

MEREDA Conference

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(formerly CropCircle Kitchen)



The **CHALLENGE:**

Redevelop a vacant, 2-acre former meat processing factory in the heart of a dense, low-income residential neighborhood in Boston to **CREATE JOBS.**



The strategy

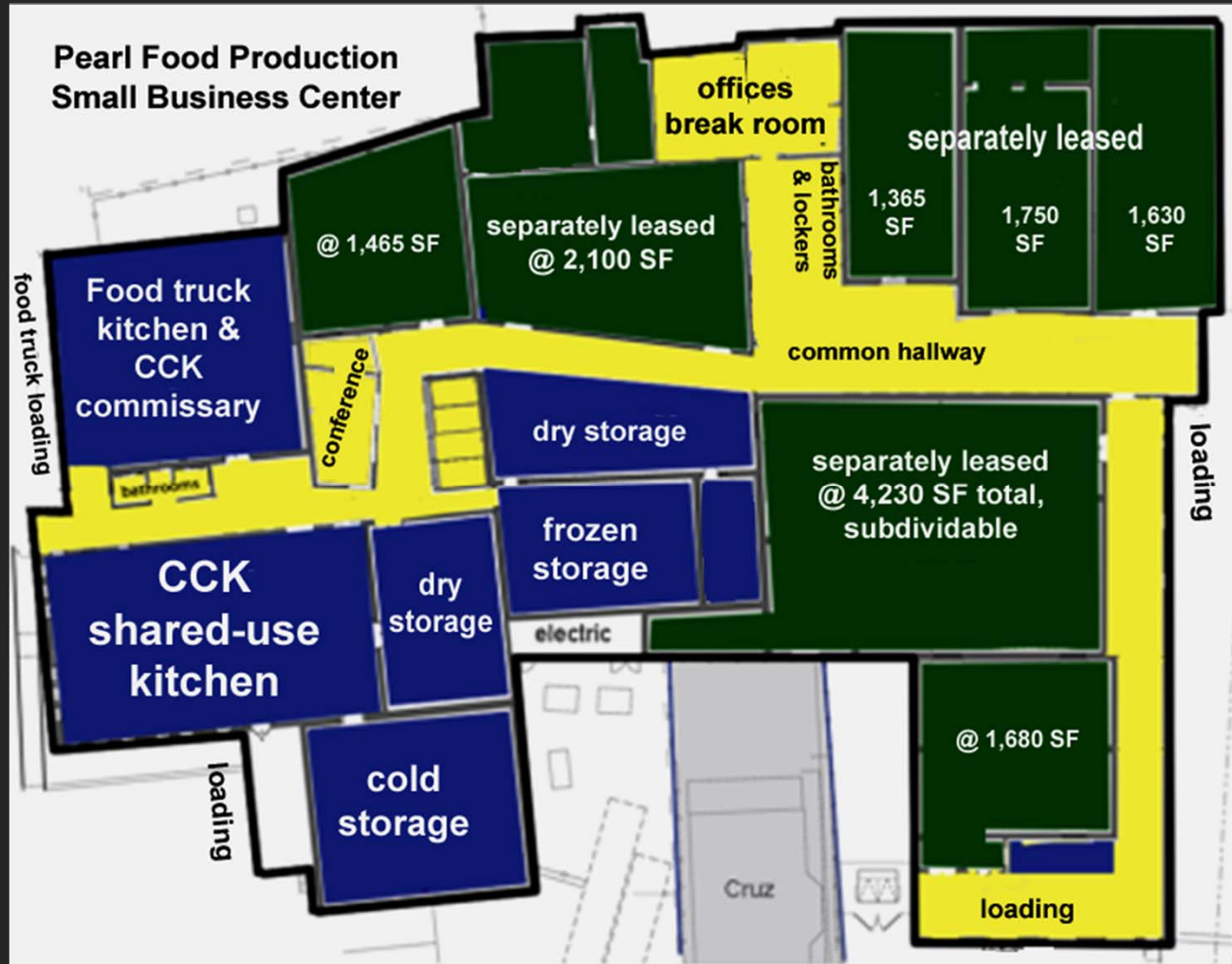
- Demolition/new construction of a commercial building nearly impossible to finance- especially without a bankable anchor business
- Existing building has good bones- multiple loading docks, floor drains, access, parking
- Market for small-scale light industrial space is tight
- Physical space sets up well for smaller light industrial bays of 1-4k SF



Understanding feasibility

- Financial feasibility
 - **To build/renovate**
 - **To operate**
- Physical feasibility
- **Organizational capacity– is it believable?**
- Community support

The redevelopment plan



- Multi-tenant leasing strategy
- Space for 8-10 separate tenants
- Non-profit food business as anchor tenant
- 18-month lease-up
- Priority on job creation, entrepreneurship, local food access

TDC: \$15 million
(28 different funding sources)

What a difference a year makes!



**Pearl Food Production
Small Business Center**



Opened June 2014

The impact so far:

Through April 2015:

- 30+ businesses on site- 65%+ M/WBE
- 80+ new jobs

By 2017:

- 50 businesses
- 150 jobs



Costs:

- \$15 million TDC
- \$7.5 million in construction
- \$1 million in kitchen equipment

Sources:

- NMTC
- HUD 108 loan
- City, State, Federal grants
- Private donations

Developers:

Dorchester Bay EDC w/
CommonWealth Kitchen



Pearl Food Production
Small Business Center
196 Quincy Street
Dorchester, MA.

