

# ULI DEVELOPMENT CASE STUDIES

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## 10 Storehouse Row

**North Charleston, South Carolina**

Project Type: **Mixed Use—Three Uses or More**

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### PROJECT TYPE

A warehouse on what used to be the Charleston Navy Yard in North Charleston, South Carolina, has been transformed into 10 Storehouse Row, a 38,000-square-foot (3,530-sq-m) mixed-use project. The structure is part of the Navy Yard at Noisette, a 340-acre (137.6-ha) adaptive use of the original Navy Yard, and is, in turn, part of the larger 3,000-acre (1,214-ha) Noisette community redevelopment project. Retaining many of the building's original historic features, 10 Storehouse Row includes new, environmentally friendly additions such as two-button flush toilets, eco-friendly paints, and high-efficiency lighting controlled by timers and photocells. The project comprises artist studios, a restaurant, retail, and offices as well as space for the American College of the Building Arts.

### LOCATION

Inner Suburban

### SITE SIZE

1.32 acres/0.53 hectare

### LAND USES

Office, School, Art Studios, Restaurant

### KEY FEATURES

- Adaptive Use
- Historic Preservation
- Infill Development



- Military Installation Redevelopment
- Public/Private Partnership

### ADDRESS

2120 Noisette Boulevard  
North Charleston, South Carolina



### WEB SITE

[www.navyyardsc.com](http://www.navyyardsc.com)

### DEVELOPER

The Noisette Company  
North Charleston, South Carolina  
843-302-2100  
[www.navyyardsc.com](http://www.navyyardsc.com)



### ARCHITECT

BNIM Architects  
Kansas City, Missouri  
816-783-1500  
[www.bnim.com](http://www.bnim.com)

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## GENERAL DESCRIPTION

A 38,000-square-foot (3,530-sq-m) adaptive use of a warehouse in the heart of the Charleston Navy Yard Historic District, 10 Storehouse Row is a part of the Navy Yard at Noisette. The Charleston Navy Yard was a bustling military village during the two world wars, but was closed in the mid-1990s as part of the U.S. Department of Defense's Base Realignment and Closure Act. Now, the Noisette Company is redeveloping the Navy Yard as a 340-acre (137.6-ha) community within the broader 3,000-acre (1,214-ha) Noisette community, which is the result of a public/private partnership with the city of North Charleston.

The Noisette Company transformed 10 Storehouse Row, one of the first redevelopment projects within the Navy Yard, from an industrial warehouse into a building arts and design center. Constructed in 1939, the historic warehouse was strategically selected for its central location, was programmed to be a vibrant urban center, and has subsequently proven to be a catalyst for the community's maturation into a mixed-use urban arts hub. Now on the National Register of Historic Places, 10 Storehouse Row is home to an arts college, professional design offices, art studios, a small restaurant, and 5,000 square feet (2,023.4 sq m) of community event space. Since they became available for occupancy in March 2007, there has been a continuous wait list for the art studios.

## THE SITE

Storehouse Row encompasses a group of historically significant naval buildings on Noisette Boulevard in the center of the Charleston Navy Yard. The #10 building was constructed in 1939 under President Franklin Delano Roosevelt's public works program as a distribution center. Freight trains entered the western, narrow end of 10 Storehouse Row and a 25-ton crane moved cargo onto trucks that accessed the building through one of 15 garage doors. The building and the land that it stands on were previously owned by the U.S. Navy. After the U.S.

Department of Defense elected to close the Charleston Navy Yard in 1993, ownership was transferred first to the South Carolina State Redevelopment Authority, then to the city of North Charleston, and finally to the Noisetette Company.

