

RRD Announcement enclosed GLOBE STREET: 8-27-2007:

York Business Center Markets Retail Lots

By Marita Thomas

YORK, PA - When a JV between Brasler Properties and New Boston Fund acquired the vacant former Caterpillar manufacturing site at Memory Lane and Butterfly Blvd. for \$9 million in 2002, retail opportunities were not on the plate. The partnership, named York Butterfly Limited Partnership, invested \$50 million over the past five years to redevelop the 127-acre property into York Business Center.

As luck would have it, the site is now bordered by the 275,000-sf York Town Center, which will open next month. "It is luck," Robert Brasler, chairman of Philadelphia-based Brasler Properties tells GlobeSt.com. The shopping center developer, a joint-venture between Chattanooga, TN-based CBL & Associates Properties Inc. and Lancaster-based High Real Estate Group, "built a new road adjacent to our property," Brasler says. "We're now surrounded by retail, which was never anticipated when we bought the asset."

Meanwhile, in what he calls "a far-cited decision," the Springettsbury Twp. board of supervisors designated the area a Flexible Development Zone to encourage mixed-use development. "This allows development of office, industrial, distribution and retail space without having to obtain zoning approval individually for these different uses," Brasler explains.

Consequently, York Butterfly has subdivided retail sites of from two to 12 acres and enlisted George Lulos and William Aiello of the Harrisburg office of CB Richard Ellis to market them to retail prospects. "Prices vary, but range from \$300,000 to \$400,000 an acre," Brasler says, and adds, "some serious negotiations are underway."

Meanwhile, the redeveloped site is now 95% leased with RR Donnelley's new 10-year renewal and expansion of a lease it signed when York Butterfly began its work. The Chicago-based tenant now fills an entire 687,800-sf industrial building. A 50,000-sf corporate office facility is fully leased to Bon-Ton Stores. Other tenants in the 1.5-million-sf center include LTS, EGL and Hanover Terminal, York Plant Holdings and Morex.

The "butterfly" in the owner's name represents the property's transformation from Caterpillar, Brasler says. "The facility had been vacant for five years. We took the buildings down to steel, eliminating 50 years of oil and grime and virtually reconstructing the buildings and remediating the surrounding land." Just 75,000 sf of industrial space remains available in the complex.

Patrick Lafferty of the Harrisburg office of CBRE represented RR Donnelley in the lease negotiations. Brasler declines to disclose the aggregate value of the Donnelley lease, but tells GlobeSt.com the asking rent rate ranges from \$3.75 per sf to \$4 per sf, depending on a tenant's required buildout. John Van Buskirk and Jack Shepley of the industrial group of Harrisburg-based NAI-CIR are handling the remaining lease up.