

**CHARLOTTE
BUSINESS JOURNAL**

COVER STORY

**A NEW
DIRECTION**

*What's next for Johnny Harris
with changes at top of Lincoln Harris
and firm's HQ move to Dallas*

ERIK SPANBERG, 20-23

MELISSA KEY, CBJ

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HIGH-PROFILE FIRM HEADS IN NEW DIRECTION

The Harris name will drop from the local real estate giant as the HQ shifts to Dallas and Johnny Harris exits the leadership team.

BY ERIK SPANBERG

Ten months ago, a transition and succession plan unveiled by Dallas-based Lincoln Property Co. signaled the end – in name at least – of prominent Charlotte commercial real estate firm Lincoln Harris.

It also signaled a shift for local real estate executive Johnny Harris, who presided over the creation of Lincoln Harris in 1999 in collaboration with Lincoln Property President Bill Duvall. Harris described the pairing as the brainchild of former Bank of America CEO Hugh McColl Jr.

Lincoln Harris became the Carolinas arm of Lincoln Property but Harris, now 76, and his family’s long history of development in Charlotte and throughout the region largely overshadowed Lincoln Property’s role.

Now, Lincoln Property and the erstwhile Lincoln Harris are going out of their way to emphasize an ambitious series of changes aimed at streamlining the company’s interests in the U.S. and Europe while recapitalizing the firm for renewed and larger forays into multifamily development, mergers and acquisitions, among other initiatives.

Johnny Harris was chairman and CEO of Lincoln Harris while his 45-year-old son, John Harris III, known as Johnno, was president.

During an interview with *CBJ* at the 3,000-square-foot SouthPark office occupied by the elder Harris and a few others – a mile from Lincoln Harris’ hub at Piedmont Town Center – the Harrises spent a little over an hour explaining why the changes were made and how the company is now set up for expansion in 2024 and beyond.

“My title has changed,” Johnny Harris replied when asked about new titles and structure of the company. “I’m just old. Old John Harris. I’ll be old John Harris versus young John Harris.”

Johnny Harris is, to use a slightly more formal title, now a legacy partner at Lincoln Property. His title means two things: Harris and other key stakeholders in the Lincoln and Harris hierarchy – Lincoln’s Mack Pogue and Bill Duvall among them – are reducing their ownership stakes while remaining active and focusing on their primary interests.

Duvall’s son, Clay, and David Binswanger, both based at Lincoln’s Dallas headquarters, are now co-CEOs of the firm. Clay Duvall was executive vice president of finance before being elevated to co-CEO earlier this year; Binswanger presided over the company’s West Coast growth, among other U.S. sites, on his path to becoming co-CEO.

Clay Duvall spoke to *CBJ* in a separate interview from Dallas.

Johnno Harris is an executive committee member as part of the revamped Lincoln Property, co-leading the company’s Corporate Advisory & Solutions group as well as running the Carolinas region for Lincoln’s real estate interests. The Lincoln Harris name is going away, with the company to be known simply as Lincoln, starting with a new logo, colors and website that will debut next month.

“New name, same people,” Johnny Harris said, summing up the changes.



Lincoln Harris, as *CBJ* reported previously, has developed, leased or managed – often all the above – 4 million square feet of office and mixed-use property in SouthPark alone. The company now leases or manages 1.8 million square feet in SouthPark.

More recently, in partnership with Goldman Sachs Inc., Lincoln Harris developed the 10-acre Legacy Union project in uptown Charlotte. It has opened and sold three towers at Legacy Union so far, encompassing 1.5 million square feet. Lincoln Harris continues to lease and manage those properties. A fourth tower, encompassing 415,000 square feet and 24 stories, is expected to open at Legacy Union late next year.

Lincoln Harris’ 225 local employees won’t be affected by the changes, other than continuing the company’s growth path, the Harrises said.

Johnno Harris dismissed any concerns about Charlotte’s loss of the headquarters designation.

