

# Howard/Arundel REPORT

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## ***Redevelopment At Mack Truck***

Preston Scheffenacker Properties has set itself up to offer bulk distribution sites for Class A tenants.

The Lutherville, Md.-based firm just paid approximately \$7.1 million for 8000 Telegraph Road in Severn, better known as the former home of the parts warehouse for Mack Truck.

Scheffenacker's plan is to knock down the 221,000 square foot warehouse now adorning the 23-acre site and replace it with a plan for either a one- or two-building configuration, in either case producing a total of 350,000 square feet.

Scheffenacker already has coming industrial potential ahead of it, in the next phase at Preston Gateway in Hanover. But the largest single space in that phase would top out at 250,000 square feet, and users that need more are seeing dwindling options, particularly in the new buildings with the amenities that the national companies like. For the 'plus-size' users, only three or prime spaces are currently available.

Seller Knickerbocker Properties had bought 8000 Telegraph Road in 2005, for \$8.2 million, according to the Land Records.

Michael Elardo, Ben Meisels, Matt Laraway and Jared Ross of Cushman & Wakefield brokered the transaction, and will handle the leasing going forward.

## **School Tuition**

### ***Adding Meade Classrooms Frees up 'Gateway'***

Another developer has decided that paying for school capacity beats waiting for it.

This time it was Ribera Development, an Annapolis-based firm that has proffered to pay \$4.5 million to add classrooms at Meade High School in Severn. At a recent evening meeting, the Anne Arundel Board of Education agreed to accept the offer, clearing a big hurdle toward the development of 'Arundel Gateway.'

Ribera's school funding is part of a tag-team effort with the Polm Companies to create school capacity in the Meade feeder system, for it is Polm's promise to fund the Imagine Academy in Laurel that would provide elementary school capacity locally. Polm hopes to develop 1,000 units at 'Riverwood' off Brock Bridge Road in Laurel. In the end, Polm and Ribera would profit from the other's school proffer. As a back-up, should Riverwood not materialize, Ribera is ready to build a \$3.75 million addition at Maryland City Elementary.

Arundel Gateway is a mixed-use project on the south side of Route 198 just east of the Baltimore Washington Parkway, where Ribera originally staked a claim and then brought in Greenberg Gibbons Commercial in 2008. Gateway seems to have flirted with every possible obstacle, including an impatient stint in the long-delayed General Plan, a hard-fought change in the Comp Zoning, a complicated water deal with the county that the developers ultimately didn't pursue, and then the school capacity problems. But the project has proven to have some Energizer Bunny in it and Ribera is now on a timeline for winning approvals through 2012, with a groundbreaking at the end of the year or early next year. That includes building a new pump station. Ultimately, Gateway will include about 1600 residential units, and some 300,000 feet of offices, retail and hotel space.

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**Builder Talk.** Officials with the joint venture say they are talking to builders but have made no firm plans. The residential side of Gateway will clearly be the component to move first, probably in two different sections, with the commercial to follow as the market materializes. Ribera has a 50-acre 'stand-alone' parcel farthest east along Route 198 – and thus closest to Fort Meade – that it calls 'Liberty Valley,' where it plans a mix of attached product.

Koch Associates was the first developer stymied by school capacity to open its checkbook for the Board of Ed. Its willingness to underwrite an addition to Broadneck High School in Arnold has since freed up the Deep Creek subdivision, with a second one coming.

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