The northern side of 10 Storehouse Row is bordered by a string of additional historic warehouses. The Noisetette Company moved its headquarters to 7 Storehouse Row and as of January 2009 plans to convert several of the neighboring structures into for-sale lofts over office space. A modern office building, constructed in 1996, borders the southern edge of the property. The South Carolina Department of Health and Environmental Control and the Berkeley-Charleston-Dorchester Council of Governments are located here. As of January 2009, two surface parking lots line the western edge of Storehouse Row, though these are slated for future mixed-use development. The Noisetette Company's property line runs down Hobson Street, which lies directly east of 10 Storehouse Row. Across the street, a private repair yard continues to service ships. Though much smaller now than during its booming world war years, the repair yard continues to draw approximately 2,500 people to the area each weekday. Empty shipyard buildings are leased by their private owners. This has resulted in several high-end art studios adjacent to 10 Storehouse Row.

## **BACKGROUND AND DEVELOPMENT PROCESS**

The first English settlers in the Noisetette area were traders, shipbuilders, and farmers who settled along the Cooper River. Meeting Street was built to provide the settlers with easier access to Charleston's harbor—the second-busiest port on the Atlantic seaboard today. The street also served as an evacuation route when union forces occupied Charleston in 1865. The earliest rail line was laid parallel to the street in 1830.

Named for noted 18th-century botanist Philippe Noisetette, Noisetette is a 3,000-acre (1,214-ha) redevelopment of North Charleston's historic center. The Noisetette community boundaries are similar to those that defined North Charleston when the municipality was incorporated in 1972, before its sprawling expansion. The Noisetette Company's cofounders, John Knott and James Augustin, formed a public/private partnership with the city of North Charleston during the late 1990s to revitalize the historic city core. The Noisetette Company led the master-planning effort, even though it owns only 340 acres (137.6 ha) of the old naval base property. Plans for the integrated restoration of the larger Noisetette site (which is considered a "city within a city") are founded on principles of sustainable community development—including the preservation history, embracing neighborhood diversity, promoting creative arts, attracting jobs, improving services such as education and health care, providing multiple modes of transport, eliminating crime and poverty, conserving natural resources, and utilizing renewable energy. The master plan was presented to the city of North Charleston in December 2003 and accepted early in 2004.

The Noisetette Company purchased its aforementioned 340 acres (137.6 ha) of the former naval base in several phased acquisitions between 2003 and late 2006. Formally called the Navy Yard at Noisetette, the Noisetette Company's holdings are located at the southeast corner of Noisetette. To utilize the large stock of historic structures, redevelopment of the Navy Yard began along the Storehouse Row corridor. Noisetette is now home to 56 buildings on the National Register of Historic Places, with approximately seven of them on the Navy Yard property, including 10 Storehouse Row.

The revitalization of 10 Storehouse Row commenced after the newly formed American College of the Building Arts (ACBA) expressed a need for space in which to house its training studios. The Noisetette Company agreed to provide approximately 20,000 square feet (1,858 sq m) for administrative offices and studios in the east half of the structure, but was challenged to meet the ACBA's timeline. The college required that the shops be available for use by its inaugural class in mid-August 2005. To accommodate this schedule, Bovis Lend Lease, the construction manager, phased the building in two halves. The ACBA's east side of the building was completed on time and the west half of the structure (designated public galleria to house a combination of professional design offices, artist studios, and a small restaurant space) was available for occupancy in March 2007.

The location of 10 Storehouse Row in the heart of the Navy Yard was seen as ideal for recruiting business and hosting community events. With the Noisetette Company describing it as the "urban clubhouse" of the Navy Yard, 10

Storehouse Row provides a place for North Charleston's residents to gather. The building is intended to embrace and integrate art, history, culture, diversity, and green design under one roof.

## PLANNING AND DESIGN

When the Noisette Company acquired it, 10 Storehouse Row was being used as a neglected, low-rent warehouse. The Noisette Company, however, saw potential in the historical structure, despite its dingy appearance. The entire shell and steel structure of the building were preserved as were the bridge crane, side garage doors, clerestory windows, and the train tracks leading to the front door. Old vent hoods are now used to aerate the ACBA's ironwork projects. The 10 Storehouse Row project received the 2008 Honor Award from the Palmetto Trust for Historic Preservation and the South Carolina State Historic Preservation Office.

