

Real Estate

Developer to convert historic Terminal Warehouse

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In what some say is a rare example of cooperation between city officials, preservationists and a developer, the historic Terminal Warehouse building in downtown Baltimore is to be converted by RWN Development Group into about 150 rental apartments and 20,000 square feet of first-floor retail.

Located just a few blocks north of City Hall, the 160,000-square-foot warehouse, which was once used to store tons of flour shipped on Pennsylvania Railroad freight cars that unloaded at Calvert Street Station, was originally part of a parcel on which RWN president Richard W. Naing hoped to build a high-rise office tower.

Last fall, Baltimore Heritage Inc., a nonprofit preservation group, raised objections to the high-rise plan because it called for the demolition of the warehouse, which now houses Fort Knox Self Storage of Baltimore.

The building, which was built in 1894 by Benjamin Buck Owens, the architect of many of the original industrial-use structures at Sparrows Point, is historically important, according to Johns Hopkins, executive director of Baltimore Heritage.

"It was from an era where it wasn't just a utilitarian design," he said. "The stonework and the arches were meant to be statements as well."

Several meetings starting in the autumn of 2007, which included Naing, Hopkins and City Councilman William H. Cole, resulted in a compromise: Naing agreed to save the warehouse, as long as he could convert it into apartments and still have enough space for his office tower project.

"They said, we would love to make this a precedent," Naing said. "That's a problem in Baltimore, is that you have a lot of historical buildings that you want to save, but the developer is saying that if I don't tear it down, I can't have frontage and setbacks that I need. Sometimes a developer loses four times the value of the entire site with the square footage he can build."

Naing owns nearly all of two city blocks that front on Guilford and Holliday streets, near where Interstate 83 becomes President Street. He has long planned to build two skyscrapers on the sites that would be the tallest buildings in the city.

In February, Naing proposed a Planned Unit Development, or PUD, for approval by the city's planning commission and city council.

Under the PUD agreement, which received final approval by the mayor on Monday, Naing was able to consolidate all the parcels he owns on the Terminal Warehouse block under one zoning designation, which simplifies his office tower plan, in return for a promise not to tear down the historic structure.

"I think this is an example of the PUD model being used to preserve a structure that should be thought of and brought up



in other situations in which preservation and development might be in conflict," Hopkins said.

Naing has enlisted Baltimore architect Donald R. Kann, whose firm, Kann Partners, has worked frequently with RWN in the past, to convert the structure into one-bedroom and studio units, which could range from 370 to 700 square feet and rent from \$800 to \$1,500 per month.

According to preliminary floor plans, the apartments will be arranged around a six-story atrium, which may include a "floating" fitness center and swimming pool for residents.

"The challenge for this building has been the large footprint and the geometry," Kann said. "You can't get natural light into an apartment if it's 90 feet in."

The apartments will be ready in 2010, said Naing, to coincide with nearby Mercy Medical Center's \$400 million expansion, which is under way. He said he expects Mercy employees to be prime candidates to rent apartments at the Flour House, as the development will be known.

"We welcome new development in this northern edge of the Central Business District," said Thomas R. Mullen, president and CEO of Mercy Health Services Inc. "We'd love to see more residential. More residential would make the downtown area more vibrant."

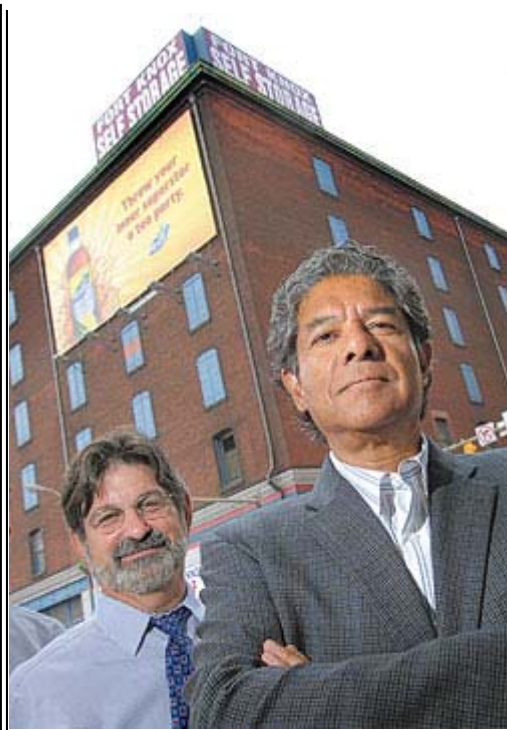
Mercy drew fire in 2007 when it razed several historic row homes to make room for its expansion.

Councilman Cole, who praised the developer's cooperation with city planners and preservationists, said it was "exciting to think that you could have another revitalized area, which right now is just dead.

"After you've done Inner Harbor East, there's really only one major downtown parcel left to develop, and that's the area right around the end of [Interstate] 83," Cole said. "You have another great opportunity to build density, to connect to Mercy's outstanding growth and fill in some of these surface lots in the heart of downtown. Surface lots are really the poorest use of downtown space."

In the meantime, Naing said he still plans to go ahead with his plan to build two office towers on the Guilford and Holliday parcels, but he admitted that he is waiting until the time is right.

"Our concept for Baltimore is mixed-use," he said. "If you go to Shanghai or Hong Kong or even New York, people realize that putting different uses together makes sense. ... We don't build without a pre-lease, and we don't build if the market is not conducive to new products. Right now the market is very conducive to rental apartments."



Architect Donald Kann (left) of Kann Partners and developer Richard Naing of RWN Development pose in front of the historic Terminal Warehouse building on Guilford Ave.