

TRANSFORMATIONAL REDEVELOPMENT OF INDUSTRIAL PROPERTIES

ATTORNEY ADVERTISING

**Ballard
Spahr**
LLP

TRANSFORMATIONAL REDEVELOPMENT OF INDUSTRIAL PROPERTIES

What does it take to transform a dilapidated former industrial site into a modern, multi-use complex?



WE GUIDE CLIENTS FROM CONCEPT TO COMPLETION.

Vacant ground, infill sites, functionally obsolete facilities, and environmentally challenged industrial sites come with significant hurdles to redevelopment—from contamination and cleanup to complex infrastructure needs. It takes a legal team with exceptional depth, range, acumen, and experience to tackle the broad demands of successfully redeveloping an industrial site into a modern, transformative, long-term use.

TEAM APPROACH

Only a team of Ballard Spahr's caliber can meet the wide-ranging legal and business challenges and fully capitalize on the opportunities presented when repurposing underperforming plants and industrial sites. Our interdisciplinary team brings the demonstrated ability to secure government and community buy-in for a transformative venture and to shepherd the project through entitlements, acquisition, financing, cleanup, and reconstruction.

Our team is dedicated to the transformational redevelopment of industrial properties. It includes attorneys with specific skills in real estate development, zoning and land use, government relations, environmental law, commercial finance, public finance, project finance, housing, labor, P3/Infrastructure deals, and ESG.

GOVERNMENT AND COMMUNITY RELATIONS

From the outset, these projects require support from local government and community. We've worked extensively with government officials in metropolitan markets across the country. We represent developers, manufacturers, and end-users at community meetings and public hearings and have negotiated groundbreaking community benefits agreements with neighborhood groups. We understand how to position a project for its best and highest use and as an opportunity for jobs, economic advancement, and community betterment.

Legislative and Administrative Actions. We know how to navigate the political process. Long-standing relationships with the key players at the local, state, and federal levels allow our team to advance legislative and administrative actions that keep costs in check, facilitate economic benefits, and pave the way for an expansive, multi-use project.

Zoning and Land Use Approvals. We have shepherded complicated projects to fruition from coast to coast and appear regularly before zoning and planning agencies on behalf of clients. We assist with the drafting and adoption of zoning code and related revisions to provide maximum development flexibility.

Related Practices

- Real Estate Development and Transactions
- Zoning and Land Use
- Finance
- Government Relations and Public Policy
- Environment and Natural Resources
- P3/Infrastructure
- Housing
- Labor and Employment
- Environmental, Social, and Governance (ESG)

PROJECT FINANCE, SITE ASSEMBLAGE, AND DEVELOPMENT PLANNING

Building the Capital Stack. Our finance attorneys negotiate and document private and public financing from multiple sources to compile the capital needed for large-scale redevelopment. We are fluent in the workings of tax-exempt and taxable financings, as well as tax credits—including New Markets, housing, and federal and state historic credits—and their potential use in the financing structure.

We have vast experience working within state and federal incentive zones, such as Enterprise Zones and Qualified Opportunity Zones. We have successfully

negotiated some of the largest tax increment financings in the country. Our lawyers have assisted clients in working through state commercial property assessed clean energy (C-PACE) transactions to finance energy-efficient and renewable energy improvements within the framework of other sources of capital. We are national leaders in structuring and closing private financing transactions.

Assembling Site Parcels. A transformative-scale project often requires assemblage of numerous individual land parcels, involving negotiations with multiple owners, as well as acquisition through publicly owned land transfers, eminent domain, auction sales, foreclosures, and bankruptcies.

Because many suitable sites are current or former transportation hubs or utility plants, our experience negotiating with railroads, utilities, and owners of truck depots, port facilities, and shipyards provides a substantial benefit to our clients.

Development Structures. We create land development structures from subdivisions, reverse subdivisions, condominiums, ground leases, reciprocal easement agreements, and other legal structures to accommodate the business needs for a project. We develop flexible and forward-looking leasing plans and handle the legal aspects of implementing the plan during the lease-up phase, using interactive technology to facilitate the creation of form documents and diligence data rooms.