“We’re in a global environment,” he said. “We’re where our clients are.”

Johnno Harris added that Charlotte is going to remain a focal point because so many companies here are longtime Lincoln Harris and Lincoln Property clients. Those same companies, including Atrium Health/Advocate Health, Bank of America Corp., Honeywell International Inc. and Truist Financial Corp., have buildings and leases across the country and, in some cases, around the world that Lincoln Harris handles.

Johnno Harris, Binswanger and Clay Duvall came up together in the real estate sector. All three worked as analysts for Lincoln Property in Dallas early in their careers, establishing close friendships. The trio significantly increased their ownership stakes this year while Connecticut-based private equity firm Stone Point Capital LLC was added as a major investor.

Stone Point manages more than \$50 billion of



CLAY DUVALL,
co-CEO, Lincoln
Property Co.



**DAVID
BINSWANGER,**
co-CEO, Lincoln
Property Co.

assets. Privately owned Lincoln Property declined to disclose the ownership and investment shares of the lead investors. Including Lincoln Harris, Lincoln Property has 3,200 employees spread across 35 offices, has acquired and developed 162 million square feet of space, and leases or manages 498.5 million square feet.

The transition that started with bringing in Stone Point and reshuffling the executive ranks to usher in the next generation of leaders has included notable additions, too.

Greg Courtwright stayed on as an investor in Lincoln Property and became president after serving previously as chief operating officer. During 2023, Lincoln Property hired or promoted the following executives: Daniel Roth, chief financial officer and chief operating officer; Maria Stamolis, chief investment officer; Alison Daubert, chief strategy officer and head of M&A; and Christy Ingle, chief marketing and communications officer.

Sister publication *Dallas Business Journal* estimated Lincoln Property generated revenue of \$1.4 billion in 2022. Johnny Harris, who during the interview alternately reviewed a sheaf of papers and added bluster to his son’s low-key

analysis of the company’s new direction, said that he and the other legacy partners not only saw the need for generational change, but they were also excited about the prospects for expansion afforded by Stone Point and the younger executives’ ambitions.

Now, Johnny Harris said, is the time for companies with vast local knowledge – and an ample war chest – to press their advantages. Even better, John Harris added, “We’re not a publicly traded company.”

The elder Harris has no interest in slowing down. His focus ranges from bringing major golf events to Quail Hollow Club, where he is the club president and the driving force behind staging tournaments including the PGA Championship and Presidents Cup; to economic development (the Atlantic Coast Conference and Honeywell are among recent examples); and pet real estate projects, including an ongoing makeover of the SouthPark specialty retail center Phillips Place.

Then, too, Johnny Harris often just wants to be Johnny Harris. After both HARRISES extolled the virtues of their business partnership with Bill Duvall, a fellow Lincoln Property legacy partner, Johnny Harris could not resist sharing an anecdote from a visit by Charlotte business leaders to Duvall’s Texas home, where, among other things, former Charlotte Mayor John Belk tempted fate by wandering up to University of Texas mascot Bevo – a live longhorn steer weighing in the neighborhood of 2,000 pounds – and putting his arms around the giant animal’s neck. Everyone went home unscathed.

What does that have to do with real estate? Not much, other than serving as a reminder that risk and reward must always be considered. Following are excerpts from *CBJ*’s discussion of Lincoln Harris and Lincoln Property.



JOHNNY HARRIS: When John decided to move back to Charlotte (12 years ago), it became obvious that it was certainly worth a try to see if he could come over and enjoy working at Lincoln Harris. He’d had a previous involvement with Lincoln out in Dallas, so it was easy to assimilate him into the program. One thing led to another ...

The next step we needed to start thinking about was some sort of generational transition that allowed us to not lose the commitment and value that our employees found in Lincoln Harris’ corporate culture and go forward. It was clear that John could lead us to a different platform nationally. All that was coinciding with what Bill Duvall and Mack Pogue were thinking about with Lincoln and, all the sudden, a lot of things came together. ... Then the new group basically bought way more than half (the company). ... It’ll be good for our clients.

