft.
Buildings A through E: 2 floors plus basement;
Building F: 1 floor plus basement

The construction of the Old Factory began in 1894. The oldest section of the building is the southeast corner, called Building A. Newer phases and additions continued through the decades, culminating in Building F. Buildings A through E were originally constructed as four-story buildings, but the top two floors were removed in the late 1940's. The building is constructed of load-bearing exterior masonry walls that exhibit decorative brick work. The interior beams and columns range from heavy timber in the older sections of the building to steel and reinforced concrete in the newer areas of the structure. The majority of the windows are bricked in throughout the building. Approximately 8-10 utility/mechanical room additions constructed of concrete masonry are scattered throughout the "courtyard" and Building F of the Old Factory. Original to Building D is an arched drive-through from the courtyard to the rear of the building, which is no longer in use and is bricked in.

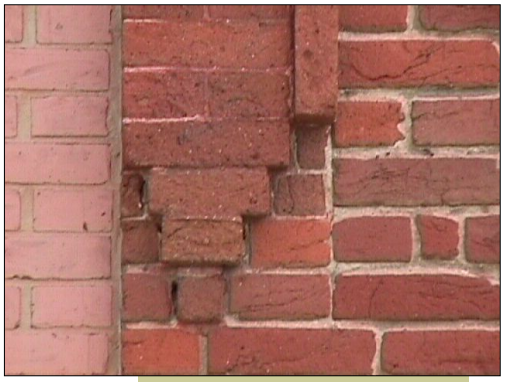
The basement of the Old Factory is partially below grade. The floor space is generally open with uniform column grids and minor grade variations from wing to wing. Existing underground tunnels connect the Old Factory with Walker Warehouse and the New Factory. An existing overhead pedestrian/mechanical bridge connects the roof of the Old Factory to the third floor of the Cobb Building on the north side of Main Street. The Old Factory is in good physical condition and was in use until summer, 2000.



The bricked-in window openings throughout the building, including those in Building F, should be re-opened to once again allow natural light into the building. In so doing, it will be important to retain/refurbish the decorative masonry around the window openings. The tunnels to the New Factory and Walker warehouse could be utilized to provide weatherproof connections between the buildings. Two new exit stairways will need to be built, logically at the north ends of the U-shaped building. Given the Old Factory's proximity to active railroad tracks, it is probably not a likely candidate for re-use as a residential building even though its dimensions and numerous windows could be ideal for residential layouts. Therefore, the Old Factory seems best suited for retail and/or office use but could include residential or possibly a boutique hotel.

WALKER WAREHOUSE [Wak]

30,326 sq.ft.; One Floor



The Walker Warehouse was built in 1897; it is constructed of load-bearing masonry walls with decorative brick detailing. Walker's finished floor level is approximately four feet above grade and is set at this loading-dock height above a crawl space. A small tunnel connects Walker to the Old Factory to the west. There is insufficient evidence to determine whether or not the Walker Warehouse ever had windows. At one point in time, some alterations were planned that would have added enclosed boxcar loading docks to the east, south, and west sides, and windows, as well as a second floor, would have been included in such additions. However, the covered railroad loading docks were apparently never realized, and other additions eventually added to the east and west sides of the original structure did not include windows. Several loading dock doors for trucks are located on the west side of the building. There is approximately 20’0” between interior columns, and the interior volume of the building is significantly tall. Walker is in good condition structurally.

RECOMMENDATIONS

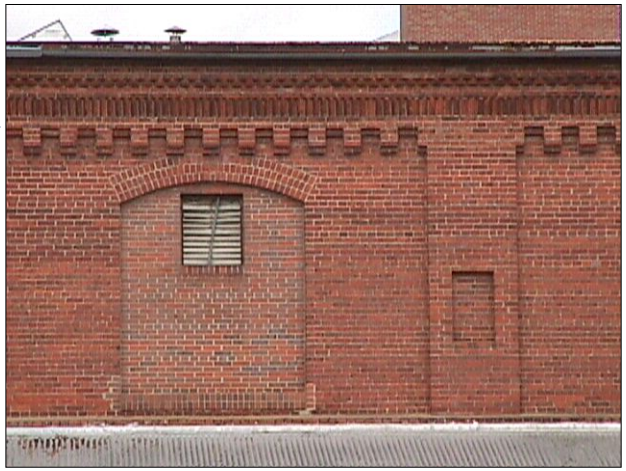
Removing the newest additions on the east and west sides of the building would be favorable, as they are neither architecturally significant nor are they conducive to uses other than warehousing. Such efforts would once again reveal the original, three-bay, rectangular warehouse building and expose the original decorative masonry. New windows should be cut into the exterior walls wherever appropriate. Floor to ceiling height may allow for the introduction of mezzanines throughout the building, and the possibility of sky lit areas is very feasible within Walker.

