

THE GLOBE AND MAIL

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SECTION B

Report on Business

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WTC: Leasing two whole floors for operations was affordable after 1993 attack

THE 9/11 DECADE

Close calls and grim reckonings

Montrealer built WTC restaurant network, then sold it months before Sept. 11

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REAL ESTATE REPORTER

Stephen Leopold was hours into grueling tenant negotiations when his stomach told him it was time to take a break.

Sequestered in a small board room in New York's World Trade Center, he decided to walk out and let the lawyers bicker about the real estate deal that would eventually see News Corp. move into the building that now bears its name on Avenue of the Americas. He made for the food courts, intent on beating the lines. He wanted chicken wings, and he didn't want to wait.

"I went to the lobby and asked the security guard where the food was and he looked at me like I was crazy," Mr. Leopold says. "I figured he was new, so I asked someone else. The answer was the same – if you wanted food, you had to go outside



Stephen Leopold in Montreal, his hometown. PETER MCCABE FOR THE GLOBE AND MAIL

the building."

It was 1995, and the confused security guards sparked an idea that would see the gregarious Montrealer develop two acres of food courts in the tallest office buildings in the world, only to sell them months before the tow-

ers were destroyed by terrorists. For a brief moment in history, Mr. Leopold presided over the largest food courts on the planet.

He sold his rights to a group of partners six months before the towers were hit on Sept. 11, 2001.

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» The deal was structured in a way that much of his compensation was to come from future revenue at the food courts. But that's not important to him – he knows his story is a small footnote in history, and is thankful that the only thing he lost that day was money.

"I'm the luckiest guy in the world," he says, his eyes filling with tears. "I didn't lose any members of my family, and my children did not lose me."

As he rebuilds his career in Montreal, the city he grew up in, after decades in New York, Mr. Leopold has begun to speak more openly about his past – perhaps motivated by talk that he is positioning himself for a run at the mayor's job (a rumour he won't comment on with anything but a smile).

And one of the untold stories of the World Trade Center is how Mr. Leopold managed to convert two floors into kitchens and event space, filling an obvious need simply by asking the building's owners if they would let him lease some space.

"It's a very unlikely thing," says Mr. Leopold, who is currently the Quebec chairman for commercial real estate brokerage Avison Young. "When I look back, it seems so audacious."

Although more than 50,000 people worked in the World Trade Center's two towers – the equivalent of 10 Bank of Nova Scotia towers in Toronto or 18 CIBC towers in Montreal – there were only seven food counters at the base of the complex when Mr. Leopold visited in 1995.

He saw everyone leaving the building and coming back with food and was sure there was a business plan to be developed, but it seemed like such an obvious omission that he was certain there had to be a logical reason for the lack of facilities. He was right – the company that provided catering and delivery services for the office workers was located in the basement of the towers. When terrorists struck just two years earlier with a car bomb in the underground parking garage, they destroyed most of the company's facilities.

The Port Authority of New York and New Jersey cancelled their contract because of the destruction. The landlords knew they had a food problem, but nobody had bothered to approach the building's managers with a solution.

And then Mr. Leopold walked in. He had a vision to convert two full floors of space into res-

taurants, and didn't even need to move any tenants to make it happen. He targeted the sky lobbies in each tower – floors in the middle of the structures where people changed elevators before being lifted even higher.

The foot traffic was guaranteed, and the space wasn't being used. For \$28 a square foot, he struck a deal and began putting together a list of restaurateurs to work in the commercial kitchens he would build. He was able to secure the space inexpensively because tenants weren't keen on being in the towers after the first bombing: Comparable space in other buildings would have cost twice as much at the time.

"You had this whole stigma in those towers, they weren't where anyone really wanted to be at the time," he says. "That presented an opportunity to get in there at a good price and build something truly exceptional."

While the space was called a food court, it was more like a food factory. Mr. Leopold signed contracts with dozens of food providers to work in the giant shared kitchens. He excluded national chains from his plans – with the exception of Popeye's Chicken (because it's hard to do fried chicken well, apparently) –

and instead recruited entrepreneurs who would pay close attention to their menus and offer a varied selection.

He also realized that most of the people who worked in the towers were used to eating at their desks, and the city has a strong culture of ordering in. So rather than flood the space with a lot of seating, he focused his efforts on building a robust delivery system that took orders by phone, Internet and fax and then delivered to front desks throughout both towers.

Frustrated delivery boys had become a common sight at the World Trade Center, because they had to check in with security before they could drop off the orders. (And if the person who ordered wasn't at his desk when the call came, the delivery person had to go to the back of the line and go through the entire process again.) Mr. Leopold's venture would have avoided all that.

"I didn't want generic food," he says. "I wanted thick hamburgers, the kind you would get if you came to eat in my backyard. I wanted poutine, I wanted food that people would remember. And I wanted to be able to deliver it fast, which I could do because I was already behind

the security perimeter."

It was a great concept, and by that fateful September day, Mr. Leopold's food courts were well on their way to completion on the 44th floor of the North Tower and the 78th floor of the South Tower.

When the second plane hit the South Tower at 9:06 a.m. on Sept. 11, it crashed through the 78th floor windows.

"I looked out those windows with my children all the time," he says. "I have nightmares still where they are looking out the window as the plane approaches."

The deal would likely have left him financially secure for the rest of his life. But tragedy has a way of focusing the mind on more important things than money, and every day Mr. Leopold thinks about how lucky he was to have not lost any close friends or family.

"Money is only money," he says. "I didn't lose close friends. But I'm always thinking about the people who I saw every day – the people who opened doors, who mopped the floors."

"I'll never know what happened to them, and that is incredibly sad. There were so many good people, and I'll truly never forget any of them."