

Financing Your Brownfield Deal

Moderator

- **Robert Colangelo**, CEO, National Brownfield Association

Panel Expertise

- State Perspective:

Jill Gaito, Deputy Secretary, Pennsylvania Department of Environmental Protection

- Debt Perspective:

Peter Hollingworth, CEO, Continental Environmental Redevelopment Financial, LLC

- Developer Perspective:

Kevin Noell, CEO, TerraVita Development

- Equity Perspective:

Edward Vincent, Managing Director, Cherokee Investment Partners, LLC

- **Transaction Overview:
Faubourg Boisbriand Redevelopment**
- **Lessons Learned / Questions**

Transaction Overview

Investment Description

- \$11.99MM, October 2005; \$22.4MM peak; \$5.77MM current
- \$15.0MM, July 2006- total follow up investment in vertical joint venture
- Former automobile manufacturing facility on 196 usable acres in Boisbriand, Quebec, 15 miles north of Montreal
- Entitled for 82 retail acres, 56 residential acres, 49 light industrial acres and 10 mixed-use acres



The Opportunity

- **232 In-fill acres- former GM Plant**
- **Access- at the crossroads of Highways 15 and 640**
- **Community Benefit- important to the economic development of the municipality and the region**
- **Vision- mix of uses with new lifestyle retail format**
- **Original Business Plan- sell land parcel to vertical developers**
- **Vertical JV Opportunity- stay in for construction and lease up of retail lands**

Multi-use

Commercial, residential, industrial

Each one prominent in its area

- Retail: 111.81 acres (1.2 million sf)
- Residential: 63.11 acres (1,500 units)
- Industrial: 50.14 acres (Rezone?)

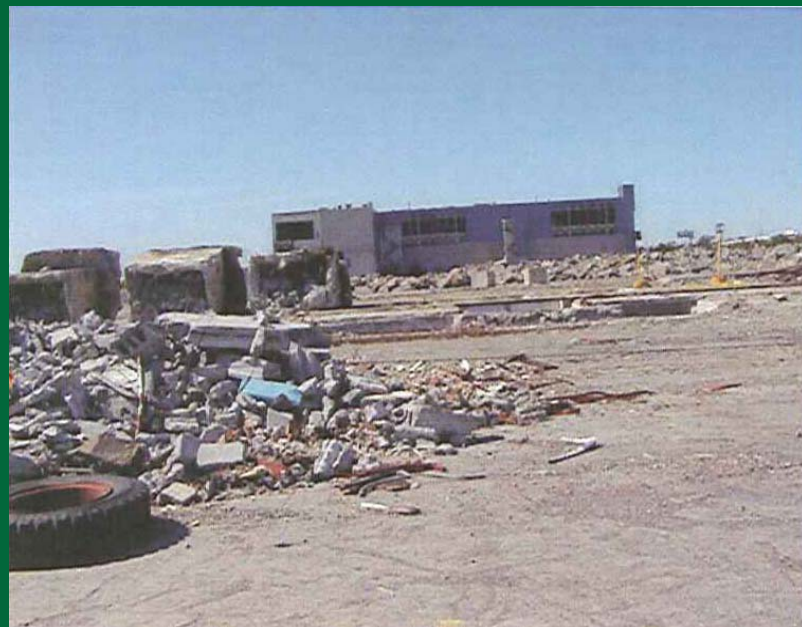
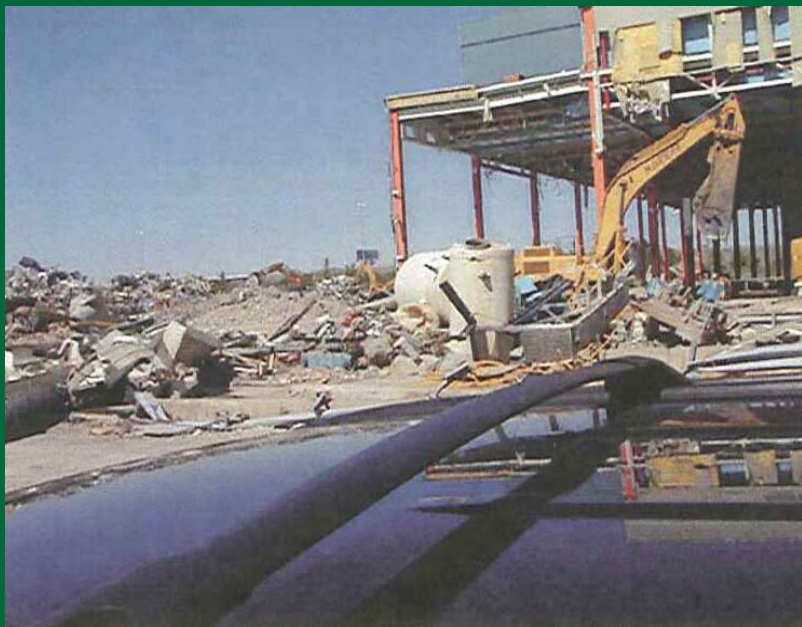
Plurality of activities

