

'Great Bones' and Rezoning

**Help Transform Facility
From Industrial
to Multi-Tenant Office**

[By Kim Morque]



If there is anything the partners of NordenPark have learned from today's ever-changing economy, it's that being flexible is the key to success. By adjusting their strategy to changing market conditions in Fairfield County, Connecticut, the owners of 80-acre NordenPark have been able to transform a neglected 1960s manufacturing and research facility into a high-tech 650,000-square-foot multi-tenant office park spectacular enough to be named "Adaptive Re-use Project of the Year" by *New York Construction Magazine* in 2003.

Thanks to a zoning amendment granted by the City of Norwalk from restricted industrial to include commercial and college, the property has attracted a diverse group of new tenants. Today, the energy-efficient building is 80 percent occupied by a variety of tenants — including a technical college, a defense industry contractor, a high-end tour and travel company and a small service organization.

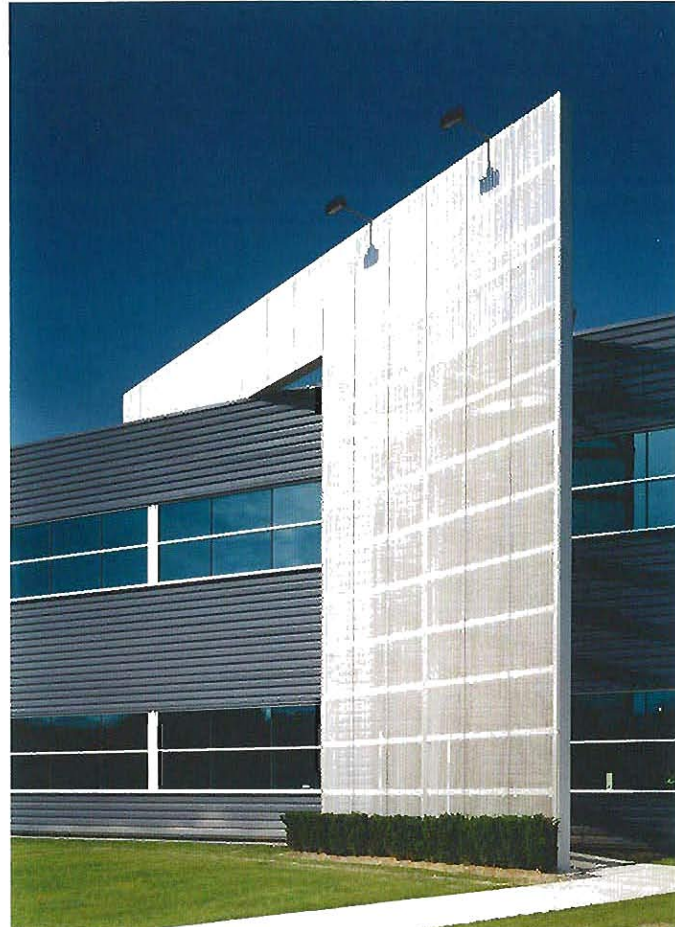
But NordenPark does not intend to stop there. The master plan for the site's remaining 40 acres of vacant land calls for additional office and industrial space, up to 400 units of multi-family housing, a clubhouse, swimming pool and walking trails. The idea is to create a Corporate Lifestyle Park that fits in with the surrounding community.

To achieve this, the development partners must convince the city of Norwalk to allow additional zoning changes. Norden Place LLC

For more information

Norden Park

www.nordenpark.com



Developers are seeking to create a corporate lifestyle park that fits in with the surrounding community in Fairfield County, Connecticut.

Photo credit:
Edward Hueber.



Dramatic entryways and a high-tech industrial interior give NordenPark a 21st century feel. Nearly \$10 million was spent on initial improvements.

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is a joint venture of Spinnaker Real Estate Partners LLC, Greenfield Partners and Summit Development, all of Norwalk. Spinnaker is the project manager, Greenfield Partners is an investing partner and Summit oversees marketing and leasing for the project.

Taking the Leap

It took guts to take on a 40-year-old building with a single, short-term tenant; an ongoing groundwater remediation program and years of deferred maintenance. However, the partners were impressed with the building's "great bones"

“NordenPark is not a typical “adaptive re-use” project because the owners have maintained the existing use while opening up the property for new ones: office, educational and commercial. They also hope to include a residential component.”

and vacant land for development. They also had a high level of confidence in their local market and community, so they purchased the property in November 2000. Since the partners had to put up 50 percent equity themselves, it was important that they spend money strategically.

They learned one lesson early: the environmental impact from the prior manufacturing process was not the most important issue in redeveloping the property. Although an ongoing Department of Environmental Protection groundwater remediation program was already in place with the prior owner, it had little effect on existing buildings or on future development of the site.

The real challenge was determining where the property fit into the market, since the facility had been occupied by a single user and had poor perceived access. In addition, significant capital improvements were necessary and amending zoning regulations to allow non-industrial uses was required.

