



NEWSLETTER • APRIL 2002



Construction of AstroPower's North American headquarters was completed January, 2002

Responsiveness delivers high standards for build-to-suit projects

Like many real estate developers, McConnell Development offers a full menu of services to real estate clients — land purchase and sale, build-to-suit, land entitlements and land development. What may be less well-known is that McConnell Development's business strategy has allowed the firm to become an innovative leader in completing fast track and customized build-to-suit projects.

With streamlined operations and expertise in accommodating the intricacies of a tenant's business, McConnell can meet aggressive schedules and offer cost quotes very early in the development process. Additionally, these properties are enhanced with upgraded standard features, such as back-up power generators, generous parking ratios and specialty fire protection systems, all delivered at competitive rental rates. Having completed over 100 development projects, McConnell's speed, creativity and flexibility have allowed the firm to service prestigious clients who frequently have rigorous and sometimes difficult specifications to meet, such as:

- **McConnell Development, Inc.**

Land Sale and Purchase

Construction Management

Build-to-Suit

Land Development

- **McConnell Johnson**

Real Estate Company LLC

Leasing: Office & Warehouse

Land Sales

Commercial Property Sales

Owner & Tenant
Representation

Property Management



McConnell Development just completed the North American headquarters of solar power giant AstroPower, a 160,000 square foot site combining manufacturing and office space. This is a unique building that employs active solar panels manufactured by AstroPower, representing the largest solar-powered manufacturing facility in the world.



Internet pioneer Amazon.com moved into its 200,000 square foot New Castle warehouse just 88 days after McConnell Development began construction. Amazon.com recently celebrated its fourth year in Delaware and now employees over 500 people at its New Castle site.

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Architectural Rendering of Sunset Lake, 99,000 square foot build-to-suit site, fully approved and available in Newark, DE



McConnell Johnson is the exclusive listing agent for 100 Commerce Drive, a property owned by Brandywine Realty Trust

McConnell Companies Partial Client Listing:

- Amazon.com
- AstroPower
- Automodular
- Bio-Lab
- Blank Rome Comisky & McCauley
- Brandywine Realty Trust
- Comcast
- Cozen O'Connor
- Fleming Foods
- HSBC Bank
- Johnson Controls
- Lend Lease Real Estate Company
- MAB Paints
- MAC Direct
- Merrill Lynch
- Morris Nichols Arsht & Tunnell
- Marsh USA
- Marvin & Palmer
- Potter Anderson Corroon, LLP
- Scheufelen N.A.
- The Siegfried Group
- Tiedemann Trust
- Town of Smyrna, DE

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The MAB Paints Distribution Center is the only warehouse in the state of Delaware equipped with a unique fire-suppression system required for MAB's flammable paint products. McConnell Development was able to implement MAB Paint's development plan, coordinating state and county building and fire codes and permits during the development process.



In January, 2002, MAC Direct, a national marketing fulfillment company, moved into 246,000 square feet at Centerpoint Business Complex. The warehouse has a clear height of 32', specially constructed to meet the significant distribution needs of MAC Direct's clients. ❖

New brokerage off to a fast start

McConnell Johnson Real Estate Company is celebrating a highly successful year... and it's only the first. Opening in November, 2000 the real estate brokerage firm was formed by Paul McConnell and Scott Johnson. These two industry veterans joined forces with the intent of focusing their combined resources on serving select clients. "We want to be flexible yet responsive," Johnson said. "We'll focus on a few key customer relationships and develop them in a more 'high touch' manner."

Even in a tightening economy and slowing real estate market, their business strategy appears to be highly successful in meeting the needs of tenants, owners, builders and tenant representative brokers. In fact, during 2001, McConnell Johnson emerged as a major player in creating value for real estate clients, representing over 900,000 square feet of leased real estate and \$88,000,000 in lease value.

