

# The Franklin

Regulation Crowdfunding



Goal: up to \$900,000

**Equity**

**8% Preferred Return**

**60/40 Profit Split**

Indicate Interest  
(<https://vicinitycapital.com/oi-fred/>)

## Coming Soon!

**Start date:** October 17, 2022

**End date:** November 18, 2022

Welcome! This page provides information about our project. We are collecting indications of interest for a potential capital raise through Regulation Crowdfunding. Please reference important guidance regarding Rule 206 under the Disclosures section below.

[The Deal](#)   [Shop Talk](#)   [Local Buzz](#)   [Q & A](#)

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## Why fund our local story

### Highlights

- Historic Building with the National Register
  - Planned tax credits as a portion of the investor returns
  - 8% preferred return and target IRR of 24%
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# Overview

## Project Summary

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Franklin Real Estate Development (FRED) is pleased to offer The Franklin, a historic rehabilitation office project for investment.

Built in 1917, the site is currently an existing home converted into private offices. Plans for the building include a full historic rehabilitation, renovation, and the addition of a redesigned parking lot.

Preserving and highlighting the building's original character and grit, FRED is creating a one-of-a-kind environment for the next generation to enjoy this historic site.





## Inspired by Tradition

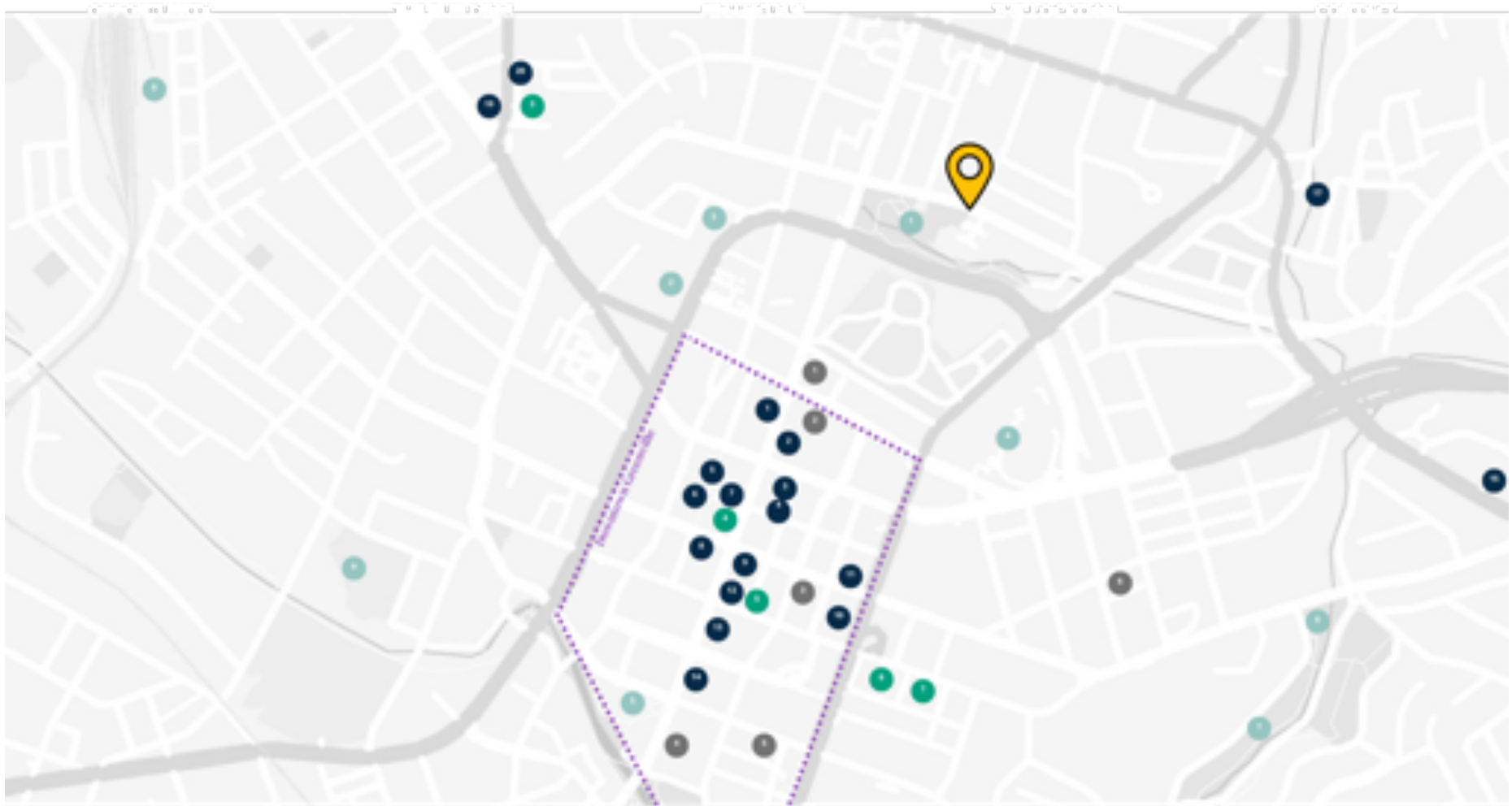
Listed on the National Register of Historic Places, the project will undergo a full-scale restoration, renovation, and addition per the National Park Service's standards. FRED is expecting to secure Federal and State historic tax credits for the project. An addition will be constructed to accommodate a break room, additional offices, and ADA-accessible restrooms on the first floor. The building's original windows will be carefully restored and reinstalled during the renovation.



