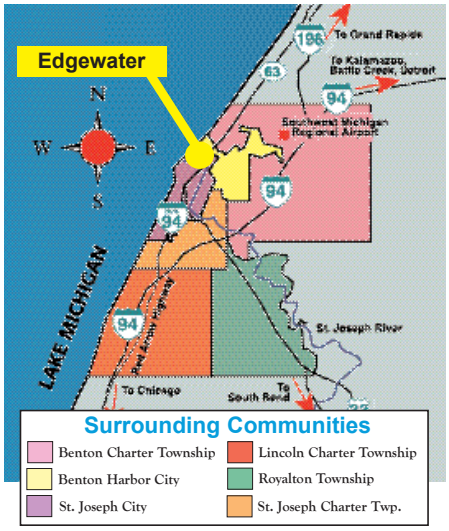
1996

In 1996, when the cities of Benton Harbor and St. Joseph, along with Whirlpool Corporation and Cornerstone Alliance began working to establish a unified vision for the redevelopment of Edgewater, all the partners knew it would take a miracle and a true partnership effort to see total redevelopment of the over 400 acres of land. The hope was to once again make the Edgewater Area—at one point the most contaminated site in the state of Michigan, with an estimated $50 million price tag for redevelopment—a location of choice for businesses. The dream was to also make it a location of choice for homeowners, entrepreneurs, and tourists.



The Edgewater Redevelopment Plan calls for a mixed-use redevelopment for the 422 acres with water, rail, and highway access. The project has called for Cornerstone and the three principal property owners to come together to address common development issues. The partners have developed a singular vision for the disposition of the property and future development, ensuring that no one development opportunity negatively impacted the whole.

After seven years of working together, both the hope and dream of the miraculous reuse of the Edgewater Area is becoming a reality. Each and every day there are signs of progress in the Edgewater Area as a new house is started, roadwork continues, buildings are demolished or built, entrepreneurs launch enterprises in the newly constructed buildings, and further plans are developed to make the best use of the remaining land.

2002

In 2002, Edgewater, Harbor Development, and the Graham Avenue Industrial Area, three major physical development projects, were combined. Cornerstone has assisted the three principle property owners in coming together to address common development issues. Cornerstone encouraged the property owners to investigate the preparation of a singular vision for the disposition of the property and future development, ensuring that no one-development opportunity negatively impacted the whole. The three principal property owners developed a plan for redevelopment.

Continue to keep your eye on Michigan's *Great* Southwest's miracle redevelopment project. The project is just beginning to flourish. Give it a couple more years—the results will be unbelievable.

Program Partners

- Cities of St. Joseph & Benton Harbor
- Whirlpool Corporation
- St. Joseph Improvement Association
- Michigan Depts of Environmental Quality and Transportation
- Michigan Economic Development Corporation
- State Attorney General
- Gov. Granholm's Office
- Economic Development Administration
- U.S. Environmental Protection Agency

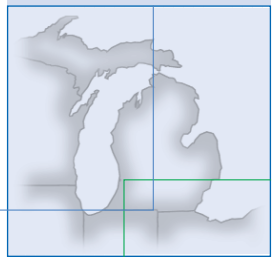
EDGEWATER REDEVLOPMENT AREA

Project Oversight. As one of the key partners in the project, **Cornerstone Alliance** assumes the day-to-day responsibilities of the project.

Operating Agreement. The Edgewater Development Project operates under a formally adapted Operating Agreement, instituted in 1998, between the cities of St. Joseph and Benton Harbor, Whirlpool Corporation, and Cornerstone. The agreement documents the description of the project, operating costs, and funding sources, participation of parties, development approvals, permitting and zoning support, development standards, and other issues.

Finances. To say that the Edgewater Project is a miracle is somewhat of an understatement if you look at the numbers for the project. To date, the Edgewater Project has received the following financial boosts from grants and private investment:

$17.2 million from Michigan Department of Transportation (MDOT)
$13.7 million from Michigan Department of Environmental Quality (MDEQ)
$6.6 million for M-TEC℠ at Lake Michigan College
$1.9 million from Economic Development Administration (EDA)
$2.4 million from Housing Urban Development (HUD) and Brownfield Economic Development Initiative (BEDI)
$6.5 million from Michigan Economic Development Corporation (MEDC)
Over $73 million in private investment



Where is Edgewater? (422 Acres in the Total Project)

The Edgewater Redevelopment Area is comprised of land both in the city of St. Joseph and Benton Harbor, with the city of St. Joseph portion being located along the St. Joseph and Paw Paw Rivers, and the Benton Harbor portion being located south of the Paw Paw River, north of Main Street, and bordered on the east by Paw Paw Avenue. The area is divided into five Parcels, each with its own purpose in the Edgewater Redevelopment Plan.