The redesign of 10 Storehouse Row maximizes natural light throughout the building. Transparent and translucent materials are often used for partitions, while skylights run along the ceiling of each creative arts studio. The team removed recent office additions as they were not historically significant and created new professional office spaces inspired by the big wood shipping crates that were once stored in the building. Forest Stewardship Council-certified wood lines the office "storefronts" while artist studios are wrapped with corrugated metal, which is common in the Navy Yard. Both spaces have high visibility from the interior pedestrian walkways. Glass doors, large six-foot-by-six-foot (1.83-m-by-1.83-m) windows, and hanging store signs are intended to create a Main Street ambience within the building. Tenants are encouraged to display their art on permanent wall hangers in the commons areas.

The 35-foot-high (10.7-m-high) ceilings challenged the development team to devise a creative solution for heating and cooling the building. Suspecting that traditional systems would be wasteful and ineffective within 10 Storehouse Row, the team decided to heat and cool only the smaller, contained spaces. Air in the art studios, offices, and restaurant is conditioned using a highly efficient central chilled water system. This could have been accomplished using a less expensive split system, but the team decided that a centralized system would preserve the historic integrity of the building better than individual units scattered around the site and on the roof. Large 12-foot-wide (3.7-m-wide) ceiling fans were installed in non-air-conditioned open areas and radiant heaters were placed in key locations for cooler months.

To preserve the environmental integrity of the building, 10 Storehouse Row uses waterless urinals, two-button flush toilets, and low-flow faucets to conserve water. High-efficiency lighting is controlled by timers and photocells, though during the day lights are usually unnecessary. Eco-friendly paints, finishes, and materials were used throughout the building, while outside the structure there is pervious pavement in the parking area (gravel derived from recycled materials), and native landscaping.

The east half of the building, which, as mentioned previously, is occupied by the ACBA, is physically separate from the rest of the structure by two shipping crates. Most of the ACBA's training space is open to the 35-foot (10.6-m) ceilings, though the louder building techniques are practiced in semi-enclosed workshops. The professional offices and restaurant line the exterior of the edifice while the creative art studios are located in the center of the west wing. Due to the space constraints of the infill site, construction was staged within the building and the artist studios were erected last.

The office leased by architecture and design firm McMillian, Smith and Partners is a pilot project for Herman Miller's Convia Programmable Infrastructure—an eco-friendly, flexible design system for commercial office spaces. The system allows the Noisette Company to dramatically change the office space without tearing down walls or rewiring. Using the system in the McMillian office eliminated the need for 56 linear feet (17 m) of drywall.

The parking ratio for 10 Storehouse Row is two spaces per 1,000 square feet (92.9 sq m). As of January 2009, tenants are provided with an ample supply in the two surface parking lots facing the entrance. When construction

begins on these two lots, the Noisette Company will provide parking elsewhere, and will eventually meet demand in below- or above-ground garages.

## **FINANCING**

The 10 Storehouse Row project required a little more than \$4 million to complete—\$450,000 to acquire the site, \$3.5 million in hard costs, and \$350,000 in soft costs including information technology; furniture, fixtures, and equipment; and professional fees.

The project used traditional debt financing with partner First Citizens Bank, while also receiving historic tax credits (syndicated with Cityscape). When certain benchmarks are met, the Noisette Company sells credits to Cityscape and gains equity for the project. These tax credits helped to cover much of the price increase seen with construction materials in 2005.

All of the net rentable area in 10 Storehouse Row is occupied as of January 2009, with annual rents between \$12 and \$15 per square foot (\$129.16 and \$161.45 per sq m). The average length of a lease ranges from one to three years. The artist studios are contracted on one-year leases at \$350 to \$675 per month, while the offices are contracted on three-year leases at \$14 to \$15 per square foot (\$150.69 to \$161.45 per sq m). There is an additional common-area management fee of \$4 per square foot (\$43 per sq m) per year.

