

'Value-Add' Works for Two

A pair of industrial leases in the second half of 2011 vindicated decisions by two buyers to make 'value added' plays in the Corridor.

The value-add part is of course the hunting down and signing of tenants. Both Atapco Properties and Terreno Realty bucked the conventional thinking, and, instead of purchasing the safety of well-leased buildings, opted for properties with a distinct echo to the interior. Atapco Properties did it at 8730 Greenwood Place, which it purchased one-quarter leased in the spring of 2010 for \$37 a foot, or \$4.5 million. Terreno made a similar move in buying the half-empty 8441 Dorsey Run Road in Jessup, the building that infamously suffered the caved-in roof from a heavy 2003 snowfall.

Now Atapco has signed E&G Classics, while Terreno wrote a year-end deal on Dorsey Run Road with Southern Pacific. At Greenwood, Atapco put auto customizer E&G into 51,180 square feet in August, leaving itself 38,000 square feet to fill.

For its part, Terreno had bought 8441 Dorsey Run about 44 percent to Sterling Moving & Storage, leaving itself better than than half of the 135,000 foot building to fill. But going forward, it had the benefit of a full-building renovation completed earlier by Federal Capital Partners.

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Zoning Winners in AA Comp Plan

The dust has now settled on another phase of Anne Arundel's Comp Zoning plan, making it safe to report.

The Council entertained and approved some five dozen amendments, three of which didn't make it past the County Executive's veto pen. The biggest changes were to the supply of C-4 zoning in Glen Burnie and Pasadena, but the Council also added some new multi-family opportunities.

So herewith are some of the higher profile projects that gained zoning changes:

- Douglas Jemal won a change from C-3 to C-4 for his 'Bay 50' property on Route 50 at Whitehall Road in Annapolis. Jemal said he has been approached by a car dealer that wants half the site. The other half will remain as retail.
- Ribera Development and Hogan Companies. Between them, the two control nearly 14 acres at Brightview Drive and Veterans Highway in Severna Park. They agreed that an upzoning from single-family to multi-family (or R-2 to R-10) was appropriate.
- A 13-acre mobile home park owned by Pickwick Manor Inc. was upzoned from R-1 to R-10. It's located at 6226 Telegraph Road.
- The Magothy Gateway Shopping Center is only about 10,000 square feet right now but could get much larger. The owners won a change for about 15 acres residential to commercial (C-3) in order to redevelop as a grocery-anchored center. It's located at 157 Ritchie Highway in Severna Park.
- It's C-2 and C-3 zoning for about 70 acres in the southeast quadrant of Telegraph Road and Route 100, north of Odenton. Ribera Development, Attman Corporation and a private property owner won the change from the current residential. The General Plan had recommended that the area be upzoned for a mix of commercial.
- Though controversial, some 27 acres on Long Hill Road were rezoned for multi-family development. Koch Associates argued the ground is impacted by Route 100, and surrounding properties have already been upzoned.

Study Suggests New Approach for Route 1

A new report done for Howard County says the county has to reconsider its policies toward both Route 1 and the Snowden River Parkway/Dobbin Road area if it wants to achieve its economic goals.

The study particularly warns against the misperception that Route 1 is an economic weak sister and needs to be fully overhauled. Instead, says the study, the corridor is home to 30 percent of the county's jobs, and serves a vital, if not particularly attractive, function. The study warns that the corridor's economic development potential needs to be reaffirmed, in view of coming cyber-security growth.

The study recommends the county revisit its housing policies, as the practice of artificially suppressing housing growth may now be leaving residential land overvalued. That is sending developers to the Route 1 corridor in search of high-density housing they can't find elsewhere.