

2017 ANNUAL REPORT





Anthem
BlueCross BlueShield

A MESSAGE FROM MOLLY



MOLLY NORTH
President & CEO

This year marks a year of extraordinary growth and transition for Al. Neyer. From career progress, to new projects, we continue to surpass our success from years past. Our team has grown across our footprint, and no longer are we a Cincinnati company doing business in other markets, but a company fueled by local teams positioned for growth in their respective regions. We set this strategy for geographic growth more than five years ago, and our disciplined approach is posting remarkable results.

We wrapped up the year posting \$140 million in revenue, with all three markets contributing positively to the bottom line. This is the result of a dedication to superior client service by our employee-owners, and the sense of ownership that our people bring to their work every day. As an organization built by and with people, developing our talent is the most critical component of our work. And with company growth, comes career opportunity. This year, more than ten of our employee-owners were promoted. These are professionals that model our core values without exception and intrinsically share the company's purpose – to build pride in real estate.

Speaking of pride, this year's report showcases a project in which I could not be more proud – The Offices @ Vernon Place, a 146,000 square foot office building and parking garage which we developed and built for one of our repeat clients, Cincinnati Children's. This was a complex project made possible through partnership with city and community leaders, as well as a group of local African-American investors which represented a majority interest in the ownership. Most importantly, the project supports the continued growth of one of the nation's leading children's hospitals, and advances its critical mission for children and families across the globe of "Changing Outcomes Together."

This year's report will also clearly illustrate extraordinary growth in the industrial sector. With major industrial developments underway in Cincinnati, Pittsburgh, and Nashville, we have expanded existing and developed new partnerships with some of the most exceptional investors on the commercial real estate landscape. Our prominence in distribution space has even earned us attention in *The New York Times* with a feature on the impact of e-commerce on real estate.

Though 2017 marks another record year, it won't for long. 2018 is slated to be our biggest year. And as the chief steward of what we promise our clients and partners, we look forward to more accomplishments together in 2018 in our markets and beyond. We are grateful for the continued trust offered by our new and growing partnerships that promise to deliver outstanding real estate solutions to our clients.

A handwritten signature in blue ink that reads "Molly". The signature is fluid and cursive, with a long, sweeping underline that loops back under the name.

CINCINNATI

In 2017, Al. Neyer took on some of its biggest opportunities ever in Greater Cincinnati, including one project that garnered the attention of *The New York Times*. Led by Executive Vice President and Cincinnati Market Leader, Dan Ruh and Senior Vice President of Operations, Design-Build Matt Blankenship, Al. Neyer continues to serve as a trusted leader in the community we've called home for 124 years.

The Neighborhoods at Summit Park represents a partnership with the city of Blue Ash in Ohio to reinvest in the community and support future growth and renewal for generations to come. The 110-acre project will introduce a dynamic lifestyle to Blue Ash featuring an urban environment with modern walkability, Class A office space, luxury apartments, trendy dining spots, and neo-traditional single-family homes. This is a multi-phase project that will help Blue Ash attract leading employers and the next generation of workers and residents for many years.

Al. Neyer partnered with Hillwood Development Company once again to develop Erlanger Commerce Center, 1.7 million SF of industrial distribution space within two miles of the Greater Cincinnati/Northern Kentucky International Airport at the critical intersection of Interstates 71/75 and the I-275 bypass. Hillwood is eager to take advantage of Greater Cincinnati's strong industrial segment, and we are pleased to be their trusted partner in the market. Our first joint project, the Hebron Logistics Center, was completed in the fall and was featured in *The New York Times* as a solution to the pressing need for e-commerce distribution space nationally.

Developers North American Properties, NorthPointe Group, and 3CDC are heavily invested in the urban renaissance unfolding in Downtown Cincinnati, and they relied on Al. Neyer once again for our design-build expertise to build Encore Urban Living at 8th and Sycamore streets. This 17-story mixed use tower offers luxury apartments, retail, and structured parking. These repeat clients chose Al. Neyer for our ability to build a complicated structure in a tight, urban footprint while remaining true to the developer's standard of quality, budget, and schedule.

We are also helping Cincinnati Children's, which is amid a rapid growth spurt. The Offices @ Vernon Place is an Al. Neyer development and design-build project that serves as a benchmark of diversity and inclusion in the field of commercial real estate. Minority investment groups Real Estate Enterprises for African-American Leaders (REEAAL) and Jade IV represent a majority ownership interest in the project, creating significant inclusion starting with ownership in an industry in which minorities are grossly underrepresented. This project is our third project for Cincinnati Children's and provides essential office space for functions that ultimately support providing health care for more children and additional research.



DAN RUH
EVP, Real Estate Development
Cincinnati Market Leader



MATT BLANKENSHIP
SVP of Operations, Design-Build

In 2017, Al. Neyer was the winner of the *Cincinnati Business Courier* Fast 55 Award for companies with revenue of \$100.1 million or more.