Edgewater Benton Harbor Parcel 5

Parcel Five is located in the city of Benton Harbor, and consists of 50 acres with waterfront access, all of which is within a Renaissance Zone.

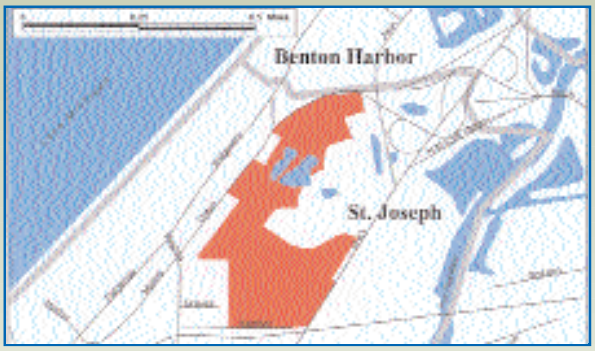
The Graham Avenue/North of Main area (60 acres), located on the Paw Paw River and Ox Creek in the city of Benton Harbor provides immediate access to the port, river barge route, rail, and Business Loop 1-94. North of Main, located in Benton Harbor, is being expanded to include an additional 155 acres of land. The expansion represents a redevelopment opportunity in that, in addition to providing 30 acres of land for industrial development, it combines the residential areas adjacent to the North of Main into the zone.

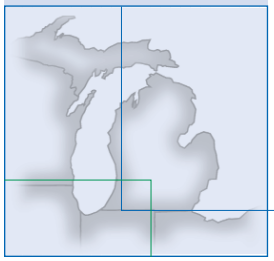
Edgewater St. Joseph Parcel 1

Parcel One, located in the city of St. Joseph, consists of 95 acres and is in a Renaissance Zone. This area was one of the last remaining undeveloped waterfront areas in Michigan.

Edgewater St. Joseph Parcels 2,3,4

Parcels Two/Three/Four are also located in the city of St. Joseph, and consist of 20 acres with waterfront access. Many of the sites are located within a Renaissance Zone.





The Edgewater Area boundaries also include 42-single family lots and eight lots in the research and development park adjacent to the Whirlpool Technical Facility (54.98 acres).

Case Study: Edgewater–a timline of progress

TIME LINE

1996 1997

EG: Edgewater Group

EG

The Beginning.

The Plan takes shape.

AUGUST, 1996—The Beginning.

The Cities of Benton Harbor and St. Joseph, Whirlpool Corporation, and Cornerstone Alliance begin working to establish a unified vision for the redevelopment of Edgewater. By November, the property owners decided to retain and had chosen a consultant, Corporate Properties, Ltd., for market assessment and to develop an implementation plan.

DECEMBER 16, 1996—Renaissance Zones.

The community received Renaissance Zone designation, which was activated on January 1, 1997.

DECEMBER, 1996 – MARCH 1997

Market Assessment by CPL is completed. Cornerstone invested **over $1 million** in the planning effort, with additional funding from partners in the project.

JUNE, 1997—The Edgewater Redevelopment Plan is born.

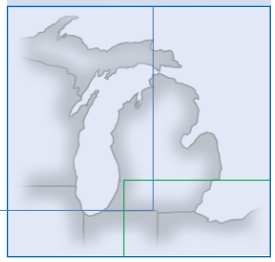
Corporate Properties, Ltd. presented the Edgewater partners the formalized, market-driven redevelopment master plan known as the Edgewater Redevelopment Plan. The plan calls for a mixed-use redevelopment for the 450 acres with water, rail, and highway access.

JUNE – OCTOBER 1997

Environmental /engineering preliminary feasibility completed. The Edgewater partners participate in weekly stakeholder sessions.

NOVEMBER 1997

Meetings take place with Governor John Engler, the Michigan Department of Transportation, and the Michigan Department of Environmental Quality.



1998

Projects get underway.

