

MAIN LINE TODAY

Can-Do Carl

Acclaimed developer Carl Dranoff has transformed Philadelphia with his visionary showpieces for urban renewal. And if you haven't heard, he has big plans for Ardmore, too.



Radar magazine has just named Drexel University the “ugliest campus in America,” though news of the lambasting doesn’t faze Carl Dranoff.

“I certainly don’t agree,” says the founder and president of Dranoff Properties from his Chestnut Street office directly opposite Drexel’s campus. “Look behind me. How many campuses can say they have an original building that symbolizes its founding, one built by the great [financier and philanthropist] Anthony J. Drexel. What richness and character is preserved there.”

Dranoff spent a decade on Drexel’s board of trustees. He remains an active alumnus, and one to whom the university granted an honorary doctorate in 1986. He’s also a past chair and current board member of Drexel’s Academics Properties Inc., its real estate acquisition and development arm.

“When I went here, it was a commuter school,” he says. “Since then, there’s been 100-fold improvement. Many now live [on campus]. For Drexel, the people come because it’s a great school.”

At the moment, Dranoff is stationed in his first-floor office in the Left Bank, a 282-unit luxury loft apartment community he built and the largest residential historic rehabilitation project in Pennsylvania history. Via live webcam, he’s overseeing construction of 777 S. Broad St., Philadelphia’s first large-scale, LEED-certified, multifamily, mixed-use building. Consuming an entire city block, it will open in early 2010 as an assortment of 146 luxury apartments above 18,000 square feet of high-end retail shops on the south end of the Avenue of the Arts.

“They’re definitely going like gangbusters,” he says.

This past decade, Dranoff Properties has emerged as a powerful force, locally and nationally, on the basis of its expertise in revitalizing and transforming urban neighborhoods into mixed-use and residential destinations. Its projects are always large in scale, and high in profile and quality.

Here on the Main Line—amid controversy, skepticism and a massive economic slowdown—Dranoff has secured perhaps his most daunting challenge yet: the revitalization of Ardmore’s train station and business district, a project no one else would touch. His goal is a mixed-use, transit-oriented development that will create a vibrant and walkable village with sufficient critical mass to attract new residents, businesses and customers. “People themselves bring prosperity,” he says. “We’re out to do what we’ve done all along—revive a neighborhood.”

Like those who master the stock market, Dranoff prefers counter-cyclical theory. When others give up hope, he’s active. When things overheat, he pulls back. “Some of the best opportunities arrive while others can’t see the light at the end of the tunnel,” he says. “I’ve always built for the future, so you have to investigate untested or underperforming neighborhoods if you’re helping shape the future.”

With Ardmore, Dranoff has a lot at stake. If the project doesn’t work, he’ll be a failure in his own back yard. After all, he lives in Haverford, near the Merion Cricket Club, in a 5,500-square-foot, French Normandy-style home he built 15 years ago. A 150-year-old farmhouse on 3 acres was demolished to create three 1-acre sites; Dranoff took the middle lot. His

neighbors hired builders. “I acted as my own,” he says.

Now 60, Dranoff launched his business 10 years ago. Today, he has 120 full-time employees. Every Dranoff property is built and retained by the company. Its Philadelphia portfolio includes the 32-story Symphony House, a 163-unit, ground-up luxury condominium at Broad and Pine streets in Center City. It houses the Suzanne Roberts Theatre, Du Jour restaurant and a 400-car garage. For another project, Locust on the Park, Dranoff transformed a former printing plant into 152 luxury apartments overlooking Schuylkill River Park.

Completed in 2001, the Left Bank used to be a Pennsylvania Railroad freight depot. Just down from there, on Walnut Street, is World Café Live, once a plumbing supply warehouse and now a restaurant, broadcasting center and performing arts venue that houses the University of Pennsylvania’s WXPB-FM. Dranoff is also behind the Venice Lofts, 128 ultra-luxurious mid-rise flats and townhomes between the Schuylkill River waterfront and Manayunk Canal.

