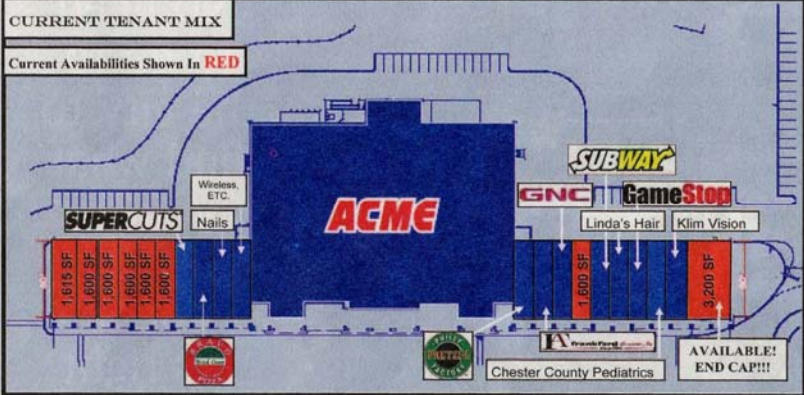


The undaunted developer

Delaware-based Pettinaro Company meets the challenges of an economy in recession

DEMOGRAPHIC DETAILS	3 MILE	5 MILES	7 MILES
POPULATION	15,326	36,728	70,893
NUMBER OF HOUSEHOLDS	4,662	11,844	22,894
AVG HOUSEHOLD INCOME	\$98,702	\$98,396	\$111,401
TRAFFIC COUNT ON ROUTE 41: 15,000 VPD			



The London Grove Village Shopping Center attracted Lowe's to the area. An aerial view of the shopping center is pictured in the photo on the right.

By Steve Hoffman
Staff Writer

From the very beginning, the Pettinaro Company has been bucking conventional wisdom through savvy leadership, overcoming obstacles with painstaking attention to small details, and defying odds by acting boldly when other developers would not. Verino Pettinaro, the founder of the company, started out by refurbishing basements before moving on to small local renovation projects in his home state of Delaware. Renovations on several schools, a post office, and the Wilmington Train Station made Pettinaro a familiar name and launched the company toward success. In the intervening 45 years, the company has met every challenge that has come

along as it has grown and expanded to amass more than 4 million square feet of office, retail, industrial and residential properties in Delaware, Pennsylvania, Maryland, New Jersey, and Florida. Today, the family-owned and managed real estate holding company is under the direction of Verino's son, Gregory, the CEO. He oversees Pettinaro Enterprises, which includes in-house construction, architectural, and real estate departments. Undaunted by the challenges of doing business during a recession, Gregory Pettinaro can rattle off the intricate details of a handful of projects that are currently underway. The Pettinaro Company has no shortage of projects, even during the economic downturn: many are in the company's home state of Delaware, while others are in the surrounding states of Pennsylvania, Maryland or New Jersey. A hand-

ful of the projects are in Chester County. "We haven't done anything on our Lower Oxford project yet," he says. That property is near the intersection of Route 10 and Route 1. "It's zoned for commercial. We probably won't submit anything to the township for at least six months." The proposed shopping center in Upper Oxford Township? Pettinaro seemed to be on the verge of securing approval for that project, but needed variances on a few issues like the size of the largest store, the amount of paved surface allowed, and the size of the signs for the center. These would all seem to be small differences considering that the township's ordinances are at least 20 years out-of-date. But the political winds changed direction in Upper Oxford Township and Pettinaro's plan was definitely out-of-favor with two of the township's three supervisors.

"We haven't really been back to the township since then," Pettinaro said. "We will come back one day, but under the current political situation, it doesn't seem like the project will be passed. The project isn't dead. We still own the property and we do want to move forward. I do plan on building something there one day." Although Pettinaro Company still has numerous projects at various stages of development in communities that remain strong, the economic recession has altered some plans. "The economy has affected us in our ability to find tenants that want to sign leases right now," Pettinaro explained. The London Grove Village Shopping Center debuted with the opening of the Acme in late 2007, followed a few months later by the opening of the

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Pettinaro...

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other anchor tenant, Lowe's. The economy was already sputtering when it was time to build out the shopping center.

"Our tenants in the 1,600 to 4,000 square-foot size that are in there are doing pretty well," Pettinaro explained. "The Acme is also doing well."

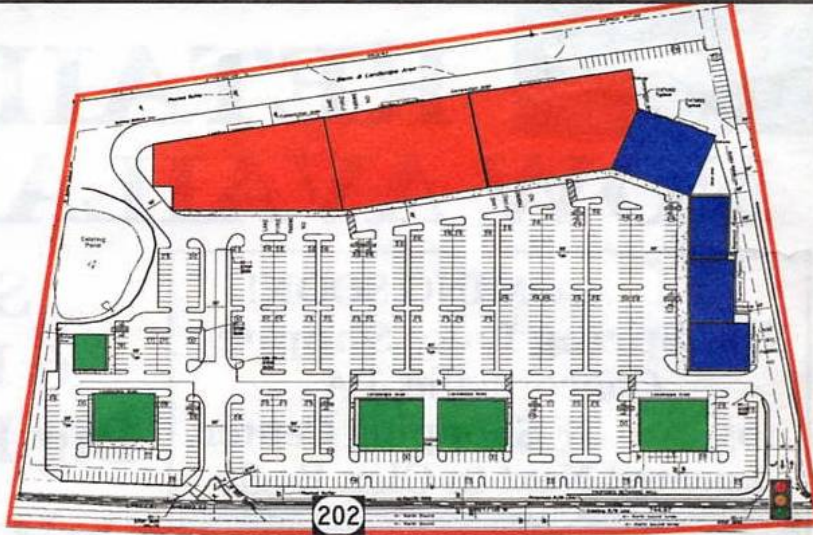
Work is underway there on a 10,000 square-foot unit for a pet store and the site work is being done on an Arby's.

