Thinking Outside the Box:
A New Life for Underutilized Buildings / Facilities

August 21, 2014

EDENS

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Presenters

Keith J. Ziobron, P.E. **Division Manager -** *O'Brien & Gere*	**Moderator & Goat Farm Review**
Gary Yates, **Director Site Selection** **-** *Jones Lang LaSalle*	**Brownfields as One Real Estate Solution**
John Boneberg, P.E. **LEEP AP; Sr. PM –** *O'Brien & Gere*	**Technical Challenges Associated with Building / Facility Repurposing**
Jude Peck, CCIM, ERM, **LEED Green Associate -** *Edens*	**Facility Repurposing – A Developer's Perspective**

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Repurposing Challenges

- Environmental
- Infrastructure / Building Limitations
- Community Perception
- Re-programming / Space Limitations
- Regional Marketing Limitations
- Financial
- Lack of Community Consensus
- Zoning

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Gary Yates

Director Site Selection

Jones Lang LaSalle

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Real value in a changing world

Brownfield As One Real Estate Solution

Greenfield development

Plug & Play

Shell / speculative space

Second generation

EPA brownfield

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What type of space user will be interested in your Brownfield / Re-use Site?

- Headquarters
- Warehouse / Logistics
- Back Office / Call Center
- Manufacturing
- Datacenter

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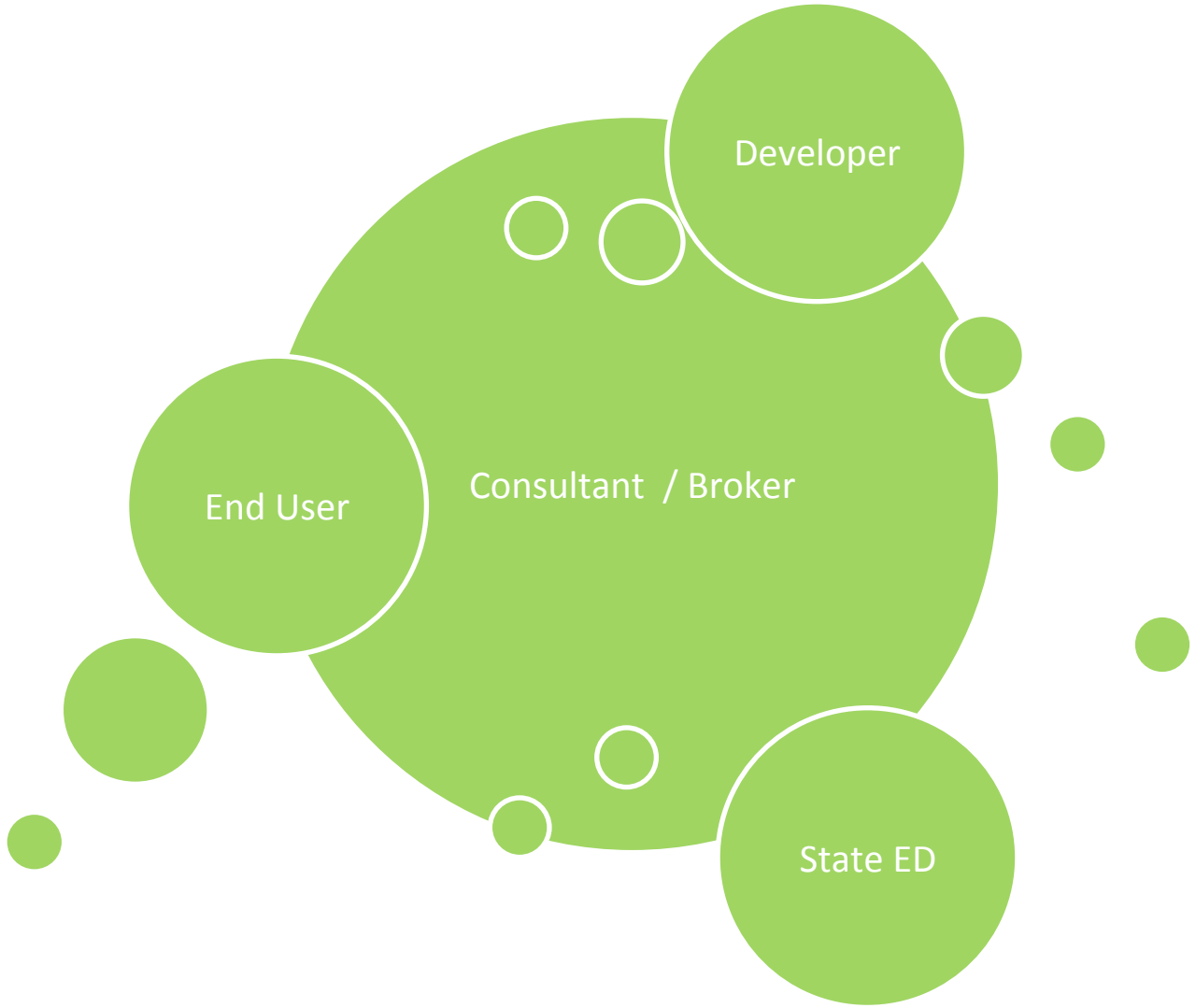
Where will Brownfield / Re-use occupiers come from?



