

TheStaubachCompany

Presentation to:



City & Port Authority of Lorain, Ohio

November 2007

Agenda

- I. Introductions
- II. Review Process to Date
- III. Discuss Observations
- IV. Consider Next Steps
- V. Case Study
- VI. Questions / Answers

Fiscal Year 2007 Results

Quality Reviews

Repeat Business:

83 %

Based on revenue

Client

Recommendation:

98%

*Clients who would
refer Staubach to others*

	<u>National</u>	<u>Northeast</u>
Gross Revenue	\$434 Million	\$55 Million
Clients	3,050	480+
Transactions	7,280	1,100+
Transaction Value	\$28 billion	\$3.6 billion
Transaction SF	575 million	30 million

Locations	Offices	People
- Americas	68	1,500
- DTZ Staubach <i>International Joint Venture</i>	200	12,000

Best Places to Work 2007 (*American Business Journals*)

#1 Corporate Real Estate Services Provider 2007 (*Watkins Research Group*)

Top 2 Commercial Real Estate Leasing Brokers 2007 (*Washington Business Journal*)

Top 5 Most Powerful Brokerage Firms 2007 (*Commercial Property News*)

Top 25 Brokerages 2007 (*National Real Estate Investor*)

2007 Top Leasing Brokers (*Real Estate Forum*)

CoStar 2007 Top Leasing Firm (*29 Cities*)

CoStar 2007 Power Broker (*10 Cities*)

Process to Date

- Toured Site on Multiple Occasions
- Met with Architects, Engineers, other Consultants
- Met with Local Development Community
- Toured Other Port Locations with Similar Demographics /Site Characteristics (Racine, Kenosha, Sheboygan, Milwaukee, Port Clinton)
- Met with counterparts in other Ports and discussed challenges faced, timelines, and key factors to success

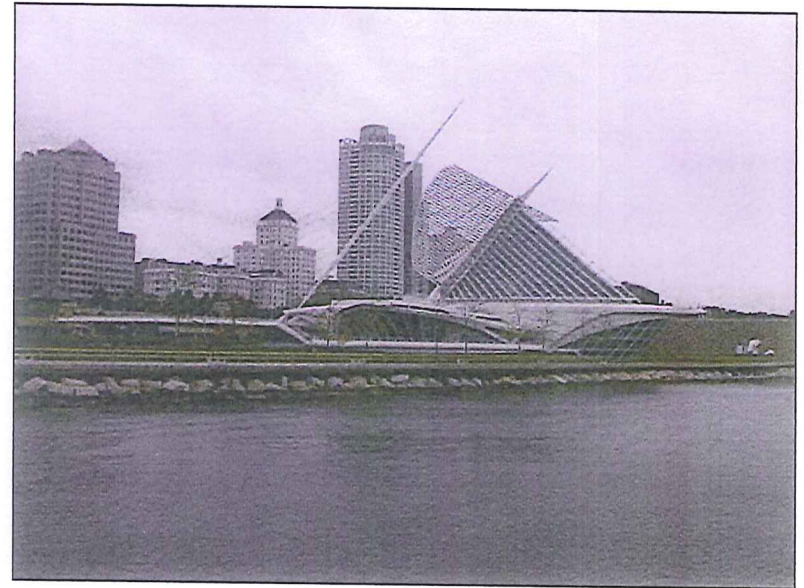
Milwaukee

Attributes:

1. Population 573,378, Median income \$32,216
2. Two port developments:
 - 300 acre commercial port
 - North Harbor tract

Challenges:

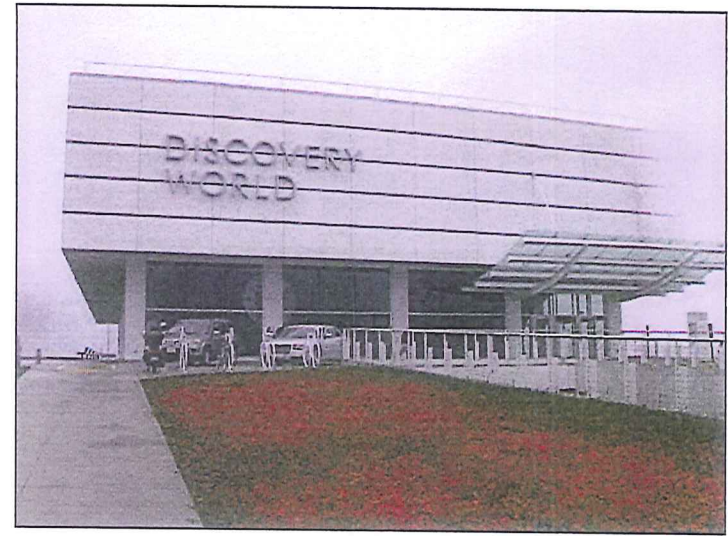
1. Significant industrial job loss
2. Community: “provide \$\$ for public improvements not to developers”



Milwaukee

Key Factors to Success:

1. Patience: Development took 10 years
2. Do not provide developer financing, do not give away land
3. Significant public attractions to activate waterfront:
 - Art Museum
 - Discovery World
 - Festival Grounds - 1 MM people annually
 - Schooner Replica - Denis Sullivan



Racine

Attributes:

1. Population 79,592, Median Income \$37,164
2. Former industrial harbor, coal docks through 1980's
3. Best beach on Lake Michigan

Challenges:

1. Trash dump on waterfront
2. Urban blight
3. Brownfield environmental issues
4. Significant industrial job loss



Racine

Key Factors to Success:

1. Commissioned ULI study
2. Regional developer participation
3. Land traded for \$0
4. Very aggressive marketing to arts community
5. Converted harbor to recreation/tourism from commercial
6. All local retail
7. High quality housing



Kenosha

Attributes:

1. Population 96,240, Median Income \$46,888
2. Bedroom community to Milwaukee
3. Boating center for Chicagoans

Challenges:

1. Significant job loss in 1980's
2. Pervasive urban blight throughout community



Kenosha

Key Factors to Success:

1. Strong Mayor that aggressively dealt with Urban blight
2. Persistence: Development took 20 years
3. 4 Museums!!
 - Dinosaur
 - Civil War
 - Kenosha History
 - Natural History
4. Renovated Streetcars for nostalgia and public transport
5. Quality Housing Standards



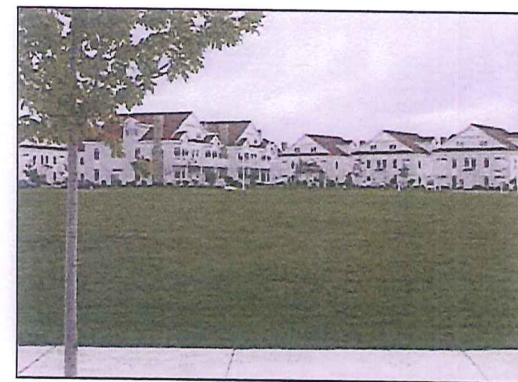
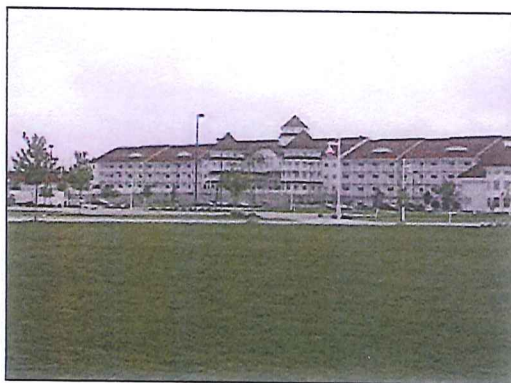
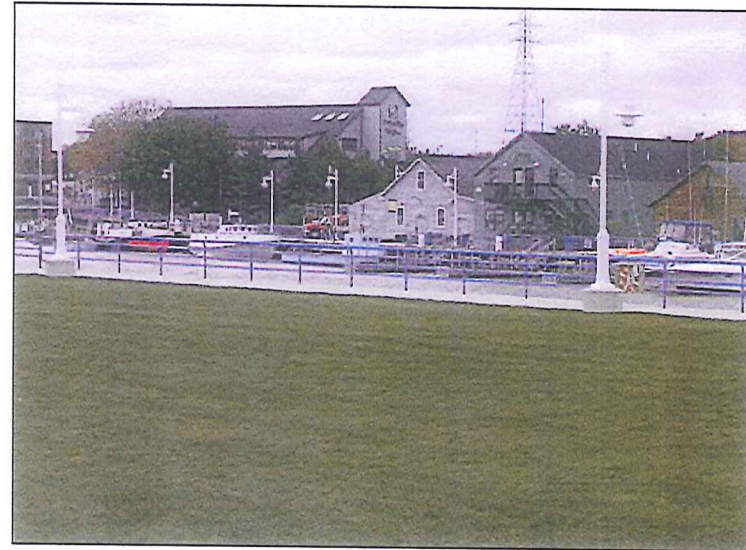
Sheboygan

