



## **Outside the Region: Summit Development acquires 1.2 million s/f complex for \$17 million**

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Danbury, CT Summit Development closed on the purchase of the former Union Carbide headquarters property for \$17 million or \$16 per s/f. The sale price allows Summit Development to renovate and reposition the 1.2 million s/f complex and offer the lowest class A office rents in Fairfield and Westchester Counties. Plans call for converting the largely vacant complex, which has most recently been called The Matrix, into an office, retail and residential complex to be rebranded The Ridge at Danbury.

The site, which originally included 650 acres when Union Carbide relocated there from 270 Park Ave. in Manhattan in 1980, now consists of 100 acres, 25 of which are to be zoned for residential development. Summit Development plans to repurpose the building by subdividing it into 700,000 s/f of class A office space; 400,000 s/f of residential apartments; 100,000 s/f of conference and event space; and 100,000 s/f of core services and amenities.

“The property is unique in that it presents an extremely aggressive leasing opportunity due to an attractive cost basis, allowing more than 80,000 s/f of contiguous leasable space to be offered at rates significantly below comparable class A properties,” said Felix Charney, president of Summit Development. “Additionally, we intend to offer our partners in the commercial leasing business the tools needed to save their office clients substantial rental dollars by relocating to The Ridge at Danbury where they will receive free test fits, turnkey-buildout, moving dollars and full commission paid upon signing in a building offering every imaginable amenity. The flexibility of the building’s pod structure allows us to offer small tenants access to services and amenities commonly unseen in smaller buildings. For brokers with NYS-based tenants, Connecticut is standing by to offer a long list of economic incentives to business relocating into the state,” Charney said.

Charney has earned a reputation for identifying underperforming commercial properties in the Connecticut and New York area and repositioning the properties into financial success stories.

He has years of experience redeveloping undervalued assets, including repurposing the Norden Systems plant on I-95 in Norwalk into a mixed-use residential and office complex; converting the abandoned Handy and Harmon factory in Fairfield to a Whole Foods anchored retail center; and renovating the Yale Lock Building and The Maritime buildings on the South Norwalk waterfront into stylish offices and apartments. His largest redevelopment project to date, the 114-acre former Reader’s Digest headquarters campus in Chappaqua, NY, involved conversion of a 700,000 s/f office building into a multi-tenant office-residential center and construction of a retail center

anchored by Whole Foods.

Working with Cushman & Wakefield, a commercial real estate broker, a major leasing effort for the office space will be launched with below market rents unmatched in comparable space in Fairfield or Westchester counties. “With stable ownership and a major reinvestment strategy, we are confident that we can kick-start the leasing activity, and we’ll go from there,” Charney said.

“The current business climate has allowed Summit Development to acquire this property in an environment that will enable our team and the market to participate in a once-in-a-lifetime opportunity to craft creative and economically attractive deals for a variety of all different commercial users. It will be a game changer,” said Adam Klimek, a Senior Director of Cushman & Wakefield.

Today, The Ridge at Danbury is surrounded by for sale and for rent residential developments encompassing 2,000 units with in excess of 4,000 residents. “The west side of Danbury is under-retailed. We are exploring ways to address the shortage of daily needs for retail, entertainment and lifestyle experiences with the construction and installation of those services at or near our building for the benefit of our tenants, our apartment residents and our neighbors in The Reserve communities,” Charney said.

Union Carbide, which in addition to extensive industrial chemical production also owned such major consumer product brands as Duracell Batteries and Glad Bags, hired the prominent architectural firm of Kevin Roche John Dinkeloo Associates to design the headquarters, which incorporates 1,200,000 square feet of commercial space, indoor parking for 2,000 cars and featured 2,300 private offices.

He noted that when Union Carbide moved from Manhattan to Danbury, it was a high-water mark in the trend that saw numerous Fortune 500 corporations move from urban centers to the suburbs. The company invested \$480 million to create what at the time was a state-of-the-art facility that was essentially fully self-contained, and relocated 3,400 employees into what was then the “middle of nowhere.” But Union Carbide’s fortunes collapsed as a result of the disastrous 1984 fire at their pesticide plant in Bhopal, India, that resulted in upwards of 8,000 deaths. In 2002, the company was acquired by Dow Chemical and the building was sold in 2006.

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