

I have included an electronic copy of my complete entry.

For Office Use Only: _____



2011 IEDC EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS ENTRY FORM

Please complete this section for all entries.

Include 5 hard copies of the Entry Form and all supplemental information with your submission.

Organization: **Cornerstone Alliance**

Contact Name: **Wendy Dant Chesser**

Email: **wchesser@cstonealliance.org**

Project/Item Name: **Project Everest—Transforming Downtown Benton Harbor**

Category for Entry: **Real Estate Redevelopment & Reuse**

Population Category (<25K, 25-200K, 200K-500K, >500K): (Choose One) **<25,000**

Date Project Began: **July 2010**

Date of Completion (if applicable): **2015**

For Entries in Categories 9 & 10, Enter Your Web Site URL: _____

PROJECT DESCRIPTION

*Please refer to the **Category Description and Judging Criteria Sheet** corresponding to your category when answering the following questions in the space provided.*

Select:

- ☐ Promotional Award Categories 1-8 – **See Sheet A** (page 9)
- ☐ Internet and New Media Categories 9-11 – **See Sheet B** (page 10)
- ☒ Program Award Categories 12-22 – **See Sheet C** (page 11-12)
- ☒ Partnership Award Categories 23-25 – **See Sheet D** (page 13)
- ☐ Leadership Award Categories 26-30 – **See Sheet E** (page 14)

Special Note: The below section is not required for the Leadership Award categories. Please complete a profile of the individual's achievements.

THIS SECTION IS INTENDED TO PROVIDE AN OVERVIEW OF THE PROJECT. PLEASE KEEP ANSWERS TO EACH QUESTION UNDER 200 WORDS.
YOU MAY EXPAND ON THIS INFORMATION IN A SEPARATE PROFILE OF NO MORE THAN 3 PAGES, DOUBLE-SPACED.

1. Please provide a brief description of the project.

Located in Berrien County, Michigan, the City of Benton Harbor is a distressed community that has faced economic and social struggles for many years. As is the case in many struggling communities, the downtown area suffered with visible deterioration. In recent years, the City has taken many steps towards revitalization, including supporting the 530-acre Harbor Shores development. Today, thanks to Whirlpool Corporation's commitment to its home area, Benton Harbor's downtown is undergoing a complete transformation. In July 2010, Whirlpool, in partnership with state and local economic development agencies and local units of government, announced plans to build a new, three-building office

campus in Benton Harbor. Code named Project Everest, the project is redeveloping downtown property at the gateway to the City. A team of partners pulled together to highlight the City of Benton Harbor's, and the State of Michigan's, competitiveness for this sought-after investment, which represents the largest existing business retention project ever to take place in our community. The project is expected to take five years to complete with an estimated investment of over \$68 million. On November 11, 2010 ground was broken on the project, and upon completion, over 1,100 professional jobs will be housed at the downtown campus, increasing activity and consumer spending in the downtown.

2. What is the goal or purpose of this project?

The goal of the project is to continue revitalization efforts underway in the City of Benton Harbor by providing a major anchor at the entry into downtown. Project Everest is taking what was once a huge eye sore of empty, run down buildings as you drove into the community and creating a beautiful professional office campus for one of the nation's Fortune 100 companies. A second goal is to increase the tax base of the City of Benton Harbor in the hopes of bring it more in line with surrounding communities. A key element of the Whirlpool project is the company's commitment to LEED certification and green practices. Additionally, they are very committed to working closely with the local community in a variety of ways.

3. Who are the participants in this project? Who was involved in planning/implementation? Who is affected?

There are many partners working to make this project a reality in our area including the following: the State of Michigan, Michigan Economic Development Corporation, Berrien County, the City of Benton Harbor, the City of St. Joseph, Benton Charter Township, Cornerstone Alliance, The Consortium for Community Development, Whirlpool Corporation, the Local Business Consortium, as well as vendors which include Pizutti and Pepper Construction along with their sub-contractors for the project. All of the groups listed above were involved in the planning and implementation for the project. The entire Benton Harbor/St. Joseph community is being affected by this transformational project.

4. What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible and/or intangible results and value added.

To date, the impact of the project has been outstanding. Construction only began in November of 2010 and a very noticable visual change has taken place. Over 120,000 square feet of abandon and dilapidated buildings have been demolished, environmental clean-up is underway, adjacent parcels acquired for future development, the entire project site has been prepared for development and construction of the first phase of the project has begun. The project has created increased interest in the downtown area as our organization has seen a significant increase in businesses interested in locating to the downtown in the first months of the project. Currently, three financial institutions are examining a downtown location. Other businesses including cafes, restaurants, and service businesses as well as other retail businesses are also exploring downtown locations to serve the 1,100 employees working at the new location.

5. Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned?

While on the surface this project appears to be unique, the manner in which the project evolved is a great lesson in regional redevelopment and reuse alternatives. Three local communities and the county all participated with the State of Michigan to ensure the project would be located in our area and the jobs would be retained. While the project is physically located within the City of Benton Harbor, both the City of St. Joseph and Benton Charter Township passed incentives benefiting Whirlpool's existing facilities within those communities to lower the company's cost of doing business in southwest Michigan. Without regional cooperation and development agreements with local government, non-profits and Whirlpool Corporation, this project would have surely landed in another locale and most likely in another state. This is a very unique project that would be very difficult to replicate or transfer to another community.

6. In what ways is this project innovative or creative?

Project Everest is a shining example of underdeveloped land being utilized as an economic development tool. Thanks to Whirlpool's commitment to our community, a dilapidated parcel of land at the gateway to Benton Harbor is being redeveloped as an anchor to enhance the place they call home. As a Fortune 100 company, Whirlpool Corporation could have chosen to make this \$68 million investment anywhere, yet they chose to invest into the community where they were founded 100 years ago. The project has also been creative and innovative in that Whirlpool Corporation offered

several unique opportunities to the City of Benton Harbor as a part of the project. The company agreed to renovate Fisherman's Park located near the campus site as well as having agreed to provide a \$200,000 a year contribution to the City. City leaders will submit an annual budget for the funds which will support youth recreation, job employment, small business development and recreational programming for the financially strapped community.

7. Are there any other relevant details not covered above or specific to your category?

A unique aspect of this project is the company's dedication to including the local community in the project every step of the way. As a result, over 30 tours of the project area took place, numerous presentations were made throughout the area, additional monetary contributions were made as well as the hosting of Opportunity Conference to connect local sub-contractors to the project's contractors as well as other regional firms in the hopes of growing their business opportunities. On September 29th, a panel featuring Whirlpool, Pepper Construction, the Pizzuti Companies and Cornerstone Alliance/LBC held an Opportunity Conference for local contractors to describe opportunities and processes to be utilized in the construction of the new Whirlpool office facilities. Over 100 contractors and suppliers were in attendance. A second, more regional Opportunity Conference was held on October 21st and included networking break-out sessions. Over 150 contractors and suppliers attended the session.

CATEGORY DESCRIPTIONS AND JUDGING CRITERIA

A. PROMOTIONAL AWARDS

PLEASE REFER TO THIS SHEET WHEN COMPLETING THE PROJECT DESCRIPTION SECTION OF THE ENTRY FORM FOR A PROMOTIONAL AWARD.

These awards recognize innovative and effective marketing materials used for attracting, retaining and fostering business as well as communications vehicles used by economic development organizations.

Judging Criteria for Categories 1-8:

Promotional Awards will be judged by the following criteria:

- Effectiveness of the promotion
- Innovation/creativity
- Quality and completeness of information
- Contribution to the economic development profession

Descriptions:

1. General Purpose Brochure

A brochure introducing your state, province, community, region or area to prospects for industrial, commercial, retail, or general development opportunities. The most effective brochures create a positive image of the area for its quality of life and cultural, educational, or other attributes.

2. Special Purpose Brochure

A brochure designed for a special purpose, such as promoting an industrial park or other specific types of promotions.

3. General Purpose Promotion

A promotional piece (other than a brochure), series of promotional pieces or promotional campaign including but not limited to a folder, poster, print ad, direct mail campaign or other campaign.

- *Mount item(s) on heavy stock with 1 inch margins.*

4. Annual Report

A report summarizing an economic development organization's annual activities and/or fiscal highlights.

(e.g., a mayor or senior elected official, a key business leader). Applicants must be no more than 35 years of age on the deadline submission date set by IEDC for that year's awards competition in order to be eligible for this award and must note their date of birth on their application.

- *Candidates must provide a profile of their professional achievements in economic development. Nominations must not exceed five typed double-spaced pages; letters of endorsement should be no more than two pages and must be submitted in conjunction with the application.*

27. Leadership Award for Public Service – Sponsored by



This award recognizes an elected official who has served as a committed advocate for economic development for at least 10 years in the public sector. Nominees must have demonstrated sustained and effective efforts to mobilize community groups and industry leaders in the development of programs and projects, played a key role in the planning and designing of new economic development activities, and displayed dedication and commitment to her/her constituency as a leader and advocate for economic development.

- *Candidates must provide a profile of their professional achievements in economic development. Nominations must not exceed five typed double-spaced pages; letters of endorsement should be no more than two pages and must be submitted in conjunction with the application.*

28. Citizen Leadership Award

This award recognizes a community or business leader, or an individual who is not an economic development practitioner, but who plays a key leadership role. Nominees for the award should have shown support for or been involved in a broad range of activities for at least 10 years and have been involved in economic development, primarily in the private sector, for the last 5 years. Nominees must have demonstrated sustained and effective efforts to mobilize leadership in the development of programs and projects, played a key role in the planning and designing of new and creative economic development activities and be deeply committed as a leader and advocate for economic development.

Candidate must provide a profile of their professional achievements in economic development. Nominations must not exceed five typed double-spaced pages; letters of endorsement should be no more than two pages and must be submitted in conjunction with the application.

29. Federal Leadership in Economic Development Programs Award (Entry fee waived)

This award recognizes an individual federal program director who has gone above and beyond in administering a federal economic development program.

Candidate must provide a profile of their professional achievements in economic development. Nominations must not exceed five typed double-spaced pages; letters of endorsement should be no more than two pages and must be submitted in conjunction with the application.

30. Congressional Leadership in Economic Development Award (Entry fee waived)

This award recognizes a member of Congress who has made significant contributions in the area of economic development. The award is given to a leader for his/her continuous support for economic development, and/or for intense work on a single piece of legislation.

Candidate must provide a profile of their professional achievements in economic development. Nominations must not exceed five typed double-spaced pages; letters of endorsement should be no more than two pages and must be submitted in conjunction with the application.

PROFILE: PROJECT EVEREST—TRANSFORMING DOWNTOWN BENTON HARBOR

Cornerstone Alliance, Benton Harbor, Michigan

Category: REAL ESTATE REDEVELOPMENT & REUSE

INTRODUCTION

Located in the heart of Berrien County, Michigan, the industrial history of the Benton Harbor/St. Joseph Michigan area has prevented redevelopment for several decades. In its hay day, downtown Benton Harbor was the place to be. Main Street was filled with retail, office buildings, professional services, theatres and much more. It was the place that people from other communities looked forward to coming to. However beginning in the 1970s, against a backdrop of economic malaise, the City of Benton Harbor began a struggle that it has not been able to overcome and currently faces a budget deficit in excess of \$4,000,000. The city has lost over a third of its residents. Fifty-four percent of the population lives below the poverty line and the recorded unemployment rate hovers around 22%.

As a distressed and struggling community, the City of Benton Harbor has faced economic and social struggles for many years now. Covering just four square miles and having a population of just over 10,000, it is a City in need. Like many struggling communities through the United States, the downtown area of the City has suffered over the years with many buildings being in disrepair, several needing to be demolished and others still in need of attention. In recent years, that has changed as the city has enjoyed many steps towards revitalization including being a partner in the 530-acre Harbor Shores development (*see note below), a \$16 million Main Street Road Revitalization Project, as well as other projects to enhance and improve the downtown.

Today, thanks to Whirlpool Corporation, one of our area's largest employers, Benton Harbor's downtown is undergoing a transformation like never before. In July 2010, the company announced plans to build a new three building office campus on Main Street in Benton Harbor. Titled Project Everest, the project is a true Everest as the land that is being used for the project shows true economic development as a number of old dilapidated empty buildings were demolished to make way for the project.

It is the largest existing business retention project ever to take place in our community. The project is expected to take approximately five years to complete with an estimated cost of over \$68 million. On November 11, 2010 ground was broken of the project. Over 1,100 professional jobs will be housed at the campus along with guests which will create increased activity and consumer spending in the downtown.

AN EXISTING BUSINESS RETENTION PROJECT

As the global leader in the appliance industry, Whirlpool Corporation's location of this new office campus would be a valuable investment to any community. Our area, especially the City of Benton Harbor, is very fortunate that the company chose to make this level of investment in our area, the place it has called home since its formation 100 years ago. As a publicly traded corporation, Whirlpool Corporation has to make sound business decisions.

The site in the City of Benton Harbor will eventually house 1,100 employees, but had added costs compared to other communities. Buildings had to be purchased, environmental clean-up had to take place and additional pilings added in order for construction to even begin.

As such, Whirlpool Corporation has worked closely with the state economic development organization, Michigan Economic Development Corporation, the local economic development organization Cornerstone Alliance as well as local municipalities to make the project a reality in the state of Michigan. A team of partners was pulled together to assemble an incentive package to help “level the playing field” for our community on this project.

Founded in 1987, Cornerstone Alliance is a non-profit investor driven economic development organization dedicated to tax and job base creation in Michigan’s *Great Southwest*. As an organization that is dedicated to business retention and expansion, we worked closely with Whirlpool Corporation and other partners to make this project a reality in the City of Benton Harbor. Some of the ways our organization has assisted the project includes the following:

- Negotiated purchases of adjacent properties and arranged necessary environmental due diligence.
- Solicited demolition bids for the project site.
- Assisted in incentive negotiations, approvals as well as developer agreements with local municipalities.
- Assisted with the various zoning and permitting approvals necessary for the project.
- Assumed \$3 million Urban Land Assembly Loan.

A MEASURABLE IMPACT

Over 120,000 square feet of abandon and dilapidated buildings have been demolished, environmental clean-up is underway, adjacent parcels acquired for future development, the entire project site has been prepared for development and construction of the first phase of the project has begun. The project has already created increased interest in the downtown area as our organization has seen a significant increase in businesses interested in locating to the downtown in the first months of the project. Currently, three financial institutions are examining a downtown location. Other businesses including cafes, restaurants, and service businesses as well as other retail businesses are also exploring downtown locations to serve the 1,100 employees working at the new location.

The project has also been creative and innovative in that Whirlpool Corporation offered several unique opportunities to the City of Benton Harbor as a part of the project. The company agreed to renovate Fisherman's Park located near the campus site. Fisherman’s Park has been enjoyed by area residents for years now. Residents will not only continue to have that opportunity but they will have an enhanced amenity. Additionally, the company is making a donation of \$200,000 in years 2011 through 2014 and \$300,000 per year from 2015 through 2023 to the City of Benton Harbor for public recreation, public safety and public education. City leaders will outline the use of these funds each year to support initiatives that will enhance the financially strapped community. Currently, discussions are underway to determine how best to use the funds and include playground and park equipment, public safety emergency response vehicles, fire suppression equipment, Summer Youth Employment, security cameras, small business grants and training, as well as others

COMMITMENT TO THE LOCAL COMMUNITY

A very unique aspect of this project is the company's strong dedication and desire to include the local community in the project every step of the way. As a result of this commitment over 30 tours of the project area took place, numerous presentation on the project were given throughout the area, an additional monetary contribution made to the City of Benton Harbor as well as other strides including the hosting of Opportunity Conference to connect local sub-contractors to the project's contractors as well as other regional firms in the hopes of growing

their business opportunities. On September 29th, a panel featuring Whirlpool, Pepper Construction, the Pizzuti Companies and Cornerstone Alliance/LBC held an Opportunity Conference for local contractors to describe opportunities and processes to be utilized in the construction of the new Whirlpool office facilities. Over 100 contractors and suppliers were in attendance. A second, more regional Opportunity Conference was held on October 21st and included networking break-out sessions. Over 150 contractors and suppliers attended the session.

**Harbor Shores is a unique opportunity to revitalize local communities and to transform the region from an underutilized area along Lake Michigan's waterfront to being a vacation destination in the Midwest. Harbor Shores is a 530 acre, mixed use development that spans portions of the City of Benton Harbor, the City of St. Joseph, and Benton Charter Township. At the center of the Harbor Shores project is a Jack Nicklaus Signature Golf Course that has been named home to the 2012 and 2014 Senior PGA Championship presented by KitchenAid.*

For Office Use Only: _____



2011 IEDC EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS ENTRY FORM

Please complete this section for all entries.

Include 5 hard copies of the Entry Form and all supplemental information with your submission.

Organization: **Lansing Economic Development Corporation**

Contact Name: **Karl Dorshimer**

Email: **kdorshim@lansingmi.gov**

Project/Item Name: **Ottawa Power Station**

Category for Entry: **15, 22 & 23**

Population Category (<25K, 25-200K, 200K-500K, >500K): (Choose One) **25-200K**

Date Project Began: **2006**

Date of Completion (if applicable): **2011**

For Entries in Categories 9 & 10, Enter Your Web Site URL: _____

PROJECT DESCRIPTION

*Please refer to the **Category Description and Judging Criteria Sheet** corresponding to your category when answering the following questions in the space provided.*

Select:

- ☐ Promotional Award Categories 1-8 – **See Sheet A** (page 9)
- ☐ Internet and New Media Categories 9-11 – **See Sheet B** (page 10)
- ☐ Program Award Categories 12-22 – **See Sheet C** (page 11-12)
- ☒ Partnership Award Categories 23-25 – **See Sheet D** (page 13)
- ☐ Leadership Award Categories 26-30 – **See Sheet E** (page 14)

Special Note: The below section is not required for the Leadership Award categories. Please complete a profile of the individual's achievements.

THIS SECTION IS INTENDED TO PROVIDE AN OVERVIEW OF THE PROJECT. PLEASE KEEP ANSWERS TO EACH QUESTION UNDER 200 WORDS. YOU MAY EXPAND ON THIS INFORMATION IN A SEPARATE PROFILE OF NO MORE THAN 3 PAGES, DOUBLE-SPACED.

1. Please provide a brief description of the project.

The historic redevelopment of a large vacant power plant in Lansing, Michigan to retain and expand the Accident Fund Insurance Company of America. The Lansing Economic Development Corporation worked with the Company, the Developer, City, State and Federal governments plus many others to redevelop the 223,000 square foot 10 story building. This strong Public-Private Partnership resulted in private investment of \$182,000,000, 600 jobs retained and 500 new jobs created.