The Walker building is the proposed site for the Durham Amtrak Station. The Durham Station would occupy approximately one third (10,000 – 12,000 sf) of the original structure, with the balance best suited for multi-tenant retail/service use. The resulting land made available by removal of the additions would be used for required passenger/customer drop off and loading, taxi stand, and surface parking. Both Amtrak and Triangle Transit Authority (commuter rail) passenger access across the rail tracks will be accommodated in an architecturally compatible crossing.

O'BRIEN BUILDING [OB]

Area: 67,631 sq.ft.; Two Floors

The O'Brien Building was built in 1898 of brick masonry load bearing walls and steel columns and beams. The entire building consists of two open floors (except for structural columns) with a masonry firewall partition running west-east on the first floor. The first floor opens to a loading dock on the east and west sides of the building; metal canopies cover the extents of the docks. The second floor has a pitched roof framed with wood joists and decking. The large, original window openings have been filled with brick or metal vents – or both – on the east and west elevations, and a majority of the window openings are bricked in on the south elevation as well. There are large, steel-framed windows on the north elevation facing Morgan Street on the first floor only.



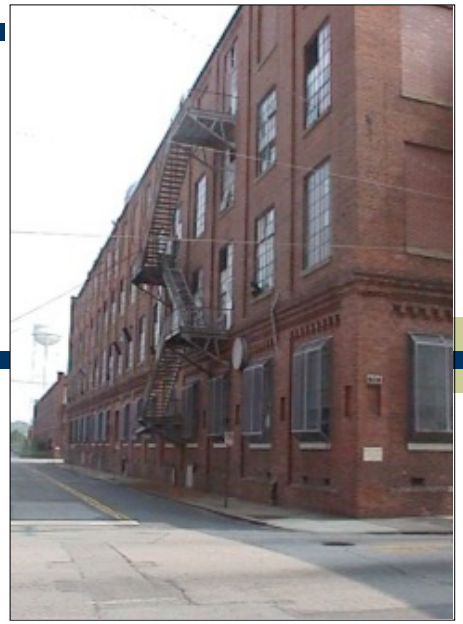
On the second floor at the north end, a concrete masonry wall was erected to divide O'Brien from a bridge over Morgan Street that is part of an adjacent residential development. A conveyor bridge from Old Factory enters O'Brien on the second floor of the south elevation. The Cobb Building Annex directly adjoins the O'Brien Building at the northwest corner of O'Brien, and appears from the interior to be one contiguous building. The structural condition of the building and roof appear to be in good condition.

RECOMMENDATIONS

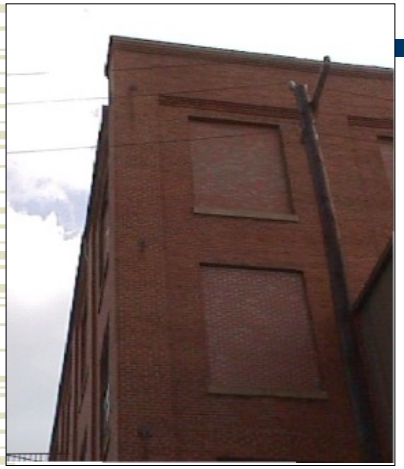
The simple rectangular shape of the building along with its large windows makes this building easily configurable into residential space. A probable arrangement would include some retail and commercial space on the first floor street front, with residential units filling the balance of the building. Such a scenario would complete a 650-foot line of second-floor tobacco warehouse apartments stretching north to south from Fernway Street to Main Street. All of the original window openings should be reopened and new stairs built at the south end of the building. A second set of new, required exit stairs could be located in the annex building between the O'Brien and Cobb Buildings rather than at the north end of O'Brien. The pitched roof may allow loft/mezzanine construction within proposed second floor residential units, thereby increasing the available square footage.

COBB BUILDING [Cob]

156,705 sq.ft.; Four Floors



The Cobb building was built in 1899 of brick masonry load-bearing walls with punched window openings. On floors 1-3, the columns are steel w-sections filled with concrete, and the fourth floor has heavy timber columns in some areas. Beams throughout the building are steel, with some wood beams on the fourth floor, supporting the wood roof decking. Each floor of Cobb is heavy timber wood decking. The average height between finished floor levels and the bottoms of beams is 13’6”. The majority of the windows in the building are present; only a handful of the original window openings are bricked in. A two-floor annex/connector between Cobb and the O'Brien Building is constructed of steel beams and columns on the first level and wood columns and beams on the second floor. There are bricked-in window openings on the north side of the annex, but the windows on the south side remain open. There are some minor leaks in the roof of the annex, but overall the structural condition of the building appears to be good.