Attributes:

1. Population 50,792, Median Income \$40,066
2. Former furniture manufacturing community
3. Known for “churches, chairs & cheese”

Challenges:

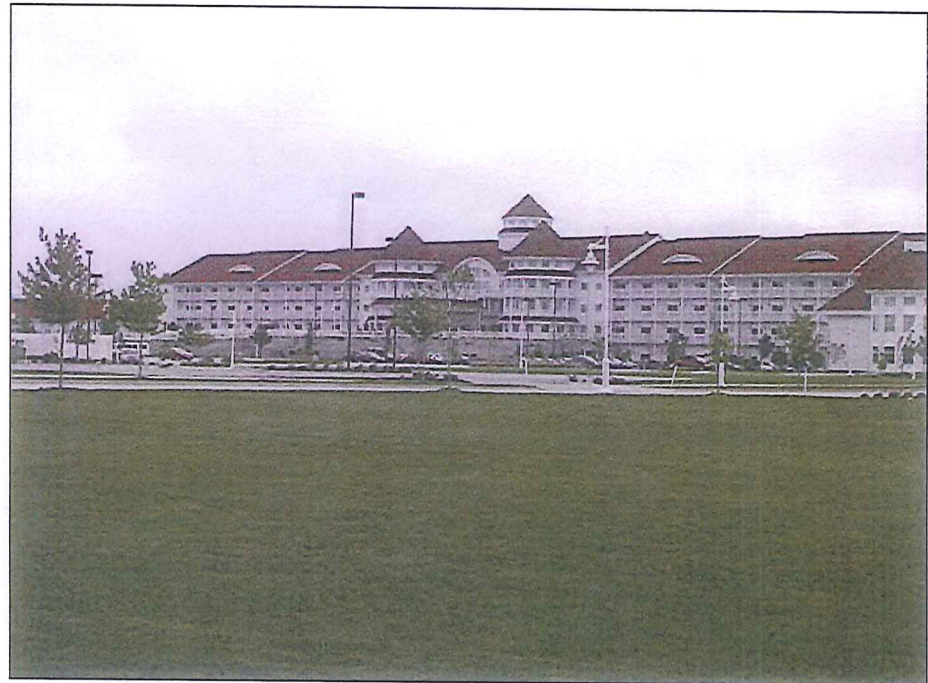
1. Polluted River, superfund site
2. Significant job loss 1980's
3. Urban blight



Sheboygan

Key Factors to Success:

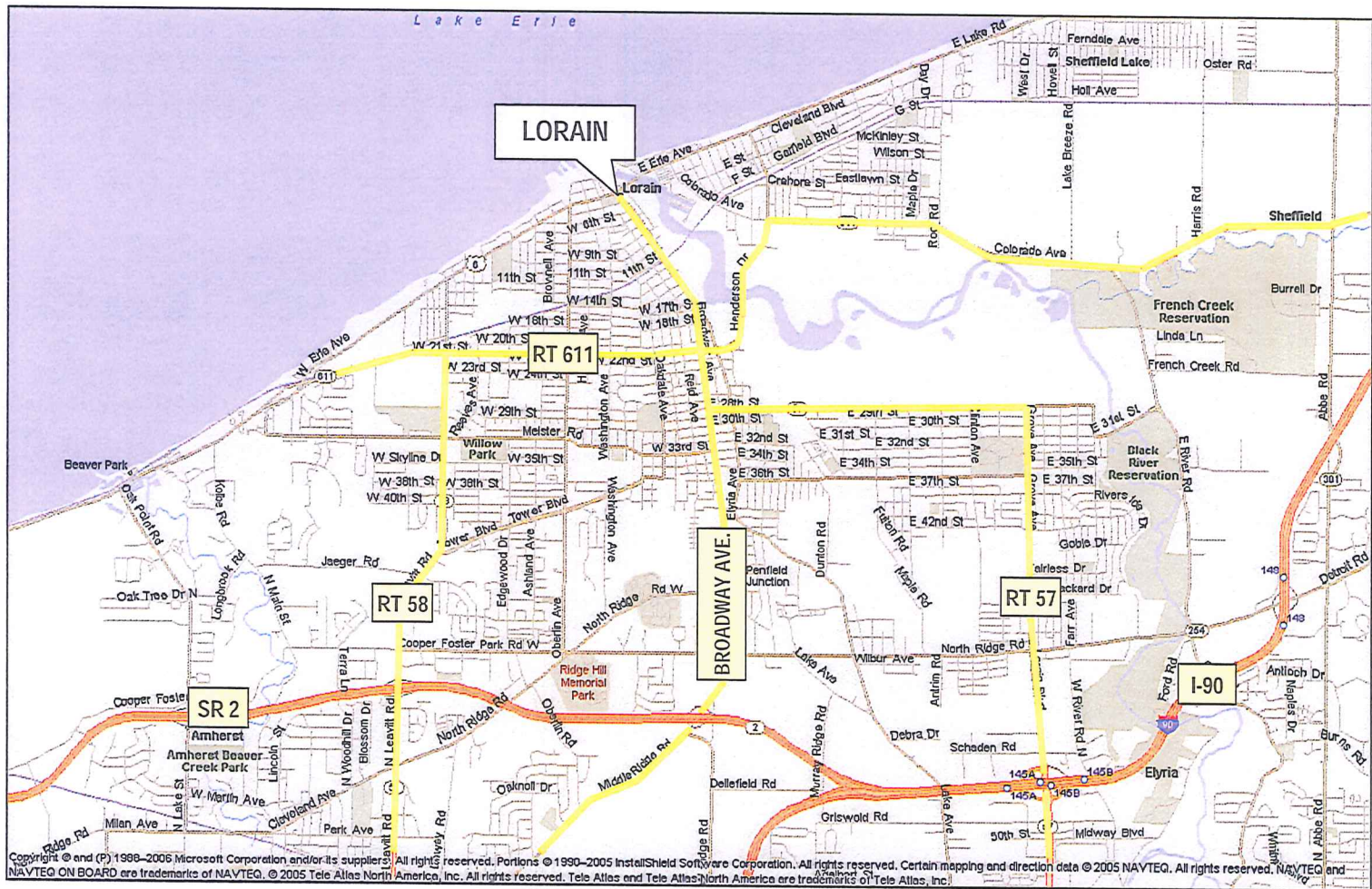
1. Remediated contaminated sites – used creative developer finance mechanisms
2. Developed strong design guidelines
3. Business leaders (Kohler) embraced and helped fund plan
4. Used eminent domain as necessary
5. Utilized TIF's
6. \$200,000 annual marketing budget to “brand” city
7. Strict enforcement of signage covenants
8. 25% grants offered for façade improvements
9. Industrial uses downtown embraced, but camouflaged