2. What is the goal or purpose of this project?

The goals of the project were to retain and expand business, attract private investment, redevelop the vacant brownfield site, create and retain jobs and spur economic growth in the heart of downtown Lansing.

3. Who are the participants in this project? Who was involved in planning/implementation? Who is affected?

The major participating partners were: the Lansing Economic Development Corporation, the City of Lansing, the Accident Fund Insurance Company of America, Blue Cross Blue Shield of Michigan, The Christman Company, The Michigan Economic Development Corporation, the Michigan Department of Environmental Quality, The U.S. Environmental Protection Agency, and the Michigan State Historic Preservation Office.

The Lansing Economic Development Corporation, City of Lansing, the Accident Fund Company and the Christman Company were involved in the planning/implementation of the project.

Everyone who participated was affected. City resident and local businesses are all impressed and inspired by the results of the project.

4. What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible and/or intangible results and value added.

The project had major impacts upon the Lansing economy and community. A major symbol of stagnation and decline has been turned into a large generator of economic activity and civic pride. \$182 million of private investment was attracted, 600 high-pay jobs retained and 500 more created. The social buzz generated by this highly visible development has kept confidence in Lansing's future high and put us in the position to lead the state out of the current recession. In a state where good economic news has hard to come by, the project provides a highly visible example of what can be done when everyone pitches in and works together.

5. Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned?

Yes, throughout the U.S. there are many old power plants and industrial buildings that could be redeveloped as the Ottawa Power Station has. Most of the tools and techniques utilized are available in other communities. The lessons learned were that many old and vacant properties are diamonds in the rough. Many of these sites can be redeveloped to help cities retain and attract business. We also learned that big challenges of the kind presented by this project demand a competent project team and great public/private cooperation to be successful met. Finally, we learned that what seems impossible can be made possible if project impediments can be broken down into manageable tasks, so they may be tackled one at a time with the help of others.

6. In what ways is this project innovative or creative?

This project took a former dirty coal burning power plant and completely changed its use into a historically renovated modern building suitable as the headquarters of a major health and insurance organization. The innovative technique of combining and linking the older classic power plant building with a new adjacent contemporary office building shows true ingenuity. The creative and complicated combination of financing and economic incentives made this project possible during a historic national financial crisis and economic downturn.

7. Are there any other relevant details not covered above or specific to your category?

Included with this entry packet is a PowerPoint presentation. The scope of the challenges presented and the great results of the project can only be appreciated by viewing this presentation. We encourage the judges to view this slideshow. The PowerPoint file is large and takes a minute or two to load. Please have patience and you will be rewarded with a great automated presentation that runs on its own.

The Ottawa Power Station Project



Mayor Virg Bernero

Rising from the long dormant
Ottawa Power Plant in
Lansing, Michigan

A Brownfield Redevelopment Project
A Public-Private Partnership Success
A Great Retention/Expansion Effort

The Ottawa Power Station Project



Ottawa Power Station

Built in 1937 in downtown Lansing the plant was once
a marvel of technology and design



Decommissioned in 1992, the property resisted all attempts
at redevelopment for 14 years

The LEDC Launches a Major National Request for Development Proposals

- In 2006 Mayor Bernero and the Lansing Economic Development Corporation (LEDC) identify the property as a critical development challenge
- The LEDC decides to conduct a nationwide request for development proposals
- Of all proposals received, only one was identified as having good potential
- The LEDC starts discussions with the Christman Company the Developer representing an unknown major company



The Company Quietly Takes A Look

- The interested firm is a Lansing based insurance company with 600 employees and projected additional growth of 500 jobs
- The Company was confidentially looking for a new signature headquarters location
- They needed over 300,000 square feet of building space plus 1000 parking spaces
- The Company was also looking at out of state and suburban greenfield locations

The Company Lays Out Their Demands to the City and Developer

- Remove the chilled water system
- Dismantle the smoke stack
- Demo the parking ramp over Grand Ave.
- Assemble the properties and sell the site
- Demolish adjacent older buildings
- Mitigate lead & asbestos
- Assess and cleanup soils
- Rehabilitate the Power Plant
- Build another 100,000 sf building on site
- Construct a 1,000 space parking facility
- Make improvements to the riverfront

A Project Team Is Formed

- The Lansing Economic Development Corporation and Christman Company gathered together a team of public and private sector experts
- The team members included staff from the City, Utilities, State & Federal Departments, plus Environmental and Legal firms
- It did not take long until the reality of the challenges were pointed out by the experts

It's Impossible ?

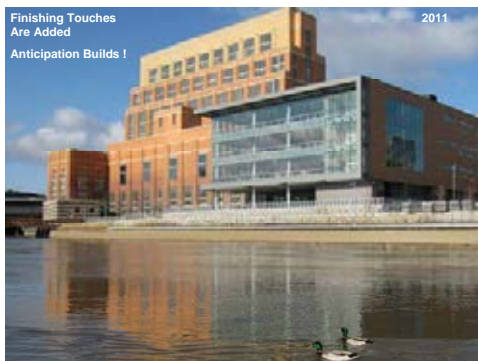
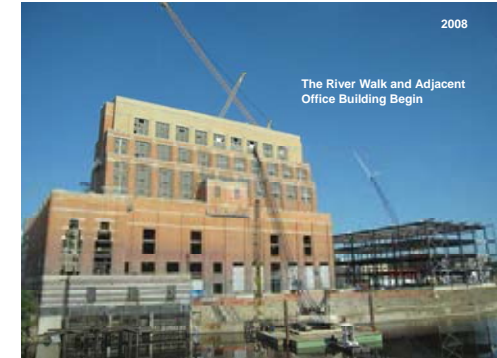
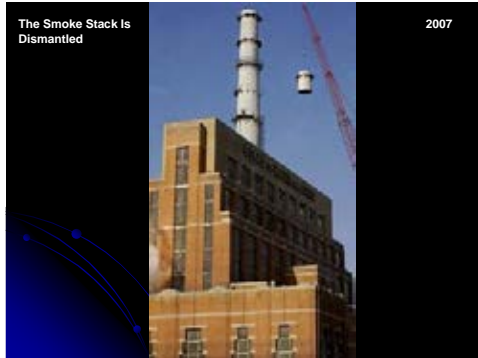
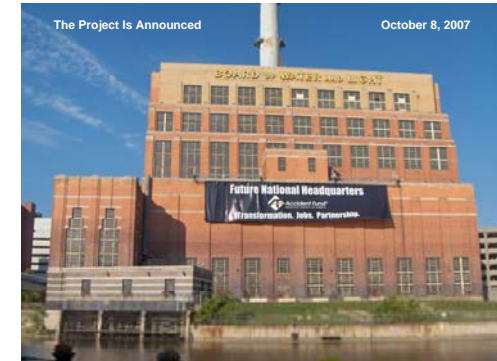
- The Lansing Board of Water and Light (LBWL) still owed \$30 million on the chilled water system
- The scrap value of the chilled water system was minimal and reuse not practical
- Scraping the system would eliminate the revenue and leave the debt
- The steam distribution system would be expensive and difficult to relocate
- The portion of the City parking ramp targeted for demolition was over a major downtown street
- The smokestack would be expensive and difficult to disassemble

The Team Slowly Makes Progress

- The LEDC proposes to use the Lansing Brownfield Redevelopment Authority to finance demolition and construction of new chilled water and steam systems
- The Brownfield Authority and U.S. EPA offer Assessment and Remediation funds to deal with the contamination of the site
- The Developer agrees to pay for the removal of the smoke stack
- The Michigan Dept. of Environmental Quality offers the use of a \$3.2 million grant to make riverfront improvements
- The Lansing Economic Development Corporation issues a bond to finance the construction of the new parking ramp

More Partners Join The Team

- The Michigan Economic Development Corporation offers Brownfield Business Tax Credits and a Tax Free Renaissance Zone on the site
- Michigan Economic Growth Authority offers MEGA Tax Credits
- New Market Tax Credits Will Work
- The State Historic Preservation Office gives the nod for State and Federal Historic Tax Credits
- Voter approval is attained, the lone privately held parcel is optioned, and the whole site packaged for sale



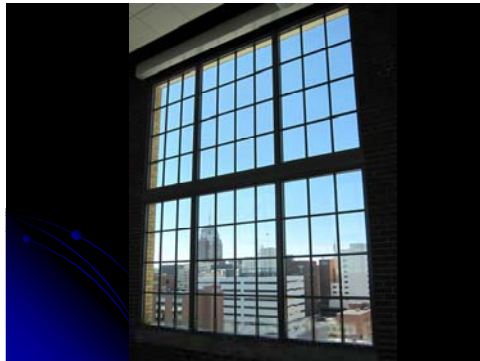
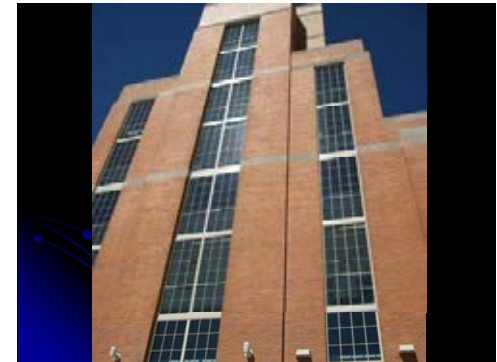
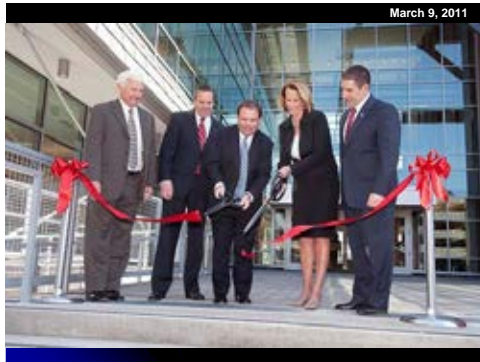
The Project Team Accomplishes All Of It's Objectives

- Remove the chilled water system
- Dismantle the smoke stack
- Demo the parking ramp over Grand Ave.
- Assemble the properties and sell the site
- Demolish adjacent older buildings
- Mitigate lead & asbestos
- Assess and cleanup soils
- Rehabilitate the Power Plant
- Build another 100,000 sf building on site
- Construct a 1,000 space parking facility
- Make improvements to the riverfront

The Project Is Complete!

Over three Years of Construction
Great Public & Private Cooperation

The Masterpiece is Unveiled!



The Grand Totals

- \$182 Million Private Investment**
- 600 Jobs Retained**
- 500 Jobs Created**
- 1 Million Project Worker Hours**
- World Class Results**

LEDC Lansing Economic Development Corporation

They said it was impossible in Lansing...

Lansing Mayor Vey Bertero and the Lansing Economic Development Corporation would like to thank our partners, sharing in the success of this project:

Accident Fund Insurance Company of America	Michigan Economic Development Corporation
Blue Cross Blue Shield of Michigan	Michigan State Historic Preservation Office
The Christmas Company	Michigan Department of Environmental Quality
City of Lansing Departments	U.S. Environmental Protection Agency

Now, anything is possible.

—Vey Bertero, Mayor



Bakery Square

From Vacant Factory to Mixed-Use Mecca

2011 IEDC Excellence in Economic Development Awards

—
Real Estate Redevelopment and Reuse Program

May 18, 2011

☒ I have included 5 copies of the entry form (pages 7 & 8) AND supplemental information.

(Only one copy of the payment form - page 6 - is required)

☒ I have included an electronic copy of my complete entry.

For Office Use Only: _____



2011 IEDC EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS ENTRY FORM

Please complete this section for all entries.

Include 5 hard copies of the Entry Form and all supplemental information with your submission.

Organization: The Urban Redevelopment Authority of Pittsburgh

Contact Name: Susheela Nemani-Stanger

Email: snemanistanger@ura.org

Project/Item Name: Bakery Square

Category for Entry: Real Estate Redevelopment and Reuse

Population Category (<25K, 25-200K, 200K-500K, >500K): (Choose One) 200K-500K

Date Project Began: 2007

Date of Completion (if applicable): 2009

For Entries in Categories 9 & 10, Enter Your Web Site URL: _____

PROJECT DESCRIPTION

*Please refer to the **Category Description and Judging Criteria Sheet** corresponding to your category when answering the following questions in the space provided.*

Select:

☐ Promotional Award Categories 1-8 – See Sheet A (page 9)

- ☐ Internet and New Media Categories 9-11 – See Sheet B (page 10)
☒ Program Award Categories 12-22 – See Sheet C (page 11-12)
☐ Partnership Award Categories 23-25 – See Sheet D (page 13)
☐ Leadership Award Categories 26-30 – See Sheet E (page 14)

Special Note: The below section is not required for the Leadership Award categories. Please complete a profile of the individual's achievements.

THIS SECTION IS INTENDED TO PROVIDE AN OVERVIEW OF THE PROJECT. PLEASE KEEP ANSWERS TO EACH QUESTION UNDER 200 WORDS. YOU MAY EXPAND ON THIS INFORMATION IN A SEPARATE PROFILE OF NO MORE THAN 3 PAGES, DOUBLE-SPACED.

1. Please provide a brief description of the project.

The Bakery Square Project revitalized an abandoned industrial strip of Pittsburgh through the strategic reuse of a former 6.5 acre Nabisco Bakery complex. Originally built in 1918 by the National Biscuit Company, the lot had been vacant since 1998. Thanks to a dedicated developer and a strategic financial investment from the City and State, the site was turned into a LEED certified, mixed-use lifestyle center. The project included 216,060 square feet of renovated office space, 125,130 square feet of new retail space, 52,880 square feet of renovated retail space, a 120-room hotel, and an 849-space parking garage. It has bolstered infill by generating jobs with well-recognized employers such as Anthropologie, Urban Active Fitness, Marriott Springhill Suites, Verizon Fios and most prominently -- Google. A LEED-certified platinum development, the area has acted as a template for re-use of other vacant industrial areas in and around the city.

2. What is the goal or purpose of this project?

The goal of this project was to create jobs within the city limits by utilizing the distinct physical infrastructure of the city, instead of demolishing it. Ambitious in its attempt to divide the space into retail, hotel, and office space, the project was a progressive attempt to retrofit the former industrial landscape to better fit the modern service economy. Situated a short walk from two residential communities attracting young professionals, the project was also a part of the city's attempt to reverse the decades-long trend of businesses (and young workers) moving to the periphery of the city. The space was a progressive approach to integrating both work and lifestyle opportunities into the patchwork of the community.

3. Who are the participants in this project? Who was involved in planning/implementation? Who is affected?

Given the size and location of the project, there were many stakeholders involved in the execution of the Bakery Square Project. Walnut Capital was the developer, the Urban Redevelopment Authority enacted TIF financing (approved by the taxing bodies of the City of Pittsburgh, Allegheny County, and Pittsburgh Public Schools) to support targeted demolition and public infrastructure creation, Regional Industrial Development Corporation, Erect Fund (OTHER?). Pittsburgh Partnership, the Three Rivers Workforce Investment Board, and neighborhood employment agencies were all engaged to help job recruitment and readiness programs for local neighborhood members. The project affected the immediate community (the Larimer Neighborhood) the most, as that community saw a vacant semi-industrial space be transformed into a stylish lifestyle center. It has helped nearby business attract additional customers, and has helped the property owners in the area see an increase in the value of their homes. In addition, it has helped Pittsburgh citizens appreciate large-scale reuse projects that bring in new employers and maintain the architectural integrity of the city's past.

4. What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible and/or intangible results and value added.

The project has had a significant impact on both the image of the area and the actual job opportunities available in the Pittsburgh urban area. The projects helped create an estimated 2,213 new jobs and \$360,000 in additional annual tax revenues to the city, school board and state. The property has already seen a \$12,266,400 increase in property value (419% increase over base). The TIF funds were 8.8% of the total funds used, and when parking taxes, hotel taxes, sales taxes, and wage taxes are included with property taxes, the project is expected to pay back its city financing in less than twenty years. It is hard to overstate the publicity received when Google decided to move their offices into the space. Google currently has 150 employees in the space, and has the capacity to bring in another 200 more. This has a unique multiplier effect, as computer scientists are able to flow between start-ups and Google in the same manner seen in other software development clusters, creating a scrappy start-up culture. The jobs created in the retail, fitness, and hotel units have also allowed community members to maintain or increase their standard of living despite the challenging employment landscape.

5. Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned?

This project is clearly replicable. This type of creative reuse has already proven popular with residents and business owners in and around the city. Closer to the downtown area a former Cork factory was renovated into loft units. The condominiums were sold so quickly that a similar building nearby is being prepared. There are hundreds of vacant commercial and former industrial buildings in Pittsburgh with historic integrity and convenient locations. Combine that with the high demand for class A office space, and the potential for more innovative renovations looks likely. Like many development projects in the last few years, the challenge is finding the financial partners who are willing to invest in commercial renovation and reuse. This is not necessarily a bad thing, as projects should be executed with some caution given a still inconsistent economic landscape. Nonetheless, the Bakery Square model helps developers throughout Western Pennsylvania see the potential in their own communities for strategic reuse projects. In addition, the development was designed by Pittsburgh-based Astorino architectural firm. We believe the aggregation of local knowledge in this area can only help the potential for similar projects in the future.

6. In what ways is this project innovative or creative?

The Bakery Square project implemented a progressive reuse approach at a level of quality unseen in the Pittsburgh area and in a location unthought of as retaining much value. The formally abandoned complex sat between a busy corridor to the downtown and a tired, semi-industrial zone, with a railroad line abutting much of the property. It took some vision to realize that a prosperous neighborhood was close by, as was a pleasant park, and a high-speed busway connecting the area to surrounding municipalities. Many did not believe the idea that you could lure in a premier tenant like Google into a space that was not in an office park, not in the downtown, and not directly adjacent to a university campus. In addition, to create a warm and inviting mixed-use lifestyle center in a former industrial site helped other developers in the community expand their consideration of project sites. In addition, the building was only the second Platinum rated LEED building in the city, and the first for a private development.

7. Are there any other relevant details not covered above or specific to your category?

As mentioned previously, the site is only a short walk from a major transit hub, adding to the sustainable nature of the development. A shuttle was established to help transport individuals to the site from Carnegie Mellon University, supporting the intellectual flow that the site hopes to foster. The Google offices in particular have created a unique sense of identity mixing traditional elements of the space with new uses of space. For example A Nabisco mixer was lifted onto the seventh floor to add personality, and a mesh net hangs from the ceiling and serves as a meeting space.

