

BRAC developer snags full-building lease

■ Military contractor
moving to Aberdeen project

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SPECIAL TO THE GAZETTE

L-3 Communications' Command & Control Systems and Software unit has signed a full-building lease to move about 400 employees to a new 75,000-square-foot commercial property at the Government and Technology Enterprise project, inside the gate of Aberdeen Proving Ground, taking the entire building.

The project, developed by Baltimore's St. John Properties, is scheduled for completion next fall. It is part of the 413-acre office complex that the company is building at the behest of the Army as part of the Pentagon's Base Realignment and Closure program, which is expected to steer more than 12,000 military and private contractor jobs to Harford County. The three-story, Class A building is under construction at 6280 Guardian Gateway.

"After considering other options, we concluded that the proximity of The GATE to our customer would enhance communications and interactions and would strengthen our partnership," said John Medea, president of the Command & Control unit.

The unit, with headquarters in Marlton, N.J., provides the military with systems and software engineering and integration, software development and field support services.

"L-3 is a significant presence in the defense contracting industry, and their decision to add 400 employees to Harford County will have positive and far-reaching economic development effects on the entire region," County Executive David R. Craig (R) said in a press release. "These are exactly the type of jobs, filled by highly educated and skilled workers, that will create a long-lasting ripple effect to the benefit of area businesses and retailers."

The new building is designed for silver certification under the U.S. Green Building Council's Leadership in Energy and Environmental Design program.

"Attracting L-3 Communications continues our momentum of bringing

the nation's best firms to our project, as well as companies that are recognized for leadership and excellence in their industry combined with a strong commitment to the local community," said Jerry Wit, St. John's senior vice president for marketing. "The GATE is rapidly becoming a who's who of companies with significant contracts in the defense industry and substantial work forces that will reside in this area in the long-term."

As part of the first phase of development of the project, St. John is constructing five office buildings and research and development buildings, totaling more than 285,000 square feet, which are designed to satisfy the backlog of commercial real estate space at Aberdeen.

St. John estimates the total build-out at about 2 million square feet over more than 20 years.

Pax River Office Park gets \$8M in refinancing

Holliday Fenoglio Fowler said it arranged an \$8 million refinancing for Pax River Office Park, a seven-building complex in Lexington Park.

The office park's owner, The Hampshire Cos., will use the loan proceeds for capital and tenant improvements and leasing commissions. Holliday Fenoglio secured the fixed-rate loan through Maryland Bank & Trust Co.

"Pax River Office Park's proximity to the [naval air station] provides it with a distinct competitive advantage as fierce competition for government contracts draws and retains tenants to the office park," said Holliday Fenoglio senior managing director Jon Mikula.

Hampshire bought the 172,235-square-foot office park last year for \$14.5 million. The complex has five low-rise office buildings and two flex buildings that are 97 percent leased to tenants including Naval Air Systems Command, Lockheed Martin, EMA, CACI and Serco. The property is on Great Mills Road, a mile from the

Patuxent River Naval Air Station.

GXS signs to keep HQ in Gaithersburg

GXS will move into its new headquarters in Gaithersburg in April, when it occupies 83,737 square feet at The Summit at Washingtonian building, according to the building's owner, Washington Property Co. of Bethesda.

The previously announced move is prompted by Montgomery County's police and fire headquarters taking over the current GXS space at 100 Edison Park Drive. The new 341,692-square-foot office building, at 9711 Washingtonian Blvd., is a Class A property with access to the Shady Grove Metro station, I-270 and I-370.

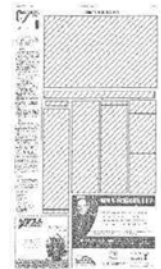
"With its convenient location and access, strong amenity base and excellent visibility overlooking I-270, The Summit at Washingtonian is attractive to corporate users, like GXS, looking for premiere Class A office space," said Charles Nulsen III, president of Washington Property, in a statement.

GXS will occupy the top three floors and a portion of the fifth floor of the eight-story building. Washington Property purchased the 7.4-acre office development site in mid-2007 and broke ground on this first of two planned office buildings in February 2008.

Washington commercial market ranked as nation's best

The Washington metropolitan area's commercial real estate market was called "recession-proof" and ranked No. 1 in the nation, according to the report "2010 Emerging Trends in Real Estate," released by the Urban Land Institute and PriceWaterhouseCoopers.

The annual study of more than 900 developers, investors, brokers, analysts, researchers, appraisers and academics said that the Washington market and its close-by suburbs have been insulated by federal spending



against a national crash in commercial real estate values that could see property value declines in the coming year of 40 percent to 50 percent off 2007 market peaks.

The survey showed that while lenders have stopped financing new projects or called loans in most cities, "major insurers and big banks have taken a long-term view and are actually providing financing for new deals" in the Washington area. Bethesda remains a hot spot and should benefit from the move of Walter Reed Army Medical Center from Washington to the National Naval Medical Center and increased bio-medical spending.

Microsoft marks opening of new Chevy Chase office

Microsoft formally opened its 134,000-square-foot office in Chevy Chase on Thursday, with the space to house a portion of Microsoft's U.S. Public Sector division, including federal, state, local and educational divisions, and Microsoft's Health Solutions Group, which is focused on health information technology products and services.

The building will ultimately house some 500 new and relocated employees within the next 12 to 18 months, according to Microsoft information.

Commercial real estate news items may be mailed to: Steve Monroe, The Business Gazette, 9030 Comprint Court, Gaithersburg, MD 20877; e-mailed to smonroe@gazette.net; or faxed to 301-670-7183.



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Nursery Corner, a 156,215-square-foot Class A office building at 1550 W. Nursery Road, Linthicum, has been sold to Corporate Office Properties Trust of Columbia for \$38 million, according to real estate services company CB Richard Ellis Group. The building is 100 percent leased to Northrop Grumman. CB Richard Ellis was exclusively retained to help complete, market and sell the property by the receiver appointed by the Circuit Court for Anne Arundel County, after bankrupt Opus East of Rockville had completed about 80 percent of the construction. The building is certified under Leadership for Energy and Environmental Design standards by the U.S. Green Building Council.