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In The Real Estate Spotlight

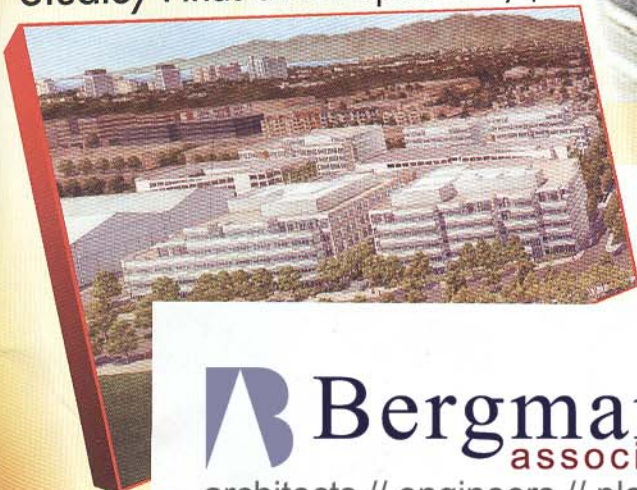
Kodak Develops a Megasite

Eastman Business Park Rises in Rochester



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Prime Location: Kodak Develops a MEGASITE in Upstate New York

Eastman Business Park offers existing facilities, onsite power and water supplies, and 300 acres of undeveloped property for sale or lease.

In the 1880s, George Eastman left nothing to chance when he built his first plant in Rochester, NY for what eventually became the film giant Eastman Kodak.

Eastman installed his own power plant, railroad line, water supply and water treatment facilities—even his own fire department—at the Kodak Park site that, at its peak, covered 2,000 acres a few miles south of Lake Ontario.

After a bad batch of gelatin nearly ruined the company, Eastman's embrace of vertical integration at Kodak became all-encompassing: almost all of the components for film production were produced at the Rochester complex.

Nearly 130 years later, the film empire that bears the Kodak brand is being transformed by digital technology. Kodak's footprint at its primary U.S. manufacturing headquarters is

shrinking; from 2003 to 2007, the film production facilities at Kodak Park were reduced from 25 million square feet to 10 million square feet.

"It's no secret that the film business is declining," says David P. Stoklosa, director of Eastman Kodak's Rochester Facilities. "Kodak has become a digitally oriented company that derives more than 70% of its revenues from digital businesses."

EASTMAN BUSINESS PARK EMERGES

But the infrastructure that Eastman and his successors at Kodak put in place in Rochester still is functioning, and today it is the engine for the transformation of the site into one of the prime industrial/commercial locations in the eastern United States. The diversified 800-acre complex, now called Eastman Business Park, straddles the City of Rochester and a neighboring town, Greece, NY.

During the four-year period ending in 2007, Kodak spent \$230 million to prepare the site for redevelopment by removing obsolete buildings and streamlining its corporate footprint. More than 30 major business enterprises have set up shop at Eastman Business Park, and Kodak is aggressively luring new tenants.

The growing list of tenants features an impressive array of industry leaders, including Johnson & Johnson, SKC Haas, Johnson Controls, and ITT.

Kodak currently has three million square feet of existing facility space available at the site and more than 300 acres of property that can be developed for commercial or industrial use. The imaging giant has engaged CBRE Consulting to create a marketing strategy and business plan which aims to secure the sustainability of Eastman Business Park

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“long after the film business eventually fades away,” Kodak says.

Kodak also has formed key partnerships with local government agencies, municipalities, and economic entities that it believes will provide the momentum to deliver new business and tenants to the site after the overall development strategy is announced.

According to Stoklosa, Kodak will consider sale and/or leasing proposals for the available property and facilities at the business park. The company (with help from Bergmann Associates) has created a “virtual tour” of the entire Eastman Business Park site, which can be viewed online at www.bergmannpc.com/vr_kodak/ba_virtual_kodak.html.

Regarding Kodak’s own ongoing facility needs at the Rochester site, the company is considering a wide range of options. Kodak now

depends on a wide range of digital businesses in the consumer digital and printing/publishing sectors for the lion’s share of its revenues. Most of those businesses are not based at the Rochester site.