CATEGORY DESCRIPTIONS AND JUDGING CRITERIA

A. PROMOTIONAL AWARDS

PLEASE REFER TO THIS SHEET WHEN COMPLETING THE PROJECT DESCRIPTION SECTION OF THE ENTRY FORM FOR A PROMOTIONAL AWARD.

These awards recognize innovative and effective marketing materials used for attracting, retaining and fostering business as well as communications vehicles used by economic development organizations.

Judging Criteria for Categories 1-8:

Promotional Awards will be judged by the following criteria:

- Effectiveness of the promotion
- Innovation/creativity
- Quality and completeness of information
- Contribution to the economic development profession

Descriptions:

1. General Purpose Brochure

A brochure introducing your state, province, community, region or area to prospects for industrial, commercial, retail, or general

PROFILE: Bakery Square

The Bakery Square Project revitalized an abandoned industrial strip of Pittsburgh through the strategic reuse of a former 6.5 acre Nabisco Bakery complex. Originally built in 1918 by the National Biscuit Company, the lot had been vacant since 1998. Thanks to a dedicated developer and strategic financial investment from the City and State, the site was turned into a LEED certified, mixed-use lifestyle center.

The project currently includes office space, retail, a 120-room hotel, a coffee shop, a gym, and an 849-space parking garage. Situated a short walk from two residential communities attracting young professionals, the project was also a part of the city's attempt to reverse the decades-long trend of businesses (and young workers) moving away or to the periphery of the city. It has helped nearby business attract additional customers, and has helped the property owners in the area see an increase in the value of their homes. In addition, it has helped Pittsburgh citizens appreciate large-scale reuse projects that bring in new employers and maintain the architectural integrity of the city's past.

Given the size and location of the project, there were many stakeholders involved in the execution of the Bakery Square Project. Walnut Capital was the developer, the Urban Redevelopment Authority enacted TIF financing (approved by the taxing bodies of the City of Pittsburgh Allegheny County and Pittsburgh Public Schools) to support targeted demolition and public infrastructure creation, Regional Industrial Development Corporation and the Erect Fund. Pittsburgh Partnership, the Three Rivers Workforce Investment Board and neighborhood employment agencies were all engaged to help job recruitment and readiness programs for local neighborhood members. The project affected the immediate community (the Larimer Neighborhood) the most, as that community saw a vacant semi-industrial space be transformed into a stylish lifestyle center.

The project has had a significant impact on both the image of the community and the actual job opportunities available in the Pittsburgh urban area. An estimated 2,213 new jobs have been created and \$360,000 in additional annual tax revenues to the city, school board and state have been generated. The property has already seen a \$12,266,400 increase in property value (419% increase over base). The TIF funds were 8.8% of the total funds used, and when parking taxes, hotel taxes, sales taxes, and wage taxes are included with property taxes, the project is expected to pay back its city financing in less than twenty years.

It is hard to overstate the publicity received when Google decided to move their offices into the space. Google currently has 150 employees in the space, and has the capacity to bring in another 200 more. This has a unique multiplier effect, as computer scientists are able to flow between start-ups and Google in the same manner seen in other software development clusters, creating a scrappy start-up culture. The jobs created in the retail, fitness, and hotel units have also allowed community members to maintain or increase their standard of living despite the challenging employment landscape.

This type of creative reuse has already proven popular with residents and business owners in and around the city. Closer to the downtown area a former Cork factory was renovated into loft units. The condominiums were sold so quickly that a similar building nearby is being prepared. The Bakery Square model helps developers throughout Western Pennsylvania see the potential in their own communities for strategic reuse projects. In addition, the development was designed by Pittsburgh-based Astorino architectural firm. We believe the aggregation of local knowledge in this area can only help the potential for similar projects in the future.

The Bakery Square project implemented a progressive reuse approach at a level of quality unseen in the Pittsburgh area and in a location unthought of as retaining much

value. The formally abandoned complex sat between a busy corridor to the downtown and a tired, semi-industrial zone, with a railroad line abutting much of the property. It took some vision to realize that a prosperous neighborhood was close by, as was a pleasant park, and a high-speed busway connecting the area to surrounding municipalities. Many did not believe the idea that you could lure in a premier tenant like Google into a space that was not in an office park, not in the downtown, and not directly adjacent to a university campus. In addition, to create a warm and inviting mixed-use lifestyle center in a former industrial site helped other developers in the community expand their consideration of project sites. In addition, the building was only the second Platinum rated LEED building in the city, and the first for a private development.

The Bakery Square Project and its creative re-configuring of a century-old baked-goods factory is a symbol of the dynamic re-invention of Pittsburgh. The project demonstrates how a city can shift from a manufacturing-based economy to a service-based economy without having to sacrifice the architectural integrity of the existing infrastructure. On a more visceral level, it adds energy to the community around it, restoring a sense of pride in the past and hope for the future.

The New York Times

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers, please click [here](#) or use the "Reprints" tool that appears next to any article. Visit www.nytimes.com for samples and additional information. Order a reprint of this article now. »



March 2, 2010
SQUARE FEET

Slumbering Pittsburgh Neighborhood Reawakens

By CHRISTINE H. O'TOOLE

PITTSBURGH — In the 1950s, the East Liberty neighborhood five miles east of downtown was Pennsylvania's third-largest shopping district, behind Center City Philadelphia and downtown Pittsburgh, with more than 500 local businesses and a population of 14,000.

The suburbs began to draw residents from the densely populated area in the late 1950s, however, and urban renewal schemes like high-rise public housing and ring roads were enacted to stem the flight. Instead, they drove the area into a 40-year coma. By the 1980s East Liberty had lost more than one million square feet of commercial space and half its population.

Now, two recent major commercial developments have begun to put a still-poor neighborhood back on its feet. New design standards have restored the traditional urban street grid to attract shoppers to national retailers, and a third office and retail project, a converted Nabisco bakery, has landed [Google](#) as an anchor tenant.

"Urban renewal has been a recurring theme in East Liberty for the past 50 years," said Sabina Deitrick, a co-director of the Urban and Regional Analysis Program at the [University of Pittsburgh](#). Yet even as East Liberty foundered, nearby residential districts retained their attractive features. The adjoining neighborhoods of Highland Park, Shadyside and Friendship contain the city's wealthiest and best-educated households, with an average income of more than \$81,000 a year.

A community plan in 1999 led by East Liberty Development Inc. called for attracting shoppers to a broader range of businesses than the aging mom-and-pop stores that remained, reviving the street grid, and creating jobs and better housing.

In the decade since, the city has replaced 1,400 high-rise public housing units with 450 new mixed-income units. The opening in 2000 of a big-box retailer, [Home Depot](#), on a failed Sears site suggested opportunities to other developers. [Whole Foods](#), a \$7.6 million development on an abandoned stretch of Centre Avenue, ignited immediate activity when it opened in 2002.

The development, called Eastside, stretches east along Centre Avenue, linking the Hillman Cancer Center of the University of Pittsburgh Medical Center, national and local retailers, and express bus lanes — known to Pittsburghers as a busway — to downtown.

"We are interested in building the core for retail," said Steve Mosites Jr., whose firm, the Mosites Company, brought Whole Foods to the neighborhood with the help of East Liberty Development Inc.

National retailers like Borders, Walgreen's and FedEx/Kinko's are pillars of Mosites's \$32.5 million Eastside II, and the firm is now readying the five-acre site of the demolished Penn Towers public houses for a proposed 145,000-square-foot Target store. Federal tax credits and financing from the federal Department of Housing and Urban Development, including a \$10 million loan and a \$2 million grant, will aid the project.

The influx of national retailers has stabilized commercial activity in East Liberty, but smaller businesses have been slow to open. Among a half-dozen entrepreneurs who are opening restaurants near Whole Foods is Sonja Finn, whose 1,500-square-foot bistro Dinette overlooks the corner of Centre and Highland Avenues.

Ms. Finn, a 29-year-old chef, analyzed East Liberty's redevelopment history for her senior thesis at Columbia. Her upscale two-year-old restaurant is thriving, she said, but she is disappointed that empty storefronts persist along Penn Avenue. "We need a higher percentage of retail in the core," she said.

Chris Ivey, a filmmaker who has chronicled the changing fortunes of the neighborhood in a documentary series, said its redevelopment was "definitely a big success story. But there were residential and business casualties that didn't have to be. When rents tripled on Penn Avenue, a lot of mom-and-pop stores couldn't afford that."

Mr. Mosites said old traffic patterns and other constraints had posed obstacles to development. Railroad tracks and the adjacent busway remain "an institutional barrier" for the neighborhood, he said. Several blocks of Penn Circle, the one-way ring road around the district, have been reconstructed for two-way traffic, but extending the two-way street on the eastern part of the circle and improving sidewalks and lighting will cost \$7.5 million.

That project will begin this summer, financed by a state grant and two tax increment financing plans, or TIFs, one from the Target site and one from Bakery Square, a \$150 million project that combines new construction with new use of the former Nabisco plant.

A 110-room Springhill Suites hotel will open there May 1, near a 41,000-square foot Urban Active fitness club. The women's clothing retailer, Anthropologie, will lease 12,000 square feet. Google's Pittsburgh office will build out 40,000 square feet of space in the complex, moving from the campus of Carnegie Mellon University, two miles nearer to downtown.

"It's got a personality," said Andrew Moore, the director of Google Pittsburgh, of the industrial-style space. "It has a history associated with very large-scale engineering of a completely different kind."

The demand for office space from companies like Google is also coming from area universities, said Gregg Perelman, the chief executive of Walnut Capital, which is a partner with the RCG Longview Fund and the Feil Organization in the Bakery Square project.

The University of Pittsburgh has leased 23,000 square feet in the complex for researchers in its department of rehabilitation science and technology, while Chatham University has acquired a nearby 250,000-square-foot office building for graduate programs.

The institutions' expansion toward East Liberty has been prompted by a shortage of Class A office space in Oakland, the district where Pitt and Carnegie Mellon University are located. The neighborhood had a zero vacancy rate for the fourth quarter of 2009, when the city's overall commercial real estate market was ranked as the healthiest in the nation by Moody's Investor Services.

Ms. Deitrick of the University of Pittsburgh said that over all, East Liberty's fortunes finally seemed to be on the rise. "Pittsburgh grows so slowly that gentrification means something different here," she said. "The recent stages of development could be a way to reunite neighborhoods that were separated by urban renewal."

post-gazette.com NEWS / BREAKING NEWS
Pittsburgh Post-Gazette

Google to add space, jobs in Pittsburgh

Friday, December 18, 2009
By Erich Schwartzel, Pittsburgh Post-Gazette

Google Inc. announced today that it has signed a lease for office space in Bakery Square in the East End and is "aggressively hiring" to fill it. The ever-expanding technology company will lease two floors of office space for a total of 40,000 square feet.

The company, headquartered in Mountain View, Calif., now employs more than 100 workers at the Collaborative Innovation Center at Carnegie Mellon University in Oakland. Those employees will be moving to the new space.

About one-half of the office's current employees were educated at schools in the region, and Google plans to maintain a similar ratio as it expands, said site director Andrew Moore. That includes workers who graduated from Carnegie Mellon, but also the University of Pittsburgh, Penn State and Case Western Universities, he said.

Bakery Square developer Todd Reidbord said the Google team expects to open the office doors "next summer sometime."

Google said the available jobs include positions in software engineering and engineering operations. Many of the larger satellite Google offices incorporate a sales team, but plans now are to keep the Pittsburgh office exclusively dedicated to engineering and computer science.

CMU professor Moore, who was hired by Google in 2005 to head the office, will continue to work as site director. In the four years since it opened, the Google Pittsburgh office has grown from two engineers to "just over 100," he said.

Bakery Square, a \$130 million project working to transform an old Nabisco plant, began talks with Google about six months ago and signed a lease "a few days ago," said Mr. Reidbord.

"They've got the best space in the building," said Mr. Reidbord, describing a two-story-high expanse on the building's top two floors.

The move continues Google's partnership with Pittsburgh, and especially Carnegie Mellon, where chief executive Eric Schmidt delivered the 2009 commencement address.

In an interview with the Post-Gazette, Carnegie Mellon president Jared Cohon said no new tenant for the CIC has been chosen yet. One prime candidate, he said, is the Disney Research Center located across the street, but current occupants have also expressed a desire for more space. Among others, the center currently houses an Intel Research Center and Apple's Pittsburgh office.

"Google's decision is driven by the need for more space, and that's fine," President Cohon said. Google's part of the CIC is 20,000 square feet. At twice the size, the Bakery Square location will be about as big as a Best Buy.

"The big payoff here is more jobs and very high-quality jobs," he said. "They're high-paying, stable and ones that generate more jobs."

The news was met with enthusiasm from local tech leaders.

"I'm so happy!" said Audrey Russo, president of the Pittsburgh Technology Council. "Our self-esteem should start to go up now, don't you think?"

Google's growth in the university's Collaborative Innovation Center presents a "new model for corporate-university collaboration," Mr. Cohon said.

Google announced in September that it had purchased a CMU spin-off company, ReCAPTCHA, that digitizes online text. ReCAPTCHA will move to the Bakery Square location, as well.

Pottery Barn had been in talks with Bakery Square developers about opening a store at the new site, but has since decided to stay on Walnut Street in Shadyside.

Anthropologie, which sells women's apparel, still is planning to open a store at Bakery Square in May, said Ed Kunzman, who manages the retailer's lone Pittsburgh store at the Galleria in Mt. Lebanon.

"Everything on our end is still a go," he said.

In an interview then with the Post-Gazette, Mr. Schmidt said the Pittsburgh office boasts a "pragmatism born of Westinghouse and Mellon."

For more information on open positions, visit www.google.com/jobs. Applicants can apply specifically for openings at the Pittsburgh site.

Erich Schwartzel can be reached at eschwartzel@post-gazette.com or 412-283-1455.

Looking for more from the Post-Gazette? Join **PG+**, our members-only web site. You'll get exclusive sports content, opinion, financial information, discounts from retailers and restaurants, and more. Our [introduction to PG+](#) gives you all the details.



First published on December 18, 2009 at 11:03 am

This Was Printed From Pittsburgh Business Times

Bakery Square achieves LEED platinum certification

Pittsburgh Business Times - by Tim Schooley

Date: Thursday, October 28, 2010, 1:28pm EDT - Last Modified: Friday, October 29, 2010, 12:28pm EDT

Related:

Environment, Construction

Bakery Square at East Side, Walnut Capital Partners' \$130 million redevelopment of the 1900-era Nabisco bakery in Larimer, has been awarded a platinum rating for Leadership in Energy and Environmental Design certification by the U.S. Green Building Council.

Despite the Pittsburgh area's relative abundance of LEED-certified buildings, the platinum ranking is only the second in the Pittsburgh region and the first for a private development.

Pittsburgh's other LEED platinum project is the office of the Green Building Alliance, the local nonprofit organization that has helped to launch green building in the region.

To reach LEED platinum, a building must reach 80 percent of the LEED program's point system, 20 percent higher than the rating for gold.

Todd Reidbord, president of Walnut Capital Partners, announced that Bakery Square earned the LEED platinum rating at a developers showcase event of the National Association of Industrial and Office Properties held at the property last Friday.

He told an assembled crowd that developing green was essential to draw such coveted tenants as Google, which is moving into Bakery Square from its former office near the campus of Carnegie Mellon University.

The development, which includes 216,000 square feet of office space, 136,000-plus square feet of retail, an Urban Active fitness center and a hotel, was designed by Astorino, based Downtown, and gets an initial boost in LEED certification that comes from using an urban site and reusing an old structure.



Picture courtesy of Google Earth

MARKET CONDITIONS

This area, the East Liberty neighborhood of Pittsburgh, is densely populated with 350,000 people residing within a 5-mile radius of the site; 575,000 within 7 miles. This consumer base is affluent (100,000 people in the trade area have an average household of \$81,774/year.), young (the average age is 35.5 years.), and educated (52% of the population within a 1-mile radius are college educated or above.).

This development plans to address the area's hotel and retail demand, spurred by nearby hospitals and universities. The site also sits across the street from Mellon Park on Penn Avenue, and less than a block from the major urban commuting avenues, Fifth Avenue and Washington Boulevard.

SITE ASSEMBLY AND CONTROL

This site passed through many hands before it reached Walnut Capital for redevelopment. For the majority of the 20th Century, the Nabisco Company owned the factory. When the East Liberty location closed in 1998, the RIDC took over and leased the property to Atlantic Baking Company. The factory was eventually leased to the Bake-Line Group of Oak Brook, Ill until it declared bankruptcy in 2004.

Walnut Capital purchased the property for \$5.4 million from the RIDC in 2007, and the property is currently under Urban Industrial Zoning.

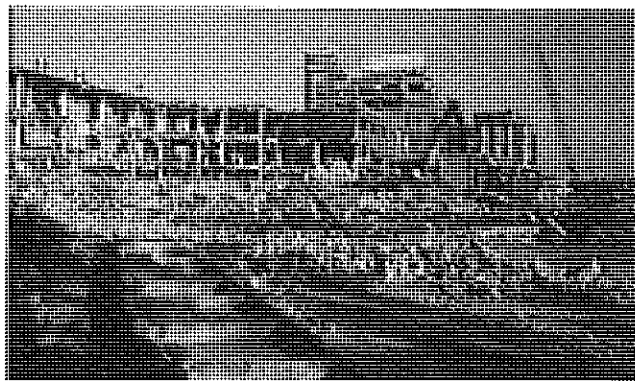


Photo courtesy of the official Bakery Square website

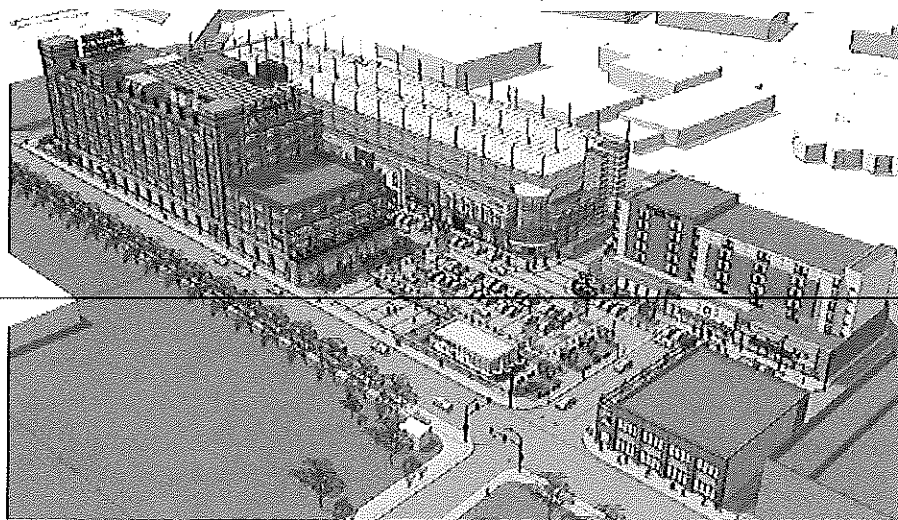
ENVIRONMENTAL PROBLEMS

The site received a \$1 million grant from the state Department of Environmental Protection towards environmental remediation. The property was found to contain asbestos, PCBs, underground storage tanks (UST), and lead-based paint. The RIDC held an environmental site assessment before Walnut Capital entered the picture, and they dealt with the removal of drums of hazardous materials and USTs. The RIDC contributed an additional \$335,000 towards the clean-up.