Shopping center leases are rarely signed between Thanksgiving and the end of Feb-

ruary during normal economic times. If a retailer can't open before Thanksgiving, there's little impetus to sign a lease during the typically slow winter months. And these are hardly typical economic times.

"The economy has really slowed down," Pettinaro explained. "We started seeing a slowdown last spring and summer. We're just not seeing the tenants that we used to see." The slowdown extends beyond retail.

Said Pettinaro, "I think the office market is very soft right now. But it's one of those things. It's bad right now, but when things start going again, no



LEGEND			
■	31,700 SF to 33,000 SF		
■	Smaller Units from 1,200 SF		
■	3,000 SF to 8,000 SF Pads		

DEMOGRAPHIC DETAILS	1 Mile	3 Miles	5 Miles
Population	3,986	23,008	84,938
Number of Households	1,445	7,577	29,442
Avg Household Income	\$125,085	\$116,670	\$119,037
Median Household Income	\$98,548	\$96,323	\$95,127



The Spring Lake Shoppes development has a highly visible location on Route 202.

one is going to remember these bad times. That's the way it always works."

So what can a commercial real estate developer during challenging economic times?

"You try to work with your tenants and do everything you can to help them," he explained. "We have a great center (in London Grove). That's a great incentive for a retailer to locate here. Things will turn around—it's only a matter of time. And when they do, we feel like we're in a strong position because our center compares favorably."

The Pettinaro Company, always based in Delaware, maintains a very heavy investment in the First State. In the mid-1980s, when Gregory was still relatively new to the company, a decision was made to purchase about 80 acres of long-abandoned shipyard property. While other would-be investors were scared off by the property, Pettinaro Enterprises forged ahead because it was an industrial-zoned property with city services and an easy access to Interstate I-95.

After a massive revitalization of the Christina Riverfront area, the Pettinaro property was in the center of the rede-

velopment that included outlet shopping, an art museum, construction of the Daniel S. Frawley Stadium (home to the Wilmington Blue Rocks), numerous restaurants and other attractions.



Gregory Pettinaro, the CEO of Pettinaro enterprises, is optimistic that an economic recovery is on the way. "It's bad right now, but when things start going again, no one is going to remember these bad times."

The Courthouse project in Wilmington is one of the special projects to Pettinaro. "It's a very historic building in the heart of an historic district," he notes. "It's very exciting to be involved in that. The Crescent Building that we built for Barclays was another special project. I'm also very fond of the London Grove Township shopping center. It's beautiful, the way that it turned out. The township was good to deal with. It's a very nice site. It met all my expectations."

According to Pettinaro, Delaware projects will always be special—the family business is headquartered there and has been involved in so many developments since 1964. But the company also has a strong presence in New Jersey and has been in Pennsylvania for quite some time, too.

"We've been in Pennsylvania, but we just haven't been in Chester County that long. But it's a growing area."

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Pettinaro Company has been in the development business since 1964.

Pettinaro...

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When he was growing up, Pettinaro used to make trips to southern Chester County to see friends. "I used to think that Nottingham was out there at the end of the world," he joked. "It seemed like it was so far away."

Now, with the projects in London Grove and Chadds Ford and others in Elkton, Maryland, Nottingham is central location to several of the company's projects here in Chester County.

Nearby, there's the Spring Lake Shoppes, a proposed shopping center located in the heart of Concordville, PA. The 165,000 square-foot center, which is expected to be ready in 2010, will offer tenants excellent visibility from both the northbound and southbound Concord Pike.

"We are currently securing approvals from the township for this lifestyle center," Pettinaro explained. "We also have a shopping center across the street which is more of a traditional strip center."

The Chadds Ford West project is a multi-building office complex that will be situated next to the Chadds Ford Winery.

Additionally, Pettinaro has a 200,000 square-foot shopping center making its way through the approval process in Morgantown. Site work has been com-

pleted. Spaces in the center range from 3,000 square feet to 100,000 square feet. Pettinaro said that he is currently working with a tenant who is interested in a 20,000 square-foot unit. If



Above Photo: Pettinaro's planned London Grove West Office Building. Although the company is based in Newport, Delaware, it has a half-dozen developments in the works in Pennsylvania. **Left Photo:** The Route 202 corridor.

that deal is reached, it would quicken the development of the project.

Additionally, there is a 3.1-acre commercial site that fronts on Lincoln Highway in West White-

land Township, Chester County that is available for lease or purchase. The property formerly served as an automobile dealership.

Most of the company's properties are located closer to the company's headquarters in Newport, Delaware.