



PERSPECTIVE NEW JERSEY

The comprehensive view of real estate, design and construction

VOL. 5, NO. 1 Spring 2010 Issue

MOUNTAIN DEVELOPMENT CORP.

...Finding and Creating Enduring Value

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Mountain Development Corp.

...Finding and Creating Enduring Value

By Jan Wilson



It takes a developer with vision to see a property with untapped value that isn't being realized and turn it into an asset that will perform and appreciate in portfolio for years to come. This is exactly the kind of transaction on which Mountain Development Corp. has built its reputation. "We are interested in creating real, enduring value and we acquire properties which we believe can be repositioned for long-term growth and performance," says Michael Seeve, President. "It's what we've been doing for thirty years."

Whether it is taking a suburban corporate campus and turning it into a stunning new medical facility, turning a Beaux Arts property in Manhattan into a premier address for fashion designers, or transforming research and laboratory space and repositioning it as a major data center, Mountain Development Corp. has demonstrated that its vision and 'buy, enhance and hold' philosophy is a powerful recipe for success.

"Everything we have done has been with a view towards the long term."

L. Robert Lieb, Chairman,
Mountain Development Corp.

THIRTY YEARS OF DEVELOPMENT

The firm was founded in 1979 by L. Robert Lieb, its Chairman, who was advising several institutions who were active investors in the real estate market and he realized that the downturn in the economy made for a compelling jumping off point. "Opportunities presented during the real estate downturn in the '70s allowed for the acquisition of several properties which formed the basis of the current portfolio," says Seeve.



Michael Seeve, President and Robert Lieb, Chairman

Lieb was a lawyer and founder of what is now one of the ten largest law firms in New Jersey. "Our first big project was Garret Mountain in Woodland Park, which we developed out of the ground and since completion, was very successful," says Lieb. "We learned good lessons about building high quality space to meet the needs of discriminating tenants and everything that we have done since that point has been with a view towards buying, managing and redeveloping for the long term."

This mid-sized real estate company, which has grown to 60



(OPPOSITE PAGE) LEFT TO RIGHT: 100 Hamilton Plaza, One Garrett Mountain Plaza. (THIS PAGE) ABOVE: 500 BIC Drive; RIGHT: Summit Medical Group; BELOW: 80 West 40th Street



Irene Fitzgerald, CFO

employees, believes that a collaborative environment is important, and one that allows its employees to do their best work. "We work very closely with one another. Everyone is willing to lend a hand to each another because there isn't competitiveness among peers," says Irene Fitzgerald, Chief Financial Officer. "We genuinely appreciate what each professional brings to the table." Adds Mike Donohue,

Director of Operations: "You don't get pigeonholed at Mountain Development. Your job is what you make of it."

This is one reason that the company's staff has achieved such longevity, Lieb says. "My assistant has been with me for thirty-five years. Michael Seeve started with us right out of college. We have people who can create value and build a career here, and that contributes to having very little turnover. At the same time, we always look out for new talent."

William Martini, Director of Acquisitions, who joined the company eight years ago after college, said that he was taken with the principals' commitment to longevity with their projects, and that the atmosphere they fostered led him to join the company. "I wanted to be in real estate and was impressed by how flexible and nimble this company is," he says. "I also knew that it had an excellent reputation, and wanted to be a part of it."

Mountain Development places a lot of value in its reputation and the relationships that it builds with its partners and tenants. "We think this



Mike Donohue, Operations Director

business is all about relationship and reputation," says Lieb. "When people want to know what kind of owners and operators we are, we suggest that they speak directly with our tenants and banks, who have been with us through the good times and the challenging times. There are no surprises with us."

Throughout its history, Mountain Development has held firm to its philosophy of identifying assets that are differentiated from others and can serve a niche market. "We aren't trying to acquire buildings just because they look great," says Seeve. "We are seeking properties that, with our vision and resources, can be repositioned to capture and serve a specific market and thus, will perform over the long term."