Walnut Capital updated that site assessment in May 2007 and, with \$1 million, capsulated the asbestos and lead paint. After the contamination was abated, another site assessment was taken. The site was cleaned up according to state regulations.

SOCIAL / COMMUNITY INFRASTRUCTURE

Walnut Capital contacted the community before redeveloping the former Nabisco factory, specifically council members and East Liberty Development, Inc. (ELDI).



Artist's rendering of Bakery Square
Picture courtesy of official Bakery Square website

PHYSICAL INFRASTRUCTURE

The developers deemed road access improvements vital to the redevelopment. One-way traffic along most of East Liberty's Penn Circle is one of the biggest barriers of growth in the area. The project of rerouting East Liberty for two-way traffic is expected to cost \$2.8 million. Of that, \$2.5 million will be financed with new tax revenue from Bakery Square. The rest of the \$10 million in tax increment financing (TIF) is used to pay property taxes, and improve traffic signals.

In 2007, the news reported negotiations with the Port Authority to establish a bus station opposite the development.

Bakery Square plans also include a 932-vehicle garage in addition to the 99 surface parking.

COSTS & ECONOMIC INFRASTRUCTURE

The total cost for Bakery Square is projected to be between \$105 and \$125 million. This amount includes a mix of private and public funding; however, over 90% of the total cost is sponsored by private sources. The development received historic tax credits, \$10 million state loans in tax-exempt financing, and money from the Urban Redevelopment Authority. The state's Commonwealth Financing Authority approved the loan under the Building PA program. The project's TIF funds will be used to help finance the parking garage and infrastructure improvements. Also, the DEP contributed \$1 million for remediation.



Artist's rendering of Bakery Square
Picture courtesy of official Bakery Square website

CURRENT STATUS AND LESSONS LEARNED

Walnut Capital was able to keep the factory as part of its development and add a tower, while only demolishing a section of the site's three-story structure. The rest was refurbished. Three or four buildings on the site are to be devoted to retail, and one is designated to be a hotel. The Marriot Spring Hill Suites hotel was planned as part of a joint venture with locally-based Concord Hospitality.

Urban Active, a national upscale fitness center chain, is designated to occupy Bakery Square's 41,550-square-foot fitness center in the spring of 2009.

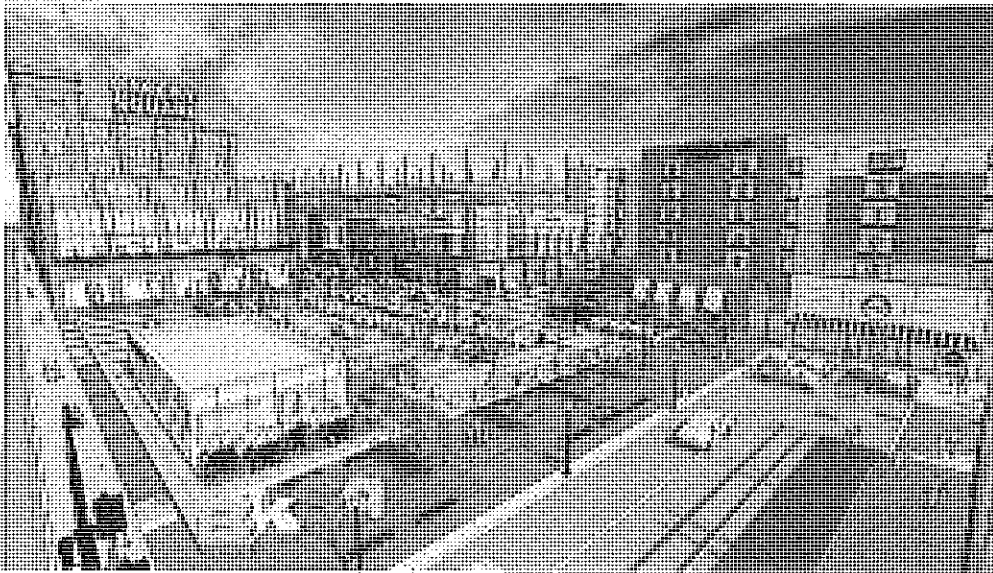
This development has also pursued LEED green building certification. It has been separated into two projects: one using the existing Nabisco factory building and the other encompasses all the adjacent newly constructed retail buildings. While the latter targets a LEED Certification, the former targets a LEED Silver or better because of its adaptive reuse of the building. Its architect, Astorino, has a sustainable design strategy that includes the use of on-site renewable energy technologies such as photovoltaic panels and roof-mounted wind turbines, a green roof, and recycled building materials. Walnut Capital also plans to incorporate education and outreach components by displaying educational material in the development.

Along with sustainability design, public funds took a major role in this development. A representative from the Urban Redevelopment Authority said that without financial backing from TIF, the project would have been one-tenth the size.

ECONOMIC/COMMUNITY IMPACT

Since the spread of suburbanization in the 1960's, East Liberty had been on a decline. Nearly twenty years passed before the creation of a nonprofit community development corporation, ELDI. Their efforts in the 1980's are gradually pulling East Liberty out of this descent; ELDI attracted approximately 200 new businesses and over \$80 million in new investment since the 1980's, including this development.

The state expects Bakery Square to create 1,600 jobs. Of those, 560 are office jobs and 600+ will go towards the retail and dining industry that will be created at the site. In summer 2008, Walnut Capital reported that it is working on lease agreements for the development's 216,080 square feet of office space, 136,460 square feet of retail space, 110-room hotel, and 38 residential units.



Artist's rendering of Bakery Square
Picture courtesy of official Bakery Square website

SOURCES

"Bakery Square." Official Website. <<http://www.bakery-square.com/>>

"Bakery Square gets \$10M loan from state." Pittsburgh Business Times. 27 June 2008. <<http://orlando.bizjournals.com/orlando/othercities/pittsburgh/stories/2008/06/23/daily34.html?b=1214193600%5E1661308>>

"Bakery Square gets TIF." Pittsburgh Business Times. 17 Dec. 2007. <<http://pittsburgh.bizjournals.com/pittsburgh/stories/2007/12/17/daily6.html>>

Baron, Jennifer. "\$113M mixed-use Bakery Square project receives \$10 M TIF." Pop City Media. 19 Dec. 2007. <<http://www.popcitymedia.com/developmentnews/baksq1219.aspx>>

Belko, Mark. "Blight designation prepares Larimer block for developer." Pittsburgh Post-Gazette. 6 Dec. 2006.

DaParma, Ron. "Tax Breaks sought for Nabisco site." Pittsburgh Tribune-Review. 12 Oct. 2006.

Dolan, Anthony. Real Estate Developer – Walnut Capital. Phone Interview. 19 June 2008.

Fralick, Kelsey. "Gym Signs at Bakery Square Redevelopment. Urban Active Plans 2009 Occupancy at Mixed-Use Complex." CoStar Group. 5 Dec. 2007. <http://www.bakery-square.com/news_articles/12_05_2007.php>

Green, Elwin. "\$1 million state grant to aid Bakery Square project." Pittsburgh Post-Gazette. 10 Feb. 2007.

Heinrichs, Allison M. "RIDC gets \$1M to prep shuttered Nabisco site." Pittsburgh Tribune-Review. 10 Feb. 2007.

Lord, Rich. "Port Authority looks to reroute East Liberty." Pittsburgh Post-Gazette. 26 Jan. 2008. <<http://www.post-gazette.com/pg/08026/852422-53.stm>>

"Special Projects: Bakery Square." Walnut Capital. <http://www.walnutcapital.com/commercial_bakerySquare.php>

Spatler, Sam. "East Liberty's Bakery Square project will receive \$10M." Pittsburgh Tribune-Review. 10 Aug. 2007.

Spatler, Sam. "Part of Ex-Nabisco Plant Razed." 20 Sept. 2007. <http://www.bakery-square.com/news_articles/9_20_07.php>

"Special Projects: Bakery Square." Walnut Capital. <http://www.walnutcapital.com/commercial_bakerySquare.php>

Staff Reports. "State approves loan for Bakery Square project." 27 June 2008 <http://www.pittsburghlive.com/x/pittsburghtrib/business/s_574902.html>

Stewart, Charlie. "Redeveloping East Liberty." Shady Ave. Spring 2006.

"Walnut Capital To Pursue Green Building Certification for Bakery Square." Bakery Square. 21 Aug. 2007. <http://www.bakery-square.com/news_articles/LEED.php>

Case Study Completed
Summer 2008

This Was Printed From Pittsburgh Business Times

Learning Express Toys, Free People coming to Bakery Square

Pittsburgh Business Times - by Tim Schooley

Date: Friday, October 29, 2010, 12:35pm EDT

Related:

Consumer Goods

Walnut Capital Partners has inked two more retail tenants for its Bakery Square project, a \$130 million redevelopment of the former Nabisco bakery on Penn Avenue in Larimer.

Opening at Bakery Square in mid-January will be Free People, another retail concept from Philadelphia-based Urban Outfitters Inc., which already has a presence at Bakery Square with an Anthropologie store.

A women's clothing and housewares store, Free People has 30 stores throughout the country and its merchandise also is sold in more than 1,500 boutiques.

The Bakery Square location will be the first Free People store in the Pittsburgh area. The company also operates an Urban Outfitters at SouthSide Works as well as a second Anthropologie store at the Galleria in Mount Lebanon.

Learning Express Toys, which sells developmental toys for toddler and preschool-age children, also will open next week in Bakery Square.

Walnut Capital principal **Gregg Perelman** confirmed the new tenants, which also are listed on the Facebook page for Bakery Square.



208-3826.

Tim Schooley covers retail, real estate, small business, hospitality and media for the Pittsburgh Business Times.

Contact him at tschooley@bizjournals.com or (412)

That said, LEED platinum is a major achievement, said **Marc Mondor**, principal of Friendship-based evolve EA, a firm which provides environmental design and architectural services both here and internationally.

He said his firm has helped nearly two dozen buildings achieve LEED certification and none yet have reached platinum.

"Platinum is very exclusive. There are not very many platinum projects at all in the whole country," Mondor said.



Tim Schooley covers retail, real estate, small business, hospitality and media for the Pittsburgh Business Times.

Contact him at tschooley@bizjournals.com or (412)

208-3826.



#1 Oil Stock for 2011 - UTOG

(UTOG) Find out why smart investors are calling it "The Next Big..."

www.AmericanEnergyReport.com



**Life Insurance from
\$12/Month**

Get \$250,000 in Life Coverage for as Little as \$12/Mo. Free Quotes.

LifeInsurance.Insure.com

Ads By Marchex

post-gazette.com **BUSINESS**
Pittsburgh Post-Gazette

Google is feng-shui fabulous

Google's modern techy-oriented digs open with fanfare in Bakery Square

Wednesday, December 08, 2010

By Erich Schwartzel, Pittsburgh Post-Gazette



Lake Fong/Post-Gazette

Google opens its new office in Larimer on Tuesday.

Parts of the new Google Pittsburgh office are left deliberately unfinished, with exposed wires and pipes that look like the inside of a computer thrown up against the ceiling.

But computer wires and hardware are what Google has translated into a fun -- and industry-leading -- user experience, so it's only appropriate they hover over beanbags and free beef jerky.

A healthy mix of awe and workplace envy were in store Tuesday at the open house for the search company's new digs in an old Nabisco factory at the redeveloped Bakery Square complex in Larimer. The site and its more than 150 workers place Pittsburgh in a top tier of satellite offices that includes the company's Boston and Waterloo, Ontario, sites.

The decision to essentially double Google's footprint in Pittsburgh has been interpreted as an arbiter for Pittsburgh's growing success in the tech sector, and the company's selection of Bakery Square was great news for that development.

Break out the champagne -- Google did.

Alongside the free drinks and sushi rolls celebrating Google's year-long move from Carnegie Mellon's campus were demos on projects unique to the regional site.

They include Google Sky, an application for Google Earth that turns the company's location-based services to the sky and tracks the stars. And Recaptcha, a CMU startup acquired by Google in 2009, will continue its work digitizing text at the new site.

Though the company's Pittsburgh presence has grown from two employees to more than 150 in the past four years, site director Andrew Moore said Google was still "recruiting extensively" for open positions in Pittsburgh. Job listings are available at www.google.com/jobs/ and include positions in engineering and product management.

Many employees at the Pittsburgh site grew up here and moved away, only to be lured back for work at the new site -- that's what Mr. Moore calls the "boomerang effect."

At this cutting-edge ribbon cutting, Google wasn't scared to show off why it might come back.

Google's employee benefits and workplace culture -- free Red Bull! staff masseuse! stock options! -- have become as well-known as the company's minimalist homepage.

At this office, "you never have the chance to forget you're at Google," said Jen Crowley, a recruiter-cum-tour guide at the Pittsburgh site.

Indeed, everything is colored in the primary hues that make up the Google logo, from the red chairs to the green walls to the red-yellow-green color-code system that rates the healthiness of each lunch option.

The Google ethos is all about the grad school environment, a "water cooler culture" that in the new site is repeated over and over again.

The space is filled with little nooks that come with beanbags and couches arranged in Feng-shui fabulous for conversation and collaboration. The space's most aggressively quirky meeting area is one-of-a-kind -- as ordered by corporate.

When the office designers wanted to mimic other Google sites and install a fire pole, top Googlers said "no" -- it was against the Google philosophy to simply replicate another's idea.

The solution? A mesh net that hangs from the ceiling and serves as yet another meeting space. (No shoes allowed.)

There are homages to Pittsburgh: the Roberto Clemente meeting room, a Nabisco mixer lifted by crane onto the seventh floor, a Google T-shirt that replaces the two O's in the company name with the Smithfield Street bridge.

The city of Pittsburgh returned the love. Google's new site serves as an anchor for East Liberty's Bakery Square development, and Tuesday's event seemed as much a housewarming party for Google as a pat on the back to city officials who guided the complex's development.

Mayor Luke Ravenstahl said the long and oft-criticized process of the Bakery Square complex was "well worth it," saying that without such an appealing space for Google, "we wouldn't be here today."

And the engineers and employees at Google shouldn't expect that fascination to let up anytime soon -- even if the tech community isn't one used to the spotlight.

Readying herself for a camera shot on Tuesday, administrative assistant Cathy Serventi ran her fingers through her hair, brown with a shock of red.

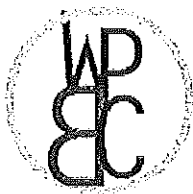
Looking at the camera, she realized, "I don't think my parents have seen my red hair."

on the web

Visit post-gazette.com to take a video tour of Google's new location.

Erich Schwartzel: eschwartzel@post-gazette.com or 412-263-1455.

First published on December 8, 2010 at 12:00 am



WESTERN PENNSYLVANIA
BROWNFIELDSCENTER

<http://www.cmu.edu/steinbrenner/brownfields/>

BAKERY SQUARE IN EAST LIBERTY (NABISCO FACTORY)

LOCATION: Pittsburgh, PA

SIZE: 6 acres

FEATURES: Proximity to Downtown

OWNER: Walnut Capital

CURRENT USE: Retail Space, Office Space, Fitness Center, and Hotel

PAST USE: Nabisco Factory

CONTAMINANTS: Asbestos, PCBs, and Lead-Based Paint

TOTAL ACTUAL COST: \$113 million (projected)

TIMELINE

1918 The Nabisco Bakery is built.

1998 Nabisco Factory closes.

1999 RIDC takes control of the building.

2004 The Bake-Line Group declares bankruptcy.

2006 City of Pittsburgh declares site as "blighted."

2007 RIDC receives DEP grant for environmental remediation.

2007 Environmental remediation begins.

2007 Walnut Capital purchases the property from the RIDC.

2007 Construction begins on the site.

HISTORY

In 1918 the Nabisco Bakery was built in the East Liberty neighborhood of Pittsburgh as part of a nationwide expansion by the National Biscuit Company. The Regional Industrial Development Corporation (RIDC) bought the plant in 1999 after Nabisco closed the plant's doors. RIDC leased the building to Atlantic Baking Company. During the peak of production, the company had seven plants and 1,300 employees. It was eventually taken over by the Bake-Line Group.

However, the group declared bankruptcy in January 2004, closing all seven plants and ending jobs for 290 bakery workers. The building has remained vacant since then, and was even declared as "blighted" by the City of Pittsburgh in 2006.

A year after this declaration, a developer, Walnut Capital, came forward with plans for redevelopment. Walnut Capital dubbed the project "Bakery Square," recognizing the site's history in the production of baked goods.

TOPOGRAPHY

The Bakery Square development resides in Pittsburgh's East End and is less than six miles from the heart of downtown Pittsburgh.

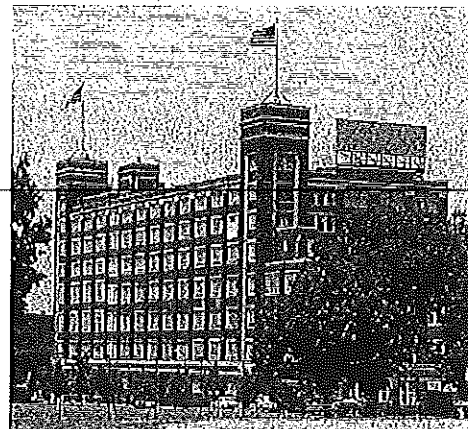


Photo courtesy of The Strategic Investment Fund



Picture courtesy of Google Earth

MARKET CONDITIONS

This area, the East Liberty neighborhood of Pittsburgh, is densely populated with 350,000 people residing within a 5-mile radius of the site; 575,000 within 7 miles. This consumer base is affluent (100,000 people in the trade area have an average household of \$81,774/year.), young (the average age is 35.5 years.), and educated (52% of the population within a 1-mile radius are college educated or above.).

