



## Fortitude At 40 For Bierbrier Development

BY JOE CLEMENTS

**L**EXINGTON — It's complicated—but Leonard H. Bierbrier insists he prefers life thusly at the age of 71 and marking his retail-centric real estate company's 40th season by launching Bierbrier Development Co.'s fifth decade staring



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**LEONARD H. BIERBRIER**

down an imposing lineup of institutional competitors to snag a freshly minted center across from the South Shore Mall in Braintree at a consideration of \$41.5 million—the 45,000-sf South Shore Place addition to a portfolio reaching Haverhill but concentrated inside Route 128. “It was intense, but we were determined and we never gave up and in the end, we came out on top,” Bierbrier tells Real Reporter regarding the hard-fought acquisition of an HFF-listed asset which is 100 percent leased to tenants ranging from Legal Seafoods, Starbucks and TGIFridays on the dining menu complementing a retail roster featuring AT&T and Jos. A. Bank Clothiers. Nine of the 10 finalists were institutions or REITs, and if some did dismiss his firm's capacity to get the deal done, that is fine with the winning bidder. “We just saw more value in it than they did,” says Bierbrier, whose optimism was shared by Wells Fargo Bank in funding the pact with a \$29.6 million loan, an infusion detailed in a Real Reporter article unveiling the exchange that was posted in early February.



Wellington Circle Plaza, Medford MA



Christine Cannon opened in the mid-1980's at the critical juncture of Routes 16 and 28. Centered around an aging Howard Johnson's restaurant, Bierbrier took on the project with a sole partner after five others on board balked at the 11th hour over soaring interest rates of the early 1980s that were hovering in the 20-percent range. Bierbrier would ultimately buy out the partner there and has since operated independently.

Having recently favored development over acquisition manifested by a pair of prototype retail centers in exclusive Arlington and Newton neighborhoods, Bierbrier says he felt others from afar might incorrectly undervalue South Shore Place the same way many well-regarded developers of the early 1980s passed on a chance to assemble a hodgepodge of parcels north of Boston into what became Bierbrier's signature venture—Wellington Circle Plaza, a 55,000-sf multi-tenanted center that

Despite attending Harvard Business School and toting a law degree from McGill University, Bierbrier says cutting his teeth in the CRE arena as a broker in the 1970s was the most valuable education he accumulated in honing his CRE skills while finding sites for the likes of Pathmark and Victoria Station. Other experience came advising hospitality chains including Suisse Chalet on site searches, a nuance he picked up working for industry icon Bertram Druker just prior to the 1970's gas crisis that led to the demise of the hotel sector and beginning of his own organization that was launched in 1974. “Nobody was traveling back then,” Bierbrier recounts in explaining how he was nudged towards becoming a retail expert.

The vast majority of Bierbrier's peers have retired with their fortunes stashed into more passive investments (were any returns remaining following the bumpy real estate route that saw many crashes during his first four decades), but while he did harvest a long-held supermarket in

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Brockton this summer through Marcus & Millichap's team of Robert Horvath and Todd Tremblay, that \$18.7 million disposition and any others that might occur going forward will simply be a strategic pruning of the portfolio, Bierbrier explains, stressing that the intention is not to scale down operations, but instead ramp them up in the form of multi-faceted ventures that



Steven Brigham

might involve a mixed-use component in contrast to the retail-focused holdings.

"It is important for our company to broaden our scope in the complexity and the size of the deals that we do," outlines Bierbrier. "I



Frank Giso

want things to be challenging and stimulating trying to figure them out—that is fun for Len," he says, adding, "I'm not looking to cash out and I have no interest in becoming a merchant builder for triple-net retail." Ground-up development similar to his Village Street Shops in Arlington and Newton is among the aims, he says, with the general theme to "move up in scale," because,



Ronald Dattoli

he observes, "in this business, if you don't grow, you die."

Bierbrier certainly raised his platform in the South Shore Place exchange which brokers at HFF had lined up suitors from across the globe before his Lexington-based concern unexpectedly won the listing handled by HFF Managing Director Coleman Benedict, Director Benjamin Sayles and Analyst Patrick McAneny. It also showed off his penchant for complicated real estate in that seller Carpenter & Co. had structured South Shore Place as a retail condominium built on the site of the landmark Braintree Sheraton that has now been converted to another hotel, with



South Shore Place, Braintree MA

the developer carving out a piece of the site for the retail center. The purchase was also part of a reverse exchange involving the Brockton Stop & Shop that closed this summer.

Bierbrier also gives a shout out on the financing to Brian Corcoran of Ackman Ziff who shopped the loan before Wells Fargo stepped up with its proposal. "Brian does an excellent job for us," says Bierbrier, who engaged the broker to refinance three existing assets including Wellington Circle as a way of raising \$12 million to help fund South Shore Place. It also underscores the amount of preparation put into that deal which came about as Bierbrier and the firm's leasing and marketing director, Christine Cannon, set about to identify a project that would meet their objectives in size and complexity, with the pair ultimately deeming the Braintree opportunity to be the best fit.