The Neighborhoods at Summit Park, Blue Ash, Ohio



Encore Urban Living mixed-use residential tower



Ground breaking at The Neighborhoods at Summit Park



Hebron Logistics Center, Hebron, KY



“The Hillwood team considers Al. Neyer a trusted partner in both development and design-build construction. We know we can count on their expertise and commitment to service, and Hillwood looks forward to a bright future through our relationship with Al. Neyer.”

– **Kurt Nelson**

Senior Vice President/Market Leader
Hillwood Development Company, LLC

PITTSBURGH

The city of Pittsburgh is a symbol of grit and opportunity, and Al. Neyer's team in Steel City is channeling its own determination to deliver new commercial real estate projects in Western Pennsylvania. The trio of Senior Vice President of Business Development Mark Vella, Vice President of Real Estate Development Brandon Snyder, and Vice President of Design-Build Mike Goldstrom are delivering development opportunities in Greater Pittsburgh and doggedly pursuing projects that show Al. Neyer can deliver more than industrial space.

In 2017, the team completed our second phase of development at the Clinton Commerce Center in Findlay Township. This modern distribution facility offers 265,500 SF of space a mile away from the tarmac at Pittsburgh International Airport. With a prime position near Interstate 376, this development guarantees easy distribution of goods to the Midwest, Northeast, and afar. Al. Neyer has secured control of three other sites in the vicinity and will pursue other development opportunities in the year ahead.

The Strip District in Pittsburgh's urban core is experiencing a resurgence with some of the nation's leading tech upstarts moving in and attracting top talent. Al. Neyer is partnering with Rugby Realty to meet the demand in this urban district with a 420,000 SF mixed-use development. A project that is very much in its infancy, in 2017 we began the planning and design of this space, which intends to offer the urban amenities that are desired by leading companies and the skilled workforce they employ.

2017 also brought the opportunity to complete a facility for Goodwill of Southwestern Pennsylvania that is 25 minutes away from Downtown Pittsburgh in Warrendale, Pennsylvania. Al. Neyer developed, designed, and built this project, which presented a very tight schedule and budget limitations. This project helps Goodwill serve more people in the community and grow its presence in Western Pennsylvania.

"Al. Neyer and their team were a pleasure to work with. They managed construction of our largest Goodwill Store to date. They were professional, organized and delivered a beautiful new location on time and budget. Communication was proactive, and we were part of the entire process – start to finish. We would gladly choose to work with Al. Neyer again!"

Andrew Marano,

Vice President, Donated Good & Retail
Goodwill of Southwestern Pennsylvania



MARK VELLA
SVP, Business Development



BRANDON SNYDER
VP, Real Estate Development



MIKE GOLDSTROM
VP, Design-Build



Clinton Commerce Center, Phase II, Findlay Twp., PA



Strip District, Pittsburgh, PA



Goodwill Industries, Warrendale, PA

NASHVILLE

After two years of pounding the pavement, Al. Neyer has two significant deals underway in Nashville. Led by Vice President of Real Estate Development Rob Gage and Vice President of Design-Build Justin Hartung, our Tennessee team is proving that Al. Neyer is a true contender in our newest market.

In spring 2017, Al. Neyer and investment partner New York Life Real Estate Investors closed on and broke ground on Mallory Green, our inaugural project in Franklin, Tennessee. This region boasts one of the tightest office markets in the United States, and Mallory Green intends to meet that need with Class A office space featuring open floor plans and floor-to-ceiling glass. This airy office is designed to serve a corporate leader that seeks to recruit and retain top talent by offering walkability and a dynamic professional environment.

Last year, our team also closed on a major industrial development, Cedar Farms – a 1.5 million SF e-commerce distribution space with access to three interstates and the potential of same-day delivery to 39 million people within 300 miles of Nashville. Another partnership with New York Life, Cedar Farms includes one of the largest speculative buildings ever built in the Nashville market.

Together, Mallory Green and Cedar Farms have introduced Al. Neyer as a preeminent office and industrial developer in Middle Tennessee. These projects demonstrate our capabilities and our commitment to meeting the region's needs.



ROB GAGE

VP, Real Estate Development



JUSTIN HARTUNG

VP, Design-Build





Al. Neyer onboarded 20 new employees in 2017, including five people based in our Pittsburgh and Nashville offices.

Molly North addresses the crowd at the groundbreaking of Mallory Green



Cedar Farms, Lebanon, TN



Mallory Green, Franklin, TN

“One of the most effective ways to make a community strong is to encourage economic empowerment and inclusion. Al. Neyer is showing other real estate leaders exactly how this can be done in our region. Al. Neyer’s bold examples have set the gold standard for other development firms who are aspiring to include diverse investors in great projects which make our entire community stronger. Congratulations to Al. Neyer for this fine show of courage and cooperation.”

