

SETTING STORE IN DOWNTOWN

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A few days ago, developers Tom Prioreshi and Ron Mohling stood at the entrance of their newly completed condominium project on 1546 Main St. and greeted dapper Columbians who came - as one woman put it - because of the "downtown buzz."

For the developers, the 10-unit, upscale building in the old Silver's five-and-dime was their third downtown residential project.

In about a year, Capitol Places - the company Prioreshi owns with his wife, Madeline, and Mohling - will complete its most ambitious project, the developers said. The renovated Barringer building at 1338 Main St., which houses offices on the bottom two levels, will offer about 75 apartments on the top 10 floors. For many years, despite city encouragement - the lure of no-interest loans and other incentives - developers avoided downtown, said Jim Gambrell, Columbia economic-development director.

"Everyone said there was no way apartments could work down here, and we had a hard time getting our first project financed," Mohling said.

Now, with Capitol Places' three buildings nearly full, other developers and investors see the potential of downtown.

"I think there's going to be great demand in the downtown market for the foreseeable future," said Andy Walker of Bollin-Ligon Realtors, who is not invested in the area.

A GHOST TOWN'S POTENTIAL

When Prioreshi, an Ohio native, was getting started on his first Main Street project - 31 apartments in the old Kress building - he ran into the same question over and over from potential investors.

" 'Who would want to live downtown?' people asked," Prioreshi said.

Perhaps because Prioreshi, like his partners, is not from South Carolina, he saw potential where others did not.

"Ten years ago, if you look at Main Street, the comparison is amazing," said Columbia Mayor Bob Coble. Belk "was empty, the Kress building was empty; so was Macy's and the Tapp's building - now they've all been redeveloped into commercial and residential space.

"Tom Prioreshi was the pioneer," Coble said.

Before Capitol Places' projects, city leaders had tried - and failed - to revitalize Main Street, Gambrell said.

In the early 1990s, a group from the Greater Columbia Chamber of Commerce visited Nashville for inspiration on building a "viable and active city center," he said.

In 1996, with the help of a Maryland urban-design firm, Columbia unveiled its City Center Master Plan. The plan, which concentrated largely on the Vista and downtown, stressed the importance

of bringing residential space downtown, ensuring good-quality development and beautifying Main Street, Gambrell said.

"The city has to be the catalyst," he said.

GETTING STARTED

The mid-1990s saw significant changes to the cityscape, reflecting the vision of city planners.

The Vista took off, thanks to residential spaces such as the Vista Commons on Pulaski Street and - more notably - the influx of restaurants and bars.

But aside from the odd restaurant - Mac's on Main, for instance - the offerings on Main Street were slim after dark.

Nationwide, however, Main Street was booming, as young professionals and baby boomers flocked back into city centers.

In the 1990s, cities as different as Baltimore and Greenville were being revitalized.

"It was a national trend that just hadn't hit Columbia yet," said Prioreshi, 65, who got to know South Carolina more than 20 years ago on business trips as operations director of International Paper in New York City.

"I was confident that it would, and that we could get it started," Prioreshi said.

Capitol Places I, the former Kress building at 1502 Main St., opened in 2000; Capitol Places II, the former Berry's on Main building at 1217 Taylor St., on the corner of Main, opened the next year.

Capitol Places' first three development projects - including Capitol Places III, the former Silver's building - cost \$7 million, Prioreshi said. Capitol Places IV, the reinvented Barringer building, will cost another \$7 million.

MOVING

Shopping for a home for more than a year, 35-year-old lawyer Dalhi Myers considered living in Forest Acres, the Northeast, Hopkins and Spring Valley.

"But I didn't want to be in the suburbs, really," she said. "It's too cookie-cutter."

Myers happened upon an artist's rendering of a Capitol Place building and contacted Prioreshi.

She rented a loft from the company until her condominium at Capitol Place III was ready.

"I'm single, I like the downtown, the quality of life, which I think is better here than in the Vista," Myers said. "You get more bang for your buck here."

It's less expensive to renovate old buildings - many of which have outlived their commercial use - than to build new ones, said David Lockwood, vice president of leasing at commercial real-estate firm Colliers Keenan.

"Whereas the old industrial spaces in the Vista are suited for restaurants and retail stores, the Main Street area is better suited for residential space," he said.

Columbia's downtown real estate is much cheaper than that in Charlotte or Atlanta, let alone New York or San Francisco.

Rental rates at Capitol Places' buildings range from \$550 for a studio to \$1,225 for three bedrooms, and the most expensive condominiums sell for \$300,000, Mohling said.

"People like me, when you're in your 30s or 40s and starting a family, you move out of the city, to Spring Valley or Wildewood," he said. "Now, these baby boomers are looking for smaller, high-quality town houses back in the city."

For young professionals, downtown also has its attractions.

"It's nice being able to walk three blocks and be at work," Myers said.

THE FUTURE

Though confident in their investments, Capitol Places' owners say they have yet to "get rich" off their Main Street projects.

"Main Street hasn't really taken off yet - we need a critical mass," Prioreshi said.

Main Street has about 200 residential units, including the 42 apartments in the old Tapp's building, developed by a Florida team, Prioreshi said.

"We need about 500."

As demand for residential spaces downtown rises, so does demand for office space.

In 2003, office occupancy rates downtown rose to 91.1 percent from 88.8 percent in 2002, Colliers Keenan reported. The other regions of the city covered in the report saw rates decline.

"They feed off one another," said Lockwood of Colliers Keenan. "The residential units attract the population; people want to live and work in the same area and that should continue for the foreseeable future.

"And as more jobs are created downtown - like what we'll see when the (350,000-square-foot) Meridian building opens downtown - this will only reinforce the trend."

That's what downtown businesses and city government are betting.

By taxing themselves - about 16 cents per \$100 of appraised worth - downtown businesses created the City Center Partnership to provide security and cleaning services in the area, said executive director Matt Kennell.

And the city will invest \$12 million in an infrastructure and beautification project for Main Street later this year, Gambrell said.

The city is in the final decade of a three-decade transition, Lockwood said.

"First, we had the retail stores close down; then, we saw entertainment and restaurants come, mainly in the Vista; now, we're just starting to revitalize the residential space on Main Street," he said. "We're a growing population and there's no going backwards."

That's especially true for Capitol Places.

The owners say they're already planning their next Main Street project