OVERVIEW—1998

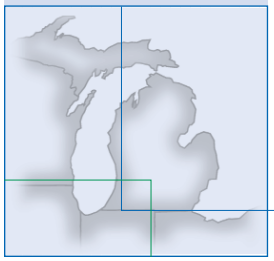
- Operating Agreement Established. Final copies of the Operating Agreement and design standards are approved by the Edgewater partners.
- Design Standards. Group One, a consulting firm from Florida, was hired to develop design standards for the project.
- NOVEMBER, 1998—Cornerstone assumes Oversight. Corporate Properties, Ltd. completed their management services.
- Brownfield BEDI. Cornerstone Alliance wrote and worked with the City of Benton Harbor in applying for a $1 million BEDI Grant (one of only a handful appropriated throughout the country). The grant was to be used for land acquisition along Graham Avenue, and for piling costs necessary for construction of new buildings.

PROJECTS

- The Edgewater partners reached an agreement with the MDEQ to release liens against the property.
- Partners worked with MDOT to issue bids for design of the lowering of M-63 and removal of the Klock Road interchange.
- Demolition of the Malleable Steel buildings and the relocation of Ox Creek launched the reindustrialization of the Graham Avenue/North of Main area in the City of Benton Harbor.

MARKETING

- An article about Edgewater is placed in the site selection portion of Business Insight magazine and other publications.
- Plans are proposed to focus attention on waterfront development in anticipation of Clean Michigan Initiative funds.



1999

Critical steps forward.

OVERVIEW—1999

- Army Corps of Engineers Harbor/Shoreline Development Study. The Army Corps of Engineers were retained to study the viability of harbor improvements along the Paw Paw River branch north of St. Joseph, to help determine exactly what infrastructure requirements are needed and also identify envi ronmental restoration opportunities.
- JANUARY, 1999—Memorandum of Agreement on the transfer of excess right-of-way as a result of the transfer of property to allow the reconfiguration of the Upton Drive ramp, lowering of M-63, and the removal of the Jean Klock interchange was signed by Whirlpool, the cities of Benton Harbor and St. Joseph, and Cornerstone Alliance was signed. MDOT Kalamazoo revised the language in the Memorandum and submitted a final draft in January, 1999.
- Clean Michigan Initiative. Edgewater participants approved the contract signing between Cornerstone Alliance and Abonmarche Consultants for planning services to assist in the effort to secure funds from the Clean Michigan Initiative (CMI). Edgewater could be eligible under either the brownfield or waterfront and recreation sections of the program.
- OCTOBER, 1999—Graham Avenue Industrial Park. The area is made up of 11 buildings, including the former Superior Steel Foundry, that are hazardous and/or have a negative value. Cornerstone purchased many of the properties to begin the redevelopment of the area.

PROJECTS

- NOVEMBER, 1999—Work begins, Edgewater Dunes Subdivision. a 123-residential lot subdivision. A joint venture by The Abonmarche Group of Benton Harbor, Michigan, and Weiss Homes, Inc. of South Bend, Indiana. Several of the lots are included in the Renaissance Zone.
- FALL, 1999—M-TEC℠. Lake Michigan College was awarded $4.1 million to build a 45,710 sq. ft. technical training center (M-TEC℠) along Graham Avenue in the City of Benton Harbor. In addition to support and facilitation of environmental remediation, Cornerstone provided a $140,000 donation to the project in partnership with Berrien County Economic Development to complete the $5.5 million project.
- The Atlantic Automotive Ox Creek Plant finishes construction, a 77,000 sq. ft. facility employing 125 individuals.

2000

Progress begins.

OVERVIEW—2000

- Brownfield BEDI Process. The Edgewater project received final approval of the resubmitted BEDI/ Brownfield. This $1 million grant, and $1.5 million Section 108 loan were the required components necessary to complete the Graham Avenue projects and facilitate disbursement of the approximate $2.4 million of funds available for building demolition and environmental remediation by the state DEQ.
- The community received confirmation from MDOT for funding of the lowering of M-63. Work began on $15 million project.
- AUGUST 28, 2000—Classes commence at M-TEC℠ at Lake Michigan College.

PROJECTS

- Whirlpool Edgewater Technology Center, the first major construction project in Edgewater. Cornerstone Alliance served as a partner on the construction of a 30,000 sq. ft. speculative high-tech office building necessary to complete a grant application to the state of Michigan for CMI grant funds.
- Transamerica Distribution Finance. The company retained 125 jobs, and invested $4 million in the building they moved into in Edgewater. The project received a $2.1 million infrastructure grant, and $130,000 in direct investment.

2001

Development gets underway.