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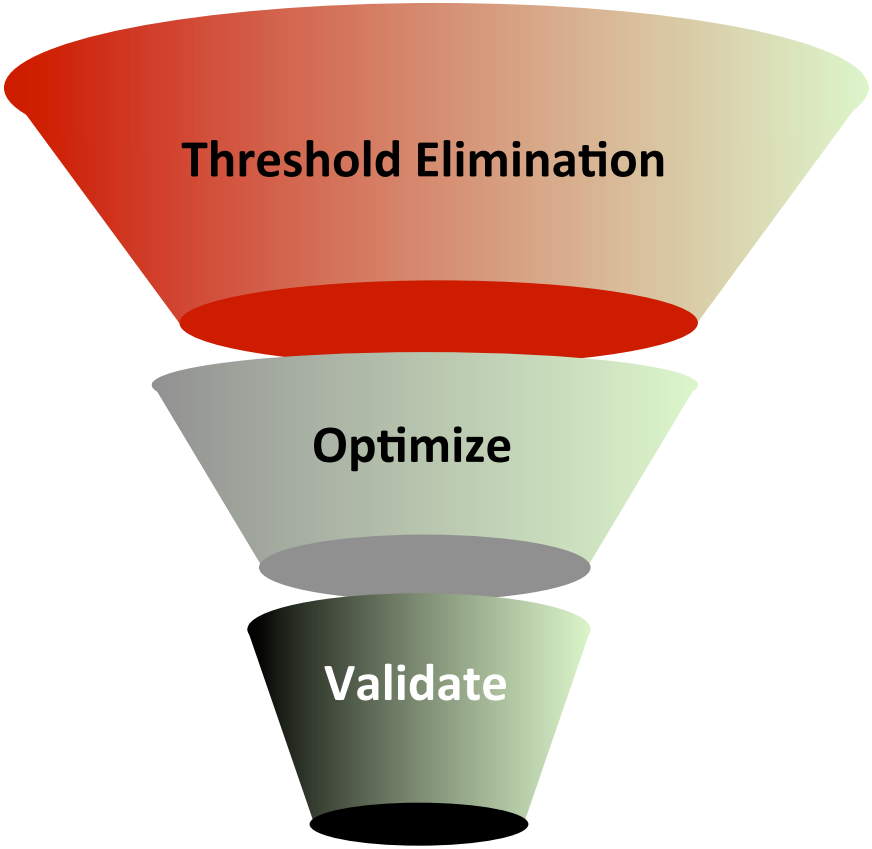
Location Search | How do we do it?



- Process of elimination
- Key analysis elements:
  - Cost (workforce, facilities, logistics, utilities, etc.)
  - Operational Risk (workforce, supply chain, environmental, regulatory, real estate availability/timing, etc.)

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Location Search | What do we look for?