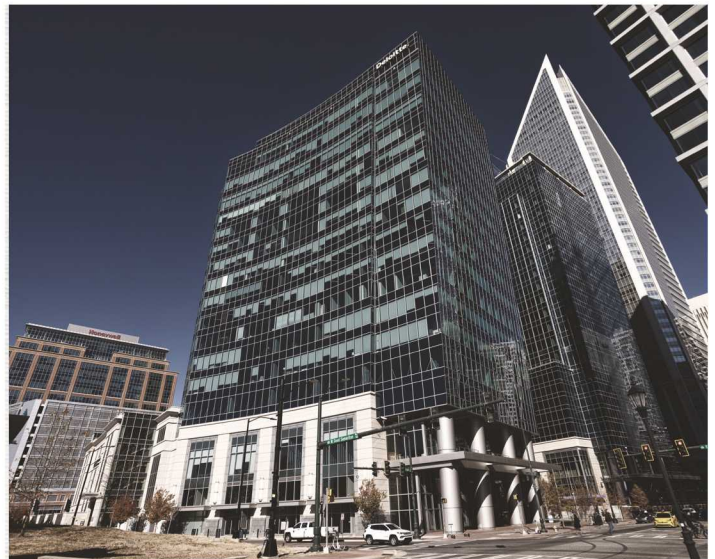
CLAY DUVAL: As far as day-to-day operations, that’s myself and David (Binswanger). John sits on the executive committee. He, obviously, runs the Carolinas. And he and a guy named Rob Kane in Los Angeles co-head the Corporate Advisory & Solutions Group.

JOHNO HARRIS: What we did was we announced this in February, but no one picked up (the extent of the changes). We recapped the whole company. We recapped not only Lincoln Harris, but Lincoln Property Co. And it was all about generational transition.

Lincoln Harris and Lincoln Property Co. were family-owned companies. It’s a family-run business on both sides. We brought in Stone Point Capital out of Connecticut and, as part of that recap, they took the legacy partners, allowed them to stay in, and the next generation slid all their equity into the deal and became large stakeholders in the company alongside of Stone Point. It gives us the opportunity and the balance sheet to grow the business and do things we haven’t been able to in the past.

If I asked you who we really were, you would say we were a developer. We manage (500 million square feet) across the country. OK? We’re a service company at the end of the day.

CLAY DUVAL: As Lincoln expanded, (Bill Duvall) actually built Bank of America Corporate Center in downtown Charlotte (in 1992) for Mr. (Hugh) McColl with Lincoln Property Co. As Johnny and dad got to know each other, they liked each other – they had a lot in common. Lincoln had a national scope, and Johnny was mainly focused in the Carolinas, but Johnny and John have amazing relationships in corporate America.



Top: Legacy Union’s latest towers in uptown Charlotte; **Bottom:** Capitol Towers office and restaurant space in SouthPark

Combining those forces of Lincoln Property Co. and the Harris family on the corporate service side plus what they do and mean to the Carolinas was extremely powerful.

As we progress to today, Bill, Johnny, Mack, all thought it was getting to a point where they wanted Lincoln Property Co. to be the same special place they built. We were able to bring in Stone Point in February and we’ve been making changes along the way.

JOHNO HARRIS: Our legacy partners have built this business. We wouldn’t be sitting where we are today (without them). We also know the value they bring to the table day in and day out, right? We absolutely want them to continue to be part of it. I will tell you, it’s a whole lot easier if we’re trying to get business, to pick up the phone and call dad and say, “Help, who do you know here?” This is a family business. We don’t want that to change.