William Martini, Acquisitions Director



"Mountain Development is very disciplined in their investment strategy. We have done business with them for more than 20 years and I wish we had many more clients like them."

Rick Steele, Administrative Vice President, M & T Bank

Part of that success involves the firm getting involved in the communities where its projects are located. "Our attitude is that when we buy a property in a community we also get involved in activities to better the community," says Lieb. "I got involved early on in the Bryant Park Corporation which runs and manages Bryant Park. We worked closely with the people in West Paterson (now Woodland Park) at the time we acquired Garret Mountain, and, shortly following our acquisition of 100 Hamilton Plaza



LEFT: Bryant Park; RIGHT: 80 West 40th Street

"Mountain Development Corp. has created a lot of special relationships with their tenants, who are some of the leaders of their industry. This has given Mountain a really good sense of the market, and has helped them make 80 West the premier showroom building for contemporary fashion designers."

Michael Leifer, Vice President,
Millennium Realty Group

in Paterson, we took an active role in founding the Paterson Special Improvement District, which helped stabilize the area." In the communities where the company has invested in mall properties, its community involvement has also been important in forging relationships with local retailers and consumers.

"I worked with Michael Seeve and Bob Lieb for the past five years. Mountain Development Corp. is very professional in their approach to managing their relationships."

Stephen F. Roche, Sr. VP,
Regional Market Manager, TD Bank NA

ADDING VALUE IN THE FASHION DISTRICT

"Our building at 80 West 40th Street (Bryant Park Studios) is a telling example of the kind of work that we do here," says Seeve. He is referring to their building on Bryant Park, in Manhattan, that the firm acquired in the late 1970s.

The property, which was originally built at the turn of the last century for residential artist studio use, is an architecturally beautiful Beaux Arts building. The structure faces north and has very high ceilings, with double height windows that let in a great deal of natural light. Formerly owned by a long time Garment Center family, it fronted on Bryant Park, before the park's now well-recognized renovation, and therefore was underutilized. "This was a part of Midtown that wasn't particularly desirable for commercial tenants," says Seeve. "New York City was extremely capital constrained in the late 1970s and there was very limited development on the West Side, and the park was in no way the destination it has become today."

Mountain believed that the property lent itself to being recreated as a designer's showroom building with a focus on women's contemporary fashion tenants. "The building was landmarked about six months after we acquired it, which gave it added cachet and we just needed to repurpose it for the kind of tenants we were trying to attract," Seeve says. At the same time, the New York Public Library, which along with its flagship 42nd Street branch, maintains archival storage beneath the park, started an effort to remake the area which ultimately led to the Bryant Park Restoration Corp., the

public-private partnership which renovated and now operates Bryant Park. The stage was set for the rebirth of the neighborhood, and Mountain Development sought to revitalize this property in several ways:

- **Restoring the building physically**—"This was not without its challenges, due both to the landmark status, which imposes certain limitations, and to the age of the building," says Seeve. The firm engaged top architects and preservationists to help create a plan to restore the historic elements of the building while upgrading obsolete infrastructure and transforming the interior spaces into highly modern and efficient showroom units.
- **Seeking to take active role in the betterment of the neighborhood** in which the building was located—It was from the initial efforts of the New York Public Library that the Bryant Park Business Improvement District was born, and today Bob Lieb is one of its Co-Chairmen. The BID was responsible for remaking the park into the vibrant public event space that it is today. "This park now has an ice rink, restaurants and hosted Fashion Week for many years," says Seeve. "It's a world renowned venue."
- **Creating a specific niche for the building**—The firm decided that the building could become a fashion showroom building with a specialty among women's contemporary casual designers. In the early '80s, it already had a reputation for being the one-time home of industry leader Liz Claiborne. "What made the building ideal for this use was its proximity to the traditional Garment Center and its architecturally inviting, museum-like spaces with wide open floors, high ceilings, and double-height windows. These characteristics make for spectacular selling and display spaces, and because the spaces were originally residential suites, they are the right size—1,500 to 3,000 SF—for this type of tenant," says Seeve. "So we set out to create select relationships with industry leaders, whom other designers might follow, and adapted the building and its operations to suit their specific needs. The result has been a stunning, long term success; we've effectively been fully leased for the past twenty years."