This development plans to address the area's hotel and retail demand, spurred by nearby hospitals and universities. The site also sits across the street from Mellon Park on Penn Avenue, and less than a block from the major urban commuting avenues, Fifth Avenue and Washington Boulevard.

SITE ASSEMBLY AND CONTROL

This site passed through many hands before it reached Walnut Capital for redevelopment. For the majority of the 20th Century, the Nabisco Company owned the factory. When the East Liberty location closed in 1998, the RIDC took over and leased the property to Atlantic Baking Company. The factory was eventually leased to the Bake-Line Group of Oak Brook, Ill until it declared bankruptcy in 2004.

Walnut Capital purchased the property for \$5.4 million from the RIDC in 2007, and the property is currently under Urban Industrial Zoning.

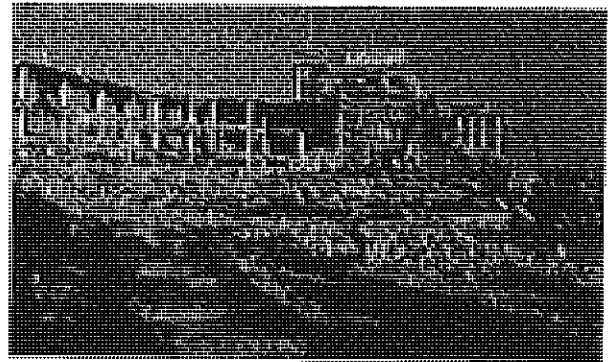


Photo courtesy of the official Bakery Square website

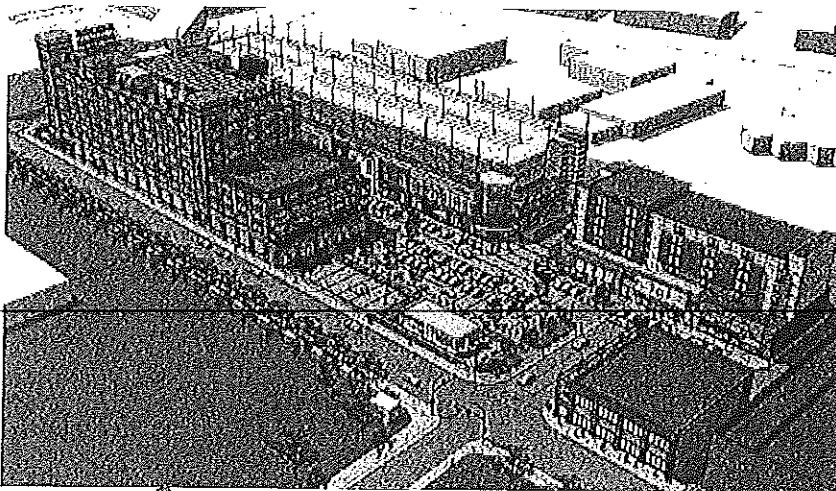
ENVIRONMENTAL PROBLEMS

The site received a \$1 million grant from the state Department of Environmental Protection towards environmental remediation. The property was found to contain asbestos, PCBs, underground storage tanks (UST), and lead-based paint. The RIDC held an environmental site assessment before Walnut Capital entered the picture, and they dealt with the removal of drums of hazardous materials and USTs. The RIDC contributed an additional \$335,000 towards the clean-up.

Walnut Capital updated that site assessment in May 2007 and, with \$1 million, encapsulated the asbestos and lead paint. After the contamination was abated, another site assessment was taken. The site was cleaned up according to state regulations.

SOCIAL/COMMUNITY INFRASTRUCTURE

Walnut Capital contacted the community before redeveloping the former Nabisco factory, specifically council members and East Liberty Development, Inc. (ELDI).



Artist's rendering of Bakery Square
Picture courtesy of official Bakery Square website

PHYSICAL INFRASTRUCTURE

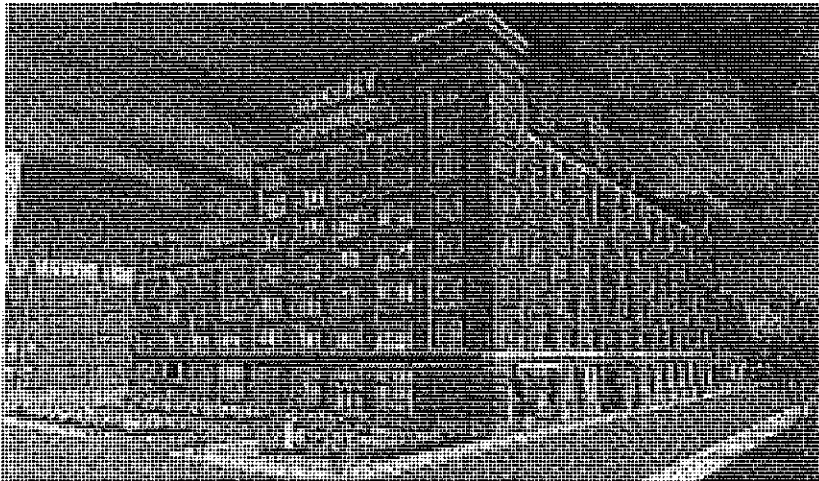
The developers deemed road access improvements vital to the redevelopment. One-way traffic along most of East Liberty's Penn Circle is one of the biggest barriers of growth in the area. The project of rerouting East Liberty for two-way traffic is expected to cost \$2.8 million. Of that, \$2.5 million will be financed with new tax revenue from Bakery Square. The rest of the \$10 million in tax increment financing (TIF) is used to pay property taxes, and improve traffic signals.

In 2007, the news reported negotiations with the Port Authority to establish a bus station opposite the development.

Bakery Square plans also include a 932-vehicle garage in addition to the 99 surface parking.

COSTS & ECONOMIC INFRASTRUCTURE

The total cost for Bakery Square is projected to be between \$105 and \$125 million. This amount includes a mix of private and public funding; however, over 90% of the total cost is sponsored by private sources. The development received historic tax credits, \$10 million state loans in tax-exempt financing, and money from the Urban Redevelopment Authority. The state's Commonwealth Financing Authority approved the loan under the Building PA program. The project's TIF funds will be used to help finance the parking garage and infrastructure improvements. Also, the DEP contributed \$1 million for remediation.



Artist's rendering of Bakery Square
Picture courtesy of official Bakery Square website

CURRENT STATUS AND LESSONS LEARNED

Walnut Capital was able to keep the factory as part of its development and add a tower, while only demolishing a section of the site's three-story structure. The rest was refurbished. Three or four buildings on the site are to be devoted to retail, and one is designated to be a hotel. The Marriot Spring Hill Suites hotel was planned as part of a joint venture with locally-based Concord Hospitality.

Urban Active, a national upscale fitness center chain, is designated to occupy Bakery Square's 41,550-square-foot fitness center in the spring of 2009.

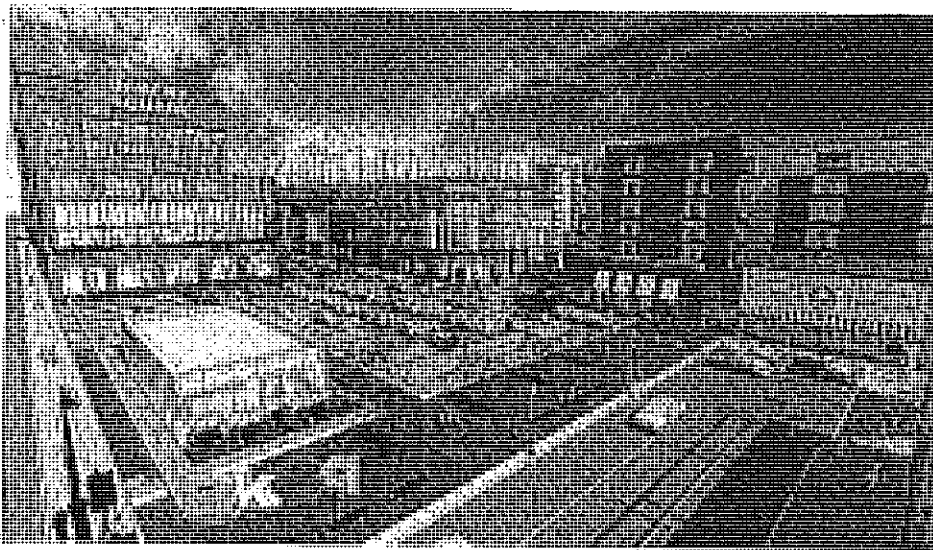
This development has also pursued LEED green building certification. It has been separated into two projects: one using the existing Nabisco factory building and the other encompasses all the adjacent newly constructed retail buildings. While the latter targets a LEED Certification, the former targets a LEED Silver or better because of its adaptive reuse of the building. Its architect, Astorino, has a sustainable design strategy that includes the use of on-site renewable energy technologies such as photovoltaic panels and roof-mounted wind turbines, a green roof, and recycled building materials. Walnut Capital also plans to incorporate education and outreach components by displaying educational material in the development.

Along with sustainability design, public funds took a major role in this development. A representative from the Urban Redevelopment Authority said that without financial backing from TIF, the project would have been one-tenth the size.

ECONOMIC/COMMUNITY IMPACT

Since the spread of suburbanization in the 1960's, East Liberty had been on a decline. Nearly twenty years passed before the creation of a nonprofit community development corporation, ELDI. Their efforts in the 1980's are gradually pulling East Liberty out of this descent; ELDI attracted approximately 200 new businesses and over \$80 million in new investment since the 1980's, including this development.

The state expects Bakery Square to create 1,600 jobs. Of those, 560 are office jobs and 600+ will go towards the retail and dining industry that will be created at the site. In summer 2008, Walnut Capital reported that it is working on lease agreements for the development's 216,080 square feet of office space, 136,460 square feet of retail space, 110-room hotel, and 38 residential units.



Artist's rendering of Bakery Square
Picture courtesy of official Bakery Square website

SOURCES

"Bakery Square." Official Website. <<http://www.bakery-square.com/>>

"Bakery Square gets \$10M loan from state." Pittsburgh Business Times. 27 June 2008. <<http://orlando.bizjournals.com/orlando/othercities/pittsburgh/stories/2008/06/23/daily34.html?b=1214193600%5E1861308>>

"Bakery Square gets TIF." Pittsburgh Business Times. 17 Dec. 2007. <<http://pittsburgh.bizjournals.com/pittsburgh/stories/2007/12/17/daily6.html>>

Baron, Jennifer. "\$113M mixed-use Bakery Square project receives \$10 M TIF." Pop City Media. 19 Dec. 2007. <<http://www.popcitymedia.com/developmentnews/baksq1219.aspx>>

Belko, Mark. "Blight designation prepares Larimer block for developer." Pittsburgh Post-Gazette. 6 Dec. 2006.

DaParma, Ron. "Tax Breaks sought for Nabisco site." Pittsburgh Tribune-Review. 12 Oct. 2006.

Dolan, Anthony. Real Estate Developer -- Walnut Capital. Phone Interview. 19 June 2008.

Fralick, Kelsey. "Gym Signs at Bakery Square Redevelopment. Urban Active Plans 2009 Occupancy at Mixed-Use Complex." CoStar Group. 5 Dec. 2007. <http://www.bakery-square.com/news_articles/12_05_2007.php>

Green, Elwin. "\$1 million state grant to aid Bakery Square project." Pittsburgh Post-Gazette. 10 Feb. 2007.

Heinrichs, Allison M. "RIDC gets \$1M to prep shuttered Nabisco site." Pittsburgh Tribune-Review. 10 Feb. 2007.

Lord, Rich. "Port Authority looks to reroute East Liberty." Pittsburgh Post-Gazette. 26 Jan. 2008. <<http://www.post-gazette.com/pg/08026/862422-53.stm>>

"Special Projects: Bakery Square." Walnut Capital. <http://www.walnutcapital.com/commercial_bakerySquare.php>

Spatler, Sam. "East Liberty's Bakery Square project will receive \$10M." Pittsburgh Tribune-Review. 10 Aug. 2007.
Spatler, Sam. "Part of Ex-Nabisco Plant Razed." 20 Sept. 2007. <http://www.bakery-square.com/news_articles/9_20_07.php>

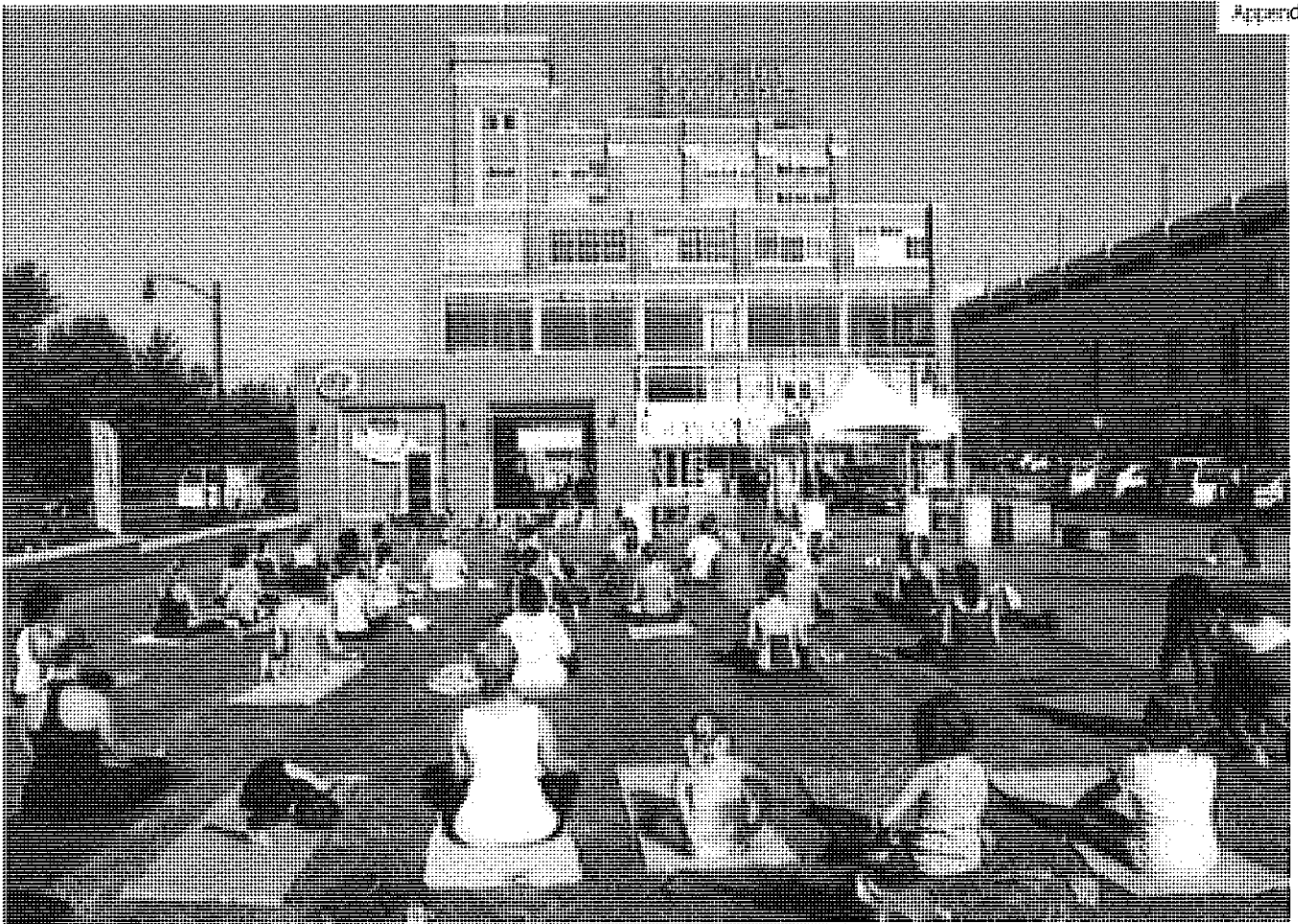
"Special Projects: Bakery Square." Walnut Capital. <http://www.walnutcapital.com/commercial_bakerySquare.php>

Staff Reports. "State approves loan for Bakery Square project." 27 June 2008 <http://www.pittsburghlive.com/x/pittsburghtrib/business/s_574902.html>

Stewart, Charlie. "Redeveloping East Liberty." Shady Ave. Spring 2006.