This focus and responsiveness allowed McConnell Johnson to serve, among others, the following clients:

- ◆ The firm is the exclusive listing agent for the 23-story Chase Manhattan Centre, owned by Lend Lease Real Estate, the most prestigious address in Wilmington's Central Business District. McConnell Johnson leased over 60,000 square feet in the tower during 2001.
- ◆ In the Fall of 2001, Brandywine Realty Trust, a real estate investment trust, selected McConnell Johnson as the exclusive listing agent for its office property at 100 Commerce Drive, a 63,000 square foot, Class A, mid-rise office building. To date, McConnell Johnson has leased 11,500 square feet of space.
- ◆ McConnell Johnson also leased the following for property owners:
 - 160,000 square foot office/warehouse facility to AstroPower.
 - 138,000 square foot warehouse to Fleming Foods.
 - 246,000 square foot warehouse/office to MAC Direct. ❖

Patience pays off... by the ton

It's been said that in real estate, it all comes down to location, location, location. But today, successful real estate development also requires patience and tenacity. And it's these qualities that enabled Paul McConnell to hold on for years to acquire and develop a 26-acre site that straddled two municipal borders. In the late 1980's, McConnell first became interested in purchasing the Schmalbach-Lubeca Plastic Containers plant. Originally, the site was the home of Ballanca Field of the Wilmington Airport, opened in 1928 so that Wilmington could be placed on the New York-Atlanta Air Mail route. McConnell worked with area residents and city planners to respond to issues regarding zoning, noise and safety related to the demolition of the existing factory. Still, the development proposal was turned down by the city. McConnell began again and proposed development of a new distribution/warehouse building on the county portion of the property.

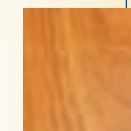
Finally, years after acquiring the property, McConnell was able to proceed with plans to create a 246,000 square foot building for MAC Direct in 2001, the largest building built in the county in 10 years. But before building could begin on the new facility, significant demolition work needed to be done to clear the property. The original plant had been built of wood trusses, concrete block and steel. Paul McConnell says, "The idea was accidental. We had always hoped to recycle as much of the existing concrete as possible and use it on the site. But when we found steel inside the concrete footers, we saw a greater recycling opportunity." So instead of disposing of all the demolished material at the landfill, McConnell Development chose to carefully recycle the materials from the 50-year old building. The contractor on the job trucked away several hundred thousand dollars worth of recyclable materials. As planned, the concrete was crushed and reused directly at the site. ❖

MAC Direct's warehouse facility now resides on what was once an old airfield

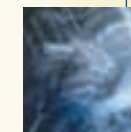


85% of materials from old airfield site were recycled, including:

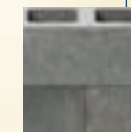
WOOD BEAMS
Milled for siding



METAL & STEEL



CONCRETE MASONRY BLOCK
Crushed and reused on site



"The idea was accidental. We had always hoped to recycle as much of the existing concrete as possible and use it on the site. But when we found steel inside the concrete footers, we saw a greater recycling opportunity."

— Paul McConnell

Partnership approach leads to high success rate

For many building tenants and owners, the most challenging aspect of developing a property is not financing or construction, but navigating the maze of building, zoning and land use codes. At McConnell Development, pre-development “homework” begins early, and this thorough understanding of the development process has paid off. During 2001, McConnell Development received approvals from the county for 5 projects, creating important opportunities for its clients. Here are some of the practices that help create this success in meeting clients’ needs:

- ◆ McConnell senior staff members serve on state- and community-wide committees affecting land use codes, such as the New Castle County Chamber of Commerce and committees designing the Land Improvement Development Agreement. These committees provide positive clarification, interpretation and implementation of the codes which benefits all the players involved in the development process, including communities as well as businesses.
- ◆ Environmental professionals and fire prevention engineers are an integral part of McConnell Development’s team, and are involved in the development process to address challenges associated with each project.
- ◆ Top McConnell staff participate in the land use approval process, including all public hearings, meetings or planning sessions for client’s projects. ❖

The 23-story Chase Manhattan Centre in Wilmington, owned by Lend Lease and listed exclusively by McConnell Johnson Real Estate Company



A word of thanks

The McConnell Companies wish to thank the brokers and the regional business community for partnering with us over the past several years. Special thanks to those who participated in the completion of the many transactions mentioned in this newsletter.

- Colliers Lanard & Axilbund
- Patterson-Woods Associates of Delaware
- Insignia/ESG



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