Observations - General

1. Successful Port Redevelopments planned extensively
2. Development challenges were identified early on and dealt with
3. Community support was key
4. Corporate was key
5. Cost was high – alternative was worse
6. Long-term Development Horizon

Lorain - Main Access Routes



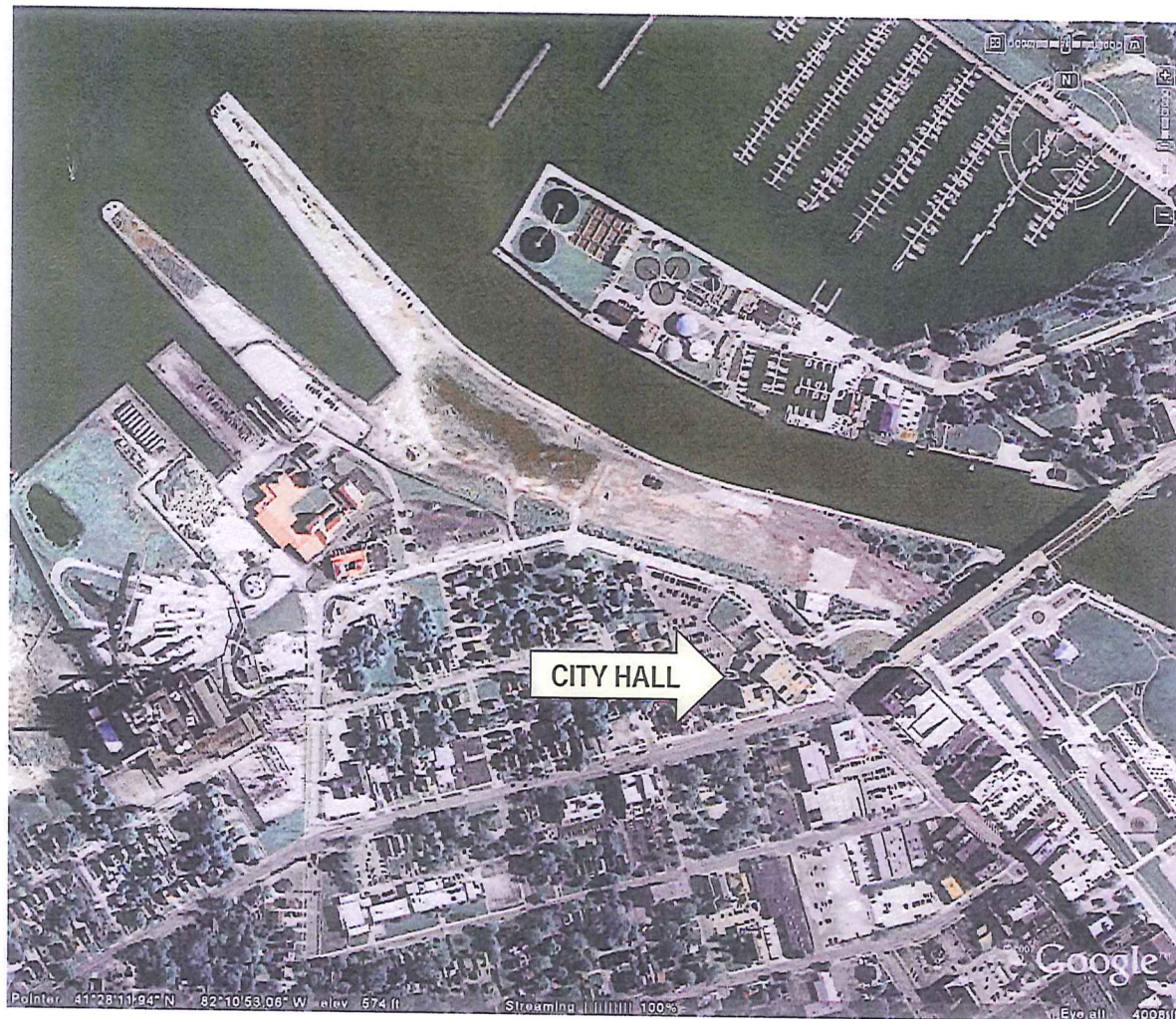
Lorain – Main Access Routes



Lorain – Urban Blight



Lorain – 100% Corner – A new way of thinking



Key issues in Lorain

The Good

- Extensive Planning already initiated
- Waterfront will draw people
- Town streetscape is “trendy” and able to be upgraded at relatively low cost
- Some key amenities already installed
 - Marina
 - Black River Landing
 - Boat Launch



Key issues in Lorain

The Bad

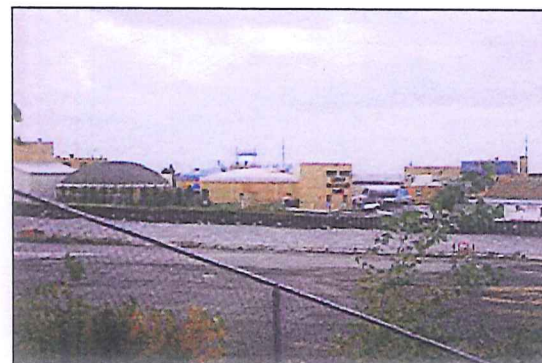
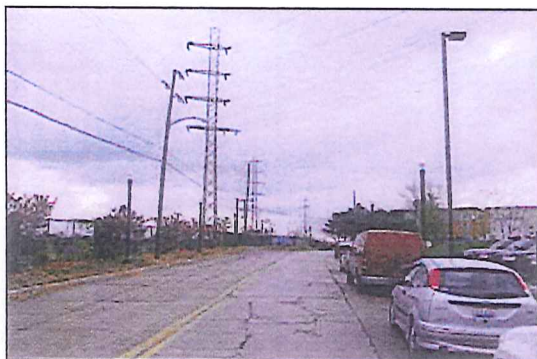
- Marina facilities are dated (comparatively)
- Existing new housing projects (Zaremba) stalled
- No “attraction” to lure visitors (i.e. Museum)
- Major industrial facilities are highly visible (dirty, old and structures are deteriorating), Occupy most valuable water frontage
- Pervasive lack of confidence in town resurgence
- Main Street is linear and perpendicular to waterfront (distance and walkability issues)
- City Hall & Police Department occupy key property at waterfront



Key issues in Lorain

The Ugly

- Environmental Issues will make project a non starter for most developers unless cleaned up
- High Tension power lines bisect 100% corner
- Sewer Treatment plant at front door to primary asset (waterfront)
- Urban blight/deteriorated housing stock is pervasive
- Main access to town needs significant upgrade to streetscape
- Crime, drugs and social challenges becoming more prevalent
- City enforcement of ordinances is lacking: abandoned properties, zoning issues/enforcement, signage



Recommendation

1. Convene Implementation Task force consisting of municipal and civic leaders
2. Assign each identified issue to sub committee
3. Committee to:
 - a. Quantify problem
 - b. Identify “best” solution
 - c. Create budget
 - d. Identify revenue source(s)
 - e. Identify and recruit Municipal/Civic Champion (accountable, empowered)
 - f. Develop timeline for implementation
4. Take property to market with plan, commitment, and timeline to cure deficiencies

Next Steps

1. Identify and recruit municipal and civic participants for ITF (Implementation Task Force)
 - Schedule first working session
 - Receive preliminary reports
 - Create committees
2. Identify “Champion” for each committee
3. Set timelines for follow up meetings

Case Study
Sheboygan, Wisconsin

Questions & Answers