Over in Camden, N.J., Dranoff Properties is the catalyst for a \$500 million revitalization of the Delaware River waterfront. In 2004, the company completed the adaptive reuse of a former RCA Victor cabinet factory into The Victor, 341 luxury loft apartments. The recently announced Radio Lofts, his second Camden project, will soon be underway. Dranoff’s continuing efforts there have been hailed by the Urban Land Institute as a national case study in how creative, thoughtful development can bring declining communities back to life. The renamed Adventure Aquarium has since doubled in size, and the new Ferry Terminal Building has gone up.

As part of his strategic plan, Dranoff negotiated residential development rights for the balance of the Camden waterfront. He expects to build about 150 units a year for the next 10 years. “I needed protection from others who would see my success, and then try to come in on my back,” he says. “We were the catalyst.”

Throughout his life, Dranoff has piggy-backed on the work ethic of his parents, who were of modest income. His mother, Pearl, is still living. His father, Albert, made a living picking up and delivering drycleaning, bringing in enough money to educate Carl and an older brother. “It didn’t matter if there was snow or hail, or it was scorching hot, that drycleaning was picked up and delivered,” Dranoff remembers.

Dranoff found his calling early in life. From kindergarten, he had a “passion for buildings.” As a child, he sketched them against skylines, replicating pictures in encyclopedias. As he grew older, he immersed himself in erector sets and model trains. “I began creating my own little kingdoms,” he says.

By college, Dranoff wanted to head in one of two directions: architecture or civil engineering. Either way, with its co-ops, Drexel would serve him well. “Little did I know that, 30 years ago, I would take on this mammoth building (the Left Bank) across the street and turn it into a mixed-use development,” he admits.

While at Drexel, he began building runways at the Philadelphia International Airport, but realized then that if he continued in engineering, he’d always be a small cog in a big

wheel. Engineers work in teams, always designing one small piece of a bigger pie. As such, he couldn't exercise his entrepreneurial ingenuity or urges. Besides, he wanted to be his own boss, and run his own business. He needed an MBA.

Dranoff graduated from Harvard Business School in 1972 with a "killer combination." To his nuts-and-bolts technical knowledge of building, he added organization and marketing skills. "It was like one and one equaled three," he says. "I knew I would never be vulnerable. I had across-the-board knowledge."

He first began working with Jack W. Blumenfeld, the largest multifamily developer in the state at the time. "He wanted a trophy person," Dranoff says. "He wanted a Harvard MBA, so I became his assistant."

But by 1974, Dranoff had branched out on his own for the first time. His first project was Bromley Estates, 100 luxury condos in Pine Hill, N.J. Somehow, he secured funding despite the Arab oil embargo, and managed to open furnished samples just months before the Arab-Israeli War. Next, he took over a failing project in Bensalem and made it work.

Yet, after four years, Dranoff found himself undercapitalized and lacking experience in financing. To round out his preparation, he founded Fortune 500 company Kaufman & Broad, then the second largest home builder in the country. Over four years with Kaufman & Broad, he learned the ins and outs of mass-produced housing. "It's what I lacked — knowing how to do it big," Dranoff says. "I needed to learn how the big boys did it if I was going to be big one day. I also learned what was too big."

In 1981, at age 33, Dranoff received a phone call from Robert Toll that forever sculpted his life's work. A friend of the Toll Brothers founder, Steve Solms, had a fledgling adaptive reuse company, Historic Landmarks for Living. Solms was a "big picture guy, a deal guy," Toll told Dranoff. He needed a "nuts-and-bolts organizer, a systems guy."

Together, they began restoring smaller-scale historic buildings in Old City Philadelphia in the early 1980s. Coupled with the federal ERTA (Economic Recovery Tax Act) that Ronald Reagan passed, the incentive for historic restoration — a 25-percent tax credit for each building — was the best it's ever been.