Despite the fact that the building has almost thirty different showrooms with tenants who are constantly expanding, taking on new lines and have ever-changing space needs, it remains almost 100 percent occupied at all times. "The best designers want their showrooms to be located near each other, in prominent, well-located buildings which cater to their needs," says Seeve. "They appreciate that we understand their business; there are designers in the building who have leased five different showrooms from us over the past twenty years. We've developed some enduring relationships, built on mutual accommodation, of which we're extremely proud."



Summit Medical Group

A MEDICAL GROUP'S NEW HOME

Summit Medical Group is one of the largest and best regarded multi-disciplinary medical practices in the Northeast, comprised today of more than 150 board-certified physicians. Listed as one of the Top 50 Fastest Growing Companies in New Jersey in 2008 by a leading business publication, Summit Medical Group has a longstanding tradition of keeping pace with the rapidly changing healthcare environment and approached Mountain with an ambitious plan to relocate and significantly expand their practice from their longstanding Summit headquarters. "They had a vision for patient care and treatment in a central, multi-disciplinary, consultative campus which would seamlessly and efficiently serve the needs of their patients," says Seeve.

"Mountain Development Corp. is a high quality, outstanding development company. Because of their reputation, they were able to bring an excellent medical provider, Summit Medical Group, to the Township. Mountain delivered an outstanding facility that has improved the community and Summit is a wonderful corporate neighbor."

Angie Devanney, Former Town Administrator, Berkeley Heights

Mountain Development and Summit started looking for appropriate locations which could be developed into a campus in line with the group's vision. "One of the sites we looked at

was Dun & Bradstreet's longstanding Murray Hill headquarters; One Diamond Hill Road in Berkeley Heights," says Seeve. It was a 42-acre site, comprised of five buildings, located just off of Route 78. "The aesthetic of the campus was striking — the manner in which the buildings were harmonized with the site was reminiscent of Frank Lloyd Wright. It was everything we were looking for; a collection of stately buildings which could accommodate the group and provide logical separation between departments, a huge site capable of handling all of the group's foreseeable expansion needs and situated off a major highway in a most desirable town and one which was optimally convenient for the group's patients." The proposed campus also was very close to Overlook Hospital, which enjoyed a long and collaborative history with the group.



Summit Medical Group aerial view

Mountain Development committed to acquire and redevelop the property together with Prudential Real Estate Investors as its partner. "From the onset, we all harbored concerns about the approvals and entitlements which would be required given the change of use and the property's long history as an office campus but Berkeley Heights was a responsive partner in helping us do what we needed to do to redevelop the property," says Seeve. "It was a challenge—how do you take the zoning for a corporate campus and refashion it in such a way that it can work for the needs of the group, its patients and anticipate all of the different and future needs as well? The development and integration of the buildings, the site, and the experience of the patient and the physician were critical."

Construction of new major medical facilities in the State is a highly regulated undertaking, and regulatory issues, coupled with all of the other myriad challenges of major development work made working collaboratively with a developer essential. "Developers add untold value to a project," says Seeve. "We brought to this venture hard earned, practical experience and knowledge about how to build projects efficiently, and it all starts with engaging the right professionals at the outset. Our job was to create the optimal environment for the medical group within the constraints of the site, the zoning and, obviously, applying financial prudence. This called for intense planning and pre-construction work over an eighteen month period and required some of the most creative, resourceful and informed professionals in the State, across a host of disciplines



and areas of expertise, to assist in and help us guide the project. The campus was completed in the fall of 2006 and includes ambulatory surgery space, an Urgent Care Center and infusion services, as well as an imaging center, oncology, plastic surgery, an optical shop, radiology, cardiology, neurology, physical and occupational therapy, rehabilitation and pain management, a pharmacy, day spa and diagnostic labs. An upscale café was also created for staff, patients and visitors, featuring outdoor dining in a beautifully landscaped, protected courtyard. "It's an exceptional development—beautiful, functional and integral to the mission of the group—it's one of the projects of which we're most proud," notes Seeve.