## Energized by Access

The project sits atop Greenville's growing downtown, within walking distance to restaurants and lodging as well as attractions like the Children's Museum and Greenville Museum of Art. The building overlooks the beautiful

attractions like the Children's Museum and Greenville Museum of Art. The building overlooks the beautiful McPherson Park which was recently renovated, including a walking path, miniature golf greens, and tennis courts.



## DINING

- Jersey Mike's
- Roost
- Maple Street Biscuit
- Ink N Ivy
- Sassafras Southern Bistro
- Tupelo Honey
- Cantina 76

- Trappe Door
- Sully's Steamers
- Yee Haw Brewing
- Fireforge Crafted Beer
- Sticky Fingers
- Carolina Ale House
- Grill Marks
- Willy Taco

- Universal Joint
- Tetrad Brewing Co
- Moe's Original BBQ
- McDonald's
- Arby's

## RETAIL

- Harris Teeter
- Shell

- Quik Trip
- Mast General Store
- CVS
- Publix
- Staples

## LODGING

- Home2Suites by Hilton
- Hyatt Regency

- Springhill Suites
- AC Hotel by Marriott
- Hyatt Place
- Pettigru Place B&B

## ATTRACTIONS

- McPherson Park
- Children's Museum
- Greenville Museum of Art

- Bon Secours Wellness Arena
- Peace Center Concert Hall
- Cleveland Park
- Greenville Zoo
- Greenville Amtrak Station
- Unity Park

## Enlivened by Vibrancy

Offices will be rented individually, with all expenses and amenities included in the rent. Tenants will have access to updated bathrooms and a generously sized break room. Each office will be private, spacious, and comfortable, finished with historic features and stately glass doors.

## Elevated by Engineering

The offices will be acoustically insulated, a feature almost unheard of in the Greenville area. This creates a welcome haven for businesses such as therapists and attorneys where privacy is critical. While co-working spaces abound, sound-conscious offices like The Franklin have become a rarity.

## Plans and Perks

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### Construction plans

FRED's plan is to close on the project in Q4 2022. We will continue leasing to existing tenants for a few months until historic tax credits are secured and tenants are relocated. Once credits and relocations are complete, then we will proceed with the rehabilitation of the property. The goal is to complete construction within 7 months of "breaking ground" and plans to have the building fully leased upon project completion.

### Target Tenants

Marketing is focused on professionals with established businesses that need private, high-end office space and require a downtown location.







Gross Rents will start at \$1,200 monthly and up to \$2,000 monthly for larger offices. As part of the financing of this project, FRED will be occupying at least 50% of the building. This provides investment partners with a built-in tenant for half of the building rent income.

In addition to 50% pre-leased to FRED, we are already in discussion with multiple tenants for the offices and are confident in pre-leasing the remaining space well before the project's completion.

## Tax Credits

The Franklin plans to apply a mix of state and federal historic tax credits for local investors. Investors may be able to use these tax credits dollar-for-dollar against their income tax liability.

All historic tax credits received will be treated as a return of capital, increasing the target return for the project. For further clarity, investors may reference the pro forma below which incorporates the tax credits as being used.

