

# WELCOME TO THE "NAVIGATING PRIVATE EQUITY CAPITAL" SYMPOSIUM APRIL 22, 2015



**Presented by ULI Charlotte and the Center for Real Estate at UNC Charlotte**

# “Navigating Private Equity Capital” Symposium

## Private Equity Perspectives

Moderator: Matt McConkie, Tunbridge Capital

Panelists: Scott Hall, CNL  
Jim Clayton, Cornerstone  
Walker Collier, Trinity Capital Advisors  
Chris Randolph, South Street Partners  
June Munshi, The CenterCap Group



*Event website:* <https://uli.cfn.io>

**Presented by ULI Charlotte and the Center for Real Estate at UNC Charlotte**



# “Navigating Private Equity Capital” Symposium

## Crowdfunding as a Capital Option

Moderators: Alyson Metcalfe, UNC Charlotte, Center for Real Estate  
Dr. Kip Womack, UNC Charlotte, Center for Real Estate

Panelists: Ben Miller, FundRise  
Lindsey McAlpine, Citisculpt  
Carolyn Meade, Moore & Van Allen  
Eve Picker, Not So Small Change, LLC



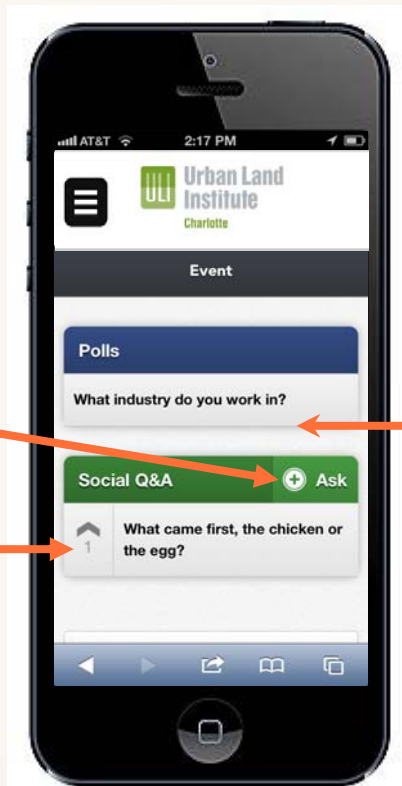
*Event website:* <https://uli.cfn.io>

**Presented by ULI Charlotte and the Center for Real Estate at UNC Charlotte**

# <https://uli.cnf.io>

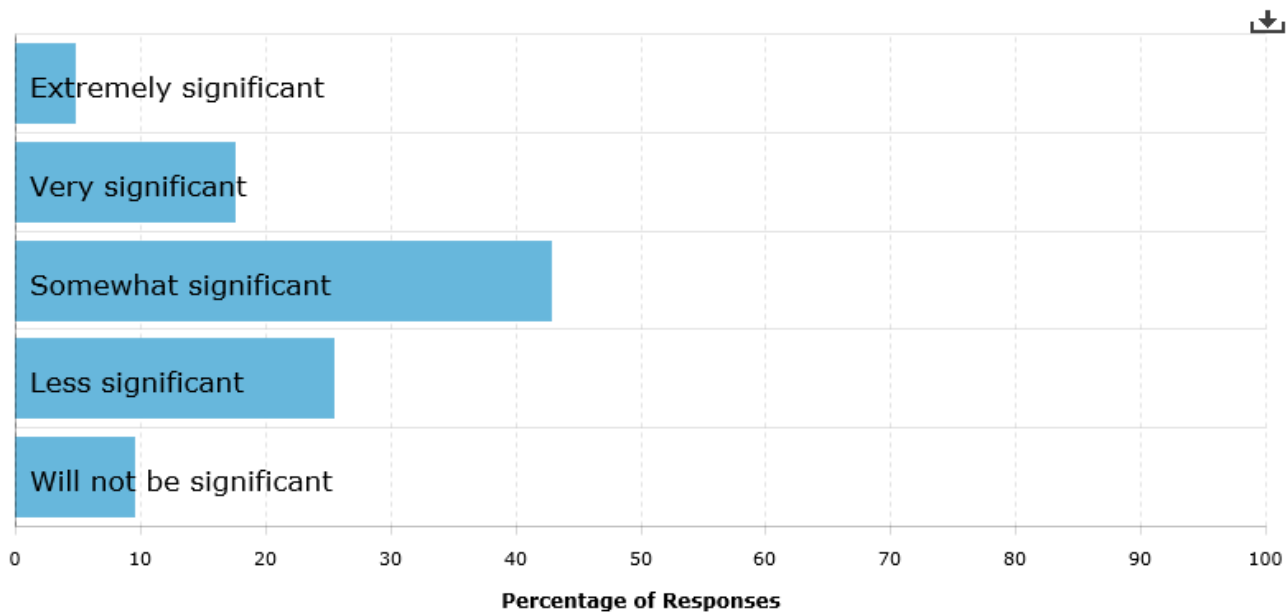
Ask a Question

Vote for a Question

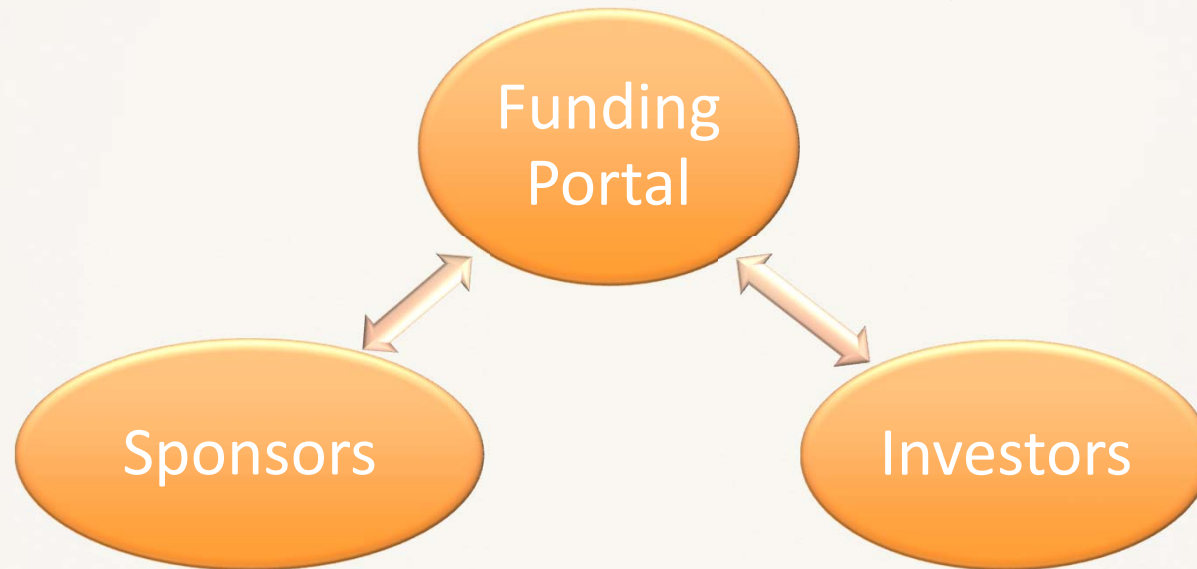


Click / Tap on  
Each Poll to  
Respond

## First Impression: How significant will crowdfunding become as a capital option for real estate investors and projects in Charlotte?