CLAY DUVAL: When you think of the Carolinas, you think of the Harris family. What you’re seeing here, in my opinion, is John’s already been a leader in running Lincoln Harris and now Lincoln Property Co. in the Carolinas. You’re seeing that next generation of HARRISES step up. What’s going to change is the name on the door. And we’re adding a bunch of horsepower: through our one-Lincoln platform, through getting into the

multifamily business, we're getting much further into the investment management business, as well as organic growth.

JOHNNY HARRIS: Clearly, they have an opportunity to do something that very, very, very few companies have the opportunity to do. Which is, basically, take down the geographic boundaries of the real estate business and put together the quality of the service, which supersedes all boundaries. I'm excited about that.

The other thing is, from a timing standpoint, I always look at when we did Ballantyne, we caught it right at the right time, we came out of

the box just as the market was coming back. (Editor's note: Harris and his then-partner, Smoky Bissell, presided over the 2,000-acre Ballantyne development in south Charlotte in the early- to mid-1990s; Bissell bought out Harris' stake and expanded Ballantyne before selling the business park for \$1.2 billion in 2018.)

... We're starting to see interest rates will start to go down middle to end of next year. If that's the case, then these guys, they've got a base with all the management and they've got the employees to pounce on this opportunity. It's global.

LINCOLN HARRIS THROUGH THE YEARS



1992: Dallas-based Lincoln Property Co. entered Charlotte with a splash as the developer of what is today known as Bank of America Corporate Center, the 60-story tower designed by architect Cesar Pelli — still the city's tallest building. As part of that project, Lincoln President Bill Duvall and Charlotte developer Johnny Harris become acquaintances and, eventually, business partners.



1997: Johnny Harris leads development of SouthPark's Phillips Place, a project that includes a movie theater, hotel, apartments and specialty retail. Now co-owned by Lincoln Harris and Dallas-based HP Village Management, the mixed-use development is undergoing a \$50 million makeover.



1999: The Harris Group's 405,000-square-foot, 20-story 525 North Tryon tower opens.

1999: Lincoln Property Co. and The Harris Group form a partnership that makes The Harris Group the Carolinas arm of Lincoln. The new entity is named Lincoln Harris and is based in Charlotte.



2005-06: Opening of the Crescent Resources-Lincoln Harris, 20-acre project known as Piedmont Town Center. Combining two office towers, condos, retail and restaurants, the mixed-use development is bounded by Assembly Street and Carnegie Boulevard.

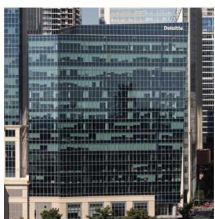


2019: Highwoods Properties pays \$442 million to buy Lincoln Harris' 33-story Bank of America Tower at the development firm's 10-acre Legacy Union site in uptown. Lincoln Harris and Goldman Sachs developed the 33-story tower as the first piece of Legacy Union.



2021: Goldman Sachs, Lincoln Harris and anchor tenant Honeywell sell 23-story, 374,000-square-foot Honeywell Global Corporate Headquarters building at Legacy Union. PRP Real Estate Investment Management paid \$275 million for the building.

2022: Lincoln Harris and Goldman Sachs disclose plans for a fourth tower at Legacy Union. The 24-story, 415,000-square-foot building is scheduled to open in late 2024 and will be anchored by law firm Robinson Bradshaw.



2022: Lincoln Harris and Goldman Sachs complete the sale of 18-story Legacy Union SIX50 tower for \$200 million to Highwoods Properties. The building opened in 2020. Lincoln Harris continues to manage and lease the building. Tenants include Deloitte, Cadwalader Wickersham & Taft and JLL.

2023: Recapitalization of Lincoln Property includes investment by Connecticut-based private equity firm Stone Point Capital. Johnny Harris, Bill Duvall and Mack Pogue, among other partners, reduce their ownership shares while younger executives Clay Duvall, David Binswanger, and John Harris increase their stakes.



2024: Lincoln Harris name goes away as part of re-positioning of Lincoln Property that puts all aspects of the company under the same banner with a new logo, colors and website.