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Littleton Land, LLC breaks ground on \$49 million 450,000 s/f Potpourri Group, Inc. project - developed by Condyne Investment Fund II, LLC and Square Mile Capital Management, LLC

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Littleton Land, LLC, a joint venture between affiliates of Condyne Investment Fund II, LLC and New York City-based Square Mile Capital Management, LLC are developing a new 450,000 s/f build-to-suit fulfillment center on a 51.82 acre parcel that the partnership owns. The project will be completed for the Potpourri Group, Inc., a multi-channel direct-to-consumer retailer, with the building becoming fully operational in the first half of 2016.

Potpourri expects to create 130 new, full-time jobs and will retain and relocate 227 of its existing employees. Total capital investment for the facility will be \$49 million at final build-out, comprising \$35 million for soft and hard construction costs and \$14 million to support the redevelopment of an underutilized property. The project is financed by M&T Bank Corporation.

Greg Zais and Neil Ross of Jones Lang LaSalle Boston represented Potpourri both on its national site search and its documentation, while Deborah Tamulis of Thomson Partners Boston represented Littleton Land, LLC, in the transaction.

Lynn Tokarczyk, government incentives consultant, Business Development Strategies, Inc. (BDS) and the BDS team represented Potpourri in its efforts to secure substantial local and state government incentives.

Diversified Project Management is providing Potpourri with full project management services, including pre-construction & construction administration, furniture, fixtures & equipment coordination, and move planning services for the duration of the project.

Boston Industrial Consulting is working with Potpourri in the design and implementation of material handling equipment, storage racks, picking/packing systems, and conveyor systems.

The development manager is Condyne Construct, Inc. The general contractor is newly-formed Polar Design Build, Inc., a full-service design-build company. The fulfillment center was designed by its architect Curtis Architectural Group; structural engineer, Flood Consulting; MEP engineer, Avid Engineers; and civil engineer, CondyneEngineering Group.

Potpourri's CEO, Jonathan Fleischmann, could not be more pleased to see the project underway. He said, "The new facility has been a 'long time coming', with the company weathering the recession, completing several acquisitions, and conducting national location studies prior to receiving board approval to move forward." Fleischmann was also happy to report that, "The Potpourri management team is excited to be remaining in Massachusetts and finding a new home in Littleton in particular, retaining the 'institutional knowledge of its great workforce' and in gaining the capacity needed to continue on their growth strategy."

Potpourri is relocating and expanding its fulfillment center to the new high-bay facility situated at 3

Distribution Circle. The relocation will include the addition of a 150-person call center, along with warehouse support and management functions. The automated facility will feature 400 automobile parking spaces, 18 shipping and receiving docks, 14 trailer staging bays, an emergency generator, and racked mezzanine pick levels. The building will be constructed of architectural, insulated metal panel, with glass store-front entry and conventional structural steel with energy-efficient lighting.

The joint venture partners have owned the land since 2013. It is adjacent to an existing 480,000 s/f facility, which also is owned by the group and leased to multiple tenants.

"This is a great opportunity for the partnership to complete the master plan development of a first-class industrial park in the business-friendly community of Littleton. The Massachusetts industrial real estate market has great momentum as new fulfillment centers like Potpourri's are being developed to meet the demand of consumers," said Jeffrey O'Neill, managing partner of Condyne.

Condyne specializes in industrial real estate throughout the Northeast developing, acquiring, and repositioning real estate assets with a strength in high bay distribution centers. Vertically integrated the firm provides design, engineering, construction, development and property management services for its clients.

Square Mile Capital Management LLC is a private investment firm based in New York that focuses on real estate and real estate-related opportunities, including both debt and equity investments on behalf of select institutional and private investors. Square Mile takes a value oriented approach to its investment activities, with an emphasis on opportunities to acquire or capitalize assets or enterprises that are undervalued, overlooked, complex or mispriced.

Founded in 1963, Potpourri started as a single brand and has expanded to 15 brands through organic growth and acquisitions. Today, Potpourri proudly stands among the leading multi-channel direct-to-consumer companies in America, and offers 50,000 products in the areas of home décor, apparel, jewelry, gifts, toys, travel, and pet accessories.

As personal shopping time becomes limited, consumers are increasingly turning to catalogs and e-Commerce solutions for their purchasing needs. In addition to its websites, Potpourri currently distributes 250 million catalogs and ships more than 5 million packages annually. Recently, Potpourri secured a Negotiated Services Agreement (NSA) with the U.S. Postal Service (the first agreement of its kind for catalogs). The NSA provides a pricing structure specifically designed to stimulate volume growth and will ensure that the company remains a market leader in the industry.

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