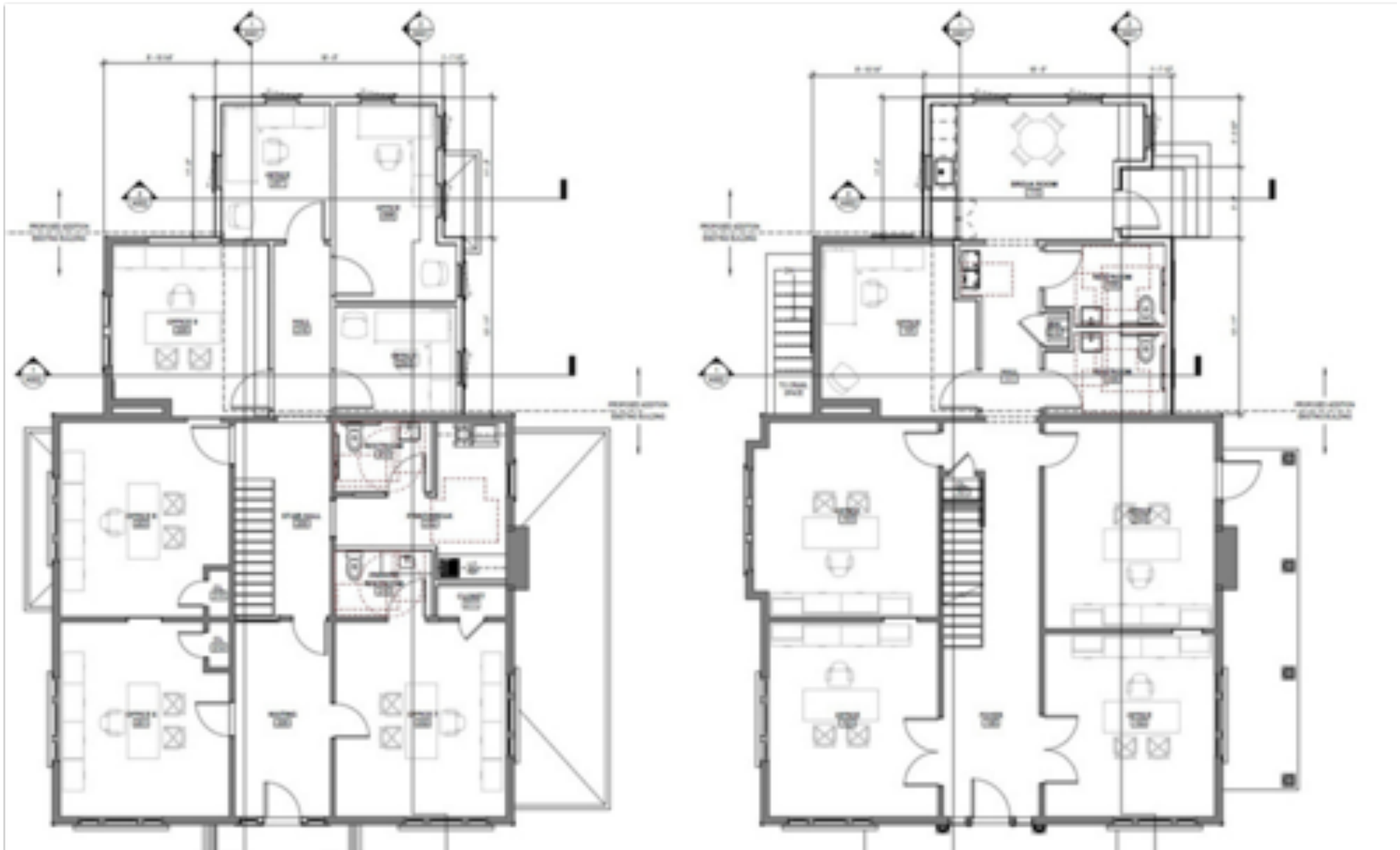
*\*None of these descriptions should be construed as investment, tax, or accounting advice. Please consult your CPA for advice and details on your specific tax liability.*

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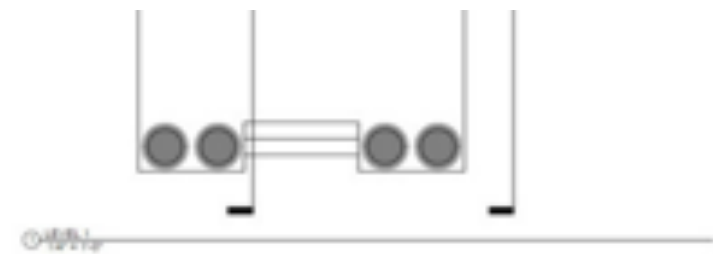
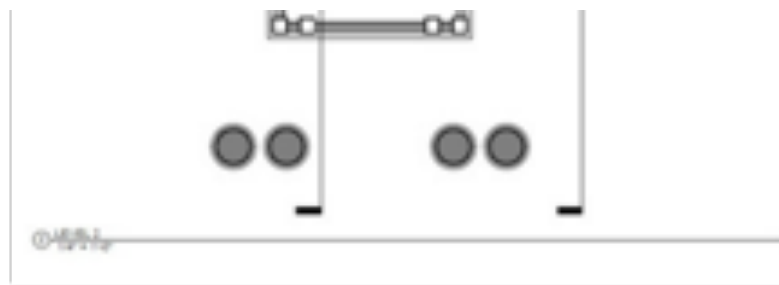
# Floorplans & Elevations