By 1983, they'd unveiled the Wire Works at Third and Race streets. A former wire factory, it was their breakthrough — a 100-apartment complex housed in an 1893 timber-framed structure. From then on, Dranoff's challenge was configuring a way to systematize the rehab of uniquely old buildings. Just a few years in, Historic Landmarks for Living became the largest rehabber of historic buildings in the country. By 1987, Solms and Dranoff counted 66 finished projects.

When Reagan's Tax Relief Act of 1986 resulted in a real estate recession in 1989, Historic Landmarks for Living scaled back operations. Dranoff left to begin a consulting company to help banks maximize their real estate assets.

Then, in 1995, he joined Ron Rubin of the Rubin Organization, running his residential operations. But by 1998, Dranoff felt he had just one last legitimate opportunity to branch out on his own again — and make a difference in the city and its nearest suburbs. "[Gov. Ed] Rendell was mayor, and the

city was making a comeback," he says. "Prosperity was being restored."

For his first project, he returned to his roots — historic rehabilitation — and found a building overlooking the water in a "neighborhood that was yet to be discovered." Dranoff sized up the Fitler Square area, the serene riverfront and the city's planned park there, and he converted the old National Publishing plant at 25th and Locust streets into Locust on the Park — eight stories of apartments with 12-foot ceilings, large windows, unencumbered water views and no commercial traffic. Enchanted by the Schuylkill, he had a neon curvilinear river sculpture mounted on the lobby ceiling.

Locust on the Park drew attention from the University of Pennsylvania's president at the time, Judith Rodin. By 1999, she was set on creating a safer West Philadelphia campus. Penn bought what's become the Left Bank, a former '20s-era depot built for the Great Atlantic and Pacific Food Company (A&P). The Left Bank, which sits between Drexel and Penn, is so-named because it's the "academic side" of the Schuylkill River — like the Sorbonne on the Left Bank of Paris. "Now you see what's developed around it, and I look smart," Dranoff says.

Of all Dranoff's projects, Symphony House has generated the most press. A stellar destination point, it features a full-scale 365-seat indoor theater, the new home of the Philadelphia Theatre Company. Soundproofing alone was an accomplishment, considering the Broad Street Subway is within earshot. For Dranoff, each project includes a distinguishing characteristic. "It's what we've become known for," he says.

Previously, when building the performance space for World Café Live, he called in acoustics experts. "The next time, we had what we learned in our playbook," Dranoff says.

That playbook isn't in his head — it was written down and inputted into his company's computers. "What's in there would be worth a lot of money to my competitors," he says.

In Ardmore, the train station is the unique historic piece of the puzzle. "It's the cornerstone," Dranoff says.

David Groverman agrees. Another successful area developer with a penchant for risky projects, Groverman opened, ran and then sold the 30,000-square-foot Ardmore, a giant antiques mall on Greenfield Avenue. Today, through his family, he's invested in Ardmore at Ardmore Plaza.

"Developments should revolve around the transportation hubs this region is blessed with," Groverman says. "The vision of residential, commercial and office space around a central transportation core is perfect for Ardmore. Certainly, Dranoff has the vision and marketing skills to get it moving."

Initial skepticism over Dranoff's plans began to thaw when, last August, the state awarded a \$6 million Redevelopment Assistance Capital Program grant to Lower Merion Township for the Ardmore Station project. "We hope to get more [funds]," Dranoff says.

He'll need to. Dranoff Properties was selected in March 2008 on its second try — four years after Lower Merion Township began debating what to do with downtown

Ardmore, which has been on a downslide for years. “You look at the businesses that are left—they’re nail salons and others that are less than attractive,” Dranoff says. “And yet Lower Merion is the second most affluent township in the state (next to Sewickley, outside Pittsburgh). It’s a doughnut in the middle [of the township] that’s been decaying.”

