



NEWSLETTER • NOVEMBER 2002



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

• **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



A view from the main lobby at Chase Manhattan Centre, located in the heart of Wilmington's business district

Wilmington landmark gets new owners

After acting as the exclusive leasing agent for Wilmington's Chase Manhattan Centre for 3 years, McConnell Johnson Real Estate Company, LLC structured a partnership to purchase the property in May of 2002. This 23-story landmark is Wilmington's premier, Class A office building. The building's central business location and outstanding amenities, including onsite parking, 24-hour staffed security and business-oriented retail tenants, have enabled McConnell Johnson to maintain high occupancy rates for the previous owner, Lend Lease, even during recent uncertain markets. Advance Magazine Publishers, Inc. and XL Specialty Insurance Company are the most recent tenants, taking occupancy during the third quarter of 2002.

As part of the partnership created to purchase the Chase Manhattan Centre, McConnell Johnson secured both primary financing from CS First Boston as well as mezzanine financing from The Knickerbocker Group. In addition, a group of private investors have provided equity toward the purchase, including:

- Siegfried Realty Holdings, LLC
- James N. Gilliam, Jr., LLC
- PAI Realty, LLC
- The Gilliam Foundation
- The Hodson Trust
- Longfield Properties, LLC
- McConnell-Johnson Properties LLC

Since McConnell Johnson made a commitment to retain all building staff, the transition to new ownership has been seamless for the tenants.

Now responsible for building management as well as for leasing, McConnell Johnson plans additional improvements to continue to stay ahead of the business needs of existing and future tenants. ❖



The Chase Manhattan Centre, Wilmington's premier 23-story landmark office building



MAC Direct took occupancy of their new 258,000 square foot state-of-the-art distribution facility at Centerpoint Business Complex

A bright new concept on the horizon

The McConnell Companies are proud to announce a new venture, McConnell Energy Solutions LLC, to help architects, engineers and developers integrate solar energy systems and other environmentally sensible resources into commercial properties. Watch for more in our next newsletter! Or, for more information, visit: www.McConnellEnergySolutions.com

Green ideas make good business

Everyone benefits when land use planners and real estate developers carefully consider the environmental impact of each new project. And it's even better when making the right choice for the environment also makes good business sense.

◆ Renewable energy reaps rewards

In August, 2002, McConnell Development received a check from Delaware Governor Ruth Ann Minner for its participation in the state's Energy Alternatives Program. The program is designed to introduce renewable energy technologies into the Delaware market by offering rebates through the Environmental Incentive Fund. McConnell Development's participation in this program came through installing a solar power system at 600 Pencader Drive, which creates enough power to run all common area electric and office components of the building. This paved the way for the next installation — the largest integrated curtain wall solar power system in North America. This robust system, installed on AstroPower's new manufacturing and office complex, powers all office components of the building.

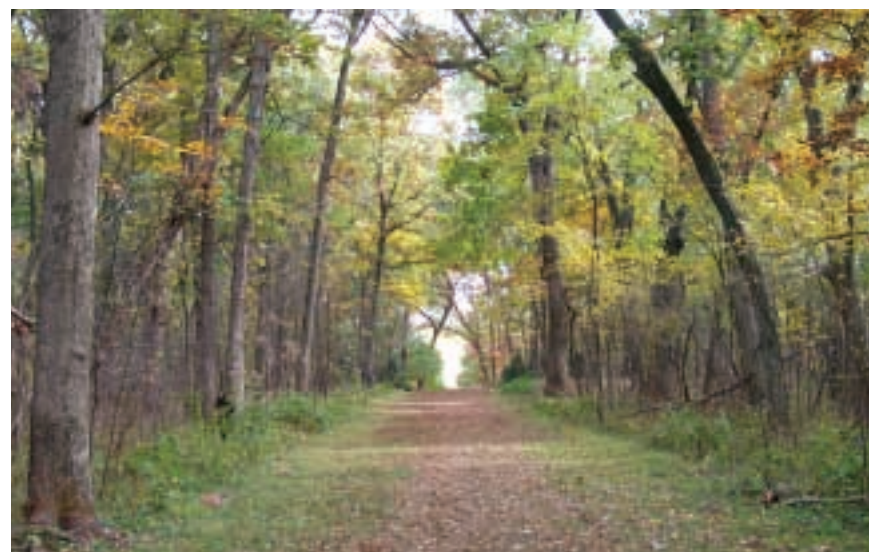
◆ Tree planting project beautifies Centerpoint

This spring of 2002, McConnell Development completed a three-year project to plant over 1,000 new trees at Centerpoint Industrial Park. The trees were introduced as part of ongoing plans to create the most pleasant environment for tenants and their employees.