## Floorplans

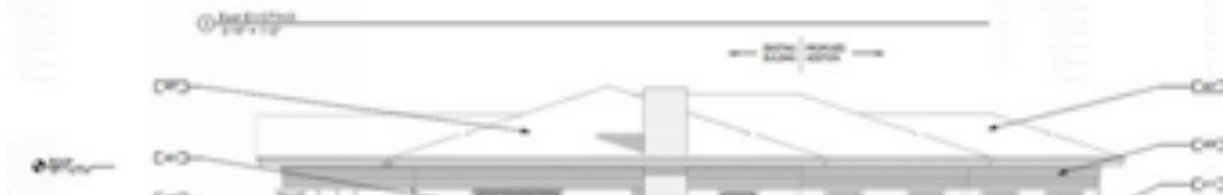
The upstairs and downstairs floorplans allow for a variety of office sizes and layouts.







## Elevations





## Site Plan





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## Investment Summary

### Proposed Terms

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- This offering is planned as an **equity** offering
- Amount: up to **\$900,000**
- **8%** Preferred Return, compounded annually
- **60%/40%** Split between Investor/Sponsor on profits
- **75%/25%** Split between Investor/Sponsor at Capital Events
- Loan Assumptions:
  - **60%** Loan-to-Cost
  - **5.5%** Interest Rate
  - **10-year** term at **20-year** amortization

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## Our People



## **Kurt Wallenborn, MRED, Developer**

Kurt Wallenborn, MRED (Clemson University) has over a decade of experience in commercial real estate development. He's successfully managed ..

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# Financial Highlights

## Analysis

Financing		
Loan To Cost		60%
Property Cost	\$	2,482,189
Loan Amount	\$	1,489,313
Preferred Return		8%

Assumptions		
Vacancy		5.00%
Expense Growth		2.00%
Brokerage Fees		3.00%
Operating Expenses Total	\$	38,200
Operating Expenses PSF	\$	10.86
Reserves/SF/Yr		\$0.20
Sale Year		10

Reversion		
Cap Rate		5.50%
Sales Price	\$	3,745,215
Selling Expenses		7.00%
Net Sale Price	\$	3,483,050

**107 East Park Ave, Greenville, SC 29601**

Total Current Building SF	2,677
Addition SF	840
Total Building SF	3,517
	\$ 398.07

Capital Stack		
Investor Equity	\$	893,588
Sponsor Equity	\$	99,288
Debt	\$	1,489,313
Equity Required	\$	992,875
Investor Equity	\$	893,588
Sponsor Equity	\$	99,288
Historic Tax Credits	\$	561,492
Investor %		90%
Investor Equity	\$	893,588
Sponsor %		10%
Sponsor Equity	\$	99,288