Multi-functional combinations

A TOWN: integrated life style community

Environmental Status

- Past manufacturing activities contaminated the soil (chlorine, bunker-c oil, petroleum hydrocarbons)
- Seller has completed remediation to commercial standard
- Cherokee has remediated to a residential standard on residential and mixed-use lands



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General Motors - St. Therese Plant 2004

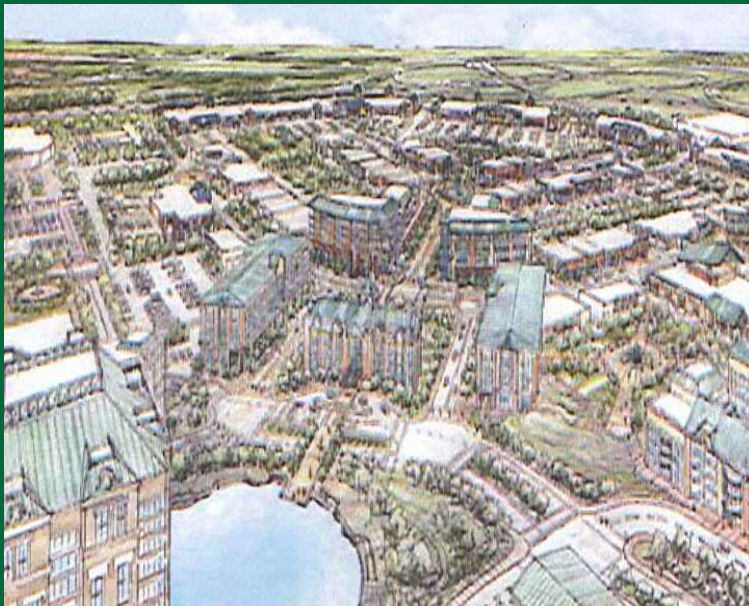


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Accomplishments to Date

- Achieved rezoning for contemplated development
- Developed retail site plan and site wide infrastructure improvement plan; continuing planning and design for balance of the site
- Signed leases with retail anchor tenant; finalized closing to sell retail lands to a Kimco-CIP vertical joint venture
- Sold 13 acres of land to Costco at pro forma



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Faubourg Boisbriand Conceptual Site Plan



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Vertical Retail Transaction Summary

Strategic partner

- Retail development and management
- Equity

Kimco, Sterling, Centrecorp

Retail Capitalization	Investment	\$225 (max)
	Debt	\$165
	Equity	\$ 60 (15/45)

50/50 profit split after 10% IRR

Stabilized NOI 2008/2009- Go to market

Faubourg Boisbriand Conceptual Rendering



Faubourg Boisbriand Conceptual Rendering



Faubourg Boisbriand Conceptual Rendering



Transaction Timeline

- **Due Diligence** 2Q 2004
- **Closing** Nov 2004
- **Purchased 232 acres for GM** Nov 2004
- **Demolition Complete** Oct 2005
- **Master planning approvals** 2Q 2005
- **Groundbreaking** 2Q 2005
- **Environmental remediation complete** 3Q 2005
- **First Offering of retail lands** 2Q-3Q 2005
- **Second offering of retail lands** 4Q 2005-1Q2006
- **Closing of Kimco JV** Jul 2006
- **First retail store opening** Oct 2006
- **Planning of residential lands** Ongoing
- **Planning of industrial lands** Ongoing

Faubourg Boisbriand Current Conditions

540,000 Square Feet Completed

96% Leased

All Major perimeters and trunk roads are under construction or complete

Town Center under Design- construction begins in 1Q 2007

Residential planning ongoing- sales to residential builders 2007-2009

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Questions and Lessons Learned

Start early

Deal Partner educations and buy-in is important – need a local champion

Mid- Course corrections can happen – ‘Green’ is ‘in’

Look at the big picture – start with goals before developing strategies

Consultants need direction – better communication of CIP expectations

Challenges

- **Timing :**
 - Retail vs. Town Center vs. Residential/Industrial
 - Extra analyses vs. deal timeline
- **Tenant expectations:**
 - Efficiency vs. Standard contracts
- **Ownership:**
 - JV
 - The balance of the land
 - First cost vs. Operational cost savings