Location Selection Factor	Headquarters	Back office / Call center	Warehouse / Logistics	Manufacturing	Datacenter
Workforce/Labor					
Supply/availability	S	P	S	P	
Demand/competition	S	P	S	S	
Unique/Advanced skill sets	P	P		S	
Varied language skills		S			
University Infrastructure	P	P			
Technical/Community College		P		S	
Sustainability	P	P	P	P	
Education	P	P	S	S	
HR Regulatory (e.g. Employment-at-will)	P	P	S	S	
Unionization/ Right-to-work		P	S	S	
Labor cost	S	P	S	S	
Workers' Comp	S	S	S	S	
Wage pressure/economic growth	S	P	S	S	
Recruitability / quality of life	P	S			
Recruitability / cost of living	P	S			

P = Priority, S=Secondary

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Location Search | What do we look for?

Location Selection Factor	Headquarters	Back office/ Call center	Warehouse/ Logistics	Manufacturing	Datacenter
Accessibility					
Proximity to Suppliers/Raw materials			S	P	
Proximity to customer/end user			P	P	
Interstate / Highways			P	P	
Rail access			S	S	
Port			S	S	
Air cargo			S	S	
Passenger flights	P	S			S
Proximity to 3PL			S	S	
Supply chain reliability			P	P	
Supply chain cost			P	P	
Outbound shipping cost			P	P	
Traffic	S	S	P	S	
Other success factors					
Political Environment / Influence	P	S		S	
Natural Disaster	S	P	S	P	P
Risk of manmade disaster	S	S	S	S	P
Access / Proximity to Capital	P				
Legal Environment	P			S	S
Regulatory Environment	S			P	S

P = Priority, S=Secondary

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Location Search | What do we look for?

Location Selection Factor	Headquarters	Back office/ Call center	Warehouse/ Logistics	Manufacturing	Datacenter
Real Estate and Infrastructure					
Available building(s)	S	P	S	S	
Availability of suitable land	S	S	P	P	P
Lease rate	S	P	S	S	S
Purchase price	S	S	S	P	P
Construction cost (geo-variability)	S	S	S	P	P
Electricity: supply/capacity/cost	S	S	S	P	P
Electricity: generation source				S	S
Natural Gas: supply/capacity/cost				S	
Water: supply/capacity/cost				S	
Wastewater: supply/capacity/cost				S	
Advanced ICT	P	P			P
Zoning/permitted use			S	P	S
Environmental constraints			S	P	S
Timing	S	P	P	P	P
Visibility/signage	P	P	S	S	
Corporate image	P	P	S	S	

P = Priority, S=Secondary

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Location Search | What do we look for?

Location Selection Factor	Headquarters	Back office/ Call center	Warehouse/ Logistics	Manufacturing	Datacenter
Taxation					
Corporate income tax	P	S			
Sales/use tax	S	S	S	P	P
Payroll tax	S	P	S	S	
Property tax	S	S	P	P	P
Utility tax				S	P
Inventory tax/freeport exemption			P	P	
Apportionment factor	P	P	P	P	S
Incentives offset					
Income tax based	P	S			
Property tax	S	S	P	P	P
Payroll tax	S	P	S	S	
Sales tax		P	S	S	
Training		P	S	S	
Infrastructure		S	S	P	S
Cash (grants or cash equivalent)	P	P	P	P	P

P = Priority, S=Secondary

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Survey Rank of Site Selection Factors

1	Availability of labor
2	Highway accessibility
3	Labor cost
4	Occupancy or construction cost
5	Availability of advanced ICT
6	Available buildings
7	Corporate tax rate
8	State & local incentives
9	Low union profile
10	Energy availability & cost

