BUSINESS

Crescent Resources files for bankruptcy

Major Upstate land company blames problems on weak real estate market

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Crescent Resources, the land-management company that shaped much of Lake Keowee and the Upstate's surrounding mountain region, filed for bankruptcy protection on Wednesday in the wake of a weak real estate market.

The multi-state company, owned partly by Duke Energy and some of its subsidiaries, filed the Chapter 11 petitions in federal bankruptcy court in Texas on Wednesday in a move the company said is an effort "to reduce the company's debt level and improve its capital structure."

The company said in a statement Wednesday that it plans to continue business without significant interruption and will receive a $110 million infusion from existing lenders to support its business activities during the restructuring.

Meanwhile, Crescent's CEO — Arthur Fields — retired and will work with the company as an adviser, the company said. The company's chief restructuring officer, Andrew Hede, has taken over chief executive duties.

The company is seeking to "maintain key agreements" with employees, customers, vendors and partners" and intends to emerge from bankruptcy "quickly," Hede said.

"Despite the unprecedented challenges facing the real estate industry, we believe Crescent's underlying business model is solid, and our assets remain very attractive," Hede said.

The Charlotte-based company, once owned wholly by Duke Energy but now shared by Duke with Morgan Stanley Real Estate Fund, is responsible for a large portion of the growth in the mountainous and lake regions in Oconee, Pickens and Anderson counties.

The company sold thousands of acres to the developer of the high-end Cliffs Communities and developed several lakefront residential communities along Lake Keowee.

One real estate listing on its Web site advertises a 256-acre tract with frontage on Lake Keowee selling for $1.6 million.

In 2007, Crescent sold a 560-acre tract of environmentally sensitive wooded land in northern Pickens County to the environmental protection group Upstate Forever, which in turn sold the land to the South Carolina Nature Conservancy to create a nature preserve.

Crescent has residential, business and industrial interest in 10 states in the southeastern and southwestern United States.