

Buzz Looks Through the Keyhole at a Big Hotel Deal

Florida Citrus Board Rejects an Offer from Steven Spielberg

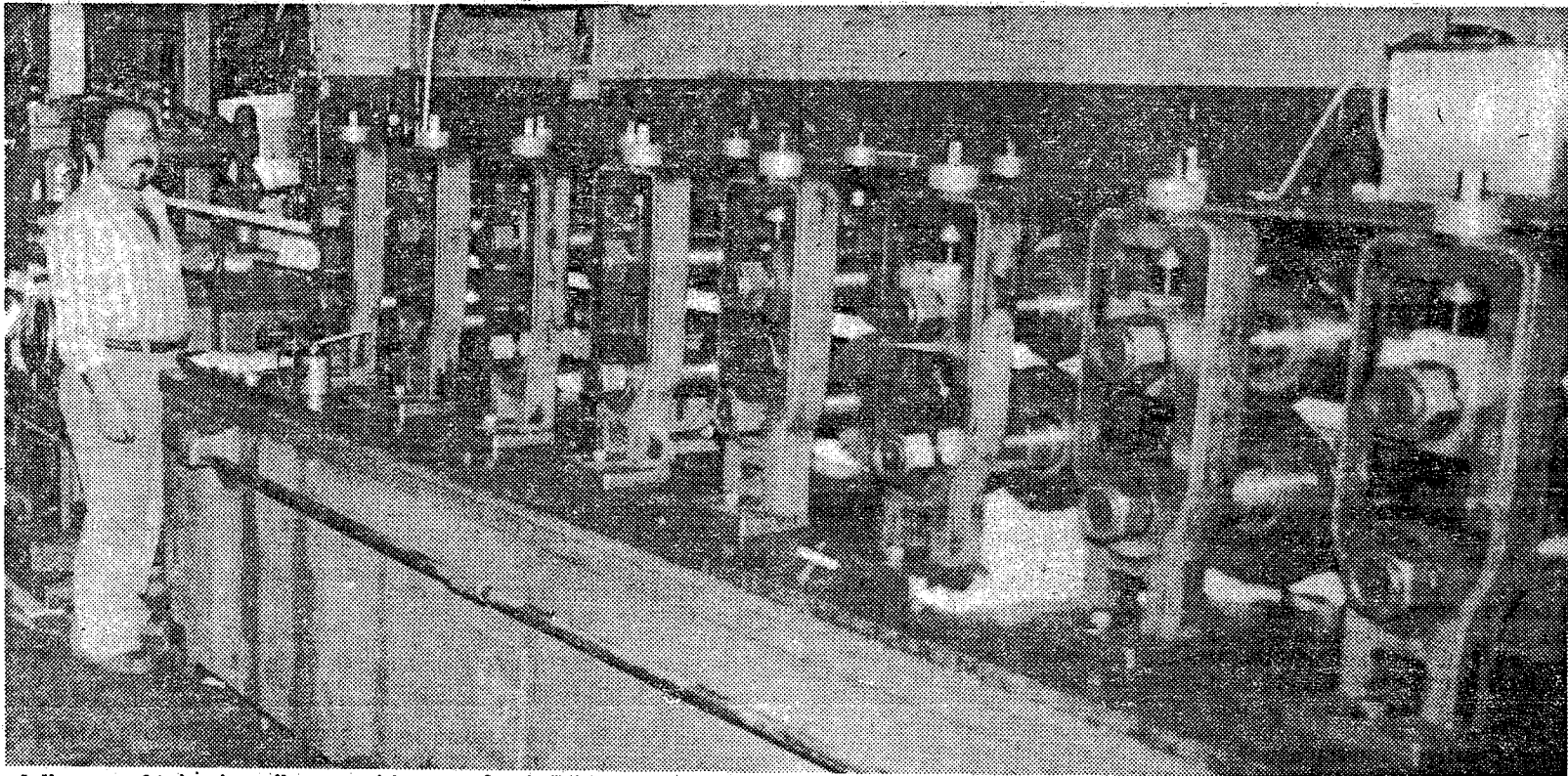
He Said It

"In a democracy, you believe it or not; in a dictatorship, you believe it or else."

Laurence J. Peter

BUSINESS

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A lineup of tube-bending machines at Craft-Bilt's cramped old building

Staff Photography by Sam Peoras

Firm Shows It Has Staying Power

By CHARLES ROBB
Daily News Staff Writer

A year ago, Philadelphia was about to lose another company from its thinning ranks of small manufacturers.

Craft-Bilt Manufacturing Co., a North Philadelphia firm whose 30 employees produce aluminum home-improvement products, needed more space, and it was getting no help from the city.

"We had really had it," recalls Craft-Bilt's vice president Andy Stone. "For years and years we couldn't get anything from the city. We couldn't even get the sewers cleaned."

Today, however, Craft-Bilt has given up any thought of moving and is about to expand into a modern building next to its plant at 18th and Cambria. The extra space will enable the company to add new products and at least 20 workers over the next two years, Stone said.