Source: Area Development 2013 Corporate Survey
www.areadevelopment.com

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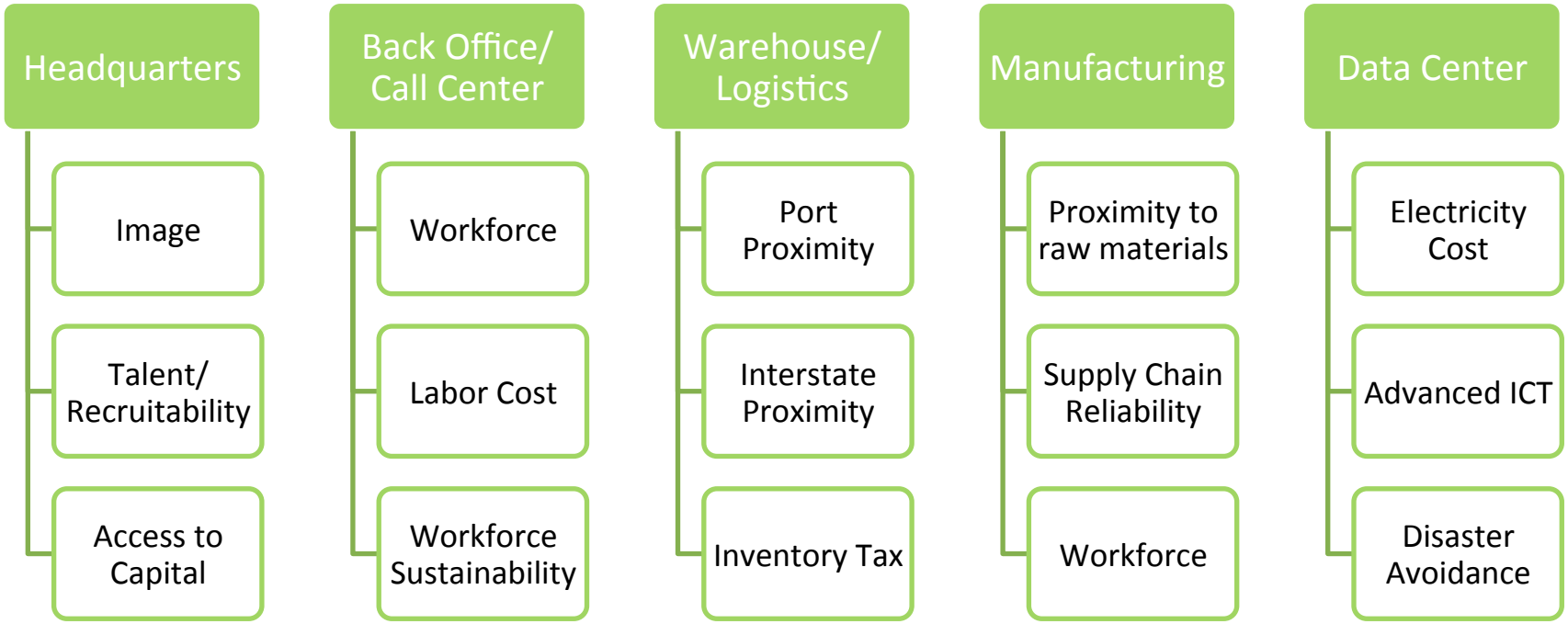
Which search will lead to your site?



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Example | Retail Re-use

Sitel in Augusta, GA

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John Boneberg, PE, LEED AP

Sr. Project Manager

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Architectural Considerations: American with Disabilities Act

- ACCESSIBLE ENTRANCE
  - People with disabilities should be able to arrive at a parking space accessible to persons with disabilities on the site, approach the building, and enter the building as freely as everyone else
- RAMPS
  - Are ramps necessary to permit wheelchair access?
  - Are the slopes of ramps no greater than 1:12?
  - Do all ramps longer than six (6) feet have railings on both sides?
- PARKING AND DROP-OFF AREAS
  - Are an adequate number of accessible parking spaces available (8 feet wide for car plus 5-foot striped access aisle)?
- ENTRANCE
  - If there are stairs at the main entrance, is there also a ramp or lift, or is there an alternative accessible entrance?

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Architectural Considerations: American with Disabilities Act

- ACCESS TO ALL SERVICES
  - Ideally, the layout of the building should allow people with disabilities to obtain goods or services without special assistance. Where it is not possible to provide full accessibility, assistance or alternative services should be available upon request.
- SEATS, TABLES & COUNTERS
  - Are the aisles between fixed seating (other than assembly area seating) at least 36 inches wide?
  - Is the top of the ADA table or counter between 28 and 34 inches high?
  - Are knee spaces at accessible tables at least 27 inches high, 30 inches wide, and 19 inches deep?
- REST ROOM USAGE
  - Is at least one restroom (either one for each sex, or unisex) fully ADA accessible?
  - Is there a wheelchair-accessible stall that has an area of at least 5 feet by 5 feet, clear of the door swing, OR is there a stall that is less accessible but that provides greater access than a typical stall(either 36 by 69 inches or 48 by 69 inches)?
  - Does one lavatory have a 30-inch-wide by 48-inch-deep clear space in front?

