



South Bank

3401 Grays Ferry Avenue

Press

PENN PURCHASING 23 ACRES ACROSS SCHUYLKILL

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“You just don’t get an opportunity like this every day to be able to acquire something of this scale.”

– Craig Carnaroli, Executive Vice President, University of Pennsylvania

In its first significant expansion across the Schuylkill, the University of Pennsylvania is purchasing 23 acres from the DuPont Co. for storage, office space, and the relocation of its transit operations building, officials said Friday.

At some point, the land also could be used for other ancillary facilities, such as a backup communications or data center, said Craig Carnaroli, Penn’s executive vice president.

The parcel, at 34th Street and Grays Ferry Avenue, is the site of the former Marshall Laboratory and contains 250,000 square feet of laboratory, office, and warehouse space.

“You just don’t get an opportunity like this every day to be able to acquire something of this scale that has buildings that are usable. There’s a lot of infrastructure in place,” Carnaroli said.

Penn will pay about \$13 million under an agreement being negotiated with DuPont, he said. The agreement is expected to become final next month.

DuPont approached the university, which occupies 260-plus acres in its West Philadelphia neighborhood, about the possibility of a sale, Carnaroli said. The company closed its auto-paint operation there in 2009 as the economy soured.

The purchase was approved by the university’s board of trustees, in town this week for meetings.

Most immediately, the university plans to relocate its transit operations facility from the 3200 block of Walnut Street, Carnaroli said. The university will lose that transit space when it starts construction of its nanotechnology center in February at 32d Street and Walnut.

Some third parties have expressed interest in other parts of the property, particularly the green space and fields, he said.

The purchase is one of the university’s most significant, Carnaroli said.

In 2006, the university launched a \$1.94 billion, more-than-two-decade plan to develop the west bank of the river and better tie the university community to Center City.

That project aims to transform 40 acres from Walnut Street to just below South Street on the campus’ eastern edge into athletic fields and recreation space, condos, research centers, shops, and restaurants.

Last year, the university broke ground on its 24-acre Penn Park, the centerpiece of the plan, involving land it



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acquired from the U.S. Postal Service. The \$46 million project includes athletic fields, tennis courts, bike trails, and a multilevel elevated walk. It will increase the university's green space by 20 percent. Construction is scheduled to be completed by mid- to late summer 2011, in time for the start of that academic year.

The park land is bordered by the Schuylkill Expressway to the east and 31st Street on the west, South Street on the south, and Market Street on the north, including the main postal facility at 30th Street.

The IRS is moving into the postal building and a garage has been built. The project to build two towers has been delayed.

The new purchase is not directly across from the postal property, but more to the south and west, and closer to the University Avenue bridge.

Carnaroli said the university had no immediate plans to expand beyond the DuPont purchase, but would not rule it out.

Also on Friday, the university announced that its investment return on its endowment was 12.6 percent for the fiscal year ending June 30. The endowment is nearly \$5.67 billion - up from \$5.17 billion on June 30, 2009.

It's the first time since the recession began that the university has marked growth in its investment returns. Its endowment fell by 15.7 percent in fiscal 2009, and 3.9 percent in 2008. Other universities saw similar declines.

In fiscal 2007, its last banner year, the endowment grew more than 20.3 percent.

Princeton University has not yet released its endowment returns for 2010. Yale University reported Friday that its returns rose 8.9 percent.