◆ Nature walk for employees nears completion

A newly created nature walk is being completed at AstroPower's new marketing and office complex, a site developed by McConnell Development. The walk was designed jointly by AstroPower and McConnell Development so that AstroPower employees can enjoy the preserved wetlands area adjacent to their office building. In addition, McConnell Development cleared the riparian buffer of invasive plant species, making way for the indigenous wetland species. ❖

AstroPower employees will soon be able to enjoy a brisk morning jog on a new nature walk featuring a view of the property's preserved natural wetlands



Brokerage keeps fast pace

Most of us think that "real estate brokerage" is only about matching property owners (and their vacant space) with the needs of growing businesses. And very often, it is. Increasingly, though, especially in this new economy, "real estate brokerage" can take on a more strategic, often consultative role.

With this in mind, McConnell Johnson Real Estate Company LLC continued to find unique ways to create significant value for both property owners and tenants in Delaware during 2002.

◆ Potter, Anderson and Corroon

Sometimes, expanding businesses simply don't know what to do about their changing needs... or even whether to consider a change. As tenant representative for law firm Potter, Anderson and Corroon, McConnell Johnson provided an overall market review of space options in Wilmington's central business district, including an evaluation of the firm's existing space. Confident that they had weighed all the advantages and disadvantages of each option fully, the firm elected to remain in its current location. McConnell Johnson was able to help the firm restructure aspects of its existing lease to provide for further expansion and to meet other long-term objectives.

◆ Advance Magazine Publishers, Inc.

As owner's representative for the Chase Manhattan Center, McConnell Johnson was able to lease 20,600 square feet to Advance Magazine Publishers, Inc. But Advance brought challenging technical requirements, including the need for a back-up power generator. McConnell Johnson was able to structure an arrangement to adapt the existing power infrastructure of the Chase Manhattan Center to meet Advance Magazine's objectives, and to allow this new tenant to occupy the new space within three months of lease signing.

◆ Chase Manhattan Bank

Chase Manhattan Bank, the original tenant of the Chase Manhattan Center, no longer needed as much space in the Class A building. During the last year, McConnell Johnson has leased over 100,000 square feet to new and existing tenants as the building's owner representative. This leasing strategy has created a well-diversified tenant profile for the property's new owners.

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Paul McConnell (L), President and CEO of McConnell Companies with business partner Scott Johnson (R), Broker of McConnell Johnson Real Estate Company LLC

"We believe that this is only the beginning of our development company's green focus."

— Paul McConnell

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◆ **Fusura.com**

Fusura.com, is a new, Wilmington-based on-line marketplace offering insurance products to consumers. McConnell Johnson was able to help this business find an appropriate place to continue to expand, as well as to meet the start-up firm's needs to control expenses, support parking for its employees and to relocate to its new space immediately upon lease signing at 800 Delaware Avenue.

◆ **Brandywine Realty Trust**

When the sole tenant of 100 Commerce Drive moved to another location, the building's owner, Brandywine Realty Trust, was left with 63,000 square feet to fill. As exclusive leasing agent, McConnell Johnson helped reposition the building to attract new tenants, including ComputerTraining.com, ICON Pharmaceuticals, and Stonebridge Mortgage who could move in immediately. The building currently has the ability to accommodate a tenant with over 22,000 contiguous square feet, available for immediate occupancy.

◆ **Lease renewals underway**

Finally, McConnell Johnson has been busy renewing leases for Scheufelen NA, Amazon.com and providing new space for AstroPower at 100 Pencader Drive. ❖

McConnell Johnson's newest listing is a stand-alone warehouse located at 1146 River Road in New Castle, Delaware, with 18,700 square feet of available space



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.

- Insignia/ ESG
- Smith Mack
- Emory Hill
- Studley
- Colliers Lanard & Axilbund



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