

From the Triangle Business Journal:

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## Historic Golden Belt campus in downtown Durham sold; end of an era for Scientific Properties

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**Scientific Properties**, once one of the most active real estate investors in historic properties in downtown Durham, has sold its last major real estate asset with the sale of its Golden Belt campus on Main Street for nearly \$19.5 million.

LRC Properties of Rye Brook, New York, has bought the six buildings on the Golden Belt campus from an affiliate of **Scientific Properties**, according to Durham County records. David Finger and Sara Owen with **Cushman & Wakefield's** Morrisville office represented Scientific Properties in the transaction, according to the company.



C/O CUSHMAN & WAKEFIELD

The deal had been months in the making, sources say, as potential buyer groups worked to disentangle the property's complex web of historic tax credit rules and equity investment requirements that have been placed on the Golden Belt complex during its redevelopment in the mid-2000s.

**Scientific Properties** purchased the buildings in 2004 and commenced the renovation and redevelopment of the buildings into a creative complex of LEED Gold-certified office spaces, artist studio, loft-style apartments and event space. The first of Golden Belt's six buildings date back to 1901 when it operated as a factory for the Golden Belt Manufacturing Co., producing cloth bags and other textiles for American Tobacco and other companies until the plant closed in 1996. Scientific Properties and its investors reopened the buildings in mid-2008.

The buildings at the time of the sale were 85 percent leased, according to **Cushman & Wakefield**. "There's a limited supply of these creative-class, brick and beam historic properties, and demand is high," says Finger. "We believe adaptive reuse commercial real estate projects like Golden Belt will continue to retain their appeal with tenants and investors alike."

Major tenants at Golden Belt include offices for three Durham city departments, including Neighborhood Improvement Services Department, Office of Economic & Workforce Development, and Community Development.

**Scientific Properties** has been winding down its operations in Durham ever since its founder, Dr. Andrew Rothschild, relocated his family from Durham to New York City in 2008. Scientific Properties, under the leadership of company President Gary Kueber, also sold its ownership in the Venable Center office complex in 2016 for \$18 million, and it sold its ownership in its Foster Street properties in February.

Rothschild and his investors still have ownership in the Heritage Square retail center on Lakewood Avenue that had been slated for redevelopment.

Kueber says he will continue to still do asset management services for Heritage Square but will otherwise be independent and looking for new opportunities. "We've sold off a bunch of assets over the last few years, and we're kind of in the middle of shutting down," he says. In a later statement, Kueber said he's been "thrilled" to play a role in the company and its projects in Durham over the past 10 years. "I was fortunate to have investors who could also envision Durham's future and had the fortitude to stick with it through the recession," he says. "It's been amazing to see Durham thrive and grow since then."

**Cushman & Wakefield** has been retained as the property manager for Golden Belt. NAI Carolantic Realty of Raleigh will be in charge of leasing.

In the Triangle, LRC Properties also owns the recently redeveloped 227 Fayetteville St. office building in downtown Raleigh and the historic Cordoba Building at 800 Taylor St. near the Golden Belt campus in downtown Durham. LRC is in planning stages to redevelop the Cordoba property.

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