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Architectural Considerations: Life Safety Requirements

- Accessing life safety requirements
- NFPA 101
- Codes
  - Square footage requirements per person
  - Occupancy classification
  - Occupant Load
  - Means of egress
  - Fire separations
  - Utility requirements
- Standards
  - Licensing requirements
  - Accreditation
  - Guidelines for facility type

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Architectural Considerations: Codes

- Common Codes for the Project
  - International Building Code
  - International Residential Code
  - International Fire Code
  - International Plumbing Code
  - International Mechanical Code
  - International Fuel Gas Code
  - International Energy Conservation Code
  - ICC Performance Code
  - International Wildland Urban Interface Code
  - International Existing Building Code
  - International Property Maintenance Code
  - International Private Sewage Disposal Code
  - International Zoning Code
  - International Green Construction Code

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Architectural Considerations: Renovating Green

- Minimizing renovations while maximizing reuse
- Daylighting
- Sustainable and non-toxic building materials
- Provide a healthy and comfortable indoor environment
- Conserve energy, resources, and water
- Function as a teaching tool
- Serve as a community resource for neighborhood meetings and functions
- Ensure easy maintenance and operation
- Create a safe and a secure educational atmosphere

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HVAC Reprogramming: Ventilation and Exhaust Systems

- Ventilation requirements
  - ASHRAE 62.1 ventilation standards
- New exhaust / make-up air requirements
- Pressure control
- Building occupancy schedule
- A word about economizer mode operation

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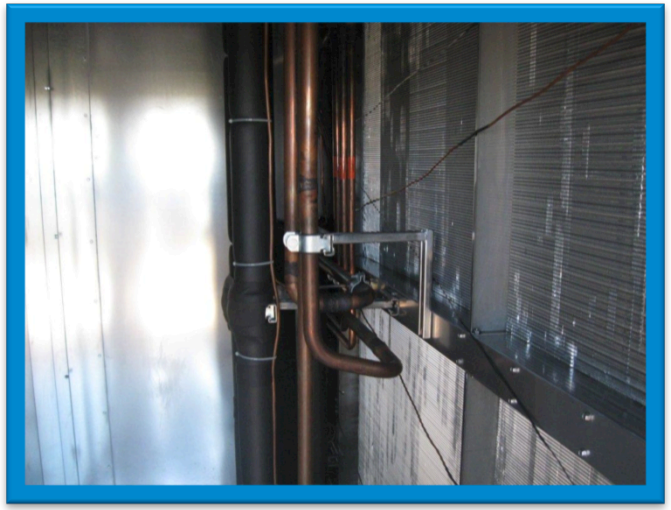
HVAC Reprogramming: Air Conditioning Systems

- Central systems versus local units
- Distribution changes / fan static impacts
- Coil capacities limits
  - Face velocity
  - Moisture carryover
  - Humidity control
  - Supplemental electric heat
- Control challenges
  - New zone / occupancy configurations
  - Fighting between units



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Reprogramming Lighting and Distributed Utilities

- Lighting
  - Layout and switching
  - Fixture upgrades and occupancy controls
  - Day-lighting opportunities
  - Security and night lighting review

- Distribution infrastructure
  - Power
  - Chilled water
  - Steam / hot water
  - Cooling water
  - Compressed air

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Best Opportunities for Retro-Commissioning

- Size - > 100,000 sq. ft.
  - (< 100,000 sq. ft. tend not to be cost as cost effective)
- Age - Buildings constructed within past 10 – 20 years
  - (**Note:** DDC systems preferred over pneumatic controls)
- Operating History: Inconsistent maintenance history; Controls calibration / performance not regularly verified / adjusted

