

**BALTIMORE MAGAZINE - SEPTEMBER 2007****ROUND AND ROUND**

**A community waits for big changes to the Rotunda.**

By Christina McCausland

When AMB Property Corporation, an industrial real estate developer, sold Hampden's aging Rotunda to New Jersey-based developer Hekemian & Co. in 2005 for \$29 million, there was reason for optimism. Hekemian is a family-owned business with a long history of solid development in the Jersey area that wanted to expand into Maryland. But two years later, the Rotunda looks pretty much the same—down at the heels, underused, and a bit dilapidated.

But Chris Bell, senior vice president of Hekemian, says that will soon change. "After the purchase, we went through approximately one year of community-based planning on the site," meeting once a month with neighborhood associations, city council members, and others," says Bell, speaking from Hekemian's local office in Annapolis. "Everything we're planning for the site is allowed as a matter of right under the zoning, so essentially we didn't need to go the City Council or the Planning Commission to get any approvals or changes. But we thought to approach such a high-profile project like that would be a bad idea. So we involved the community from the ground up in design."

The Hekemian design, created by Baltimore architects, Design Collective, will upgrade the 148,000 square feet of space in the existing Rotunda building and the theater (which may also be expanded). The current 78,000 square feet of retail will grow to 200,000 including a new 68,000-square-foot Giant supermarket. The plan also calls for a residential component — 302 apartment rentals in a 22-story high rise, 100 condominiums, and 12 townhouses along 38th Street.

"I think it's one of the most exciting projects for Baltimore for the next couple of years," says M.J. "Jay" Brodie, president of the Baltimore Development Corporation, who reviewed the Rotunda's plans as a member of the City's Urban Design Review Panel. He's also a neighbor of the site.

"I walk to the Giant and the Rite Aid and the movies and I think it will be a positive development. I think most of my neighbors would agree."

The construction of the revitalized Rotunda is non-phased, meaning it will all be built at once starting in the spring on '08 (about six months behind schedule), and will be completed in about 30 months.

Bell wouldn't confirm Hekemian's investment in the property, but online documents place it at about \$130 million, relatively ambitious for the developer. "The Washington-Baltimore market is the most stable and highest-growth market in the country," says Bell. "In terms of investment real estate, it's one of the best investments in the country."

For their part, community groups seem content with the company's efforts. Genny Dill, outgoing president of the Hampden Community Council, says Hekemian has been forthcoming and shown an investment precedent that leads everyone to believe they will make good on their promises.

"The prospect of the redevelopment is positive for everyone," says Dill. "The extent of the redevelopment could cause some friction. Those closest to the project are concerned about traffic and density, but those not abutting the site are happy about the prospect of new shopping and the preservation of the old structures."

Dill, however, lives across the street from the Rotunda and is concerned about the 22-story apartment tower. "I understand from a financial perspective why they want to do it," she says. "But personally I live across the street and I'm concerned about how it will affect my lifestyle."

Bell says the company has conducted numerous traffic studies to ensure the project won't become a snarl of cars, and he notes that there are other high rises in the immediate area, and the tower creates less sprawl on the site. He says the real challenge will be getting the right mix of national, regional, and local retail tenants to bring vibrancy back to the Rotunda. Hekemian is in negotiations with national chains for a bookstore, gym, and an urban housewares store.

"So much of this is just doing what's been there and doing it better, bringing it back to what it used to be – an extremely successful project," says Bell. "The only thing we're adding is the residential component, and we are very confident that our apartments and condos will do very well there."