"Walnut Capital To Pursue Green Building Certification for Bakery Square." Bakery Square. 21 Aug. 2007. <http://www.bakery-square.com/news_articles/LEED.php>

Case Study Completed
Summer 2008

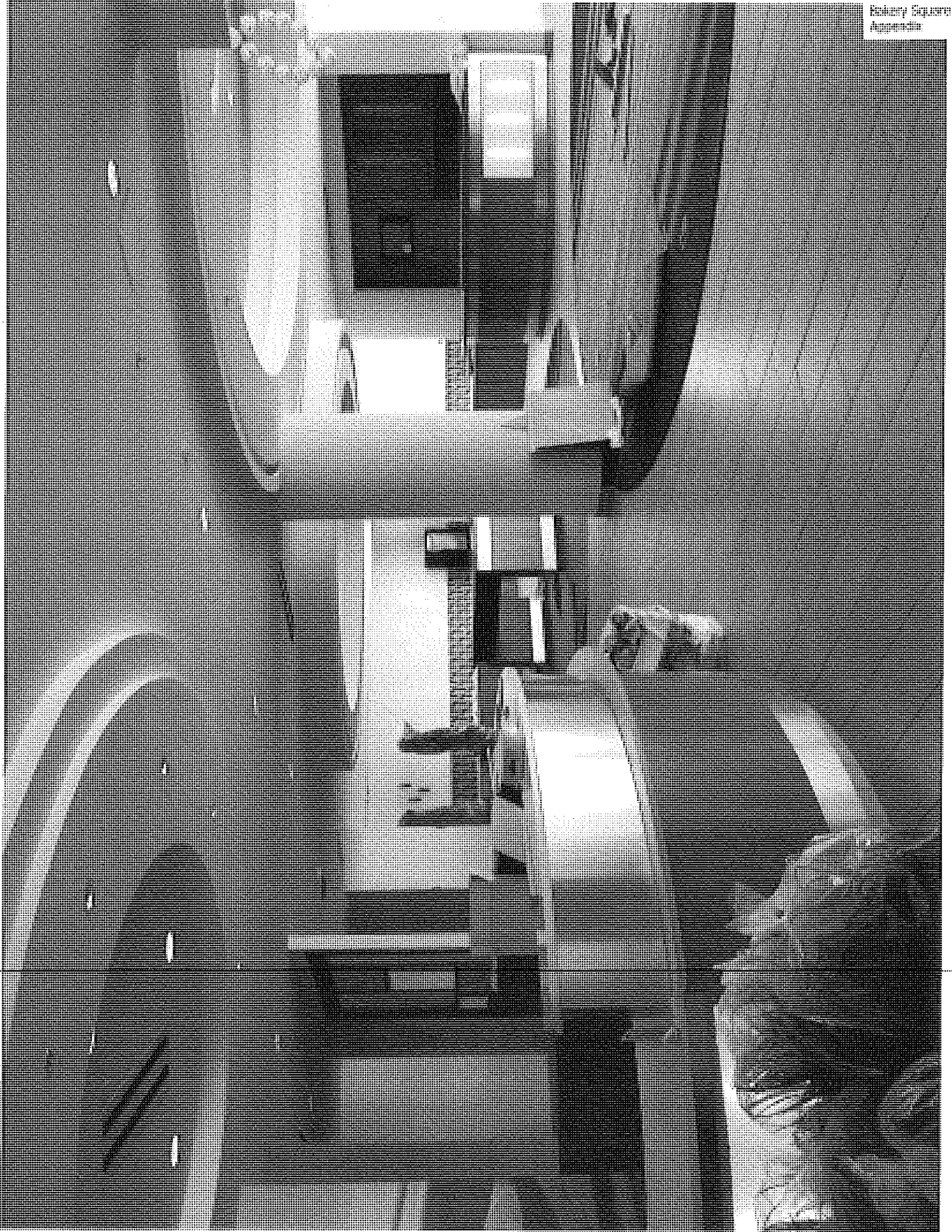


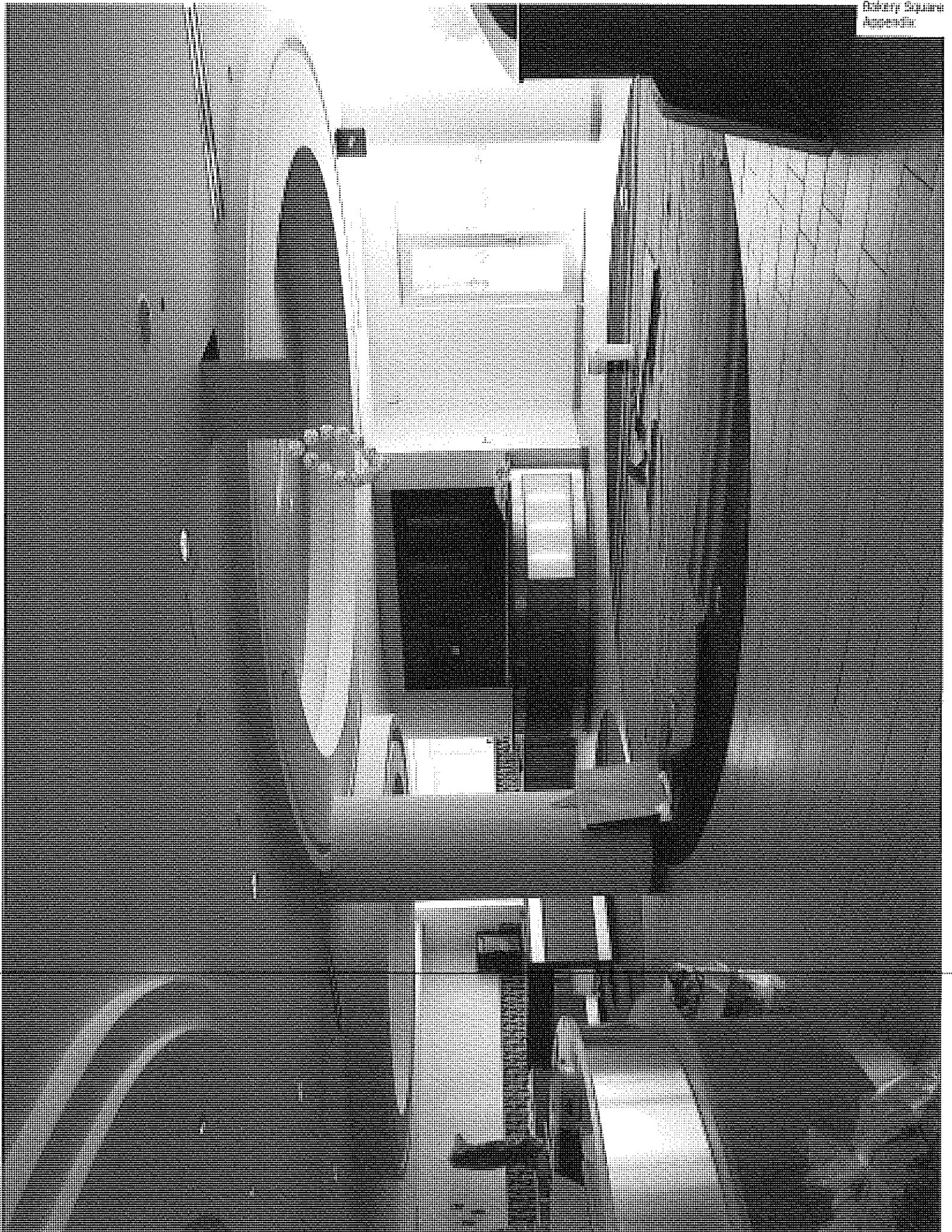


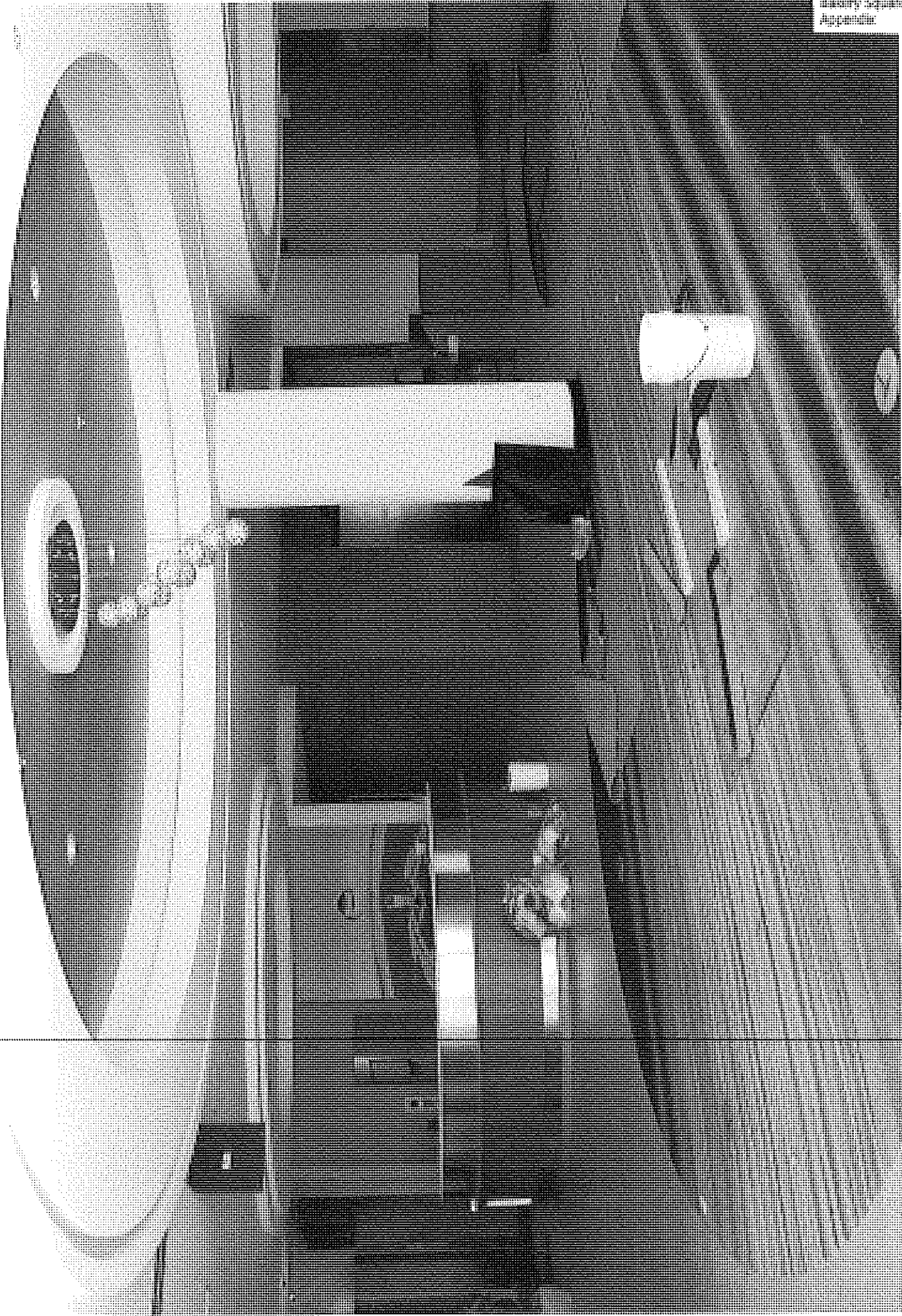












For Office Use Only: _____



2011 IEDC EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS ENTRY FORM

Please complete this section for all entries.

Include 5 hard copies of the Entry Form and all supplemental information with your submission.

Organization: Brick City Development Corporation

Contact Name: Lyneir Richardson

Email: richardsonl@bcdcn Newark.org

Project/Item Name: Pipeline to Finish Line Project : Newark's Groundbreaking Year

Category for Entry: Program Awards: Real Estate Redevelopment and Reuse

Population Category (<25K, 25-200K, 200K-500K, >500K): (Choose One) 200-500K

Date Project Began: January 2010

Date of Completion (if applicable): January 2012

For Entries in Categories 9 & 10, Enter Your Web Site URL: _____

PROJECT DESCRIPTION

*Please refer to the **Category Description and Judging Criteria Sheet** corresponding to your category when answering the following questions in the space provided.*

Select:

- ☐ Promotional Award Categories 1-8 – See Sheet A (page 9)
- ☐ Internet and New Media Categories 9-11 – See Sheet B (page 10)
- ☒ Program Award Categories 12-22 – See Sheet C (page 11-12)
- ☐ Partnership Award Categories 23-25 – See Sheet D (page 13)
- ☐ Leadership Award Categories 26-30 – See Sheet E (page 14)

Special Note: The below section is not required for the Leadership Award categories. Please complete a profile of the individual's achievements.

THIS SECTION IS INTENDED TO PROVIDE AN OVERVIEW OF THE PROJECT. PLEASE KEEP ANSWERS TO EACH QUESTION UNDER 200 WORDS. YOU MAY EXPAND ON THIS INFORMATION IN A SEPARATE PROFILE OF NO MORE THAN 3 PAGES, DOUBLE-SPACED.

1. Please provide a brief description of the project.

Brick City Development Corporation (BCDC) was founded in 2007 by Newark Mayor Cory Booker as the primary economic development catalyst for Newark, New Jersey. BCDC was organized to retain, attract and grow businesses, enhance small and minority business capacity and spur real estate development. Mayor Booker's vision is for Newark to become "America's leading city in urban transformation." Critical to this effort is BCDC's role in successfully promoting Newark's assets, strategic location and bright future as a place for value creation and investments in an urban landscape.

The Pipeline to Finish Line Project ("the Pipeline/Finish Line Project") was created by BCDC in response to Mayor Booker's call for visible, catalytic change. 37 projects were in the Pipeline. All were stalled or slow moving. In response, BCDC formulated a strategy and mechanism to focus energy and resources toward the most actionable projects. Armed with a catalog of development possibilities, BCDC leadership assessed developer readiness and the viability of site and financing structures. From the original 37 projects, the BCDC executive team determined that it would work to move nine projects from the "Pipeline" and across the "Finish Line." Collectively, this would result in over \$282 million of investment.

2. What is the goal or purpose of this project?

The purpose of the Pipeline/Finish Line Project is to achieve Mayor Booker's vision of transforming Newark by actualizing development and catalyzing the economic base of the City. The Pipeline/Finish Line Project will establish the foundation for ongoing investment and business attraction.

BCDC leadership assessed in detail individual proposals and development visions to identify deals that could make it to the "Finish Line" within a 12-24 month period of time. Case-by-case evaluations and detailed assessments were made to determine deal viability in the current economic climate; developer capacity and tenacity; readiness to proceed; job creation and receptivity to resident hiring and MWBE contracting; and impact on physical environment in the CBD and wards of the City. Specially, BCDC leadership analyzed development pro formas and the ratio of public/private resources. The aim was to strategically use public financial incentives to provide "gap financing, not gorge financing" and make development happen.

As a result of applying this framework to the thirty-plus initial pipeline, BCDC purposely decided to work to bring only nine projects to the Finish Line. Less than twelve months later, over \$152 million of development and construction activity has already commenced.

3. Who are the participants in this project? Who was involved in planning/implementation? Who is affected?

In forming BCDC, Mayor Booker recruited private sector dealmakers to run the organization. Seasoned executives from companies such as General Growth Properties and Chase Bank were hired to work shoulder to shoulder with the City's Department of Housing and Economic Development and public finance executives from the State of New Jersey's "bank"—the NJ EDA. These professionals guide site selection, land assembly and control; identify and attract national and local operators and developers; assist in entitlements and permitting and analyze and advocate for project financial incentives. BCDC complements internal processes with an individualized engagement strategy, including weekly CEO-level "drill down sessions" with developers, bankers, consultants and brokers. Political leaders contribute by serving on BCDC's Board and advising how to navigate the City entitlements process and garner public financing approvals.

Newark's neighborhoods and residents are directly affected by this Project. A top priority is bringing wealth to residents as a result of the economic development projects BCDC completes. BCDC negotiates a "First Source" provision into all of the Pipeline/Finish Line Projects. First Source Agreements necessitate the incoming company or developer to (a) provide advanced notice of job openings to Newark's workforce development agency, and (b) interview Newark residents first for employment.

4. What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible and/or intangible results and value added.

The Project produced concrete outcomes by getting five construction starts in year one, with three more expected to break ground by the end of 2011. The direct impacts include approximately \$152 million dollars of construction activities, over 2,300 construction jobs, over 1,400 permanent jobs, over \$4,100,000 in new annual property taxes, over \$536,000 in new annual payroll taxes, and approximately \$82,000 in new annual parking revenue.

BCDC Pipeline/Finish Line Projects now under construction include:

- Marriott Hotel - the first ground-up hotel in Newark in thirty-eight years;
- Panasonic Lease Signing – build-to-suit corporate headquarters planned as a LEED-certified building to lessen the company's carbon footprint with its transit proximity;
- ShaqPlex - a partnership with Newark-born athlete and celebrity Shaquille O'Neal to renovate and expand a community-based movie theater;
- Food Plaza - small grocers improvement initiative that increases community access to fresh and healthy foods (congruent with Mayor Booker's role as Co-Chair of First Lady Michelle Obama's national campaign to end childhood

obesity);

- South Ward Distribution Center - recruit a major Starbucks Coffee and dairy products distributor to Newark (one of the largest minority-owned firms in the Northeast) and renovate a 105,000SF warehouse providing over 400 jobs.

5. Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned? Yes, the Pipeline/Finish Line Project is replicable. The mechanism for the Pipeline/Finish Line Project was the call from BCDC's leadership to focus on the "finish line" every day. This necessitated project, relationship and resource management and characterizing each opportunity as one to either "drive," "ride" or "keep alive." A total of seventeen projects fell within these categories. On "drive" projects, BCDC prioritized time and resources, worked daily and met weekly to remove impediments and report on necessary next steps. This resulted in the first five visible construction success stories. Projects in the second two categories received less senior management attention and were reviewed less frequently.

Communities should view this initiative as a best practice and undertake a review of their own portfolios to assess which Pipeline/Finish Line Projects are doable. By identifying essential metrics and establishing benchmarks, BCDC was able to rank potential Pipeline/Finish Line Projects and make decisions about resource allocation, especially staff time. Focusing on a few key Pipeline/Finish Line Projects helps to ensure accomplishments and establish credibility. These successes can then be leveraged to attract other investment and business (i.e. Panasonic creates demand for retail and other services). Even a small success can help to establish momentum.

6. In what ways is this project innovative or creative? The Pipeline/Finish Line Project is unique in its approach by combining the management style of driving real estate and business attraction projects toward completion by leveraging the vision and force of Mayor Booker's mayoral administration. BCDC conveys key information, such as Mayor Booker's accomplishment of maintaining low rates of crime in the Central Business District and positioning the City as a place that encourages a high quality of life. From marketing assets such as entertainment ranging from the NCAA and other prime events held at the Prudential Arena and NJPAC, to new office towers and restaurant opportunities to drive future residential and retail projects, BCDC maximized the use of available tools in a difficult economy when bank financing was not readily available for such projects.

7. Are there any other relevant details not covered above or specific to your category? BCDC delivered on Mayor Booker's strategy of urban transformation. It is noteworthy that BCDC helped to bring feasible projects to fruition, even in a tough economic climate.

BCDC's mandate is to produce "Jobs, Jobs, Jobs" for Newarkers (25,000 by 2025); move real estate deals to construction start; create wealth for Newarkers, attract new companies and strengthen Newark's brand and perception. The Project realized this directive, by validating the viability of the Newark market and the commitment of Mayor Booker's administration to pursue long-term growth strategies. Equally important, the Project positively shaped perception and overcame negative stereotypes about the City in Newark's groundbreaking year.

Awareness and publicity achieved by these Pipeline/Finish Line Projects resulted in interest from other investors, businesses, and residents – all of which contribute to the City's economic base. It has also helped to amplify the spirit of the local community and establish a more collaborative platform among area stakeholders. In the next phase, BCDC will leverage success of these significant construction starts by organizing and working with owners of undeveloped land and vacant buildings. BCDC is now filling the Pipeline again with the next generation of office, industrial and retail projects that will be profitable and transformative.



Newark Screens



Panasonic



Marriott Hotel



South Ward Industrial Park



Food Plaza

CONTACT US

OFFICE

744 Broad Street, Suite 1110
Newark, New Jersey 07102

bcdcn Newark.org



Lyneir Richardson
Chief Executive Officer
richardsonli@bcdcn Newark.org



Darryl Godfrey
Executive Vice President
gofreyd@bcdcn Newark.org



Ruben Gomez
**Senior Vice President of
Business Attraction**
gomezr@bcdcn Newark.org



Brick City Development Corporation (BCDC) is the primary economic development catalyst for the City of Newark. Our senior management team has over 70 years of high level commercial real estate experience. We are deal makers focused on attracting and growing businesses and spurring real estate development within the City of Newark.