## **MARKETING, MANAGEMENT, TENANTS, AND PERFORMANCE**

Intensive marketing efforts were not required to lease the unoccupied space in 10 Storehouse Row. With half of the building leased to the ACBA early on in the development process, approximately 20,000 square feet (1,858 sq m) was available to lease to other tenants. The Noisette Company held a few broker open houses with Palmetto Properties and ran a few articles in the *Charleston Business Journal*, but also received a lot of free coverage from the media and through word of mouth.

The west side of the building was fully leased within six months of being completed, with the exception of the restaurant space. The pioneering location made tenants leery, but the current tenant—a local restaurateur—regularly sees a packed café and a waiting line out the door. There is also a mobile food truck outside 10 Storehouse Row to satisfy overflow demand for the restaurant during peak hours. Selected for their work in the creative arts or built environment, tenants in the west side of 10 Storehouse Row include various design firms (apparel, interior, graphic design), as well as the Charleston Trident Homebuilders Association and the Low Country Housing Trust, a regional advocate for affordable housing.

The 10 Storehouse Row project is a financially successful one, though that is not the only factor by which the Noisette Company measures the project's success; 10 Storehouse Row also provides intangible benefits by creating a community gathering place, physically embodying the project's values, recruiting new tenants and residents, and garnering media attention for the broader Navy Yard project.

The project has very quickly become a central attraction for events in the region. On average, the building hosts four events per week during event season (September through May). The 5,000-square-foot (2,023.4-sq-m) community space is open to the public at variable rates per event. Nonprofit organizations receive a discounted rental rate and the building's tenants are able to reserve the space for free several times per year. The size of events ranges from small groups to more than 800 visitors. Typical gatherings include art exhibits, fundraisers, documentary screenings, silent auctions, hosted parties, school award ceremonies, chess tournaments, and wedding receptions. The Noisette Company continues to own and manage the building—which requires intensive management due to the mix of uses and historical elements—under 10 Storehouse Row, LLC, which is a separate entity.

## **EXPERIENCE GAINED**

Having proved to be a catalyst for the evolution of the Navy Yard, 10 Storehouse Row is an activity generator that has helped create a sense of community and has garnered free marketing attention for the Navy Yard. The small yet complex project required several creative maneuvers to achieve success:

- **Mixing unusual uses.** The North Charleston Building Department was involved early in the development process to help interpret the building code for the unusual mix of uses. Historic approval was awarded by the South Carolina Historic Preservation Office. In hindsight, the Noisette Company would have involved the State Historic Preservation Director earlier to avoid slight delays and rework.
- **A condensed schedule.** The development team was challenged to provide adequate space for the ACBA by its deadline. Bovis Lend Lease was able to phase construction accordingly, but the abbreviated time frame led to higher costs attributable to overtime hours and other time constraints. A longer timeline would have allowed for more time to design, construct, and compare material prices.
- **Unorthodox solutions to mechanical challenges.** The team was further challenged to heat and cool the large historic structure. Worried that it would be wasteful and ineffective to heat and cool the entire building, the team decided on a highly efficient central chilled water system. This decision has proven successful—maintaining a pleasant indoor environment year round while also preserving the historic integrity of the edifice.