To support the larger program, the company has been bringing on new talent, this past month hiring Lori Meade and Dianne Kendall as Real Estate Accountant and Executive Assistant, respectively. "As we continue to grow our portfolio, we are delighted to have Mrs. Meade and Ms. Kendall join us to strengthen the infrastructure in administration, management and marketing of Bierbrier Development," says Bierbrier, pointing 20 years of related

experience at such firms as Boyd/Smith, Cambridge St. Realty and Equity International for Meade, a graduate of Boston University.

Meade is reporting to the CFO and is assisting in general ledger posting, maintenance and month-end closings, as well as lease maintenance. A graduate of Chamberlayne Junior College (now Mt. Ida College), Kendall previously served professionally in a similar role at BMEGateway, and "brings high-level administrative and design experience" to her new position, according to Bierbrier, who last year made a key hire in Cannon, an industry veteran whose prior stops included Boston Properties and Cassidy Turley.

Even as he delegates responsibility in those duties, Bierbrier hearkens back to his days on the front lines as a broker in advising anyone entering the arena to "keep your ear to the ground" and be mindful of dramatic swings in tenant demand, staying ahead, perhaps, of the VCR store meltdown and making sure one does not miss new trends ala the medical retail tenant which is already populating multiple Bierbrier addresses with more anticipated.

"Every day is a new day," he says. "You have to stay close to the market and pay

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attention to what is going on,” he says, maintaining regular site visits to interact with consumers and merchants is a worthwhile approach. “Christine and I work very hard on leasing every day,” he says. “We want to know how everybody is doing, and if there is an issue, we want to work with the tenant to see if we can resolve it.” Broker relationships are also critical to maintain, he says. “We want to know who is coming and going at all times,” he says, crediting those professionals for connecting with a company from London, and seeking new users, as in the case of the medical trend. Broker Andrew Mahr negotiated for Partners Urgent Care on its lease at Bierbrier’s Needham Street Village Shops, giving that project a high-credit tenant combining Partners Health Care with a Texas organization.

Going forward, Bierbrier says he is hoping to bring in a senior asset manager to serve as the firm’s second in command and is in talks with the same HFF team of Benedict, Sayles and McAneny to present partnership opportunities that would increase the firm’s buying power, a strategy that other regional CRE firms have embraced in recent years where capital coming into an unfamiliar market seeks out a local expert who can uncover diamonds in the rough or even polished gems such as South Shore Place.

“We want to do deals that are larger

than we have done in the past, and for that, we will need partners who are interested in taking on a component of risk that will differentiate us from our competition,” he says, with South Shore Place put under agreement minus any contingencies. That did make the final days before closing a bit tense, but Bierbrier



Dianne Kendall



Lori Meade

explains it was the best way to beat out other competitors, and since Cannon and he had done their due diligence in advance, he felt comfortable in taking that gambit. “When we decide to focus and fixate on something, we know it like the back of our hand,” he says, relaying the Braintree asset has virtually no competition in that area which is across from the landmark South Shore Mall. With rents there nearly double that of Bierbrier’s property, he anticipates any vacancies that might occur would attract price-conscious tenants from that property.

Bierbrier has another reason for stepping up his game after 40 years. “It’s more fun at the higher price point because you are dealing with very bright, able people, and for me, that’s more stimulating than doing the simple stuff,” he says. Those who know him, however, might argue that would be a reciprocal relationship in being

able to glean insight from the industry veteran who used to teach real estate at Harvard University’s Graduate School of Design, and despite being an unabashed fan of risk, has never lost a property during his tenure in a market that has endured at least four major downturns. “Not one blemish in 40 years,” he says of the track record, a result many of the country’s largest players would be unable to replicate. “I do feel bringing a pristine reputation to the table is going to get us noticed,” he says, providing one simple rule for his longevity. “We really focus on picking good real estate,” with an aim of keeping his activities going forward inside Route 128.

Bierbrier also relies heavily on several veteran staffers in key positions, including CFO Steven Brigham, on board since 2002 providing “extensive high-level financial management experience” as controller for two regional real estate firms and at Brodie Inc. Senior Property Manager Ronald Dattoli has been at the firm since 1984 overseeing tenant and vendor coordination, space fit out and repairs plus oversight of the entire portfolio. Corporate counsel Frank Giso “retired” from Choate Hall & Stewart in 2014 and joined Bierbrier following 30 years of representing the firm. Listed in Best Lawyers in America and a Massachusetts “Super Lawyer,” the Cornell Law School graduate was chairman of Choate Hall’s Real Estate Department and advised in his years there a range of clients including developers, lenders, non-profits and REITs. ■