Every day, we work to guide transactions from inception to completion. We can help you analyze site locations, complete due diligence, navigate the entitlement process and advocate for federal, state and local financial incentives to achieve development ROI objectives.

Call us today. We stand ready to work shoulder to shoulder with you.



Victor Emenuga
Chief Financial Officer
emenugov@bcdcn Newark.org



Dan Jennings
Senior Vice President of Real Estate
jenningsd@bcdcn Newark.org



Kiyana Stansbury
**Director of Marketing &
Small Business Services**
stansburyk@bcdcn Newark.org



Dave Ortner
**Associate, Business
Attraction & Real Estate**
ortnerd@bcdcn Newark.org

Mission Statement

Brick City Development Corporation (BCDC) is the primary economic development catalyst for Newark, NJ, organized to retain, attract and grow businesses, enhance small and minority business capacity, and spur real estate development within the City.

Leadership

Lynell Richardson	Chief Executive Officer
Darryl Godfrey	Executive Vice President
Victor Emenuga	Chief Financial Officer
Ruben Gomez	Senior Vice President for Business Attraction
Daniel Jennings	Vice President of Real Estate
Kiyana Stansbury	Director of Marketing and Small Business Services

Board of Directors

Stefan Pryor	Chairman, BCDC Board and Deputy Mayor for Economic & Housing Development, City of Newark
Pedro J. Belo	President, PJ Belo Consulting, LLC
Vaughn Crowe	Program Officer, MCJ Amelior Foundation
Samuel A. Delgado	Director of External Affairs, Verizon New Jersey
Carlos Gonzalez	Councilman, City of Newark
Christopher Harvell	Co-owner and Chief Executive Officer, Dental Kidz
Donald Katz	Chief Executive Officer, Audible.com
Gabriella Morris	President, The Prudential Foundation
Dr. dt ogilvie	Associate Professor, Rutgers Business School
Richard Roper	Director, Department of Planning.
Darrin Sharif	Port Authority of New York and New Jersey (retired) Councilman, City of Newark

BCDC'S MAJOR FUNCTIONS INCLUDE:

Business Attraction and Retention --

We work with companies interested in expanding or relocating in Newark and guide them every step of the way. We introduce business enterprises to the City, assisting companies with their location decisions, including analysis of demographics, economic indicators, workforce information, available buildings and sites, financial incentives, and other information relevant to business location decisions.

Small Business Development --

We are deeply committed to helping local, small, minority and women-owned businesses thrive in Newark. Whether it's through a loan from our Grow Newark Fund or through our Contractor Bonding Assistance Program Resources, no business is too small for us to help.

Real Estate --

We help both developers and businesses tap into Newark's vast development opportunities by assisting with a wide range of services, including site selection, permitting and approvals, and gap financing.

Access Newark --

We advocate on the behalf of business owners and developers by serving as project managers during municipal permitting and licensing processes. We aim to foster a business friendly atmosphere by providing efficient access and identifying clear solutions for those who plan to, are currently operating, or are expanding within our City.

Greater Newark Convention & Visitors Bureau --

We implement strategies to maintain and improve Newark's image as an attractive destination, to increase visitation, and to encourage circulation within the city at Newark's world class retail, cultural, and entertainment attractions.

BCDC BRICK CITY
DEVELOPMENT
CORPORATION

NEWARK'S ECONOMIC DEVELOPMENT CATALYST

744 Broad Street, Suite 1110
Newark, NJ 07102

O: 973.273.1040

F: 973.273.1070

www.bcdcnewark.org

BCDC Deal Profiles

Marriott Hotel



BCDC provided a \$500,000 loan and site analysis and assistance for other public funding for this Newark hotel project.

Standard Chartered Bank



BCDC business attraction success for Newark.
(450 jobs)

Teachers Village



BCDC provided a \$1,000,000 loan and did analysis and advocacy for other public funding for this Newark school project.

BGL Genetics



BCDC business attraction success brought an international company to Newark.

The South Boro



BCDC provided a \$1,200,000 loan and provided technical assistance for this Newark retail food store.

Newark Refrigerated Warehouse



BCDC provided \$1,500,000 loan to this Newark juice pumping facility.

Audiobite.com



BCDC business attraction success for Newark.
(250 jobs)

South Ward Industrial



BCDC business attraction success for Newark.
(200 jobs)

Holsey Street



BCDC managed \$218,000 of tangible improvements and \$115,000 of gas planning on Holsey Street.

Port 44 Brew Pub



BCDC provided a \$200,000 loan for this Newark microbrewery.

Food Ferry



BCDC provided \$50,000 in financing for new equipment and other priority items in Newark.

Brick City Bar & Grill



BCDC provided a \$600,000 loan and provided technical assistance for this popular Newark restaurant.

Unusmelly



BCDC provided financing of \$750,000 to 250 Newark manufacturers of hats and garments.

Sobowly



BCDC provided a \$180,000 loan and provided technical assistance for this Newark clothing manufacturer.

Newark Centers



BCDC provided \$400,000 in financing for the renovation and expansion of the Newark courts.

BIO Broad Street



BCDC provided a \$2,500,000 loan and did analysis and advocacy for other public funding for the Newark hotel project.

BCDC Accomplishments

\$11,660,000 in Loans

- DONE:** BCDC has approved \$11,660,000 of loans to small businesses, minority borrowers and real estate developers through its three loan funds.
- DOING:** BCDC is now working to recapitalize its loan funds, with as much as \$24,000,000 in potential new funds for community lending initiatives.

2,947 Jobs and \$135,000,000 in Revenue

- DONE:** Through lending, technical assistance and business attraction efforts, BCDC has created, retained or facilitated the emergence of over 2,947 jobs in the City of Newark. These efforts will result in \$135,000,000 of total revenue to the City from indirect spending of employees, pilot payments and payroll tax, etc.
- DOING:** BCDC has an active pipeline and expects to produce or retain an additional 1,450 jobs in the City.

Provided Technical Assistance and \$2,030,000 to Small Companies

- DONE:** BCDC provided \$2,030,000 in technical assistance, bonding and lending programming to over 385 small and minority-owned Newark businesses.
- DOING:** Through the expansion of BCDC's Small Grocers program and a reshaped Bonding Assistance Program, BCDC will aggressively seek to serve more minority, women and local Newark small businesses.

BCDC Hosts the City's Convention and Visitors Bureau

- DONE:** The Greater Newark Convention and Visitors Bureau is an innovative partnership with the City of Elizabeth, NJ. Together we sponsor programs such as Restaurant Week in Newark and Elizabeth, the Halsey Street Block Party Series, the Dodge Poetry Festival, and Go Newark U College Week. Through these efforts, over 32,000 people have visited our City to stay in local hotels, eat in Newark restaurants and shop in the area retail outlets.
- DOING:** Through additional planned events and conferences, including the Men's NCAA Sweet Sixteen Basketball Tournament, over 100,000 people are expected to visit the City within the next year.

28 Companies Considered or Chose Newark

- DONE:** BCDC works to promote Newark as a place for businesses to thrive. We tell the story of the City's Airport, Seaport, Highway Access, 50,000 students in colleges and universities and our active workforce of Newark residents. 28 companies have chosen or considered Newark as a result of BCDC's business attraction efforts.
- DOING:** BCDC's attraction, expansion and retention pipeline is growing each day.

\$130,500,000: Important Initials and Acronyms

- DONE:** BCDC consistently raises dollars for important initiatives and evaluates incentive programs for Newark projects. BCDC advocates to obtain resources from state and federal sources in order to leverage City programs and funding sources.
- DOING:** BCDC is currently working to get over \$130,500,000 committed to Newark projects from RAB, ERGG, BEIP, BRRAG, UEZ, UTHTC, NMTC, HHS, EPA, and other programs.

17 Active Real Estate Projects

- DONE:** BCDC has a pipeline of 17 real estate projects, ranging from grocery stores, hotels, distribution centers, mixed use retail sites and transit-oriented development projects. Each day, the BCDC Real Estate team works to facilitate site remediation and acquisition, parcel assemblage, project financing and market analysis to get construction activity underway.
- DOING:** CRAMES IN THE SKY! Construction Mobilization. Grand Openings. Industrial Distribution Centers. Two Hotels. 3 Grocery Stores.

Developers Rediscover Newark

With a new Marriott, retail, office and apartment projects, the city is poised for growth. **By Stan Luxenberg**

For four decades, no new hotels were built in the central business district of Newark, N.J. Crime rates were so high that lenders were reluctant to finance new construction.

But the city's fortunes have been changing. The number of crime incidents fell from 47,000 in 1999 to 25,400 a decade later. And there is a sense in the business community that the beleaguered city's time has come.

In April, contractors broke ground for a new \$35 million Courtyard by Marriott. Nearby, a developer is proceeding with plans for an upscale, \$23

million Hotel Indigo. But hotels are not the only sign of progress. Standard Chartered Bank, a major British institution, just completed a 12,000 sq. ft. expansion of its office space. And Pitney Bowes, a mail service firm, moved to a 76,000 sq. ft. location in Newark.

Developer Ron Beit is about to break ground on the \$120 million Teachers Village project that will include 65,000 sq. ft. of retail and 224 residential units.

At least 25 large projects are under construction or about to break ground, says Stefan Pryor, the deputy mayor for Newark. Altogether, the projects rep-

resent 1.25 million sq. ft. of new and renovated space. In what would be a major coup, the city is negotiating with Japanese electronics giant Panasonic to base its North American headquarters in Newark. Panasonic would locate 800 employees in a new building.

The arrival of the Japanese company would mark a milestone for Newark as it works to transform itself from a depressed city to a healthy urban center able to attract prominent multinational companies, notes Pryor.

While the city continues to suffer from high unemployment and blighted

HIGH STANDING: One Riverfront Center in Newark exemplifies the Class-A buildings that lend an increasingly upscale image. The office tower offers amenities such as a cafe, newsstand, and bank.



NEWARK: BY THE NUMBERS

**POPULATION****276,700**

Source: City of Newark

METRO UNEMPLOYMENT RATE:**9.4%**

Source: U.S. Bureau of Labor Statistics

METRO AREA VITAL SIGNS**Office:**

12.4% vacancy 4Q 2010

12.8% vacancy 4Q 2009

\$20.85 rent per sq. ft. 4Q 2010

\$21.18 rent per sq. ft. 4Q 2009

Source: Reis

Hotel:

66.7% occupancy 2010

60.6% occupancy 2009

\$98.61 average daily room rate 2010

\$101.20 average daily room rate 2009

Source: Smith Travel Research

neighborhoods, brokers observe that Newark is entering a new era of growth. "For years, Newark would take two steps forward and one step back," says Dudley Ryan, senior vice president of CB Richard Ellis, who has been a broker in Newark for 19 years. "Now I think that we are ready to take a leap forward."

The new construction has become feasible because more people have begun traveling to downtown Newark and spending money, according to developers. Among the biggest magnets is the Prudential Center, the \$375 million arena that opened in 2007.

Besides hosting concerts for major entertainers, the 18,000-seat arena is the home for the New Jersey Devils of the National Hockey League and the New Jersey Nets of the National Basketball Association.

In 2010, 2.2 million fans attended 200 events, up from 3.3 million in the previous three years combined. In March, over 55,000 fans and players filled Newark as it hosted the NCAA Regional basketball tournament.

Demand for hotel rooms comes from teams and performers as well as their staffs. In addition, many fans

travel from out of town and need places to stay. Until now, there have been only two major hotels downtown, a Hilton and the Robert Treat Hotel, which is affiliated with Best Western. "The downtown hotels have routinely sold out, and event organizers have had to send guests out of town," says Deputy Mayor Stefan Pryor.

Like many hotel markets, Newark suffered during the recession. The hotel occupancy rate dropped from 69.4% in 2007 to 60.6% in 2009, according to Smith Travel Research. But the market has since recovered. In 2010, occupancy spurted 10.1% to 66.7% — higher than the national occupancy rate of 57.6%.

While the Newark occupancy fluctuates, there were six months in 2010 when the rate was around 70%. That is a healthy figure, says Jan Freitag, a vice president of Smith Travel Research.

"If the city is selling seven out of 10 rooms every night for six months, then developers might figure that there is room for another property in the market," he says.

The new Marriott will be adjacent to the arena and within walking distance of Penn Station, which is serviced by Amtrak and NJ Transit commuter lines.

Scheduled to open in 2012, the hotel will have 150 rooms and 14,000 sq. ft. of ground floor retail space. The hotel will be based on Marriott's newest urban prototype, offering business meeting rooms, a swimming pool and fitness center. The 106-room Hotel Indigo is also near the arena.

Schools fuel growth

Besides catering to sports fans, the hotels aim to reach the growing number of Newark visitors whose travel is related to expanding businesses and educational institutions.

Downtown Newark accounts for 50,000 jobs. The city is the third largest insurance center in the U.S. after New York City and Hartford, Conn.

Insurance giant Prudential Financial, which occupies about 2 million sq. ft. in the city, has long been an important employer and downtown pillar. Other big employers include a large Anheuser-Busch brewery and Public Service Enterprise Group, a utility.

The city's University Heights district houses six educational institutions, including Rutgers University-Newark and Seton Hall University Law School. The institutions account for 50,000 students and employees.

The university population is likely to grow since several schools plan to expand dormitories and build more classrooms. The new Teachers Village project will aim to serve some of the more than 15,000 people who staff the city's educational institutions.

Besides providing residential units, the project will include 100,000 sq. ft. for charter schools and a day care center. A second phase of the development will include 300,000 sq. ft. of office space. Altogether the developer will build seven new buildings and rehabilitate a nine-story shell.

Making the city safer

The growing demand for hotel rooms represents an enormous change from the past. In 1996, *Time* magazine called Newark "the most dangerous city in America." Around the same time, the state government took control of the

Looking for New Office Space?

Join: Panasonic - Verizon - Federal Reserve Bank
Prudential - Standard Chartered Bank
Blue Cross - Audible.com - McCarter & English, LLP

- Class A Space from \$30 PSF
- 6 shovel ready sites for corporate headquarters
- 5 min from Liberty International Airport
- Less than 21 min to Manhattan
- East Coast's leading Transit Hub
- 50,000 college and university students

For information on Newark, sites and incentives call:
Lyneir Richardson at 973.273.1040 or visit: bcdcn Newark.org

BC BRICK CITY
DEVELOPMENT
CORPORATION

**"The downtown hotels have routinely sold out, and event organizers have had to send guests out of town."
—Deputy Mayor Stefan Pryor**

city's school system because it had become dysfunctional. Throughout the period, real estate development languished.

But now, instead of having the highest crime rate in the country, Newark is 23d on the list with a better record than such cities as St. Louis, Cleveland, and Baltimore, according to publisher CQ Press, which analyzes FBI data.

With crime declining, hardy developers started building housing and retail properties. Even so, when Cory Booker became mayor in 2006 the city was having little success in attracting new employers.

"When we entered office, brand-name companies would not consider locating to Newark," says Deputy Mayor Pryor. "City hall had a reputation for not being friendly to business."

Booker set about using the city's resources to spur development. In 2007, he established Brick City Development

Corp., a nonprofit that contracts with the city to encourage growth. Besides helping developers cut through red tape, the development corporation borrows money and lends it to finance projects.

To head the corporation, Booker recruited Lyneir Richardson, who had been vice president of urban development for General Growth Properties, the big mall real estate investment trust (REIT).

At General Growth, Richardson focused on bringing shopping centers to underserved ethnic neighborhoods. He was responsible for building the first Target store in Baltimore and began an 800,000 sq. ft. development in the Harlem section of New York.

Lower costs draw tenants

Despite the new construction, Newark still faces considerable hurdles. Most developers in the city have continued

to struggle to obtain financing. As a result, prime locations are dotted with parking lots and outdated buildings, eyesores that wait to be transformed. During the recession, the unemployment rate skyrocketed, and it remains at 9.4% for the metro area.

But Mayor Booker says that the pieces are in place for Newark to continue growing. Last year, Booker achieved a milestone as the city regained control of its schools, which had been in the hands of the state for 15 years.

At a press conference to announce the education transition, Booker also said that the city schools had received a \$100 million donation from Mark Zuckerberg, founder of Facebook.

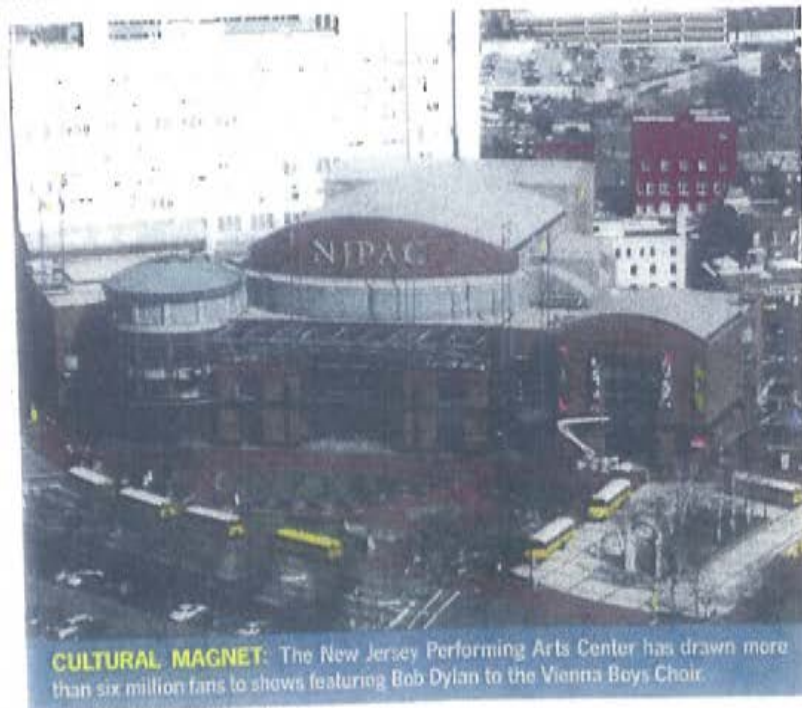
Booker says the city will continue to attract new investment because of its relatively low costs. Prime office leases cost around \$35 per sq. ft., half the figure for comparable space in Manhattan, says Dudley Ryan of CB Richard Ellis.

Besides being cheap, Newark also has some of the best transportation facilities nationally. Port Newark is a major container shipping facility, and Newark airport is one of the 10 busiest in the U.S.