– **Ed Rigaud**

President, REEAAL

(Real Estate Enterprises for African American Leaders)



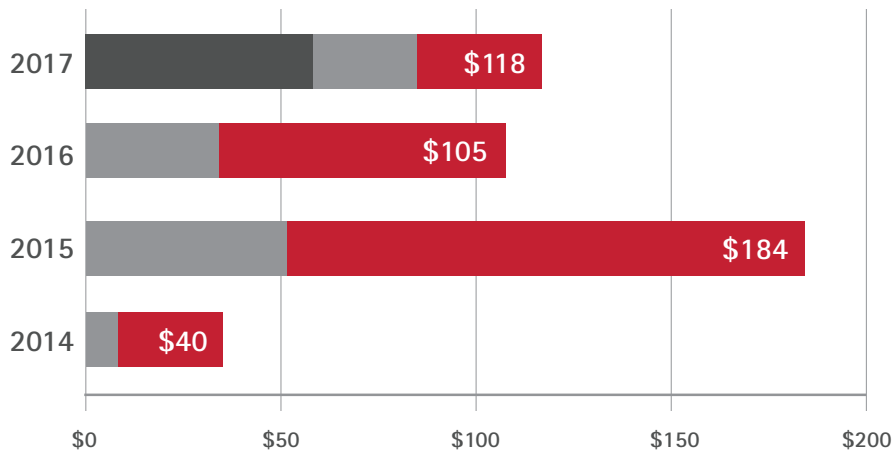
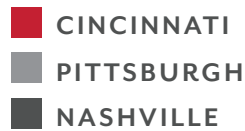
Investors with REEAAL and Jade IV join Al. Neyer President and CEO Molly North and Cincinnati Children’s President and CEO Michael Fisher for a ribbon-cutting at Offices @ Vernon Place in Avondale, Cincinnati.



Cincinnati
Children's
Vernon Place

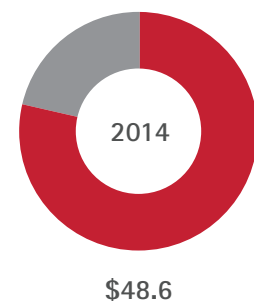
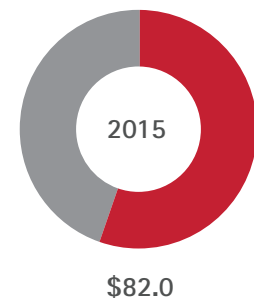
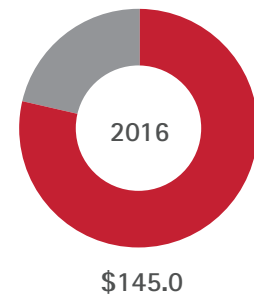
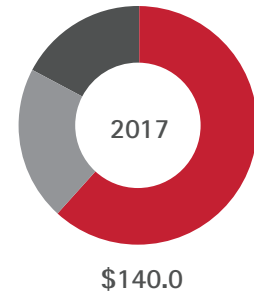
CONTRACT SIGNINGS

(\$ Millions)



TOTAL REVENUE

(\$ Millions)



EXECUTIVE ADDITIONS

In 2017, Al. Neyer recruited two executives to enhance our leadership team and further position the company for growth. Lesley Koth was recruited to serve as senior vice president of legal services and our first in-house counsel. She has experience in working in legal services and investor relations and is a results-oriented driver. Morgan Smith joined the team as our vice president of human resources. Morgan has deep experience in operations management and strategic growth and is leading the charge to recruit and retain top talent. Lesley and Morgan will help Al. Neyer as we stay focused on future opportunities make our employee-owned company bigger, better, and stronger.



LESLEY KOTH
SVP, Legal Services



MORGAN SMITH
VP, Human Resources

LEADING BY EXAMPLE

Al. Neyer received a dozen awards in 2017 recognizing our corporate culture, phenomenal growth, and first-class development and design-build work.



CINCINNATUS ASSOCIATION

Donald and Marian Spencer Spirit of America Award WINNER for promoting diversity and inclusion



CINCINNATI BUSINESS COURIER

Fast 55 WINNER

\$100.1 million in revenue or more



THE CINCINNATI ENQUIRER

Top Workplaces WINNER



NAIOP PITTSBURGH

Industrial Deal of the Year WINNER
Clinton Commerce Center, Findlay Twp., PA



CINCINNATI BUSINESS COURIER

C Suite Awards – President & CEO
Molly North (companies with revenue of \$100 M or more)



NAIOP CINCINNATI

Retail Deal of the Year WINNER
MadTree Brewing Co.

COMMITMENT TO OUR COMMUNITY

Values of philanthropy and voluntarism are interwoven in the fabric of Al. Neyer's core values. When we say *We Take Ownership* and *We Build Relationships Through Trust*, we believe those values extend beyond the boardroom and into the neighborhoods where we live and work.

Al. Neyer and its employee-owners invested in many organizations doing critical work in our communities including Cincinnati Children's, United Way, American Heart Association, Cincinnati-based Artswave, Riverlife in Pittsburgh, and Salama Urban Industries in Greater Nashville.

Our employees also contributed their time and talents to many causes including Cincinnati Community Toolbank's Building on our Community event, Give Back Cincinnati's Paint The Town event, and People Working Cooperatively's Repair Affair event.



Al. Neyer volunteers at Give Back Cincinnati's Paint the Town event

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