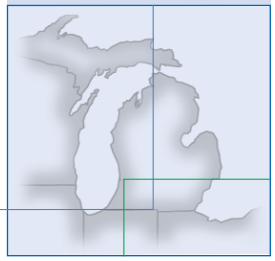
OVERVIEW—2001

- Local Renaissance Zones were expanded for existing businesses including: Whirlpool Customer Interaction Center and Whirlpool Edgewater Technology Center.
- Cornerstone Alliance, in partnership with the Berrien County Economic Development Department, donated $140,000 to the M-TEC℠ facility to assist with cost overruns.
- Brownfield Authorities. Cornerstone Alliance provided funding and staff support to assist Benton Harbor in implementing a Brownfield Authority. The City of Benton Harbor is moving forward on implementing its Brownfield Redevelopment Authority. This powerful legislative tool allows Benton Harbor and Benton Charter Township to designate properties as brownfields, which are either obsolete, condemned, or need environmental remediation. On all three counts, incremental taxes and a credit against single business taxes can be achieved for entities investing in the redevelopment of these parcels.

PROJECTS

DESIGN STANDARDS

- Partners in the project continue to implement the formally adopted Edgewater Design Standards.
- Implementation of standard ornamental lighting and signage for the entire development area.
- Industrial standards for new construction along Graham Avenue were developed.
- Graham Avenue. Cornerstone Alliance, in partnership with the Michigan Department of Environmental Quality, acquired the Superior Steel and Tile Mart properties. These properties were demolished and the property cleared for future development opportunities.
- Whirlpool Edgewater Technology Center, $15 million, 300 new jobs. A proposal to relocate approximately 160 jobs from the Dayton, Ohio area to the Edgewater area was completed by offering the construction of a new facility and the use of the Renaissance Zone for both the Edgewater Technology Center and the Customer Interaction Center on the Whirlpool Complex. Cornerstone Alliance served as owner and purchased the spec building in Edgewater and expanded it to house the



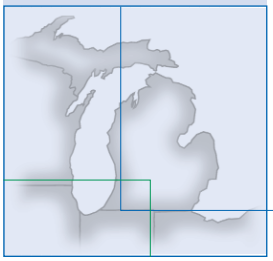
2001 continued

Whirlpool Edgewater Technology Center...
new engineering group. The expansion was initially for recruiting the 160 employees of Dayton, but ultimately resulted in 185 initial jobs. The building was renovated 29,000 sq. ft. of space for offices and 30,000 sq. ft. of laboratory space Whirlpool made a commitment to move 150 engineers and technicians from their Dayton, Ohio facility to this new building and upon completion of the construction, exercised their option to purchase the building. Whirlpool made a commitment to retain these and the additional 150 jobs brought into the Administrative Center for 10 years as part of their commitment to the area. Cornerstone Alliance led negotiations of the $31 million incentive package for the project and coordinated $1.5 million in infrastructure improvements for the project.

- Newberry Port Spec Building, $2M, 30 jobs. The purchase of the spec building dislocated the present spec building people and required construction on another site in the park. Approximately 15 jobs were relocated and 15 jobs were added from other business being added to the building.
- The Edgewater Center. Ground was broken on Phase I of The Edgewater Center. The facility is owned by Ronald E. Schults of The Abonmarche Group and will be completed in two phases. Phase I will consist of professional office and neighborhood commercial facilities. Phase II will consist of a daycare center or additional offices/commercial space.
- Edgewater Automation, $.5M, 40 jobs. Edgewater Automation is a high-tech start-up company in Edgewater. Cornerstone Alliance led negotiations for a $500,000 incentive package. This operation was relocated from the original spec building due to Whirlpool's location in the building. A separate building was constructed to accommodate their growth and an area was left for their future expansion.
- Edgewater Dunes Housing Project. Two new builders were added to the Edgewater Dunes housing project—Superior Construction Services and Shamrock—both to build speculative homes in the subdivision during the summer, 2001. Forty homes were completed in 2001.

MARKETING & RECOGNITION

- Partners and Associates completed a study of the Edgewater property to refine the development potential and develop a marketing strategy for the waterfront property available in Edgewater and Klock Road intersection. This study was coordinated with the St. Joseph River Harbor Study and a study commissioned by the City of St. Joseph to determine the development of its properties.
- Over 50 community information packages were sent out, with focus on national and regional business expaansions and relocations.



