Development of Concord Park finally begins

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The first piece in the puzzle of the long-delayed Concord Park development slipped into place Wednesday as work began on an $18 million office building that will anchor a prominent corner of the vacant city block.

The four-story project, known as 25 Calhoun St., is a rarity given the shaky state of the commercial real estate market. It also is noteworthy that it is the first major privately funded office project to go up on the peninsula in about five years.

"This would be a big deal at any time, but it's a really big deal now," Charleston Mayor Joe Riley said at a groundbreaking ceremony at the site Wednesday.

The 63,000-square-foot structure marks the first of several development phases for the 9-acre Concord Park tract, a former city public housing site bounded by Calhoun, Concord, Laurens and Washington streets.

"It's a wonderful vote of confidence for our plans for this site, and it's a wonderful vote of confidence for our city," Riley said.

The developers of the office building are Holder Properties of Atlanta and Charleston-based Durlach Associates.

They anticipate that their first and largest tenant -- Young Clement Rivers LLP -- will relocate its offices to 25 Calhoun St. by late 2011.

Out of space at its longtime home on Broad Street, the Charleston-based law firm has committed to lease the entire top floor and part of the third.

John Holder of Holder Properties said the law firm deal was key to starting the project and getting the financing for 25 Calhoun St.

"We could have done it speculatively, but it's a tough market to do that in right now," Holder said.

The office development kicks off a project that the city hopes will inject more energy and drive more activity in that part of town.

While the area is home to the S.C. Aquarium, Aquarium Wharf and the Charleston Maritime Center, it has been described as being a "low-powered setting," especially after hours.

That's why the city more than four years ago sought out private investors to buy and develop the site for a mix of uses.

The winning $16 million bid came from East West Cumberland Park Associates, which proposed to build hotel rooms, 233 housing units and commercial space on either end of a public park about the size of Marion Square.

As the recession and the credit crunch dug in, that plan has been bogged down.

For example, East West, which has paid a $1.75 million deposit, has needed extensions to close on the sale of the property.

And late last year, the city agreed to amend the purchase agreement to allow the buyer to sell part of the property, add more office space and reduce the number of planned homes.

East West now is negotiating a deal to sell the piece of land at the south end of the Concord Park site to an national company that will build the affordable housing that was required as part of the deal.

Charleston developer Wally Seinsheimer, who is part of the East West venture, said talks with the undisclosed buyer are at the point that "we're dotting the I's and crossing the T's."

He also said his group plans to start working simultaneously on the hotel and market-rate condominiums by late 2011 or early 2012. East West likely will handle those projects itself, he said.

"I think there's a market here now," Seinsheimer said Wednesday.

Riley noted that the revitalization of the Concord Park area should benefit from other notable projects, such as the State Port Authority's plan to redevelop its nearby Union Pier property.

He also noted that the planned Charleston International African-American Museum is being proposed for a vacant parcel directly across from the aquarium, though that is likely years away from being built.

Over time, he added, the buildings and park that will eventually replace the open but largely unused land at Concord Park will blend in with the rest of the lower peninsula.

"It'll feel like it's natural, organic," Riley said.