PROJECT DATA	
LAND USE INFORMATION	
Site area (acres/hectares): 1.32/0.53 Number of on-site parking spaces: 12 Number of off-site parking spaces: 65 Floor/area ratio: 0.66	
GROSS BUILDING AREA (GBA)	
Use	Area (Gross Square Feet/Square Meters)
Office	8,250/766.5
Retail	3,000/278.7
American College of the Building Arts	17,000/1,579.4
Artist work/sell studios	3,000/278.7
Event space	5,000/464.5
Parking	2,150/199.7
Total gross building area	38,400/3,567.5
LAND USE PLAN	
Use	Percentage of Site
Buildings	95
Landscaping and open space	5
Total	100
OFFICE INFORMATION	
Percentage of NRA occupied: 100 Number of tenants: 14 Average tenant size (square feet/square meters): 750/69.7 Annual rents (per square foot/square meter): approximately \$12–\$15/\$129.17–\$161.46 net Average length of lease: 1–3 years	
<b>Typical Terms of Lease</b> Artist studios: one-year leases, \$350–\$675 per month	

Loft office spaces: three-year leases, \$14–\$15 per square foot (\$150.70–\$161.46 per sq m) with common-area maintenance pass-through for building expenses of approximately \$4 per square foot (\$43 per sq m) per year

Office Tenant Size	Number of Tenants
Under 5,000 square feet (464.5 sq m)	13
Between 5,000 and 10,000 square feet (464.5 to 929 sq m)	0
More than 10,000 square feet (929 sq m)	1
Total	14

## RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet/Square Meters)
Food service	1	900/83.6
Gift/specialty	3	1,050/97.5

Percentage of GLA occupied: 100

## DEVELOPMENT COST INFORMATION

**Site Acquisition Cost:** \$450,000\*

Construction costs: \$3,554,512  
 Telecommunications/information technology: \$10,313  
 Furniture, fixtures, and equipment: \$27,461  
 Professional fees: \$291,833  
 Other costs: \$28,854  
 Total: \$3,912,972

\* Approximate—part of larger Noisette acquisition.

## DEVELOPMENT SCHEDULE

Site purchased: July 2003  
 Planning started: August 2004  
 Construction started: April 2005  
 American College of the Building Arts space completed: August 2005  
 Preleasing started: December 2005  
 Core and shell completed: March 2006  
 Final tenant buildouts completed: March 2007

## DRIVING DIRECTIONS

*From Charleston International Airport:* Take International Boulevard south from the airport. Merge onto Interstate 526 heading east toward Mount Pleasant, then take exit 19 at Virginia Avenue. Turn right onto Virginia Avenue, and then, once Virginia Avenue ends, make a left into the Navy Yard at Noisette onto Noisette Boulevard. Stay on Noisette Boulevard and follow signs to Storehouse Row. After a four-way stop, look for the fifth building on the left: 2120 Noisette Boulevard. Parking is located across the street from 10 Storehouse Row.

*Driving time:* 10 minutes in nonpeak traffic.



David James Rose, copy editor  
Joanne Nanez, online production manager  
Ted Thoerig, editorial associate

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This Development Case Study is intended to serve as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI—the Urban Land Institute.

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1025 Thomas Jefferson Street, N.W., Suite 500 West, Washington, D.C. 20007-5201



Designed to be an “urban clubhouse” for the Navy Yard at Noisette—the 340-acre (137.6-ha) redevelopment of the Charleston Navy Yard in South Carolina—10 Storehouse Row comprises artist studios, a restaurant, retail, offices, and space for the American College of the Building Arts.





Courtesy of the Naisette Company, LLC

Constructed in 1939 to service the navy yard, the 10 Storehouse Row building is now on the National Register of Historic Places.



Courtesy of the Naisette Company, LLC

The eastern half of the project is used by the American College of the Building Arts for administrative offices and training studios.



The western half of the structure is home to professional design offices, artist studios, and a restaurant.