- In partnership with Berrien County Economic Development, American Electric Power, and Southwestern Michigan Growth Alliance, Cornerstone Alliance participated in a ten-week ad campaign in *Business Direct Weekly* (one of the sites featured was Edgewater).
- The Edgewater Brownfield site was recognized and featured at the State Brownfield Conference and recognized as one of the outstanding Brownfield projects in the state.
- The Edgewater project received an outstanding rating by CB Richard Ellis for development in a statewide review.

ROADWORK & INFRASTRUCTURE

- Michigan Department of Transportation completed work on Phase I of the M-63 improvement project (from the St. Joseph River to Higman Park). The second phase projected to be completed by October 2002.
- Roadwork within the Edgewater park completed this year was the extension of Momany Drive from Upton Drive to M-63, construction of Renaissance Drive Loop within the park, and construction of Edgewater Drive from Upton Drive to the Down-ramp from M-63. Edgewater Drive will be extended to the Paw Paw River where a new bridge will be constructed to connect this area to Riverview Drive in Benton Harbor.
- 1.8 million infrastructure and road improvements along Graham Avenue. Water, sewer, and storm drainage were reworked along 8th Street and Graham Avenue.

2002

Progress continues.

OVERVIEW—2002

- Edgewater, harbor development, and the Graham Avenue Industrial Area, three major physical development projects, are combined. Cornerstone assisted the three principal property owners in coming together to address common development issues.

PROJECTS

DESIGN STANDARDS

- Implementation of standard ornamental lighting and signage for the entire development area.
- Industrial standards for new construction along Graham Avenue were developed.

DEVELOPMENT ACTIVITIES

- The final lot available on **Parcel 1** was purchased and construction was started on a speculative building.
- Forty-six homes in Edgewater Dunes were completed. In 2002, many of the homes were sold, many more completed, and all the Renaissance Zone Properties are under construction.
- Whirlpool Edgewater Technology Center. Whirlpool occupied this building and staffed the facility in early 2002.
- Graham Avenue. Approximately 3.2 acres were sold to Curt Davies Welding to permit space for a Welding Certification School.

ROADWORK & INFRASTRUCTURE

- MDOT completed work on Phase II of the M-63 improve ment completing this project ahead of the scheduled time by over a month.
- Graham Avenue. Rebuilding of the 8th Street bridge were completed in the spring of 2002.

MARKETING & RECOGNITION

- Partners and Associates completed a study of the Edgewater property to refine the development potential and develop a marketing strategy for the waterfront property available in Edgewater and Klock Road intersection. This study was coordinated with the St. Joseph River Harbor Study and a study commissioned by the City of St. Joseph to determine the development of its properties. These studies will be reviewed and consolidated to develop a master plan for the area.
- The Edgewater Brownfield site was recognized and featured at the State Brownfield Conference and recognized as one of the outstanding Brownfield projects in the state.
- The Edgewater project received an outstanding rating by CB Richard Ellis for development in a statewide review.

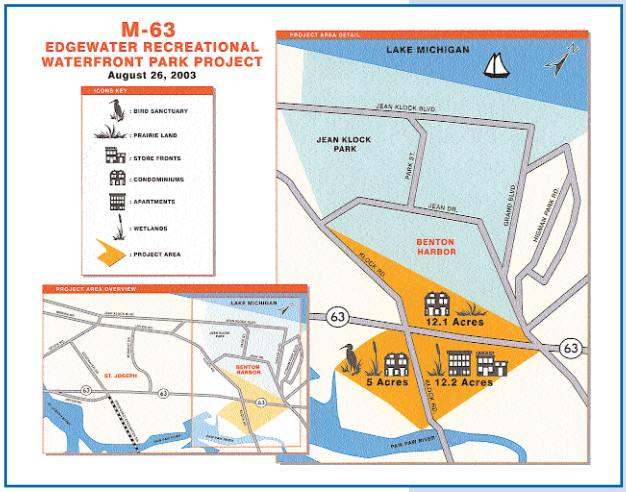
2003

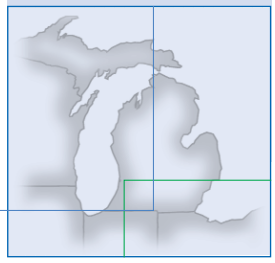
Development benefits city.

OVERVIEW—2003

The growth of this area to date has generated approximate 46 homes, 110,000 sq. ft. of new industrial/commercial buildings, demolition of 130,000 sq. ft. of dilapidated buildings, significant infrastructure improvements, and much more.