CLEANUP

Environmental Issues. We have guided public and private sector clients through the environmental aspects of hundreds of development projects—including abandoned industrial sites and brownfield properties with significant remediation issues. Our environmental attorneys work with our real estate and project development practices to address environmental issues at any stage of a project—with experience across a vast range of project types and industry sectors, at the local, state, and federal regulatory levels. We provide site and risk assessment during acquisition and expansion, advise on permitting, and help manage natural development constraints.

We guide clients through regulatory hurdles and navigate laws, including those governing threatened or endangered species, sensitive natural resources, and remediation obligations. We also counsel on emerging opportunities associated with green environmental and energy programs; help clients qualify for environmental liability protections; and advise on brownfield incentive programs and tax abatements.

RECONSTRUCTION

Infrastructure Needs. Creating the necessary infrastructure is a key component of transformational redevelopment. Our team includes attorneys who focus on public-private partnerships, or P3s, for the planning and construction of local roadway and interstate highway improvements, as well as creative solutions for storm water management solutions, sanitary sewerage, and the range of infrastructure upgrades. We negotiate MOUs, public easements and donations, and other crucial agreements.

Power Infrastructure. We support the planning, development, and implementation of microgrids—local energy grids with control capability so they can operate autonomously of the traditional power grid. We handle the project development, power purchase arrangements, equipment and technology supply arrangements, land use, and financing (often a combination of financing sources, including non-recourse financing, tax credits, and other capital markets financings) aspects of microgrid development, as well as engineering, procurement, and construction (EPC) contracting.

Project Labor Terms. Our team handles all the legal issues related to labor and employees for large projects. We negotiate labor and employment terms and deal with local hiring, MBE, WBE, and similar issues.

EXPERIENCE

The River District, New Orleans. Ballard Spahr serves as lead real estate development and finance counsel to the master developer of The River District, a \$1 billion project to transform the Mississippi Riverfront

in New Orleans. We are advising on the 39-acre waterfront revitalization, comprising multiple phases of planning and construction of infrastructure, as well as residential, office, and retail components. The project comprises 2.4 million square feet of mixed-use space, including commercial and cultural areas, 1,100 new residential units, 450 workforce and affordable housing units, a corporate tech and office campus, community amenities, and event space.

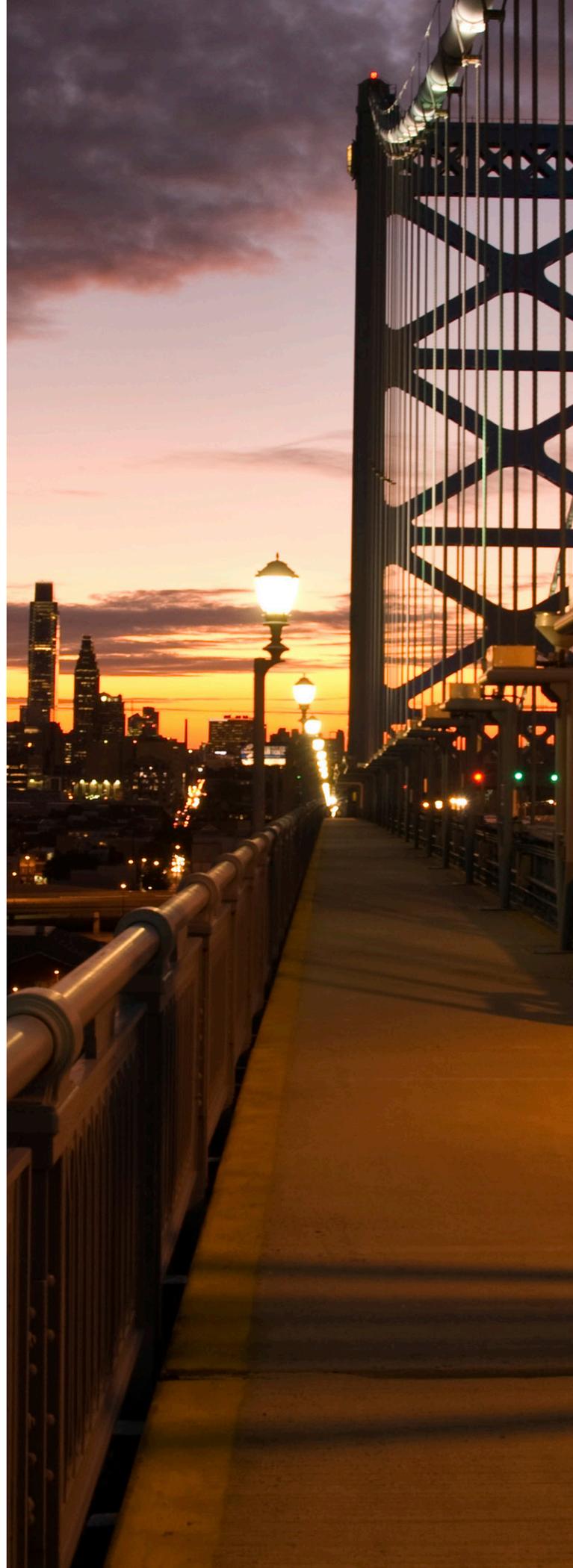
The Bellwether District, Philadelphia. The firm represents Hilco Redevelopment Partners (HRP) as development, leasing, and land use counsel for a groundbreaking project to transform a 1,300-acre shuttered oil refinery in Philadelphia—the largest on the East Coast—into a sustainable, state-of-the-art campus for e-commerce, life sciences, and logistics companies. Bellwether is one of the largest facilities of its kind in the nation, requiring numerous infrastructure approvals, including miles of new streets and public sewers. The nine-figure project will remediate an industrial wasteland and reshape it as a green, sustainable, modern commercial hub and economic engine.

