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Market won't deter plans for \$30M Federal Hill project

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A Baltimore developer has proposed a substantial redevelopment in Federal Hill's main shopping district, hoping to revive what was once a bustling retail hub.

Arsh Mirmiran, of Mirmiran Atlantic Property Development, plans to spend about \$30 million on the Light Street project, across from the Cross Street Market.

The project includes about 93 condominiums, 18,000 feet of office space, 7,000 feet of retail and a 110-car garage. It would be the first substantial development undertaken by Mirmiran Atlantic, whose principal previously worked for A&R Development Corp.

"We think we're in the most prime location within the most prime neighborhood," Mirmiran said. "This is sort of in an A-plus location in what we think is Baltimore's best established neighborhood."

The project is bounded by Cross, Light, Weber and William streets. Most of the condominiums, a 110-space parking garage and office space would be built along Weber Street, a narrow alley perpendicular to Light Street.

Prior to the rise of the suburban shopping mall, Light Street was once Federal Hill's busiest shopping area, anchored by Epstein's in the 1100 block of Light Street, said Jules Morstein, president of the South Baltimore Business Association and owner of Morstein's Jewelers.

Many of the businesses left once Epstein's closed, leaving a number of vacant storefronts, and the corridor fell into some disrepair.

"This was, historically, the strongest block in the neighborhood," Morstein said. "Everything comes in cycles, and it's hard when I tell people you would die to get into the 1100 block."

Since many of the retail spaces along Light Street are larger than those along Charles Street, Morstein said, Charles Street was able to recover more quickly with a mix of boutique shops and restaurants while Light Street languished.

A few large merchants, including Ace Hardware and Dunkin' Donuts, have filled in some of Light Street's gaps recently, and Morstein said the corridor could be primed for a resurgence.

Building condos in a depressed real estate market could be a challenge, but Mirmiran said he expects the market will have come around by summer 2010, when the project is slated for completion.

In response to the market, Mirmiran has scaled back on components of the development, eliminating a number of condo units, reducing the square footage by about 10 percent, and adding the office space.

The condos will be priced at about \$275,000 for a one-bedroom unit and about \$350,000 for a two-bedroom unit.

The project is one of a handful of new residential developments proposed in Baltimore since the market slowed, including plans by Porter's Pub and Grille owner Joe Fonte to add about 62 units to his 73-unit Harbor Hill apartment complex. Texas-based JLB Partners LP is also planning to build 188 apartments closer toward Locust Point on South Charles Street, where construction could begin this fall, said Brian Dusek, a representative for JLB.

Mirmiran said he still needs to secure financing, gain the support of neighborhood groups and city officials.

Bob Merbler, a real estate agent with Yerman, Witman, Gaines & Conklin Realty in Federal Hill, said the project could be a welcome addition to the neighborhood, but he noted Mirmiran will need to count on a rebound in the residential market by the time he is ready to start marketing the condos.

"I think he'll do quite well," Merbler said. "I think he's fortunate that he's not trying to sell condos today."

The real estate firm, which has offices in the building slated for renovation, plans to move to the space now occupied by Light Street Cycles at 1015 Light St. when that store's lease is up in spring, Merbler said.

"It's an ambitious project, it is a huge building," said Donnie Fair, president of the South Baltimore Improvement Committee. Fair said he believes the project could have a substantial impact on the community, and he hopes the developer will continue to seek feedback from residents on parking and traffic impact.