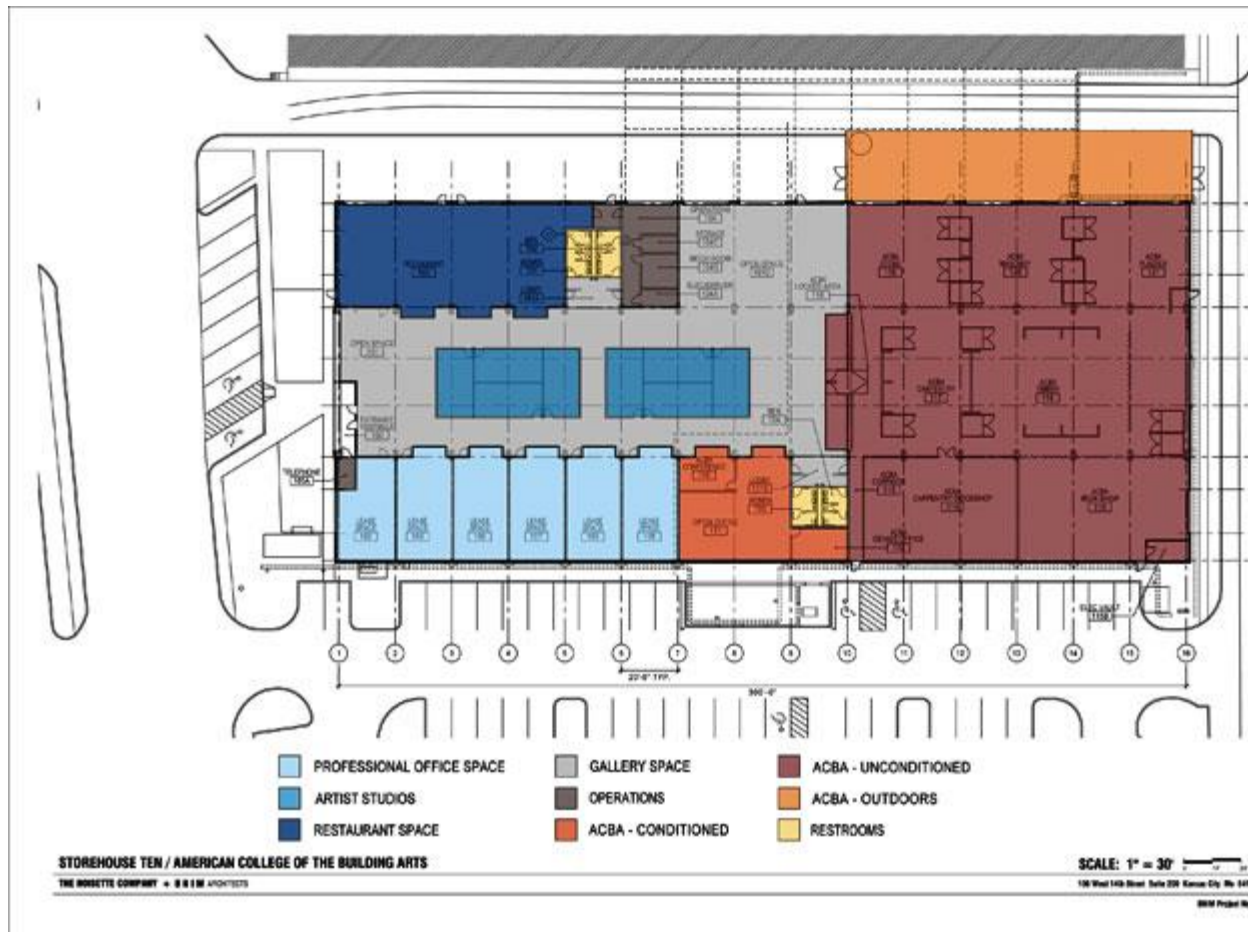


The building was renovated with the environment in mind. For example, the development team decided to heat and cool only the smaller enclosed spaces rather than the larger open spaces, which are characterized by 35-foot-high (10.67-m-high) ceilings.



The project also includes 5,000 square feet (2,023.4 sq m) of community space that is available to the public for events such as art exhibits, fundraisers, lectures, and wedding receptions.





10 Storehouse Row site plan.