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Developer plans to transform Budd Co. site in Philadelphia into campus for life sciences manufacturing

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The owner of the sprawling former Budd Co. property in Philadelphia plans to transform it into a biomanufacturing hub, seizing upon Philadelphia's burgeoning life sciences sector and demand by companies that need the space.

Backed by Centerbridge Partners, a New York private equity firm, Plymouth Group envisions a multi-phased, multiyear development of the site that would eventually create upwards of 2.4 million square feet of lab and manufacturing space. The property is being rebranded as the Budd Campus in a nod to its original use as a factory for the historic Budd company that made stainless steel rail cars and components for the automotive industry.



WULFF ARCHITECTS

A rendering of a planned redevelopment of the vacant 1.87-million-square-foot Budd Co. property in Philadelphia.

Budd will add to growing life sciences nodes throughout the region where bio manufacturing and lab work is being done including the Philadelphia Navy Yard, University City, King of Prussia, Exton and Spring House.

New York-based Plymouth Group, which tackles large adaptive reuse projects, bought in 2019 the property's vacant 1.87 million square feet at an auction for \$6.5 million. The company began contemplating which direction to take in redeveloping the site, which is in the Hunting Park neighborhood of Philadelphia.

"Sometimes you buy something and you know it is special but you don't know what it wants to be when it grows up," said Michael Davis, founding partner at Plymouth. "We always knew it would work as industrial and our early machinations of the site was industrial."

Plymouth decided to take a different view of it when life sciences companies began inquiring about the space. "It didn't occur to us that it would be a life sciences campus," Davis said.

The property's proximity to research, academic and medical institutions as well as talent, nearby infrastructure, highways and transit along with a growing demand for this type of space all began to change the way Plymouth was looking at Budd.

"As we kept getting more interest and began to understand the size of the needs and offering Budd as a manufacturing facility, we needed to know what kind of capitalization was needed to get it all the way through," Davis said. "It's a very expensive endeavor."

The investment is significant and on the order of "hundreds of millions of dollars," Davis said. That made finding a capital partner paramount.

To that end, Plymouth enlisted Centerbridge Partners to serve that role. The firm was formed in 2005 by Jeffrey H. Aronson, a former Angelo Gordon & Co. partner, and Mark T. Gallogly, who was a partner at Blackstone Group. It has \$25 billion assets under management.

When Plymouth bought Budd, it acquired five parcels on roughly 25 acres that have six buildings on them constructed between 1917

and 1988 and total 1.87 million square feet of vacant space. The space, designed for manufacturing, has many of the attributes that make it viable for conversion into lab and biomanufacturing. It has redundant power, floors that can withstand heavy equipment and ceiling heights that allow for ventilation.

“It’s a big, open space, which makes it a nice sandbox and you can do what you want there,” said [Jim Daly](#), an architect with CRB USA who was retained by Plymouth as a consultant on the project. “I think a facility like that has so much potential. It’s in the city, it’s there, it’s a big footprint and can easily fit out.”

Repositioning a property such as Budd involves time and money. A master plan is being worked on for the campus that will involve building manufacturing, lab and office space. Future phases will include adding amenities such as restaurants, retail and even residential components.

“If we can accomplish what I am certain we can, that opens the gates for the rest of the park to follow,” said [Joe Fetterman](#), who is with Colliers and overseeing the leasing of the property.

The first phase, called Budd Bioworks, will total 450,000 square feet. It will total 300,000 square feet of drug manufacturing space along with 150,000 square feet of lab and office space.

Manufacturing space typically costs about \$1,000 a square foot to build out but can go as high as \$1,500 a square foot. Lab space costs around \$400 a square foot and office space \$150 a square foot. When combining all of those components, the cost to build out will run \$600 to \$800 a square foot.

Those costs, while steep, tend to be less than brand new construction and also takes less time to build since it involves converting existing space. “With many of these companies, there’s super urgency on timing,” Daly said.

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