Port Covington, Baltimore. We handle a wide range of real estate matters for Sagamore Development's signature project: a 235-acre, mixed-use redevelopment of a former industrial area—with projected public and private investment of more than \$5 billion over roughly 25 years. The project includes an authorized \$660 million tax increment financing—the largest TIF in city history—shepherded to approval by the Ballard Spahr team. Centered on a new global Under Armour headquarters on a 50-acre campus, Port Covington is slated to include thousands of new residences, office space, and extensive retail, entertainment, and manufacturing facilities—while creating thousands of jobs, economic opportunity for local residents, and large areas of recreational space, including more waterfront access for residents and visitors.

The Navy Yard, Philadelphia. Ballard Spahr piloted negotiations on behalf of the Philadelphia Industrial Development Corp. for the \$2.6 billion redevelopment of the 109-acre former U.S. Navy

base in South Philadelphia, known as the Navy Yard. The agreement addresses the required amount and type of development over the next 20 years, including affordable housing and site infrastructure obligations. The plan calls for a business campus with life sciences labs, light manufacturing, and offices, as well as a new downtown with restaurants and retail along with up to 1,500 apartments—including affordable housing set-asides. We also provided legal advice in the search for developers with suitable capital and experience.

Bethlehem Works, Bethlehem, Pennsylvania. Ballard Spahr represented the Bethlehem Redevelopment Authority in a series of financing transactions over more than 10 years to fund redevelopment of the Bethlehem Steel Works—a 125-acre brownfields site on the former location of the defunct Bethlehem Steel Corporation. We served as bond counsel for the issuance of five series of tax increment revenue bonds for redevelopment within the Bethlehem Works Tax Increment Financing (TIF) District—with increased real estate taxes at the redeveloped site used to repay the bonds. The first round of financing funded public infrastructure improvements, including streets, a greenway, and water, sewer, and electrical services. Later financing rounds helped fund development of the SteelStacks arts and cultural campus, a visitors' center, and multiple plazas and public spaces, including an elevated park overlooking the district. We led the initial negotiations with multiple taxing bodies, including the local school district, to get the financings underway, and created a financial structure that satisfied the competing interests of the TIF district's need for investment and the taxing bodies' urgent need for revenue enhancement. The resulting redevelopment has been hailed by the Urban Land Institute as a “truly remarkable” adaptive reuse.



Team – Key Leaders

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