100 Delawanna Avenue

A REVITALIZED OFFICE BUILDING

Mountain Development has its corporate offices at **100 Delawanna Avenue** in Clifton, a building that represents another successful repositioning of a corporate property; in this case, a portion of the former Givaudan Roure corporate campus. "This 180,000 SF facility was the former headquarters and chief research and development facility of Hoffman LaRoche's Givaudan Roure subsidiary, a leading company in the flavors and fragrance industry," says Martini. "We worked hard to take advantage of the building's unique features and present them in a way which would be attractive to new tenants."

These included floor loads significantly augmented by steel reinforcement, high ceiling heights and an extensive power infrastructure. "The site was located at the intersection of two major highways and across the street from a train station," says Seeve. Mountain Development also paid attention to the aesthetics of the building's entrance, working with its own staff to improve lobbies and hallways. "We have in-house talent, people with an eye for design, and we use them very effectively," says Donohue. "We were able to renovate the lobbies at a reasonable cost, and create an elegant and modern look."

Mountain decided that the highest and best use for the building would be as a data center and set about augmenting the in-place infrastructure with enhanced power from PSE&G. "The building came equipped with many of the attributes which data centers need—power, ceiling heights, floor loading, sight lines, cooling capacity, space for generator and other ancillary equipment—and we worked closely with PSE&G, the City of Clifton and our professionals to add to the building where we

needed to complement the infrastructure which we inherited from Givaudan." The success of this effort is evident as one of the most highly sought-after players in the data center industry, **Telx**, leased a significant portion of the building for their use as a co-location center. "We started the process with them as we always do, in a highly collaborative manner, to define and address their needs and to find a way to meet those needs in and around the building," says Seeve. "The building is now fully occupied. In our business, that is the best compliment the market can pay an owner."

"We are very comfortable bringing our clients to Mountain Development because they are very easy to deal with and they make our tenants happy. They are also very creative dealmakers, which is so necessary in today's marketplace."

Don Eisen, Executive Managing Director,
Cushman & Wakefield of New Jersey

A NORTHERN NEW JERSEY OFFICE PARK

Mountain Development got its start developing the **Garret Mountain Office Park** in West Paterson (now Woodland Park), and this project shows how the company's long term view works to its advantage. "We opened **Three Garret Mountain** in 1982, upgraded the property and fully leased it, and two years later we did the same with **Five Garret Mountain**," says Lieb. There was already one building on the site, **One Garret Mountain**, which Mountain Development did not acquire until 2006.



One Garret Mountain Plaza

"What sets this property apart is that it isn't a standalone office building, it really is an office park; a campus of about a half a million square feet which surrounds its own private lake and walking trails, is bounded by a nature preserve and offers the tenants an environment which is generally not available in the northern part of the State," says Seeve. "When the opportunity presented itself, we felt that by acquiring the third building in the park, we would position ourselves so that we could always accommodate tenant expansion and relocation needs. Our



LEFT: Five Garret Mountain Plaza;
ABOVE: One Garret Mountain Plaza

company treasures its tenant relationships and flexibility was key, and by having complete control of the campus we assured ourselves that the upkeep and maintenance of the property would always meet the high standards set by our tenants." He added that completing the assemblage required time and patience, something that Mountain Development has plenty of. "We started in Woodland Park 25 years ago with a long term view and continue to be very proud to be a corporate residents of the Borough—we expect to be here for at least another 25 years," Seeve says.

DEVELOPING A PARTNERSHIP WITH RETAILERS

The firm got into mall development and ownership in 1996 because "we thought we had the right kind of skills and outlook to do well in this arena," says Seeve. "Traditionally, enclosed malls were the purview of a few well known national operators and institutional investors, but we felt that in a segment of the market, dealing with some of the older properties in select Northeastern communities which we knew well, there was a real niche for us."