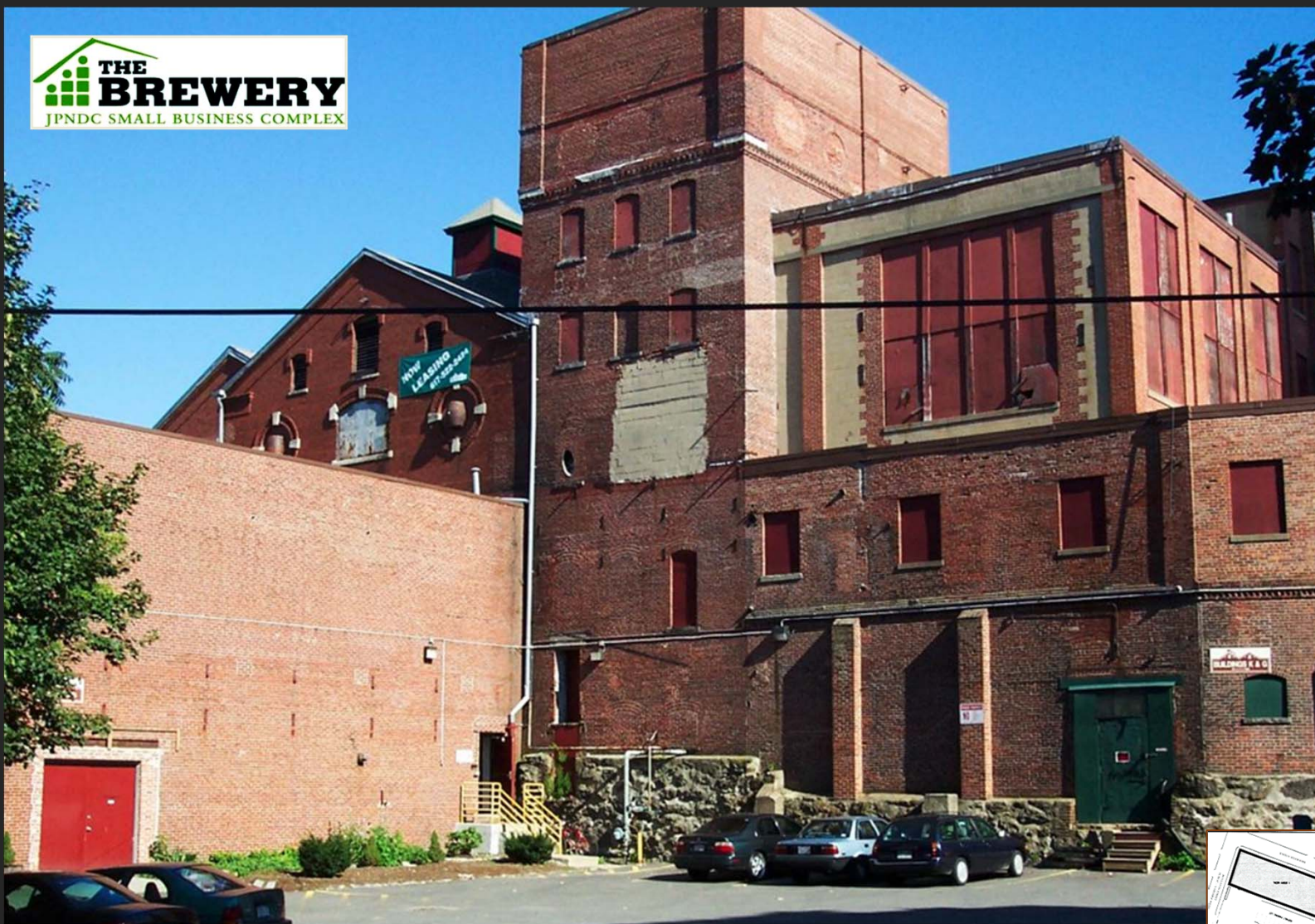
36,000 SF
2 acres
40+ food businesses
100+ local jobs



Keys to success:

- Strong community support
- Clear, demonstrated demand
- Anchor tenant/operator
- Funding sources– jobs, healthy food
- Organizational capacity
- Strong political support





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- Final 70k SF completed in 3 phases
- Initial phase focused on infrastructure and access + a few larger tenants
- Balance of phases focused on more complex tenant fit-out
- Tenant mix: offices, gym, dance studio, arts center, café, restaurant, etc,
- \$15.5m; NMTC, HTC, CDBG, etc.

"If you only look at what is, you might never attain what could be."

- Dr. Martin Luther King, Jr.



Key take-aways

- Commercial development is hard – have a clear vision and goals from the outset;
- Have a compelling narrative – underwriting is as much art as science!
- Have staff dedicated not just to the physical or financial development, but also thinking about leasing, marketing, operations, etc.
- There are no cookie-cutter models – the project needs to respond to local market/community needs & financial realities
- It's virtually impossible to line up tenants before building the space–
- Whenever possible – work incrementally
- Be persistent, tenacious, relentlessly entrepreneurial, opportunistic, & creative!

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