At first, the township tried to use eminent domain to assemble larger tracts that would help attract developers. That failed because of opposition from property owners and civic organizations like the Save Ardmore Coalition. “There were major potholes,” Dranoff says. “The business owners kicked back, things stalled, then it looked like it would all be suspended.”

Twice, Lower Merion put out requests for proposals, then held hearings. Philadelphia’s EBL&S Development won the first round. “It wasn’t us,” Dranoff says, though his company participated.

EBL&S proposed to physically build over the train station and railroad, a costly plan that Dranoff said wasn’t feasible from the beginning. Then, virtually overnight, the developer pulled out. Dranoff won the second round of selections.

Save Ardmore Coalition president Sharon Eckstein contends that the town needs a master plan. Without one, she says, “Ardmore is at risk of being overdeveloped, and its wonderful, unique character is then threatened.”

As for Dranoff, Eckstein says, “He’s made himself available to the community and has been very open to engaging with us. We’re optimistic that he’ll be able to carry out his project in a thoughtful and successful way.”

The sticking point, then and now, remains securing public funds for the \$180 million project. Upwards of \$30 million of public monies is needed for the non-revenue-producing components of the project—the station itself, the parking garage, and extensive infrastructure improvements as required by SEPTA and Amtrak. Dranoff has already secured \$12 million toward that goal, \$6 million from the state grant and another six in leftover federal funding that was set to expire before Dranoff stepped in.

The focal point of the project is Ardmore Towne Center, a new block-long street of residential-over-retail development that will be the linchpin connecting the town to its most valuable existing assets: Suburban Square, a public plaza and long-established businesses that front Lancaster Avenue. Tentatively named Main Street, it will be accessible through an extension of Rittenhouse Place and will parallel Lancaster Avenue behind such stalwart establishments as Brownie’s Pub, Fellini’s Café and Giannini Jewelers.

Ardmore Station will be built along the western edge of Main Street on three existing parking lots. A new public plaza will accent Main Street and be a connection to Lancaster Avenue’s service-oriented retailers. Initial plans also call for some 335 new luxury residences, 60,000 square feet of retail and restaurant space, 12,000 square feet of office space, 650 public parking spaces, and 500 private parking spaces. Among the planned amenities are a footbridge for easy access to Suburban Square and Lancaster Avenue, crosswalks along Lancaster Avenue, and a landscaped community amphitheatre. The whole project should take four to five years to complete.

More accustomed to urban settings, Dranoff realizes Ardmore is suburban. It’s also less than a mile from his house.

“With pride, I say it’s my hometown,” Dranoff says. “I will ride or walk by [the project] twice a day or more. We dine a couple times a week in Ardmore. We’re there all the time, so I see the warts. But, like in Camden, I see the potential. So it’s with pride that I say I’m going to save Ardmore. I know I’m the savior. Deep down, it’s a crown jewel.”

back in the city, Dranoff notes how just 11 blocks separate his Symphony Hall from Locust on the Park, which, in turn, is just eight blocks from the Left Bank. “My whole empire is within easy walking distance,” he says.

At the Left Bank, he literally carved out a center courtyard that’s as green as any jungle. And while he planted hundreds of bamboo trees, he also left portions of the concrete wreckage as a trellis. “Otherwise, no one would realize what was here before,” he admits.

Inside the Left Bank, there’s plenty of evidence of the building’s roots—you couldn’t afford to replicate its 1920s mushroom-column construction today. Outside, retail shops and lunch spots are buzzing. “It would have been easy to put in a bank here, but then we would’ve frozen out all nighttime activity,” he says. “We’ve transformed the area into a vibrant living, dining and shopping destination.”

So what would William Penn say?

“He’d be very pleased,” says Dranoff. “He’d see his street grid has been uncompromised. He’d recognize the town square, and be pleased Philadelphia has remained essentially a city consistently built with brick.”