

## BEST REAL ESTATE DEALS

# Penn 95

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There are plenty of reasons for Chesapeake Real Estate Group Vice President Edward Brady to be proud of the company's Penn 95 development.

There was the way the project, a pair of Class A warehouse buildings in Upper Marlboro's Penn 95 Commerce Center, delivered 10 percent under budget. There was the way the team worked with Prince George's County and Joint Base Andrews to overcome zoning restrictions, and the quick sale to Prudential Real Estate Investors after the buildings came online.



Chesapeake Real Estate Group completed Penn 95 in mid-2016. It features a warehouse and facility for Thompson Creek Window Co.

CHESAPEAKE REAL ESTATE GROUP

But none of that makes the top of Brady's list. The best part of the process to him? Jobs.

"To be able to replace an old, familiar local company with a growing local company at the intersection of Pennsylvania Avenue and the D.C. Beltway was a great way to keep jobs in the local jurisdiction," Brady said, referring to the departing Murry's Steaks and the new occupant, Thompson Creek Window Co.

The redevelopment of the former Murry's Steaks distribution facility at 8300 Pennsylvania Ave. in Upper Marlboro took just over a year to turn into a Class A manufacturing facility for Thompson Creek and an additional Class A office and warehouse.

The previously shuttered facility — 160,000 square feet on 18 acres — was set to be quickly demolished to make way for the two new buildings.

But a surprise find in the building's stucco panels meant slamming on the breaks. During demolition, the 40 panels were found to contain asbestos.

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“Luckily, we found a demolition contractor that had done work with a similar situation and they were the group to recommend the EPA-approved removal process,” Brady said.

The contractor sprayed the panels with a special foam shield that allowed crews to safely dispose of the asbestos — a method that Brady said was used for the first time in Maryland.

Despite its success, the asbestos removal set the project back some three months and added on more than \$500,000 in unanticipated costs.

The development team also saw a setback with zoning restrictions, working through complications with Military Installation Overlay Zoning thanks to the site’s position within the flight pattern of Joint Base Andrews.

The zoning meant height and usage restrictions for the site, but Chesapeake was able to work within the regulations, delivering the project in the summer of 2016.

Despite the moderate setbacks, Chesapeake’s Penn 95 project managed to come in 10 percent under budget, which Brady credits to the work of the entire construction team.

It was a win that also helped Chesapeake make the most out of its sale of the buildings. In early August 2016, the two buildings were sold to Prudential Real Estate Investors for just over \$33 million.

“We had previously done ground up developments with Prudential in the past and they were looking to own Class A core industrial in the Prince George’s market,” Brady said. “The industrial development market was just starting to come out of the recession and institutional owners were looking for places to put money.”

### **The basics: Penn 95**

- **Description:** Delivery and sale of manufacturing facility and office
- **Address:** 8100 and 8210 Penn Randall Place, Upper Marlboro
- **Developer:** Chesapeake Real Estate Group LLC
- **Buyer:** Prudential Real Estate Investors
- **Architect:** SAA Architecture LLC
- **Construction:** Glen Arm Building Co.
- **Square footage:** 284,290
- **Project cost:** \$33.2 million

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