Real Estate crowdfunding (a type of crowdsourcing) is the modern repackaging of traditional syndication enabled by technology and deregulation



From a legal perspective, issuing equity or debt in exchange for future compensation represent the sale of a security

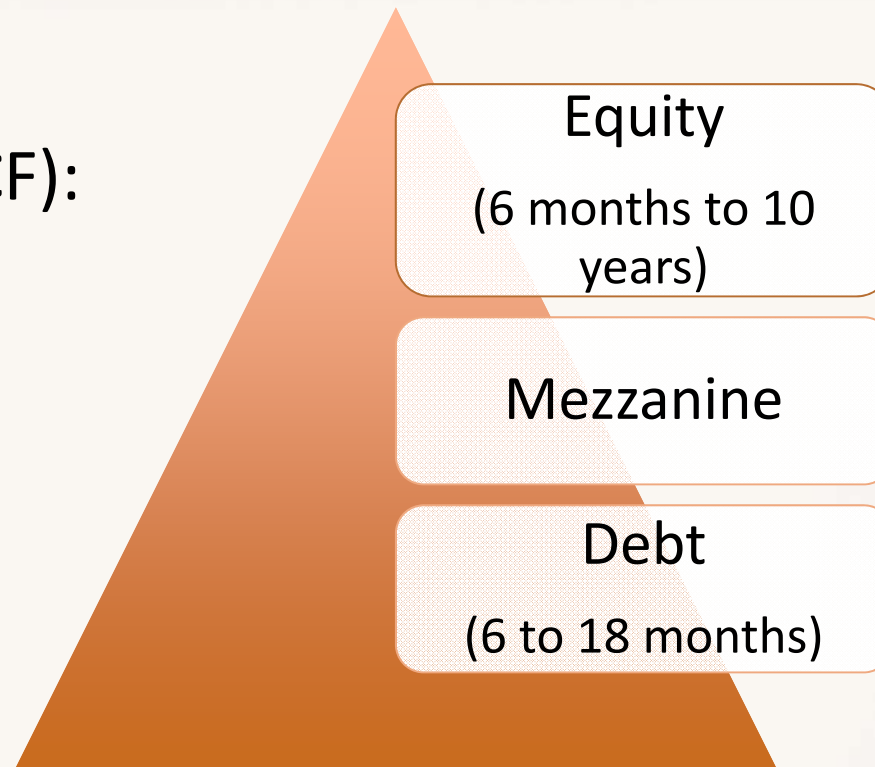
Market Size (GRECF):

2013 \$.5B

2014 \$1B

2015 \$2.5B

85 portals



Crowdfunding can be a small slice or the whole stack



## Residential

- Small
- Large
- Even down payments
- Leads commercial



## Commercial

- Small
- Large
- All asset classes
- Tremendous growth (250% growth predicted)



## Investment strategies

- Construction and development
- Core, core plus, value add, opportunistic
- Complicated deals or quick execution
- Can have substantially lower cost of capital