WET LABS WITH MEMBRANE FLOORS

Kodak officials note that many of the existing available facilities at the business park come equipped with special features that supported film production and therefore are conducive to a wide variety of specialized industrial activities. These include wet labs with special membrane flooring, chemical hoods, and an industrial sewer line. Fully integrated liquid and solid (hazardous and non-hazardous) waste disposal systems are in place.

Kodak’s water system at the Rochester site has a volume of 50 million gallons per day with storage

capacity of up to 30 million gallons. The system can provide water at 28 percent the cost of municipal rates for water from Lake Ontario.

Eastman Business Park offers a full suite of tri-generation utilities including electric generators, steam (at different pressure levels), 50,000 tons/day of refrigeration capacity, compressed air and nitrogen. The complex can provide up to 130 megawatts of electricity at a discount rate of 7.5 cents/kilowatt, and low-pressure steam for space heating and processing at about \$10 per million btu—less than half the cost of gas boilers or electric heat.

Eastman Business Park also is equipped with a 2,500-seat auditorium, a fitness center, and a gymnasium.

Kodak boasts that the site is “the most complete industrial space New York has to offer.” **BI**

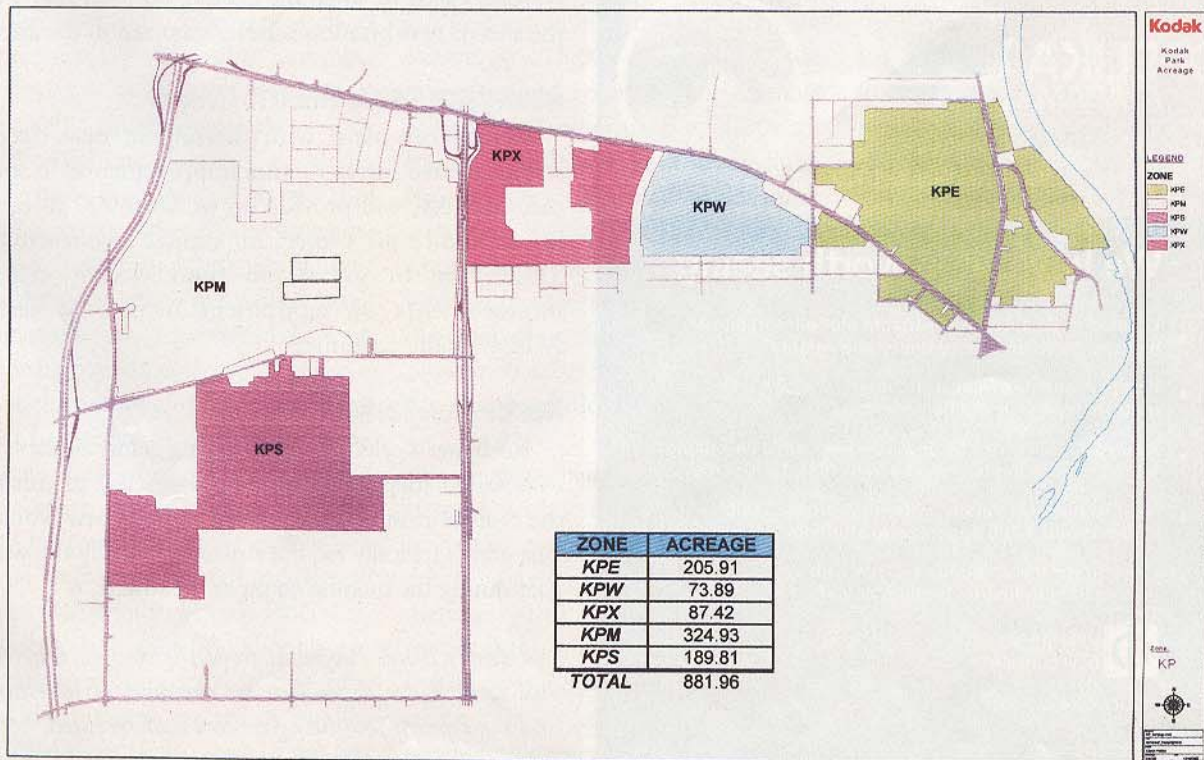


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