What happened?

The turnaround came in January, when newly elected Mayor Goode dropped in on Craft-Bilt during a tour of businesses in Hunting Park West. Sitting down with Andy Stone and his father, Donald "Bud" Stone, Craft-Bilt's founder and president, Goode heard some frank talk.

"We'd like to stay here," Andy Stone told Goode. "But groups outside the city are offering deals it's hard to refuse. We're looking for more from the city."

It was not chance that led the mayor to pick Craft-Bilt out of the thousands of small firms in the city. The visit had been carefully planned by Charles Pizzi, who had just joined the administration as deputy commerce director. Pizzi, former vice president of the Philadelphia Industrial Development Corp. (PIDC), had talked often with the Stones. He knew the problem. "This was my first challenge," Pizzi said last week.

The Commerce Department first looked for buildings that might suit Craft-Bilt. Then in late



Now there's room to expand at the new building nearby

spring came a windfall: Craft-Bilt's neighbor, the Cordomatic unit of the Chicago-based Vacuum Cleaner Corp. of America, folded up and moved west, leaving two buildings available.

The Cordomatic facility was just what Craft-Bilt needed, and Pizzi turned to the financing. The result was a \$1-million package including \$325,000 to buy the Cordomatic building, \$175,000 for equipment, and the remainder for various costs associated with the deal. The package combined a low-interest loan from the state for \$274,000, two Philadelphia National Bank loans totaling \$484,000, and a PIDC loan for \$167,000, with Craft-Bilt putting up the balance. In addition, Pizzi said, a second Cordomatic building was given to the city, yielding a tax deduction for Vacuum Cleaner Corp., and the donated building is to be turned over to Craft-Bilt also.

In size, the Craft-Bilt deals were routine for PIDC and the Commerce Department. But Pizzi

termed them "very important" for other reasons. "Manufacturing is vital to... this city. We do care about this kind of industry."

Another key factor, Pizzi said: "It's in a neighborhood we need to stabilize. It's important to keep family-owned businesses that have put in a lot of sweat equity. They are beneficial to neighborhoods and hire local residents."

Indeed, Craft-Bilt has been a family business since Bud Stone started it 40 years ago as a one-man venetian blind shop in a basement at 22nd and Tioga. After two moves, the growing firm settled at its present location about 20 years ago.

Bud Stone still likes the area, despite its rundown appearance. "If business people have any sense, they should come in here. It's a culture shock for people from out West or out of the country. But we have an excellent labor market and excellent transportation. I don't see anything wrong with it."

BUZZ

Four-Star Option. The Bellevue Stratford, besieged always by rumors of its fate, is under fire again. Word on the street is that the Bellevue is quietly — very quietly — on the market. Although higher-ups at Richard I. Rubin Co., which own the building, are sidestepping the scuttlebutt, Buzz hears that discreet inquiries were recently made into buying the property. One scenario would be to turn 410 of the 560 keyed rooms, as they say in the biz, into pricey condos and keep the rest as hotel rooms. Rubin would hang on to the hotel side, keeping also the ballroom, eateries and meeting rooms. In 1977, Rubin bought the hotel for \$8.25 million, and in 1980, Westin, which manages the hotel, bought a 49-percent interest from Rubin. Now, the juicy bit is that the Philadelphia Authority for Industrial Development (PAID) stands to make a nice windfall if a deal ever goes through. PAID owns the land on which the Bellevue is perched and leases it to Rubin. A new buyer would have to purchase the land at its current assessed value — higher certainly than the \$5 million forked over by PAID six years ago. Round and round she goes, where she stops...

First Down. Stars owner Myles Tanenbaum is off and running with his new real-estate investment outfit, EQK Partners in Bala Cynwyd. EQK, a partnership of Myles' shopping-center development company, Kravco, and Equitable Life Assurance, have registered with the SEC for the sale of 10 million shares to raise \$181 million. The offer, to be underwritten by Salomon Bros., is one of the largest initial public offerings ever made by a real estate investment trust. Myles and his merry men want to buy a seven-building office complex in Atlanta, a 46-building office-warehouse complex in Indianapolis and Harrisburg East Mall. The deal is that the trust — unusual in that only a limited number of shares will be sold — intends to hold the properties from eight to 12 years, then cash in within 14 years.

Stocking Stuffers. In no time flat, Philly's citywide Christmas hoopla will be upon us. Coughing up \$10,000 for the main event at Dilworth Plaza Dec. 5, when the mayor lights the tree and 1,000 schoolchildren warble Bach tunes and Christmas carols, is Mellon Bank. "One City, One Song" launches both Bach's birthday and "Find the Elf in Philadelphia," the holiday promotion sponsored by 23 Center City commercial, civic, corporate and cultural groups. Donating \$6,000 for this year's guide of holiday events, which is put together by the Center City Association of Proprietors, is Keebler, the cookie elves.

— CAROLINE STEWART