All bricked-in window openings, in both Cobb and the Annex, should be reopened wherever possible to restore more daylight to the interior of the building. A large freight elevator was added to the exterior of the east wall, and the elevator and its masonry shaft should be removed. A new exit stairway needs to be constructed at the south end of the building. There are three elevator shafts at the north end of the building, but two of them are too small to accommodate new elevators of the appropriate size; it is recommended that two new passenger elevators be installed in the location of the three existing shafts. The shape, size, and windows of Cobb make it a good fit for retail, office, or residential use, but predominantly residential. The Annex is a logical location for common area space to support the residential uses of both the Cobb and O'Brien buildings.

The second floor of the Annex could be either office/retail or residential, and it, too, could be an extension of uses in O'Brien or Cobb. A suggested scenario for the vertical layering of uses within Cobb would be to install retail operations on the street front ground floor and apartments and/or condominiums throughout the remainder of the building. Approximately 18 condominiums per floor can fit on the third and fourth floors (yielding 36 condos), and they could range in size from 1200 to 2500 square feet. The second floor could accommodate approximately 28 apartment units ranging in size from 850 to 1900 square feet. A pedestrian bridge between the Old Factory's roof appendage and Cobb should be removed, as a new architecturally compatible overstreet crossing will be constructed to connect the Cobb and O'Brien buildings to the new parking deck.

MAIN STREET OFFICE [MSO]

31,638 sq.ft.; Three floors plus basement

The Main Street Office was built in the 1920's on the location where the New Factory now stands. In the late 1940's, when the New Factory was planned to be built, the Main Street Office building was moved across the street. Constructed of steel and concrete, the building has a concrete base with a second floor exterior of brick. Two additions to the building have been added since the 1950's, extending the length of the building north to the Duke Power substation located behind the structure. The building appears to be in good structural condition and is still in use today as administrative office space.

The Main Street Office is already established as usable commercial space. A new exit stairway will need to be built, and the floor plans could be modified to accommodate different tenants, but the building has demonstrated its ability to successfully support office operations in its current capacity. In an effort to make both the Research Laboratory and the Main Street Office buildings more competitive in today's market, additional parking is required to accommodate multi-tenant needs. This will be accomplished with the construction of the Brightleaf Deck.

NEW FACTORY [NF]

333,855 sq.ft., Six Floors plus Basement

The New Factory was completed in 1948 and is constructed of concrete-encased steel columns and beams with reinforced concrete floors. The floor-to-floor height is 16’0” throughout the structure, and the New Factory is one of the tallest buildings in Durham. The building is almost square in plan, with typical column spacing at 22'0" on-center. On the north and south elevations, each entrance has a vertical detail of golden brick that is framed by concrete sills. The main entrance on the north side is framed by limestone. The New Factory is extremely massive, particularly in comparison to the more architecturally significant structures surrounding it. The building is in excellent structural condition as it remained in full service as a manufacturing facility until summer, 2000.

If the Liggett and Myers Main Street campus, the City's multi-modal transportation center and other structures in the Brightleaf Historic District are to be successfully redeveloped, parking needs to be provided. Currently, there is a detrimental lack of parking. The recommendation is to replace the New Factory building with a newly constructed, City-owned parking deck that will accommodate parking for the entire Brightleaf Historic District.

RESEARCH LABORATORY [Res]

47,967 sq.ft.; Two floors plus basement

The Research Laboratory was built in 1949. Constructed of reinforced concrete with red brick exterior and concrete accents, the Research Laboratory is the newest building on the Liggett and Myers campus. The north end of the building has a large open area on the ground level with a mezzanine level above. The remainder of the building is configured around a double-loaded corridor with laboratory and office space. The structural condition of the building is very good.

The Research Laboratory building is income-producing in its current state as commercial space, and continued research tenancy will be the best use for this building. Increased parking provided in the new Brightleaf Deck will benefit the Research Laboratory in that it will allow higher use by multiple tenants.

Summation

The Liggett properties represent a significant adaptive reuse/historic rehabilitation opportunity. The proposed project will result in the preservation of some 490,000 square feet of historic structures. It will create as many as 1200 jobs, add approximately 100 new dwelling units, accommodate public transportation facilities, connect the Brightleaf area to downtown Durham, and bring new life to this currently vacant legacy.

The feasibility of the project is dependent on the ability to provide required parking and to obtain maximum Historic Tax Credits. The project requires approximately $60,000,000 in private investment and $15,000,000 in public funds. The success of the project plays a critical role in the revitalization of downtown Durham.

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