Little fallout expected from Crescent

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The local impact of last week's bankruptcy filing by Crescent Resources is expected to be minimal.

Crescent is a joint venture of Duke Energy and Morgan Stanley Real Estate Funds. It is the principle agent for development of properties around Lake Keowee and Lake Jocassee.

On June 10, the real estate development company and 120 of its subsidiaries, saddled with more than $1 billion in liabilities, filed for voluntary Chapter 11 bankruptcy protection. The firm has over 5,000 creditors and reportedly faced payments of $50 million by the end of this year, $75 million in 2010 and $100 million in 2011 on its debt.

On Friday the Bankruptcy Court in the Western District of Texas, granted approval for "first-day" motions designed to give the company the resources to continue to manage its operations without interruption. Crescent promptly announced that it had obtained debtor-in-possession financing of $110 million from a group of lenders, which will provide sufficient funds to continue its business activities.

Calls to the Crescent Resources office in Salem on Tuesday went directly to voicemail. A spokesman for John Hamrick Real Estate in Seneca, the firm that handles many of the Crescent property sales, said only Hamrick could address questions related to the bankruptcy and said he would not be available until Thursday.



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Waterside Crossing is one of several developments that Crescent Resources maintains on Lake Keowee.

Resources bankruptcy

The company has 38 residential communities under development in the Carolinas, Georgia, Texas, Florida and Arizona, and is currently building 1,200 apartment units. It also owns 75,000 acres of land. Crescent has 264 employees.

Early last year, industry insiders said Crescent was beginning to show signs of duress.

In April 2008, the Charlotte Business Journal reported that Crescent had adopted an aggressive new business strategy driven by a $1.2 billion term loan that was to be paid in full by September 2012 — selling assets at fire-sale prices.

Among those sales was a 773-acre tract of land in Oconee County to the Keowee River Preservation Group L.L.C. for just over $10 million. Seneca builder and developer Scott Vick is listed as the registered agent for the buyer.

In October 2008, Crescent sold 4,500 acres in Berkeley County to MeadWestvaco Corp. for $40 million.