Newark's low costs and transportation facilities helped to attract Audible.com, which supplies audio books for iPods or MP3 players. The company had been based in the New Jersey suburbs, but in 2007 it decided that a Newark location at One Washington Park would be cheaper and more efficient.

The site is near the Amtrak station and eight miles from Newark Airport. It's a 20-minute drive to Manhattan. That makes it easy for Audible to bring actors from New York to record books in the Newark studios.

After arriving in Newark, Audible.



CULTURAL MAGNET: The New Jersey Performing Arts Center has drawn more than six million fans to shows featuring Bob Dylan to the Vienna Boys Choir.

Tucker Development Corporation

Quality, Stability, Commitment

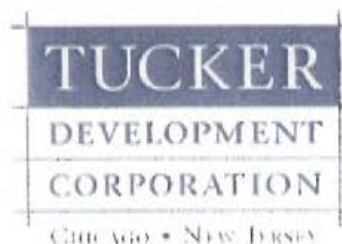


Springfield Avenue Marketplace
Newark, New Jersey



Courtyard by Marriott at the Prudential Center
Newark, New Jersey

Tucker Development Corporation has established a strong track record delivering high-quality shopping centers and mixed-use developments in key markets. As owners of a multi-million square foot portfolio, we take pride in our ability to consistently address market demand, while maintaining the highest standards of excellence in leasing and management at all of our properties.



Visit Us: 2011 ICSC RECon • Booth C1360 13th Avenue

Current Opportunities:

Central Parkway
Highland Park, IL

Country Club Plaza
Country Club Hills, IL

Courtland Center
Burton, MI

Heartland Crossing
Minooka, IL

**Courtyard by
Marriott at the
Prudential Center**
Newark, NJ

Hudson Lights
Fort Lee, NJ

Huntley Grove
Huntley, IL

Marley Creek Square
Orland Park, IL

Pointe Plaza
Niles, IL

**South Loop
Marketplace**
Chicago, IL

**Springfield Avenue
Marketplace**
Newark, NJ

**Wheatland
Marketplace**
Naperville, IL

Yorkville Marketplace
Yorkville, IL

847.926.9999 • www.tuckerdevelopment.com



MOMENTOUS EVENT: A new \$35 million Courtyard by Marriott is being built in Newark. With 150 rooms, it is the city's first new downtown hotel in 40 years.

com grew rapidly. In 2008, the company was acquired by Amazon.com for \$300 million. Audible.com recently unveiled plans to expand its office space from 30,000 sq. ft. to 75,000 sq. ft.

Matthew Thornton, Audible senior

editor, says many employees have embraced the Newark location, attending sporting events and supporting charter schools and other local causes. Intrigued by the reviving city, some employees have moved into renovated

lofts near the company headquarters.

The new employers have made a dent in Newark's office vacancy rate. Vacancy peaked at 12.9% in the fourth quarter of 2008, according to real estate research firm Reis. By the fourth quarter of 2010, the vacancy rate had fallen to 12.4%.

The city has about 14 million sq. ft. of office space, including 6 million sq. ft. of Class-A space. Dudley Ryan of CB Richard Ellis says that demand is greatest for Class-A space, which has a vacancy rate of about 10%. The vacancy rate is about 20% for older Class-B or Class-C properties.

There has been little office construction in recent years. But city officials are hopeful that new projects will begin soon. Word is getting out, says Lyneir Richardson of the development corporation. "People are beginning to understand the advantages of Newark."

— Stan Luxenberg is a New York-based writer

As they tried to attract developers in recent years, Newark officials recognized that financing was a special problem for hotels. Since the market for commercial mortgage-backed securities collapsed during the recession, few hotels have been completed around the country.

To overcome the problem in Newark, the development corporation assembled a government-backed package for the city's new Marriott. The corporation provided a \$500,000 loan and helped facilitate state financing that includes \$6 million in redevelopment bonds and a \$3 million economic recovery grant.

The Marriott is being developed by Tucker Development Corp., based in Highland Park, Ill. The company oversees 4 million sq. ft. of shopping centers and mixed-use facilities. Richard Tucker, president of Tucker, says the Newark

project took two years to assemble. "It was very complicated to arrange the financing," he says. "We were able to move forward because people in the city administration worked to make it happen."

Tucker is now working to develop a 250,000 sq. ft. mixed-use project in Newark that will include offices and 120,000 sq. ft. of retail space. Newark suffers from a shortage of prime shopping centers, the firm contends.

Samer Hanini, developer of the Hotel Indigo, says that the city is helping him put together the last portion of financing for his project. He plans to do a gut rehab of a 12-story property that was built in 1912. The goal is to build a fashionable boutique hotel with high ceilings and hardwood floors.

Although this is his first hotel project in Newark, Hanini has worked on other

downtown renovations. He is completing work on a historic building that will house the Dinosaur Bar-B-Que, part of a restaurant chain that draws crowds in Harlem. The new restaurant will feature the building's original mosaic floors, pressed tin ceiling and exposed brick.

Among the most notable projects recently announced is a 20,000 sq. ft. expansion of Newark Screens, the city's only movie theater. The developers are Boraie Development and The O'Neal Group, headed by NBA legend Shaquille O'Neal, a Newark native.

The \$7 million project will double the number of screens from six to 12. The Newark development corporation is providing a \$1.2 million loan for the project. Other financing will come from the state and Goldman Sachs' Urban Investment Group.

— Stan Luxenberg

For Office Use Only: _____



2011 IEDC EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS ENTRY FORM

Please complete this section for all entries.

Include 5 hard copies of the Entry Form and all supplemental information with your submission.

Organization: **Charlotte Regional Partnership**

Contact Name: **Barbara Lawrence**

Email: **bcmlawrence@hotmail.com**

Project/Item Name: **NC Music Factory**

Category for Entry: **Real Estate Redevelopment and Reuse**

Population Category (<25K, 25-200K, 200K-500K, >500K): (Choose One) **>500K**

Date Project Began: **2001**

Date of Completion (if applicable): **2011**

For Entries in Categories 9 & 10, Enter Your Web Site URL: _____

PROJECT DESCRIPTION

*Please refer to the **Category Description and Judging Criteria Sheet** corresponding to your category when answering the following questions in the space provided.*

Select:

- ☐ Promotional Award Categories 1-8 – **See Sheet A** (page 9)
- ☐ Internet and New Media Categories 9-11 – **See Sheet B** (page 10)
- ☒ Program Award Categories 12-22 – **See Sheet C** (page 11-12)
- ☐ Partnership Award Categories 23-25 – **See Sheet D** (page 13)
- ☐ Leadership Award Categories 26-30 – **See Sheet E** (page 14)

Special Note: The below section is not required for the Leadership Award categories. Please complete a profile of the individual's achievements.

THIS SECTION IS INTENDED TO PROVIDE AN OVERVIEW OF THE PROJECT. PLEASE KEEP ANSWERS TO EACH QUESTION UNDER 200 WORDS. YOU MAY EXPAND ON THIS INFORMATION IN A SEPARATE PROFILE OF NO MORE THAN 3 PAGES, DOUBLE-SPACED.

1. Please provide a brief description of the project.

A creative, experienced, and savvy father and son team, Rick and Noah Lazes, took on an industrial asbestos textile manufacturing plant, identified as a brownfields property, a former urban renewal area not well connected to the Center City or neighborhoods, and made a challenging asset a tremendous success for creativity, connectivity, an entertainment in Charlotte. Starting in 2001, this Uptown Village project, now known as the NC Music Factory, has become an investment of approximately \$30 million and estimated 1600 jobs. The Lazes saw opportunity and created a new life for this property through a combination of vision, partnerships, neighborhood collaboration, and use of economic development incentives. These incentives include: brownfields tax credit, historic tax credits, NC mills tax

credit, and City of Charlotte economic development opportunities. The result is an authentic, creative, and historic attraction in Charlotte, the City of the New South. Each space within this former industrial complex has been turned into creative office space and entertainment venues. You have to see it and learn the story to believe it. It is a redevelopment and reuse project worth the steps, risk, and decade of effort.

2. What is the goal or purpose of this project?

The goal of the NC Music Factory was the redevelopment of an extremely difficult property in a potentially exciting location within the I-277 beltway of Center City Charlotte. Its visibility, yet unusually isolated location provided a historic framework for the creation of an authentic entertainment district, as well as space for creative talent development. The owners saw an opportunity to ultimately add to Charlotte's appeal as a destination city. Noah Lazes refers to the project as the creation of a stroll district, and looks for each venue to create its own special appeal. Charlotte has a music, film, and media history which is often overlooked. This project provides space for talent to connect, revive, and nurture Charlotte's place in entertainment. An additional goal is to add value to the historic assets. Even among historians, this facility was not originally on a list for historic consideration. The nomination process for the National Register of Historic Places provided knowledge of additional industrial connections for Charlotte to 20th Century cities, railroads, and 100 years of change. The new use reconnects neighbors to jobs, activity, and will continue to enhance Charlotte's innovation support network for future further development.

3. Who are the participants in this project? Who was involved in planning/implementation? Who is affected?

Rick and Noah Lazes, a father and son team, are owners, visionaries, and developers of the NC Music Factory. Noah Lazes, President of the ARK Group and his father, Rick Lazes are creative and successful businessmen. Their firm Fiber Mills, LLC acted as developer. This team has amassed experience in nightclub development and ownership, music and media support services, event promotion. The Lazes involved the City of Charlotte, Charlotte Center City Partners, the 4th Ward Neighborhood and the Greenville neighborhood. The NC Music Factory complex was one of only a few facilities, as an active industrial business, which survived the Greenville Urban Renewal area project of the 1970s. The redevelopment and reuse project has provided a cultural connectivity for the Greenville neighborhood to 4th Ward and the Center City. The area is physically connected with a bridge over I-77, providing an opportunity for employment, estimated by owners at 1600 jobs to date. The 4th Ward neighborhood is the most historic center city neighborhood and residents are very engaged in preserving the special character of the area. The creative community and groups interested in music, art, and entertainment now have a special destination.

4. What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible and/or intangible results and value added.

The NC Music Factory project has transformed a Center City Charlotte Urban Renewal area, providing neighborhood jobs and other community support from the beginning in 2001. The early creation of rehearsal space seeded the future entertainment aspects of the project, supporting local musicians. Local firm Mistri Hardaway Architects utilized the historic features of the facility in adapting creative space for Creative Loafing Charlotte publication, and the other business and entertainment venues. As of today, a \$30 million investment in Center City Charlotte leverages more in connections as a destination.

- Venues and concert promotions by Live Nation Entertainment is the world's leading live entertainment and eCommerce company
- Charlotte's first Beer Hall & Garden, VBGB opens providing an opportunity for 30 craft beers.
- Charlotte entered into an agreement which assisted with a \$3 million new access to the area, providing a planned opportunity for new housing to be added adjacent to the facility.
- New businesses created total 18, plus four relocations/expansions.
- New jobs generated as of 2011 estimated at 1600 to date by the Lazes!

- Increase in taxable area property values, since 2001: \$13,627,350.
-

5. Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned? New uses for industrial properties are limited only by lack of imagination, collaboration, and perseverance. The approach to the NC Music Factory was based on the creativity grounded in actual experience in the concert/nightclub promotion business. The various tax incentives, other than the NC brownfields tax benefits, were not known to the owners in 2001. Providing support and connections to professionals in nomination historic properties, packaging tax credits to investors, and solving community challenges did and can play a role in any community. The niche provided to fill concert opportunities may certainly be available in other communities. Finding developers with the vision and willing to take the risk involved in a new approach is a critical challenge. The economic development professionals must also be open to supporting new ideas to transform obsolete complexes.

6. In what ways is this project innovative or creative?

The vision of the owners/developers to see a hazardous industrial complex as an 'authentic canvas' for creating distinct music, art, and creative business spaces was central to a larger vision for the entire land area. Rick and Noah Lazes looked for creative solutions to the complex issues of the facility and the connectivity to the neighborhoods and Charlotte Center City. The incorporation of creative business space for artistic talent, architect, publisher, and art receptions helped to build support and awareness of the project. The ability to build the initial framework and create a new road entry, accented with original Lazes sculptures and light fixtures, provided the solid foundation necessary to bring in Live Nation and the branches of uniquely recognized venues from other destination cities. A recent historic achievement is the placement of a Charlotte icon billboard for JFG Coffee which is known for its previous location in the Charlotte Center City skyline. The use of creative professional talent to achieve the National Register of Historic Places designation, tax credits, and architectural design all added to the unique and authentic final project.

7. Are there any other relevant details not covered above or specific to your category?

"During the 1920s, Southern Asbestos Company Mills made an important contribution to the prosperity of Charlotte's textile industry. Typically a mill's number of spindles and looms indicates its relative importance but this is not a valid mean of comparison for the Southern Asbestos Manufacturing Company as asbestos textile production required far fewer spindles than for the manufacture of other textiles. Other areas such as employee number and stock value can be used to illustrate relative importance. In 1926, the company was on par with, if not slightly ahead of, other prominent textile mills in Charlotte in terms of plant value and employee number. According to a 1926 survey that profiled the sixty-three most important companies in every industry in Charlotte, the Southern Asbestos Company plant was valued at \$500,000, employed a total of 210 workers and produced asbestos fabrics, yarns, "brake band linings, packing, electrical purposes, gloves, mittens and other safety apparel." As of 2001, when the Lazes purchased this property, no one would have taken note if they had chosen to demolish the facility. Indeed, the only reason it survived the 1970s urban renewal was its active role in manufacturing at that time.

CATEGORY DESCRIPTIONS AND JUDGING CRITERIA

A. PROMOTIONAL AWARDS

PLEASE REFER TO THIS SHEET WHEN COMPLETING THE PROJECT DESCRIPTION SECTION OF THE ENTRY FORM FOR A PROMOTIONAL AWARD.

The NC Music Factory, located in Center City Charlotte NC, illustrates the possibilities of challenging redevelopment and reuse in an urban setting. This former asbestos textile manufacturing plant is made up of a complex series of buildings and spaces created from 1904 through the 1950s, each conveying a story and unique reuse space totaling approximately 300,000 square feet. The 7.4 acre brownfields site was saved from urban renewal demolition due to the active manufacturing use into the late 1990s. Situated in an unusual setting, the site is surrounded by I-77 and I-277 beltway, yet was isolated in access across several active railroad tracks from the core of Center City Charlotte, and provides a point of connection across the beltway to the Greenville urban renewal neighborhood. Vision, risk, experience, collaboration, and economic development tools over a decade have resulted in an achievement in excellence. The creative use of space, talent, and promotion provide an authentic destination district to the northwest edge of Center City Charlotte. The 2010 openings of additional locations for entertainment venues such as San Francisco's Fillmore, New York's Butter, and a new 5000 occupancy Time Warner Cable Uptown Amphitheatre cement the creative center of gravity for Charlotte as a destination.

Charlotte Center City Partners honored the NC Music Factory with a Special Achievement Award at their April 2011 Vision Awards Ceremony. President Michael Smith's comments for the award recognizes this project best: "Ingenuity, texture, adaptive re-use of a textile mill all come together in one of the most dynamic entertainment centers in the Carolinas: the NC Music Factory. Located on 30-acres (assembled) in the northwest corner of Uptown's Fourth Ward, this mixed-use center is a mix of new construction and renovated mill buildings. From the start, father and son Rick and Noah Lazes engaged the adjacent Greenville neighborhood as partners, and have brought steady employment, unique clubs, vibrant restaurants and hot music venues to Charlotte; and captured national attention. With their investment and persistence, Rick and Noah have made their vision for this cool corner of Uptown come

alive for “work, live and play”, adding another remarkable destination to the character of Charlotte’s crown.”

The design and sculpture at the entrance to the NC Music Factory and fountain centerpiece were created by Rick Lazes, and a plan for improved traffic access was envisioned. An extraordinary feat of creativity and negotiation is illustrated in the redesign and opening of Seaboard Street as the main entrance off of Graham Street. While the developer put up the \$3 million cost, additional development of workforce housing will recoup \$1.7 million from the City of Charlotte. The agreement with the City was approved in June 2006. This new entrance makes the entertainment district much more easily located and accessed.

Before all the accolades and success, a great deal of risk, struggle, and decisive action took place beginning with the purchase of this brownfields site in 2001. The National Register of Historic Places nomination states: “In 2001, the Southern Asbestos Company Mills was certified as a brownfields property by the State of North Carolina. The property had been vacant for many years by that time, and the combination of the deteriorated buildings and the presence of hazardous materials rendered the complex no longer habitable or functional. When the current owner purchased the property in 2001, it was listed as a Federal Hazardous Waste Site and access to the interior of the site was prohibited without proper protective clothing and breathing apparatus.”

The first economic development incentive was a Brownfields Agreement, providing liability protection, and local property tax phased in over 5 years. The NC plan calls for Year 1 taxed on assessment of 10% of the improved value, increasing to Year 5 assessment at 90% of the improved value. The necessary cleanup and abatement of asbestos added another challenge to the historic designation and approval of the improvements.

Seeking National Historic status for the facility provided another challenge due to abatement work required in the Brownfields Agreement. Persistence, research, historic consulting assistance and a

creative architect ultimately led to the approval for designation to the National Register of Historic Places in December of 2006. This designation provided the opportunity to utilize federal (20%) and North Carolina historic tax credits (20%) and a newly created North Carolina mills tax credit (20%). At the time the tax credits were approved, the developer received approximately \$6 million.

The completion of the new Seaboard Street extension, and approval of historic federal tax credits paved the way for the recruitment of exciting entertainment venues to join this unique destination. By 2007, 30 bands called the NC Music Factory home. One of the early offerings provided rehearsal hall space and storage for musicians and artists. Eleven office oriented businesses are now housed in the workspace area, of which four are local relocation and/or expansions. The nine entertainment/food/drink venues are all new to Charlotte as of openings through 2010. Several additional openings are planned in 2011. Noah Lazes estimates that 1600 jobs have been created since the project began including construction, design, art, entertainment, food and drink service, security, parking valet and other office employment.

The property tax base in the immediate vicinity has increased in value by \$13.6 million as of 2011. This brings added revenue to continue Charlotte Center City Partners efforts through the Municipal Service District. The owners predict annual sales revenue for the complex at \$25 million adding to the retail sales tax to the community. The Lazes have supported numerous charity events, and created new opportunities to support the community through neighborhoods, artists, musicians, and special areas of need. The Lazes continue to have investment interests in New Orleans and Miami, adding to their appreciation of community identity through creativity, promotion, and entertainment. The NC Music Factory in 2011 is still a beginning for an economic development niche combining history, creativity, and a new future for an urban asset long written off as obsolete and hazardous.

