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DEVELOPMENT

# Known for its low-slung buildings, developer is headed skyward

*St. John Properties building higher as land acquisition opportunities level out*

BY JAMES MOSHER

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A developer is using land-acquisition difficulties as a springboard to creating taller office buildings.

Known widely for low-slung buildings in the central Baltimore corridor, Woodlawn-based **St. John Properties Inc.** recently announced plans to diversify into multistory "Class A" buildings.

Established 35 years ago, the company is embarking on the strategy following a year in which its assets topped \$1 billion for the first time and it changed its name from MIE Properties Inc.

SONIA KINZER



'For 10 years we hammered that Ed St. John [the firm's founder, shown above] is the flex king of Baltimore. Now we want people to know we're about more than flex,' said Gerard J. Wit, St. John Properties' vice presi-

dent. "We've done too good a job of branding ourselves as leaders in flex/office," said Gerard J. Wit, the company's vice president of marketing and leasing. "For 10 years we hammered that Ed St. John [the firm's founder] is the flex king of Baltimore. Now we want people to know we're about more than flex."

The building known as 888 Bestgate Road, a 130,000-square-foot structure in Annapolis, was the first multistory undertaking, Wit said. The facility, which opened in 2003 and is 100 percent leased, garnered record-setting rental prices for the company,

behind the strategy, Wit said. The fact that St. John is typically able to get more money from the newer products than it can from its shorter mainstay flex/office buildings also is important, the executive said. Zoning laws also factor in.

"Things have tightened up considerably in the past five years," Wit said. "There's nothing newly zoned industrial."

Some existing flex/office projects may be torn down and revamped into multistory projects, Wit said. A number of multistory and mixed-use projects will be announced in the next few weeks, St. John said in its news release.

"When we now look at property for potential development activity, we con-

Wit said.

St. John's Lord Baltimore Drive headquarters, which the company moved into in August, as well as One Melford Plaza in Bowie are other examples.

Scarcity of land is the main driver

consider the full spectrum of real estate product for the site, in an effort to decide the highest and best use," Wit said.

**Military demand**

Catering to defense and homeland

security companies that may make Maryland home or boost facilities already here because of changes recommended by the Base Realignment and Closure Committee is on the margins of St. John's strategy. The developer is marketing to companies interested in Anne Arundel County, home to Fort George G. Meade, as well as looking to buy land in Harford County, site of the Aberdeen Proving Ground. The closure of a Fort Monmouth, N.J., military installation is expected to push thousands of jobs to Aberdeen and Fort Meade.

Property developers such as **Opus East LLC**, a Rockville-based subsidiary of Opus Group that's negotiating to buy 200 acres in Aberdeen to build a 2-million-square-foot office and research and development complex, are positioning themselves for the time the jobs begin parachuting into Maryland. St. John is hoping to cash in eventually, but its diversification strategy has more immediate and somewhat different aims, Wit said.

"It's not like they're coming tomorrow," he said of relocating government and civilian workers. "There won't be anybody moving in until 2007."

The immediate Anne Arundel needs that St. John is looking to satisfy have to do with what Wit calls "spillover" from the National Security Agency, based at Fort Meade, and companies interested in being near Baltimore/Washington International Thurgood Marshall Airport.

Baltimore Crossroads@95, in which St. John has contracted to build the 2.2 million-square-foot flex/office/R&D portion of the 1,000-acre development, will likely steer some defense firms into Baltimore County. Government officials there have joined with colleagues in

Harford and Cecil counties to market their areas jointly as "The Chesapeake Science & Security Corridor."

"As more technology firms move to central Maryland as part of the expanding operations at Aberdeen Proving Ground and Fort Meade, it's clear that there will be strong demand for more office space in the Baltimore

**"It's all about making sure his clients get a quality building."**

*Architect Robert Hoffman said of Ed St. John*

region, particularly along the I-95 corridor," Fronda J. Cohen, communications director of Baltimore County's **Department of Economic Development**, wrote in an e-mail.

#### **New competition**

Besides increases in height, St. John's drive into multistory also involves quality improvements.

In describing One Melford Plaza, a four-story structure of 150,000 square feet designed by architectural firm Robert Hoffman & Associates, St. John emphasized the building's two-story atrium lobby, original artwork, mahogany paneling and marble flooring.

St. John also touts "an exterior of blue ribbon glass and brick, with virtual column-free construction on its 37,500-

square-foot floorplates" included in the building, part of the Maryland Science and Technology Center.

The move to multistory gives architects more room to be creative, said Robert Hoffman, whose company designed St. John's first three multistory projects and expects to design more. The architect praised the attention to detail of Edward St. John, who Hoffman has worked with for 20 years.

"He's a very good client," Hoffman said of St. John, who also is a member of the Baltimore County Planning Board. "He pays attention and asks a lot of questions. It's all about making sure his clients get a quality building."

Frederick County and Northern Virginia are other areas where St. John is looking to acquire land. Besides Maryland and Virginia, the company also has projects in Colorado, Louisiana and Wisconsin. It has developed more than 11 million square feet of flex, warehouse, office and retail space.

St. John will be vying with multistory players such as **Corporate Offices Properties Trust** and several other firms it hasn't traditionally competed against, Wit said. Its longtime rival is **Nottingham Properties Inc.**, a Towson-based company with project development, asset management and construction arms.

Reflecting its history, most of St. John's demand is still for single-story flex/office. The company plans to continue atop that market segment, according to Wit.

"Developing flex/office space remains our bread and butter product offering," he said. "But we want to be seen as an across-the-board developer."