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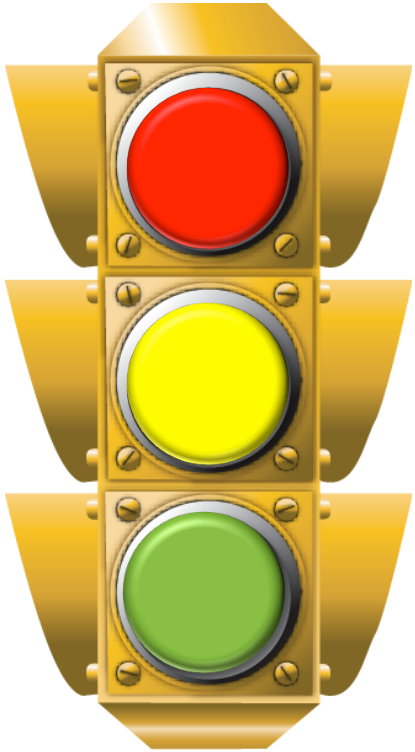
Retro-Commissioning Show Stoppers

- Building doesn't have clearly defined performance criteria aligned to current use/occupancy type
- New code or user performance criteria changes are incompatible with current system capacities
- System components found in-operable
  - (**Note:** Capital improvements are not part of Retro-Commissioning process)
- Are you ready for the Retro-Commissioning Process? Is a Facility Assessment required?



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Jude Peck, CCIM, ERM, LEED Green Associate

Environmental Risk Manager

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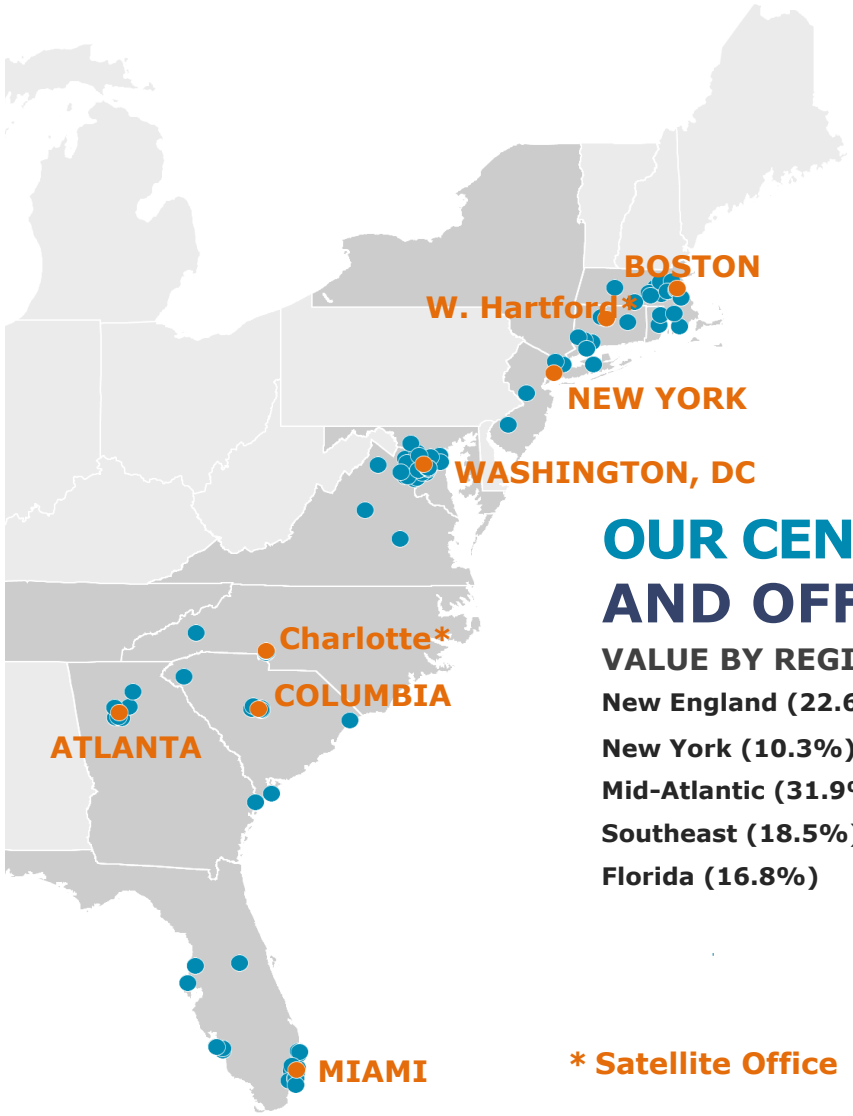
ABOUT EDENS



