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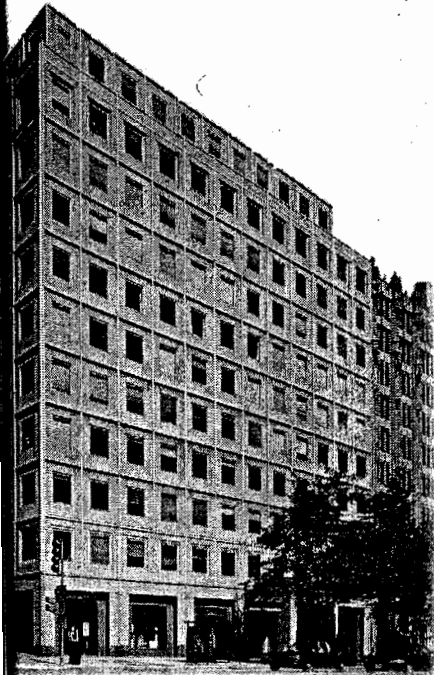
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Within a year, the company will replicate its successful Laurels, a 98-unit assisted living residence, and the Haven, a 48-unit dementia care residence, in Columbia and Greenville, S.C.; Baton Rouge, La.; and San Antonio.

In Texas, the company plans to take over and renovate an existing assisted living facility that it will operate as a Haven and build another Haven.

In Charlotte, the company proposes to build a Haven in Highland Creek, where it has a Laurels facility. The Laurels there is 50 percent occupied and is expected to be full within the year, Lyles says.

That's in addition to The Laurels and The Haven in The Village at Carolina Place in Pineville, which the company owns and operates.

The 11 new projects are part of Resources for Senior Living's aggressive plan that calls for it to expand into 11 states from Virginia to Texas, Lyles says.

He says he and company co-founder Jonathon Howard chose those states for three reasons: They're nonunion states, they're expected to see strong growth and they are within a three-hour plane trip from Charlotte.

The company plans to open a regional office in Texas in 12 to 18 months, then add a regional office in Florida within two to three years.

■ HOUSTON

... **SIMMONS VEDDER & CO.**, an Austin, Texas-based developer with a penchant for suburban office projects, is under contract to purchase the 84-year-old Gulf Publishing Co. building on Allen Parkway with plans for a 34-story residential tower on the site.

This would be the first multifamily development for Simmons Vedder, which recently created a residential division to launch the new project, says vice president John McKinnerney.

"We own several apartment deals in different partnerships, but this is our first residential development," he says.

The firm has hired a former Gables Residential executive to head the new division. Rick Craig, a one-time development partner at Atlanta-based Gables, joined Simmons Vedder in April.

McKinnerney did not reveal specific details on the project, other than saying it could be built up to a soaring 34 stories. The only other inner-loop residential building that climbs as high is The Huntingdon, a posh condominium development built in 1983 located near the intersection of Kirby Drive and San Felipe.

McKinnerney says the firm has not yet decided whether the project will offer rental or for-sale units.

McKinnerney would not disclose the exact amount Simmons Vedder is spending on the site, which is a little more than two acres, but he concedes it is in the range of \$45 per square foot. The sale, which could

for rent," says Zigler. "But it probably could work either way if you had the right property."

■ MINNEAPOLIS

... Foreclosure of major office buildings is rare in an otherwise healthy commercial real estate market

The mortgage holder for **PIPER JAFFRAY TOWER** in downtown Minneapolis has foreclosed on the building, an occurrence that's extremely rare for a major office tower in these heady times for the real estate industry.

TIAA-CREF, which owns high-end office buildings in Bloomington and was one of the financiers of the Mall of America, now owns the building, says Tom Pinto, a spokesman for the investor. The former owner, a limited partnership affiliated with JMB Realty of Chicago, defaulted on the mortgage it had with TIAA-CREF.

"As is inevitable with such a large pension system [as TIAA-CREF], there are foreclosures," Pinto says. "We aren't forced to sell the property. We can hold it until an appropriate time when a sale would reap us a gain."

The JMB-syndicated partnership purchased the building around the time it was constructed in 1985, according to local industry sources. The building was financed at a time of double-digit interest rates and was highly leveraged, and the owner couldn't carry the debt, said a source familiar with the deal.

The owner started defaulting on the loan some years ago, the source said. The building's foreclosure proceedings were accelerated when, in 1997, the firm now known as U.S. Bancorp Piper Jaffray, the tower's anchor tenant, announced it would move to the now-named U.S. Bancorp Center on Nicollet Mall downtown.

"This is really just an echo, or an after-shock, of what happened in the early '90s," says Jim Gearen, a principal in the Minneapolis office of Chicago-based Zeller Realty Corp.

At that time, real estate markets across the country crashed, and the Twin Cities was no exception. The crash, due in part to overbuilt commercial real estate markets, resulted in plummeting rental rates. As many property owners struggled to pay back expensive loans from the 1980s, foreclosures swept through the industry.

What kept the Piper Jaffray Tower's owner afloat for so long was TIAA-CREF's willingness to work with the partnership and the above-market rental rates paid by now U.S. Bancorp Piper Jaffray, Gearen says.

■ ORLANDO, FLA.

... Defense contractor **LOCKHEED MARTIN** has quietly sold 56 acres near its east Orlando facility for \$8 million.

The buyer: PTC Enterprises, which is owned and operated by Pat Christiansen, a lawyer with Akerman Senterfitt [CONTINUES]

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■ CHARLOTTE, N.C.

... **RESOURCES FOR SENIOR LIVING** has received a \$25 million equity infusion that will fuel an 11-project expansion in four states.

The 5-year-old Charlotte firm has formed an equity joint venture with William E. Simon & Sons Realty, a private investment company with offices in Los Angeles and Morristown, N.J., to provide financing needed to start projects in Texas, Louisiana, South Carolina and Charlotte, says principal Lee Lyles.

Within a year, the company will replicate its successful Laurels, a 98-unit assisted living residence, and the Haven, a 48-unit dementia care residence, in Columbia and Greenville, S.C.; Baton Rouge, La.; and San Antonio.

In Texas, the company plans to take over and renovate an existing assisted living facility that it will operate as a Haven and build another Haven.

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■ HOUSTON

be in excess of \$4 million, is expected to close this month.

Richard Zigler, director of research for real estate consulting firm O'Connor & Associates, says it can be difficult financially to do a for-rent project on a high-profile piece of land.

"Not that it can't be done, but the rents necessary for doing a highrise, where land costs are not cheap, need to be \$2 a foot, and that's higher than most everything we have in Houston. It seems to make more sense to do condos than for rent," says Zigler. "But it probably could work either way if you had the right property."

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