First, the owners replaced building façades that faced Interstate 95, the state's main artery and a very highly used roadway. Previously dated and dreary, the building took on new life with layers of energy-efficient tinted glass, metal panels and architecturally inspiring open mesh screen walls that gave tenants excellent signage

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opportunities and created a new image. NordenPark also received permission from the State of Connecticut to allow selective tree cutting on the right-of-way to Interstate 95 to open the site to highway view. Immediately, nearly 135,000 daily commuters could see the building, which had been completely hidden from view. Because of the great visibility, the building became the developers' primary marketing material and repositioning tool.

Dramatic entryways and a high-tech industrial interior gave the project a 21st century feel. Much-needed building systems work was initiated —including replacing 280,000 square feet of roof, and installing a new chiller plant and an energy management system. Nearly \$10 million was spent on initial improvements.

Finally, the building was ready to market as an attractive and competitive location for new users. One of the big advantages is that the site has 2,200 parking spaces, enough for high-intensity users. Multiple fiber optic providers and ample electric power exist as well. NordenPark is also planning to install emergency generator backup power — enough to power the entire building. In addition, two Metro North commuter train stations are within easy access of the site.

Another plus: Northrop Grumman Norden Systems, the original owner/user of the building, occupied 480,000 square feet and had four years remaining on its lease. Unfortunately, the company was unable to make a long-term lease commitment when approached by the owner in 2001. But, by 2003 NordenPark was able to extend the Northrop Grumman lease until the end of 2014 with options until 2020 by reducing operating costs and aligning the tenant's space requirements with its business plan. Northrop Grumman Norden Systems is the city's largest manufacturing company

Adjusting the Strategy

In 2001, the strategy for the NordenPark property was to lease space to large users and sell land or do build-to-suit projects. Originally 160,000 feet of older industrial space was marketed as roughly two 80,000 square-foot floors. While this layout was ideal for large industrial tenants, these users have virtually disappeared from the Fairfield County marketplace. Manufacturing businesses are not only moving out of town, but out of the state as well.

NordenPark owners commissioned planning and zoning consultants Buckhurst, Fish and Jacquemart (BFJ) to study employment trends in Norwalk and the region. They found that between 1990 and 2003, the manufacturing

share of total employment in Norwalk had dropped from 27.3 percent to 18.9 percent. Big names such as Perkin-Elmer, Nash Engineering, Pepperidge Farm and Burndy had relocated elsewhere. The planning report predicted that by 2025, an additional 26,000 manufacturing jobs were expected to leave Fairfield County.

However, Norwalk still has many pluses as a commercial location. An educated workforce is readily available. It is a less expensive alternative to Westport to the north and less congested than Stamford to the south. It has great access to I-95, the Merritt Parkway and Route 7, the major highways in the region. Taxes in Norwalk are lower than in many of the surrounding towns.

Through adoption of two zoning amendments, NordenPark was able to broaden the potential tenant parameters to include commercial office requirements and colleges. The flexibility resulted in two significant new tenants for NordenPark: Gibbs College and Tauck World Discovery. Gibbs is a technical college, so a high-technology building was important to it. New building amenities, including a state-of-the-art exercise area, a video conference center, an outdoor courtyard and a full-service café, appealed to the tenants. A great location easily accessible to bus and train was another plus.

But what really drew Connecticut's fastest growing college to NordenPark was the fact that it would allow the school to expand its facilities to meet growing enrollment. Gibbs moved into 54,000 square feet in July 2003. As of July 1, 2004, the company had expanded into 64,545 square feet and is putting together a new proposal that will add an additional 10,000 square feet in January 2005.

Thinking Small

The BFJ report concluded that in Fairfield County, smaller companies — those with between 100 and 200 employees — demonstrated the most “robust growth.”

So, in 2004, the owners initiated a small tenant program, using 32,000 square feet of former cafeteria space as a springboard.



The 650,000-square-foot high-tech building is 80 percent occupied by a variety of tenants. A small tenant program was begun earlier this year.

Photo credit: Edward Hubber

At 3,200 square feet, Custom Phone — a company that designs and installs custom phone systems — is the smallest tenant at NordenPark. According to brokerage firm Cushman & Wakefield, companies of that size usually can't afford to lease space in a building with NordenPark's amenities and thus the development represents a great value for these tenants.

A Vision for the Future

NordenPark's owners have a vision for the site that takes it much farther than the typical "adaptive re-use" project. They have maintained the existing use while opening up the property for new ones: office, educational and commercial. They also hope to add a residential component.

The City of Norwalk has been flexible in letting the developers take the property in a new direction. In 1960,

when Norden Systems built the facility, it was surrounded by fields and open space. Now the area is completely built up and the site is surrounded by residential neighborhoods. The City of Norwalk has a policy of preserving its industrial land, but is looking closely at excess manufacturing land to determine appropriate new uses.

The developers believe that the remaining 40 acres of the site, which border residential neighborhoods, should be rezoned for mixed commercial uses and residential use. The plan will benefit the entire community by improving water quality, reducing traffic impacts and adding to the tax rolls. It's smart growth, aimed at locating jobs near train stations and highways. The residential component would combine passive recreation such as open space and walking trails with active recreation such as tennis courts, a clubhouse, swimming pool and other amenities.

By being adaptable and flexible, the partners have transformed an aging industrial facility into a high quality multi-tenant business park. With flexibility from the City of Norwalk, the owners of NordenPark hope to create a new community that incorporates working, living and recreation. ■

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