

*Lighthouse Cove Dewey Beach
with Hyatt Place in foreground –
Delaware's first ever Hyatt Hotel.*



Developing Delaware Real Estate for Success

BY THOMAS J. HANNA

ONE CAN TELL QUITE A BIT about a community by the state of its buildings, which are both a foundation for its history and a powerful indicator of its future. As a developer, owner and manager of 6 million square feet of real estate across Delaware, Newport-based Harvey, Hanna & Associates knows the importance of keeping its fingers on what is powering the local, regional and national economies first-hand. By presenting a range of residential, office, industrial and other commercial spaces to prospective tenants, the company helps the state attract and retain thousands of jobs.

Since its co-founding in 1997 by Thomas J. Hanna and Thom Harvey, Harvey Hanna has always been a company made up overwhelmingly of Delawareans, all of whom have experienced the transformation of the state's economy over the last two decades. Manufacturing has largely vacated its place as a main driver of jobs and industry, and more and more young people are shifting their lives away from the suburbs and toward large, urban transit-oriented centers. As a result, Delaware now stands at a crossroads that will determine its fortunes in the years to come.

While Harvey Hanna has never taken a single dollar of public funding for any of its projects, the company is always conscious that its success is inextricably linked to the cooperation it receives from all levels of government in Delaware. It believes that partnership must continue to be strengthened if the state is to remain competitive in the years and decades to come.

One such collaboration between the public and private sectors is evident in Harvey Hanna's ongoing work at the former General Motors plant in Wilmington, where the state's long-term economic shifts are evident to all. For nearly six decades, the General Motors facility served as one of the main economic engines for northern Delaware, employing more than 6,000 people at the height of its production in the 1970s. The tens of thousands of Chevrolets, Pontiacs, Saturns and other vehicles that poured off the line in Wilmington were emblematic of a state that prided itself on the honest, quintessentially American work of manufacturing.

Circumstances have changed drastically since then, however, both here and nationally. Today, just 8 percent of U.S. workers are employed in manufacturing – a massive drop from the 22 percent share that the sector held in 1970. Although federal policies are seeking to restore the presence of manufacturing in America, Harvey Hanna is doing its part to further the regional economy by transforming the former General Motors property – which has now sat dormant for almost a decade – into a modern logistics and light assembly campus designed to appeal to industries on the rise that can help power Delaware through the 21st century.

Thanks to the continued cooperation of local, county and state officials and regulatory agencies, the transformation of the former plant was able to begin shortly after Harvey Hanna acquired it in 2017. After an extensive,

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*Aerial of Lighthouse Cove
Dewey Beach, Rehoboth Bay
in the background.*



but regrettably unsuccessful, search for a new manufacturing company to occupy the former GM space, the company recently began the demolition of the plant's 3 million square feet of factory space, in order to clear the way for a state-of-the-art campus designed specifically to capitalize on the rapid rise of e-commerce and the steadily rising demand for logistics and light assembly facilities. The transformation is based on Harvey Hanna's belief that the redevelopment will create thousands of jobs for the Wilmington and New Castle County areas and begin to fill the economic void that was created when General Motors departed in 2009.

Fortunately, Delaware – with its dense population in the northern part of the state, educated workforce, growing seaport, nimble decision makers and elected leaders, and a highway system that places the state just a day's drive to more than 30 percent of the nation's population, as well as parts of eastern Canada – is ideally positioned to benefit from the rise of e-commerce and logistics. Harvey Hanna has completed similar transformations in the past, including the redevelopment of a former Chicago Bridge & Iron factory in New Castle into the thriving Twin Spans Business Park, and is hopeful its plan in Wilmington can help further what is fast becoming a new model for outdated and neglected industrial sites.

Of course, drawing large corporate tenants to Delaware requires selling not just companies but also their employees, who are seeking a full range of amenities that appeal to a modern lifestyle. While the state lacks a major urban market to help draw corporations and their staff, there are many ways governments and private enterprises can work together to create the kind of vibrant, walkable communities today's workers are demanding.

Harvey Hanna is planning to do just that in its native Newport, where it is moving toward the creation of a transit-oriented downtown through the development of more than 400,000 square feet of mixed-use space, including more than 300 multi-family residential units, a retail brand hotel and approximately 80,000 square feet of retail and commercial use. The company is also working closely with local officials and other stakeholders to create a network of biking and walking trails along the Christina River and to reactivate the hamlet's SEPTA commuter rail station. As it continues its remaking Wilmington's former GM plant in order to attract thousands of new jobs to the area, Harvey Hanna recognizes it is just as important to provide those workers with a vibrant environment where they can live, shop, dine and play.

But adapting real estate for tomorrow's economy also extends well beyond creating new jobs and places to live. In today's work climate, workers and their families put an added emphasis on time spent away from home, and Delaware's beautiful beaches are in prime position to command their hard-earned vacation budgets. Harvey Hanna and its affiliate enterprises are leading the charge to do just that and are now close to completing another of the state's largest redevelopment projects – the mixed-use Lighthouse Cove project in Dewey Beach.

Launched in 2013, the redevelopment is comprised of Delaware's first Hyatt Place hotel, 83 luxury condominiums (including 30 new bayside units that will hit the market later this year), and plans for a restaurant and premier wedding, banquet and conference center. The facility also includes amenities unmatched in the state, including its first-ever recreational access bay walk, an expanded public bayside beach and a sunset gazebo. Similar to



of the area's amenities and low property tax rate. Additionally, the evolution of the area is also not just an endeavor aimed at enhancing Delawarean's day trips and summer vacations – it has also been a critical economic boon to the downstate area. Over the past five years, the Lighthouse Cove redevelopment project has created more than \$5.68 million in transfer, property, hotel lodging and accommodations taxes, building permits and other revenues, as well as hundreds of permanent and construction jobs, with many more to come.

Delaware enjoys many advantages, including low taxes, beautiful beaches, a renowned Court of Equity, impressive leaders in government, academia and the private sector, and access to the wealthiest business corridor in the world. All of this makes the state's economic future bright, but all of its stakeholders must realize they will need to harness our cooperative energies in order to create prosperity for all. The competition among states for critical private investment and the jobs that follow has never been more fierce, and the state will need to foster higher levels of cooperation between the private sector and government to stay faster, better and smarter than the competition. Harvey, Hanna & Associates intends to remain on the front line of that exciting journey. ■

Photos (c) Karl Richeson Photography

the choices people are making when selecting a place to live, vacationers are increasingly seeking places where they are able to not just relax, but have a variety of retail, entertainment and recreational options at their fingertips.

As Lighthouse Cove's final phase nears completion, it is proving to be a testament to the area's incredible appeal as it evolves into a true yearlong attraction where vacationers, families and retirees can take advantage

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