OUR CENTERS AND OFFICES

VALUE BY REGION

New England (22.6%)

New York (10.3%)

Mid-Atlantic (31.9%)

Southeast (18.5%)

Florida (16.8%)

* Satellite Office

OUR STORY

COMPANY OVERVIEW

Founded in 1966

Centers in major east coast markets

$4.5 billion in assets across 100 properties

12.6 million square feet

OUR PURPOSE

ENRICHING COMMUNITIES

Through Design, Merchandising, and Engagement

OUR VALUES

WHAT WE STAND FOR

Innovation

Connectivity

Passion

Stewardship execution

Integrity

Intellect

Entrepreneurship

OUR PARTNERS

BLUE-CHIP EQUITY INVESTORS

Blackstone Group LP

JP Morgan Investment Mangement

New York State Teachers' System

JLL

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EDENS' ATLANTA AREA PROPERTIES

Buckhead Marketplace

Andrews Square

Lenox Marketplace

Merchant's Walk

Sandy Plains Centre

Toco Hills Promenade

DEVELOPMENT GOALS

Add value to our centers and the surrounding neighborhood

Maintain rapport and conversation with the community

Use strategy of design, merchandising and engagement to elevate our properties across the portfolio

ADDING VALUE TO AN UNDERUTILIZED CENTER

New enlarged 20’ walkway;
Decorative exterior lighting.
Enhanced storefront with full-height glass entrance.
Upgraded facade with cement board panels and lap siding.

Decorative exterior lighting; warm under-canopy lighting.
Widened patio / walkway area for outdoor seating.
Enhanced landscaping, planters and retailer signage

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EXPERIENTIAL DESIGN

EDENS' approach to design is reflected in storefronts, landscape, outdoor furniture, materials, lighting, signage and hardscape amenities. All are designed with a local flavor.

THOUGHTFUL MERCHANDISING

EDENS centers offer customer experiences thoughtfully crafted by mixing the best of local independent retailers with regional and national retailers. Local "characters" foster a sense of belonging and uniqueness that result in customer loyalty and a sense of ownership.

COMMUNITY ENGAGEMENT

Individuals and groups who are a part of the communities and neighborhoods surrounding our centers view them as a hub of their everyday lives. This physical and social interaction over time creates a special relationship between EDENS, our retail partners, shoppers and communities.

Keith J. Ziobron, PE

Division Manager

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Atlanta's Goat Farm | An Outside the Box Success

Mission: "To push culture forward through built environments that augment interaction and excite new thinking."

- Site / development history
  - Former cotton gin and munitions Factory
  - **12** historic buildings on **12** acres in west Atlanta
  - Georgia Brownfield Program helped to facilitate phased development
  - Original vision: conventional residential / commercial development

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Atlanta's Goat Farm | An Outside the Box Success

- After acquiring the site, the developer's artistic vision took hold
- The Goat Farm became a hybrid real estate development that combines **art, performance, science, design, technology & small manufacturing** to yield a **Center for Contemporary Art & Performance**
- The Goat Farm is an unconventional **for-profit** arts model with no public funding, donations, or grants

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Atlanta's Goat Farm | An Outside the Box Success

- The Goat Farm programs are funded by rental income from tenants that provide **>130 Jobs** and include:
  - Nanotechnology lab
  - Cloud / mobile application architecture developers
  - Industrial product design firms
  - Engineers & Architects
  - Small manufacturers
  - Game theorists
  - Chefs
  - Writers
  - Non-profit organizations
  - Artists/designers & performers

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Atlanta's Goat Farm | An Outside the Box Success

- **>150** programs are produced annually that include:
  - Classical & contemporary music
  - Traditional and experimental theater & Film screenings
  - Literary programs
  - Contemporary dance
  - Contemporary performance; art exhibitions
  - Workshops / seminars & panel discussions.

- The Goat Farm is developing its 1st Satellite location called **Erikson Clock**.

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QUESTIONS?

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THANK YOU