- August 26, 2003—Property Transfer between MDOT and Benton Harbor. MDOT transferred approximately 29 acres of property to the city of Benton Harbor, land made available due to the reconstruction of the Klock Road interchange. In order to comply with MDOT guidelines, the land owned by Whirlpool Corporation was identified as a critical ingredient to reconstruct the M-63 area. Whirlpool graciously agreed not to seek financial compensation for the land, instead offering the parcels as a mechanism for transferring deed from MDOT-owned parcels along the Klock interchange to the cities of St. Joseph and Benton Harbor.





Funding Secured for the Edgewater Project

The Edgewater Project garnered 16% of the statewide allocation of Clean Michigan Initiative funding. A $2.2 million CMI grant for infrastructure was awarded to the city of St. Joseph. CMI (Clean Michigan Initiative) Water Front Development grants were awarded to Benton Harbor in the amount of $1.2 million and City of St. Joseph in the amount of $750,000.

CMI Remediation Grants—DEQ approved funding for the preparation of a Remedial Action Plan (RAP) for the East Fill Area (Parcel Four). This RAP is the first step in the process to allow for the restoration of the wetlands at the north end of the site and possible development of the south end.

Brownfield BEDI Process—In 2000, the Edgewater project received final approval of the resubmitted BEDI/ Brownfield. This $1 million grant, and $1.5 million Section 108 loan are the required components necessary to complete the Graham Ave. projects and facilitate disbursement of the approximate $2.4 million of funds available for building demolition and environmental remediation by the state DEQ.

A $500,000 state grant to Jean Klock Park revised the roads and constructed a Pavilion for public use and the Jazz Festival.

Approval of a $1 million MDOT Category A Grant for the extension of Riverview Drive and the construction of a bridge over the Paw Paw River.

In 2000, the community received confirmation from MDOT for funding of the lowering of M-63. Work was completed in 2002 on this $15 million project.

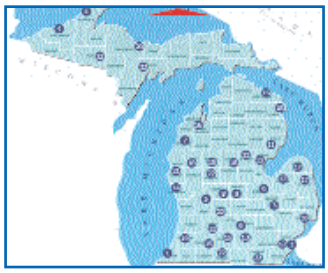
$4.6 million in funding has been secured for the redevelopment of Tile Mar/Superior Steel properties in the Graham Avenue area.

$651,000 CMI grant from the Michigan Department of Environmental Quality was received to reclaim the soils in the final portion of Parcel 1 and all of Parcel 4 to allow construction of additional Commercial Development.

A grant from the Upton Foundation to develop a wetland mitigation strategy for the Edgewater area.
In 2001, Cornerstone Alliance in partnership with the Berrien County Economic Development Department donated $140,000 to the M-TEC facility to assist with cost overruns.

A Note about Renaissance Zones

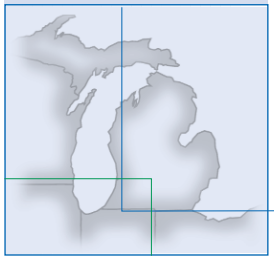
Because the success story of the Edgewater Area is, in large part, a success story of the Michigan Renaissance Zone program, here is a brief explaination of what the Renaissance Zones are, and the tremendous impact they've had on Michigan's *Great* Southwest.



Renaissance Zones, Governor John Engler's plan to revitalize targeted areas in Michigan, are geographic sites designated by the state and local government as virtually tax free. Renaissance Zones provide incentives to establish or maintain residences, retail shopping, industrial activity, and other forms of development consistent with local zoning requirements.

State taxes that are waived for businesses and residents in the zone include the single business tax, personal income tax, and the 6-mill state education tax. Local taxes that are waived include real and property taxes on operating mills, local income tax, and the utility-users tax.

The community received Renaissance Zone designation in December of 1997. In December 1999, the state of Michigan approved increasing the existing tax-free areas to 1,243.93 acres. Additional areas have been phased in and approved as development opportunities have arisen. Renaissance Zones became effective January 1, 1997.



According to figures compiled by the Michigan Economic Development Corporation, as of December 2001: The zones have garnered a list of **182 projects**, with expected investments totaling over **$738 million** and the creation of **more than 5,386 new jobs.**

Our local Renaissance Zone areas have attracted twelve new projects, with expected investments totaling **over $76.9 million** and the creation of **more than 800 new jobs**