## Sponsors

Disintermediation

Cost of capital

Completing deals that  
other sources pass on

Bridge from small to big  
player

## Investors

Diversification from  
direct investment

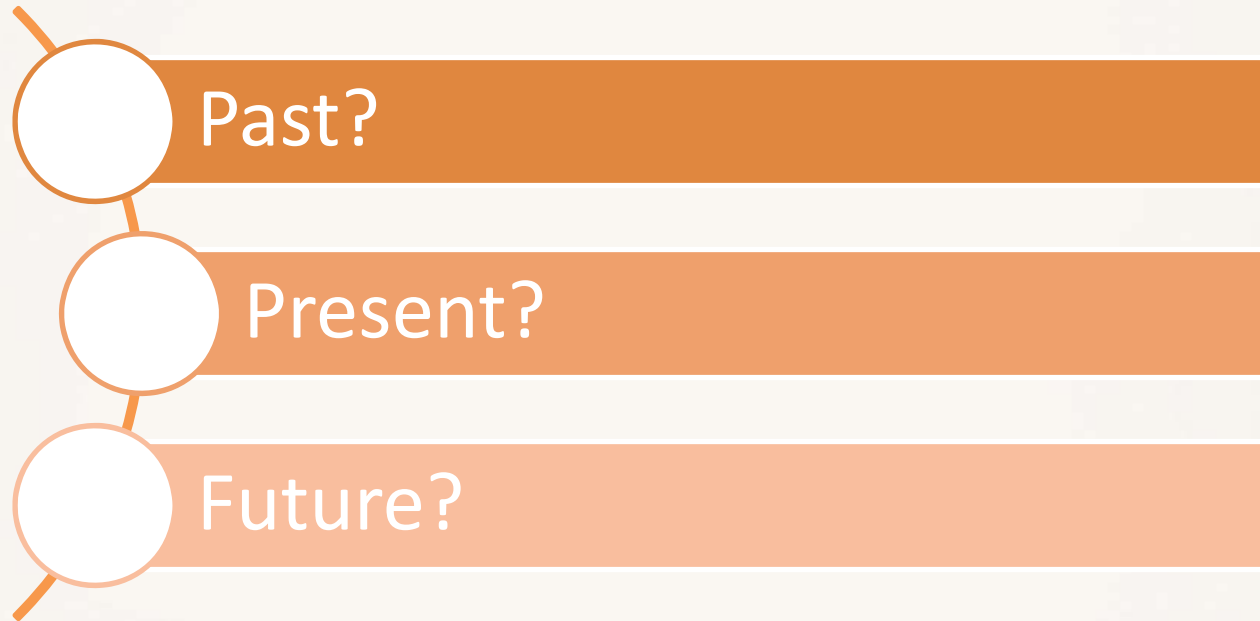
Low scale  
(as low as \$500)

Transparency and  
monitoring

Improved matching



# Crowdfunding in Charlotte...



Let's crowdsource the answers from our esteemed panel!

# “Navigating Private Equity Capital” Symposium

## Complexities of Capital in P3 Arrangements

Moderator: Dr. Stephen Billings, UNC Charlotte, Center for Real Estate

Panelists: Ron Kimble, City of Charlotte  
Daniel Levine, Levine Properties  
Suzanne Leland, UNC Charlotte  
Noah Lazes, ARK Group Properties



*Event website:* <https://uli.cfn.io>

**Presented by ULI Charlotte and the Center for Real Estate at UNC Charlotte**



# Music Factory: Irving, TX

## 18-acre Entertainment Center

- 250,000 SF of Entertainment, Retail, and Restaurants
- 50,000 SF Plaza with Stage
- 100,000 SF of Office
- 8,000 Capacity Indoor/Outdoor Concert Venue

## Financing

- Total Cost ≈ \$160 Million
- Public Funding ≈ \$80 Million
  - Bond Issue ≈ \$35 Million
  - TIF Financing ≈ \$44 Million



# First Ward Park: Charlotte, NC

## 25-Acre/9 Block Urban Neighborhood

- 1500 Residential Units
- 1.5 Million SF of Office
- 350,000 SF of Retail
- 450 Hotel Keys
- 150,000 SF of University & Institutional Space
- 4 Acre Public Park
- 2 Light Rail Stations

## Financing

- Park ≈ \$12 Million
  - County reimbursement upon completion.
- City Infrastructure ≈ \$5.2 Million
  - City reimbursing for progression of work.
- Parking Deck ≈ \$25 Million
  - City and County Providing a Tax Increment Grant over a ten year period for \$23.3 Million.





# The Metropolitan : Charlotte, NC

An aerial photograph of Charlotte, North Carolina, showing the city skyline with several tall skyscrapers in the center. The surrounding area includes residential neighborhoods, commercial buildings, and green spaces. The image is used as a background for the presentation slides.