Mortgage Balance	\$	943,992
Net Sales Proceeds	\$	2,539,057

## Pro Forma

187 East Park Ave, Greenville, SC 29601

Pro Forma

	1	2	3	4	5	6	7	8	9	10
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Potential Gross Income										
Office Income	\$ 212,100	\$ 217,403	\$ 222,838	\$ 228,409	\$ 234,119	\$ 239,972	\$ 245,971	\$ 252,120	\$ 258,423	\$ 264,884
Total Gross Income	\$ 212,100	\$ 217,403	\$ 222,838	\$ 228,409	\$ 234,119	\$ 239,972	\$ 245,971	\$ 252,120	\$ 258,423	\$ 264,884
Less Vacancy	\$ (10,605)	\$ (10,870)	\$ (11,142)	\$ (11,420)	\$ (11,706)	\$ (11,999)	\$ (12,299)	\$ (12,606)	\$ (12,921)	\$ (13,244)
Effective Gross Income	\$ 201,495	\$ 206,532	\$ 211,696	\$ 216,988	\$ 222,413	\$ 227,973	\$ 233,672	\$ 239,514	\$ 245,502	\$ 251,640
Less Operating Expenses	\$ (38,200)	\$ (38,964)	\$ (39,744)	\$ (40,538)	\$ (41,349)	\$ (42,176)	\$ (43,020)	\$ (43,880)	\$ (44,758)	\$ (45,653)
Total Operating Expenses	\$ 38,200	\$ 38,964	\$ 39,744	\$ 40,538	\$ 41,349	\$ 42,176	\$ 43,020	\$ 43,880	\$ 44,758	\$ 45,653
NOI	\$ 163,295	\$ 167,568	\$ 171,952	\$ 176,450	\$ 181,064	\$ 185,797	\$ 190,653	\$ 195,634	\$ 200,744	\$ 205,987
Less Capital Expenditures										
Leasing Commissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserves	\$ (535)	\$ (535)	\$ (535)	\$ (535)	\$ (535)	\$ (535)	\$ (535)	\$ (535)	\$ (535)	\$ (535)
Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (7,500)	\$ -	\$ (5,000)	\$ -	\$ (4,500)	\$ (3,500)
Vicinity Project Support	\$ (3,600)	\$ (3,600)	\$ (3,600)	\$ (3,600)	\$ (3,600)	\$ (3,600)	\$ (3,600)	\$ (3,600)	\$ (3,600)	\$ (3,600)
Total Capital Expenditures	\$ 4,135	\$ 4,135	\$ 4,135	\$ 4,135	\$ 11,635	\$ 4,135	\$ 9,135	\$ 4,135	\$ 8,635	\$ 7,635
Cash Available for Debt Service	\$ 159,159	\$ 163,433	\$ 167,817	\$ 172,314	\$ 169,428	\$ 181,662	\$ 181,517	\$ 191,499	\$ 192,109	\$ 198,351
Less Debt Service	\$ (122,938)	\$ (122,938)	\$ (122,938)	\$ (122,938)	\$ (122,938)	\$ (122,938)	\$ (122,938)	\$ (122,938)	\$ (122,938)	\$ (122,938)
Interest	\$ (80,862)	\$ (78,489)	\$ (75,981)	\$ (73,333)	\$ (70,535)	\$ (67,579)	\$ (64,456)	\$ (61,157)	\$ (57,672)	\$ (53,991)
Principal	\$ (42,075)	\$ (44,449)	\$ (46,956)	\$ (49,605)	\$ (52,403)	\$ (55,359)	\$ (58,482)	\$ (61,780)	\$ (65,265)	\$ (68,947)
Cash Available for Distribution	\$ 36,222	\$ 40,495	\$ 44,879	\$ 49,377	\$ 46,491	\$ 58,724	\$ 58,580	\$ 68,561	\$ 69,171	\$ 75,434
Yield	6.58%									
Project IRR (Unlevered)	9.82%									
	\$ (2,482,189)	\$ 163,295	\$ 167,568	\$ 171,952	\$ 176,450	\$ 181,064	\$ 185,797	\$ 190,653	\$ 195,634	\$ 200,744
Levered IRR	25.41%									
	\$ (431,384)	\$ 36,222	\$ 40,495	\$ 44,879	\$ 49,377	\$ 46,491	\$ 58,724	\$ 58,580	\$ 68,561	\$ 69,171
Return on Equity	8.40%									
NPV	\$ 863,843									
DSCR	1.33									

## Docs

## Rent Roll

Download

(<https://api.norcapsecurities.com/tapiv3/index.php/Stamp/PDF/RnJhbmtsaW4gUmVhbCBFc3RhdGUgRGV2ZWxvcG1lbnQ=/kxtl151022043541.pdf>)

## Analysis Details

Download

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## Waterfall

Download

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## Distributions

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# Risks

Investing carries general risks, such as losing all the money you invest. Some key risks will be listed below. Additional general and project-specific risks may be detailed here if the Regulation Crowdfunding securities offering goes live.

You can learn more about the risks of investing through Vicinity here (<https://vicinitycapital.com/faq-investors/>).

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# Disclosures

This is not currently a live securities offering.

- No money or other consideration is being solicited, and if sent in response, will not be accepted.

- No offer to buy the securities can be accepted and no part of the purchase price can be received until the offering statement is filed and only through an intermediary's platform.
  - A person's indication of interest involves no obligation or commitment of any kind.
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([https://www.linkedin.com/checkpoint/challengesV2/AQF99aCofJrqrQAAAXOVh-UX38y0514ldU4xPu\\_Sc42WYUMFqGWopqil1D6V3rIDdIENihrQcaOUy65qDyo1U2O6\\_X\\_alq0zaQ](https://www.linkedin.com/checkpoint/challengesV2/AQF99aCofJrqrQAAAXOVh-UX38y0514ldU4xPu_Sc42WYUMFqGWopqil1D6V3rIDdIENihrQcaOUy65qDyo1U2O6_X_alq0zaQ))

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