Mountain Development's executives felt that their experience as dealmakers as well as good, hands-on property managers would be an ideal match for malls that needed an active hand in turning them around. "Tenant relationships were key to our success with office and industrial properties and on the development ventures, but in the enclosed mall business, those relationships are even more important because the same tenants can follow you from property to property," notes Chuck Breidenbach, who heads Mountain's retail group. The two assets that we acquired had some great tenants already in place and we were able to take well located properties and turn them into exciting retail destinations." This, coupled with the company's stated commitment to the communities in which they do business, helped make both malls successful. Liz Lieb, another senior executive in the retail group noted that: "We always want to be the hometown mall—the one with the stores that are a little different, that offer a little bit more, which are perhaps a little more personal, that always have something new and interesting going on, and that make themselves available to the whole community, not just for shopping, but for special events." The firm acquired the 825,000 SF **Eastfield Mall** in Springfield, MA in 1997 and the **Eastern Hills Mall**, a one million square foot property outside of Buffalo in 2003.

"Mountain Development Corporation has been an invaluable resource to the Chamber of Commerce, the Special Improvement District, the Paterson community and the people of Passaic County."

Jamie Dykes, President, Greater Paterson Chamber of Commerce

PREMIER COMMERCIAL PROPERTIES

In the mid-1990s, Mountain Development acquired and renovated **100 Hamilton Plaza**, the largest multi-tenanted office building in Paterson. "This is the tallest building in our portfolio, at 14 stories, and is the leading building in the City; their signature tower," says

PROJECT TEAM MEMBERS

Carlet Garrison Klein & Zaretsky, LLP

Services: Law Firm

Projects: Legal service; zoning, approvals and entitlements

DMR Architects

Services: Architecture, Interiors, LEED, Planning, Programming

Projects: One Garret Mountain Plaza, PF Labs, Maxell Corp., AT&T, 100 Hamilton Plaza, Hudson United Bank, Peruvian Consulate, 80 West 40th Street, NY, NY, White & Warren Co.

Foliage Design Systems

Services: Interior Landscape Design, Installation & Maintenance

Projects: One Garret Mountain Plaza, 100 Delawanna Avenue

Friedman LLP

Services: Accountants and Advisors

Khachaturian Engineering

Services: Electrical, Mechanical, Plumbing, Fire Protection Engineering

Project: 100 Delawanna Avenue

Liberty Elevator Corporation

Services: Elevator Maintenance, Modernization, Cab Refurbishment, Installation

Project: One Garret Mountain Plaza

M&T Bank

Services: Banking

Projects: 100 Delawanna Avenue, 208 Harristown Road, 500 Bic Drive, Valley Forge Corporate Center

McCarter & English

Services: Legal Services and Tax Appeal Work

Pianelli Plumbing & Heating

Services: Plumbing & Heating

Projects: One Garret Mountain Plaza, 100 Delawanna Avenue, Three Garret Mountain Plaza, Five Garret Mountain Plaza, 100 Hamilton Plaza

Planned Companies

Services: Janitorial Maintenance, Superintendent, Security Guard, Concierge, Doorman and Front Desk Services

Projects: One Garret Mountain Plaza, Three Garret Mountain Plaza, 100 Hamilton Plaza

Property Title Group, LLC

Services: Commercial/Residential Title Insurance

Provident Bank

Services: Banking

Project: One Diamond Hill Road

Summit Medical Group

Services: Multi-Specialty Medical Practice

Projects: Summit Medical Group, Diamond Hill Road Campus

TD Bank

Services: Banking

Projects: One Waterview Drive, 500 BIC Drive

Wells Fargo Insurance Services:

Services: Risk Management & Insurance Brokerage

Projects: Insurance & Risk Management Advisors

AFFILIATED ORGANIZATION

Downtown Paterson S.I.D. Inc.