## Phase 1 - North of Independence / Charlottetowne Ave.

- Target 135,000 SF
- Home Depot Design Center 120,000 SF
- Wendy's 1,500 SF
- Parking Spaces 900 spaces

## Phase 2 - South of Independence / Charlottetowne Ave.

- Retail – Anchors 110,876 SF
- Retail – Restaurants & Shops 61,054 SF
- Office Space 170,400 SF
- Residential Condominiums 101 units
- Parking Spaces 1,039 spaces





# ***PPP Planner Survey Results***

## **Collaboration & Accountability:**

1. “Local government should actively seek out opportunities to collaborate with real estate developers.” (***Private sector, Ideology: Liberals/Moderates, Women more likely to agree***)
2. “Successful public-private partnerships require substantial input from the general public” (***Only planners ideology matters: Liberals, moderates more likely to agree***)

## **Transaction Costs:**

3. “The cost of monitoring the activities of developers discourages local government from participating in public-private partnerships.” (***Younger, less educated, white planners more likely to agree***)
4. “The cost of negotiating contracts discourages local governments from participating in public private partnerships.” (***Younger, less educated more likely to agree***)

# ***PPP Planner Survey Results***

## **Social Equity:**

5. “Generally speaking, public-private partnerships benefit the economically disadvantaged individuals” (***moderate, younger, white more likely to agree***)
6. “Generally speaking, public-private partnerships encourage socio-economic diversity.” (***Younger, white more likely to agree***)

## **Overall Conclusions:**

- Planners’ were uniformly in favor of local governments seeking out PPPs and involving the general public in their formation.
- However, planners varied greatly in their attitudes about barriers/benefits of such partnerships depending on professional/personal attributes (ideology, race, gender, age)
- Public sector planners less supportive of these efforts on the part of governments to actively pursue these relationships
- Understanding these values improves trust and collaboration



# “Navigating Private Equity Capital” Symposium

## “CEO Panel” on Current Private Equity Capital Trends

Moderator: Dr. Steven Ott, UNC Charlotte, Center for Real Estate

Panelists: Clay Grubb, Grubb Properties  
Tom Sittema, CNL Real Estate  
Arthur Nevid, Mountain Real Estate Capital  
Darryl Dewberry, Spectrum Properties



Event website: <https://uli.cfn.io>

**Presented by ULI Charlotte and the Center for Real Estate at UNC Charlotte**



# “Navigating Private Equity Capital” Symposium

## “CEO Panel” on Current Private Equity Capital Trends

Moderator: Dr. Steven Ott, UNC Charlotte, Center for Real Estate

Panelists: Clay Grubb, Grubb Properties  
Tom Sittema, CNL Real Estate  
Arthur Nevid, Mountain Real Estate Capital  
Darryl Dewberry, Spectrum Properties



