



Daniel Corp Joins Work on Posh Resort in Georgia *Reynolds Plantation Golf Resort Community Transfers Ownership*

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by Michael Tomberlin

BIRMINGHAM, Alabama -- Birmingham's Daniel Corp. is part of a high-profile, posh Georgia resort development deal that could be the biggest of its kind the Southeast will see this year and may signal a return of the second-home or new commuter markets, officials said.

Daniel is partnering with MetLife on the multi million-dollar deal that could close this summer. The two companies would own and manage the 10,000-acre Reynolds Plantation, a golf and lake resort community on Lake Oconee between Atlanta and Augusta that includes six championship golf courses, four full-service marinas, a Ritz-Carlton Lodge, 5,000 acres of undeveloped golf and lake-front property and 500 acres of commercial property.

The 27-year-old resort already has 3,800 condos, cottages and homes. John Gunderson, head of residential development for Daniel Corp., said in an interview the real estate downturn hurt sales at Reynolds Plantation and forced owner and developer Linger Longer Development Corp. to sell when it was unable to maintain debt payments on the project.

"We look at so many properties across the country and there are so few good opportunities still available that have a completeness to them that have been well managed even through the downturn and have all of the pieces in place to quickly bounce back," Gunderson said. "Reynolds Plantation is one of those properties that suffered the same market conditions a lot of communities did," but Gunderson said it was an established community before the downturn that it didn't suffer the same deterioration.

The actual financial terms and price are not being disclosed, but Charlie Tickle, chief executive of Daniel, said in an interview it may be the biggest deal the region will see in 2012.

"It's certainly a big deal for us and it is probably one of the largest if not the largest that will trade in the South this year," he said.

Tickle said the deal would not have been possible without MetLife's financial involvement. Daniel has worked with MetLife on a number of real estate development projects for the past 25 years. MetLife has a real estate portfolio of around \$60 billion.

"The financial institutions in the country that can step up and do the purchase of an asset this size are few," Tickle said. "We're fortunate that one of those is MetLife, a company we have a long history with."

Though Reynolds Plantation is massive in size, scope and complexity, it is like other Daniel Alabama development projects built around golf courses (Greystone in Hoover), or resorts and a luxury hotel with golf courses (Ross Bridge in Hoover) or even including all of those amenities along with condos and cottages and a marina (Colony at the Grand in Point Clear).

Daniel's projects have also included a mixture of uses from residential to office and retail and hospitality.

"It feeds into our commercial platform," Tickle said. "It touches all of the boxes for us."

Gunderson said the residential components are vast and varied. Some subdivisions within the project have lots ready to build on today while others can gradually take shape from scratch.

"It gives us a perfect combination of hitting the ground running with available inventory and then an entire canvas to paint on into the future," he said.

Gunderson said there are 34 miles of Lake Oconee waterfront property still undeveloped within Reynolds Plantation.

"It's exciting to get back into a highly-amenitized property with golf and lake and family-friendly activities," he said. "It goes to our sweet spot of how we do community development."

Other aspects of Reynolds Plantation are also familiar to Daniel.

"It falls right into the hart of our experience here with the Daniel team," Gunderson said. "That's true all the way down to the fact that some of the original designers of the golf courses at Reynolds Plantation were some of the same original designers of the courses at Greystone."

But Gunderson said the most important element of the deal may be timing. He said the segments of the residential market that were among the hardest hit -- vacation and secondary homes -- are heating back up.

"Some of the institutional investors like MetLife who are strategic, forward-thinking are starting to come out the woodwork to look at opportunities and trends we've been telling them are coming back into vogue," Gunderson said. "We're seeing health in the second home market, we're seeing health in the new commuter market and we're seeing a lot of health in the near-in resort communities and Reynolds Plantation fits all of those categories."

He said Reynolds Plantation includes a new charter school already that is already full and looking to expand and a new St. Mary's Hospital under construction. Those are elements that are helping draw more families into the community for primary residences.

After going through due diligence this summer and possibly closing by late summer, Gunderson said Daniel and MetLife can turn their attention to managing and developing the properties. He said the plan is to fold the existing property sales and

management team into Daniel.

“We feel very comfortable with the team that is there and feel we will be able to infuse the Daniel program and expertise into the existing team in a way that will leverage their on-site capabilities with a strategic eye on what we do best with the future direction of the property,” he said.

Though Daniel is best known for creating its own communities from the ground up, Tickle said the company is always looking for deals such as Reynolds Plantation.

“We’re looking for great opportunities where land like this can match up with great partners like MetLife,” he said. “This has the best of all of that.”