Services: Cleaning, Promoting & Managing Downtown Paterson

Projects: The Inception of the Downtown Paterson S.I.D. – Marketing, Special Events & Maintenance of the Business District

Seeve. "Upgrading it was a major undertaking and, in order to complete the leasing, we had to be creative and resourceful. We worked closely with many of the local development groups in the City, including the Downtown Paterson Special Improvement District, which we founded, and we were ultimately able to lease the entire property to a terrific group of tenants including County and State government as well as some leading professionals. And our strategy of acquiring assets which are substantively differentiated from the competition was especially opportune in Paterson. Our building enjoys the largest footprint, is the newest and most modern building and offers unparalleled views of the City and its historic district, together with an upper floor café which is now one of the City's best meeting places—all attributes which were essential in securing tenants."

"Mountain Development Corporation has been incredibly proactive in helping to build and support the Paterson community and Passaic County," states Jamie Dykes, President of the Greater Paterson Chamber of Commerce. "The Special Improvement District has been very successful in helping to improve Paterson's image through its aggressive marketing and street level services provided to both merchants and tenants. As a result Paterson's retail vacancy rate is much lower than its surrounding communities. Mountain Development has been a tremendous re-

"We are fully committed to New Jersey... and as this market bounces back and starts to expand again, we intend to play a leading role as an active, responsible developer."

Michael Allen Seeve, President,
Mountain Development Corp.

Other commercial properties include:

- **Valley Forge Corporate Center I and II**, in Valley Forge, PA, two net leased office buildings, situated at the entryway to this office park, acquired almost two years ago.
- **One Waterview Drive** in Shelton, CT, which Mountain acquired and redeveloped in 2001. Its major tenant is Carter's, the children's clothing manufacturer.
- **208 Harristown Road** in Glen Rock, an office building purchased last year and net leased to Bank of America.
- **McClellan Distribution Center**—a two building, air freight distribution center next to Newark Liberty International Airport, which Mountain developed from the ground up.



TOP LEFT: Valley Forge Corporate Center; BOTTOM LEFT: One Waterview Drive; CENTER: 208 Harristown Road; RIGHT: McClellan Distribution Center

source by providing us with affordable space at Hamilton Plaza, and offering financial support, resources and expertise for research that has helped the Paterson community. Through Michael's role with NAIOP, he was responsible for the \$100,000 renovation of a children's park."

In Connecticut, the firm purchased a 650,000 SF industrial campus that once housed the well known BIC Corporation's stationery products division. "We enjoy taking on the challenge of repositioning corporate facilities but it was a special treat for us to work closely with the highly regarded BIC Corporation, whose products virtually everyone has been using for years. BIC owned **500 Bic Drive**, which, upon our acquisition, we converted into a multi-tenanted campus. The buildings leased up in a very short period of time, in part because we worked assiduously to attract new tenants, and also because this is very high quality real estate in a most desirable market, with its own exit off Interstate 95—BIC Drive! We further believe the effort was so successful because of all of the goodwill which people hold for the BIC Corporation. Their good name gave us a head start with this project," says Seeve.

FUTURE DEVELOPMENTS

Both Lieb and Seeve say that the company is always looking for opportunities. "We are always looking to take on a new challenge if we think it's right for us and we can be successful with it," says Seeve. Lieb adds that the State's new Governor is committed to attracting new business to New Jersey, which is positive for the firm's business prospects. "New Jersey has traditionally been a somewhat difficult market to do business in because of 'home rule' and the number of small municipalities," he says. "Governor Christie has said that he is committed to making New Jersey desirable to employers, and is willing to intervene if a large employer is thinking about leaving the state, or even better, moving in."

Whether the recovery is fast or slow, these executives say, the New Jersey market is still a great fit for Mountain Development. "There will always be exciting things going on in the State which lend themselves to the kinds of real estate projects we like to undertake," says Seeve. "Every day, you hear a new person talking about the merits of adaptive reuse. We've been doing it for thirty years and intend to keep at it. We relish the challenge." ■