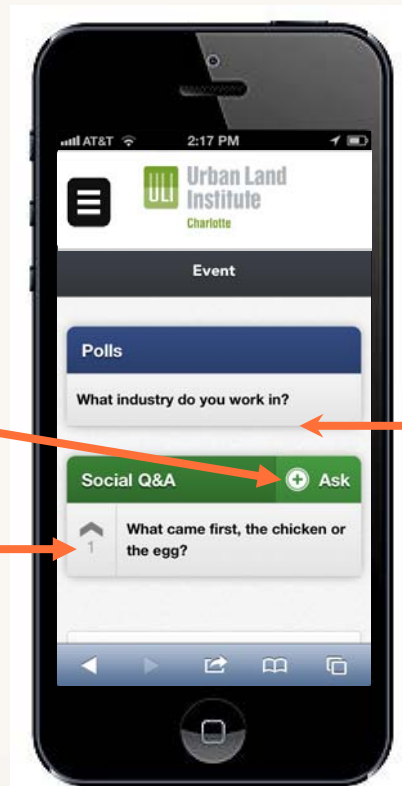
Event website: <https://uli.cfn.io>

**Presented by ULI Charlotte and the Center for Real Estate at UNC Charlotte**

# <https://uli.cnf.io>

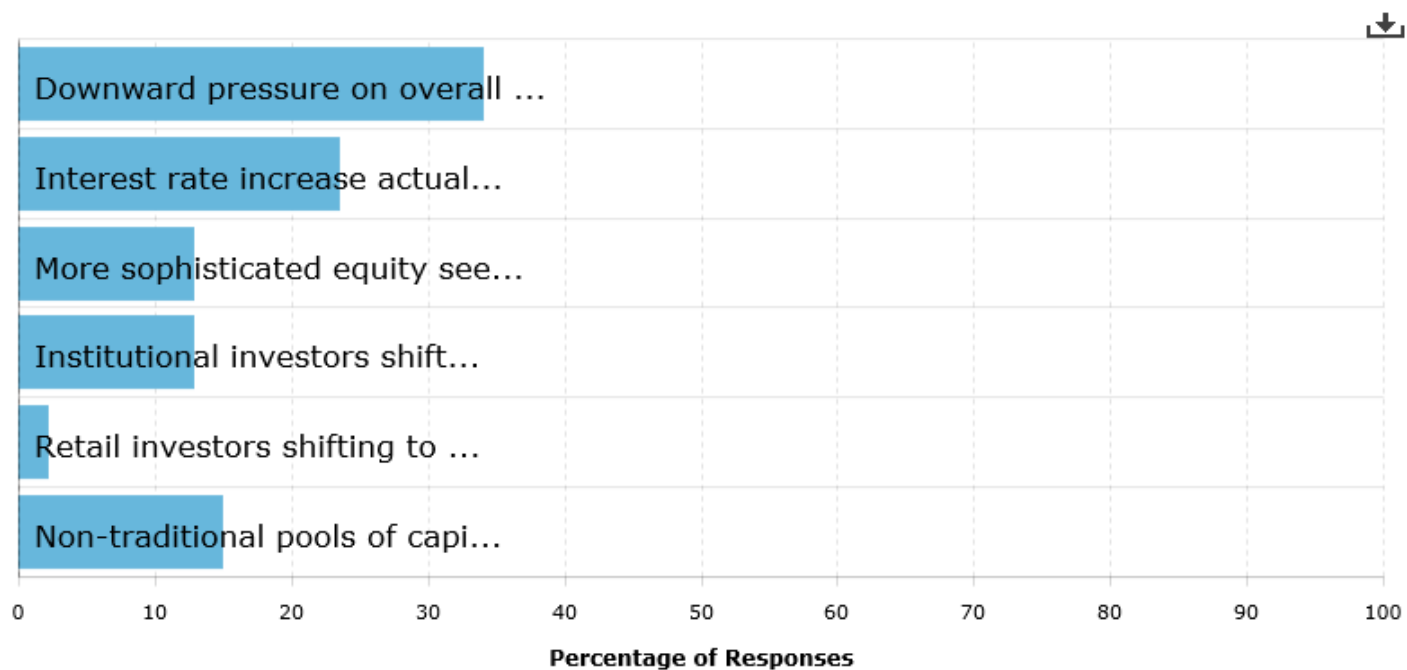
Ask a Question

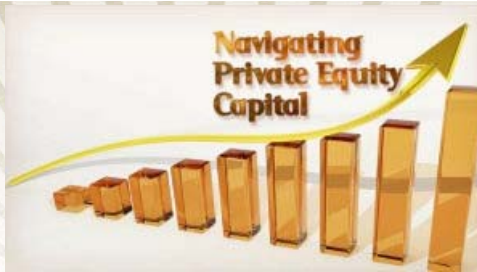
Vote for a Question



Click / Tap on  
Each Poll to  
Respond

## First Impression: Which of the following capital trends will be most important in 2015-2016?





# WELCOME TO THE "NAVIGATING PRIVATE EQUITY CAPITAL" SYMPOSIUM APRIL 22, 2015



**Presented by ULI Charlotte and the Center for Real Estate at UNC Charlotte**