

SILO POINT

Industrial Chic

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A few years ago, Patrick Turner was walking through Baltimore's McKinley area when an old grain elevator caught his attention. The towering concrete building at the water's edge was long, thin and offered panoramic views of the Baltimore harbor, making it natural for transformation into a luxury condominium building.

A sign on the property informed the curious that in case of emergency they should call Archer Daniels Midland (ADM). Turner called, and the operator thought he was dialing in to report trouble. Turner assured her that this was not the case. In fact, he said, he wanted to buy the grain elevator. This revelation led to telephone calls to ADM's president and subsequently to the senior vice president of grain operations. For the next six months, that ADM official responded to Turner's repeated inquiries by assuring him again and again that the grain elevator was not for sale.

"Finally, in the seventh month, he asked me what we intended to do with it, because given its explosion resistance, it would be too costly to tear down," Turner recalls. "I told him I wanted to put in luxury condos. And then he asked me for more information on our company - obviously thinking I was either brilliant or insane."

Seven years later, it seems the president of Baltimore's Turner Development Group was brilliant. First move-ins took place in January at his newly opened Silo Point, a 228-unit luxury condominium development built into the old B&O Railroad Grain Elevator. Even in this difficult environment, 25 percent of the units first placed on the market in October have sold. And Silo Point has won eight awards, including the National Association of Home Builders (NAHB's) Best Attached Residential Community for 2009.

But along the way, Turner and architect Christopher Pfaeffle, principal at Parameter Inc., had to surmount what some would call insane hurdles to turn an agricultural building into an urban oasis.

Making History

In the boom decade of the 1920s, Silo Point was the world's largest and fastest grain elevator. The 325-foot-high, 24 story structure was ideally situated on Baltimore's southern-most peninsula to handle movement of grain and other agricultural products. It too grain off railcars and transferred it to ocean-going freighters for export worldwide.

But by the early part of this decade, the obsolete structure had become little more than a drag on the Baltimore economy, generating only about \$65,000 in real property taxes annually. What many might have seen as merely an eyesore, Turner and Pfaeffle viewed as un parallel opportunity. "We love adaptive reuse of old structures and have done others in the past," Turner says.

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“We’ve converted old hospitals into condos, churches into condos, an old vaudeville-movie theater into an office building, and a bowling alley into loft environments. In that one, we actually used the old bowling lanes as countertops,” he notes.

Turner Development purchased the grain elevator from ADM for \$6.5 million in early 2003, and then began confronting challenges. Since such a project had never been attempted before, Turner had to convince the city to rezone the site as residential so the conversion could commence. “At the time, there was a mindset [regarding] taking industrial properties off the market” in Baltimore, Turner says. “The thought was, if you eliminated industrial properties, industry would never return. Since then, they’ve realized industry is not coming back anyway in a lot of cases, especially to obsolete structures like this one, so they might as well get them converted and back on tax rolls.”

Once rezoning was complete, Turner and Pfaeffle had to deal with the myriad physical constraints associated with the ancient industrial site. A crucial obstacle was taking down most of the approximately 160 old grain silos that stood adjacent to the elevator so that a parking garage could be constructed, while leaving about 18 silos to serve as corner bookends for the garage and its wrap-around enclosure.

“You’re strategically removing silos that about 16 feet in diameter and stand in rows, by means of a very surgical demolition,” Turner explains. “In addition, because grain dust is highly explosive, grain elevators are built to withstand explosion,” While involved in the process of delicately razing some silos and allowing some to remain standing, “we had a number of flash explosions and fires.”

Also daunting was the challenge of retrofitting a building designed for a very distinctive industrial purpose into something livable and accommodating, Turner says.

It was determined that the atypical 16-by-16-foot structural grid would be kept and the existing footings, foundations and pile caps would be retained for economic and aesthetic purposes and to maintain the structure’s integrity. But aligning the garage levels and other floor levels in the new building with the old proved a major headache.

However, keeping the old grain elevator intact was eventually rewarding from many standpoints, among them the green building angle. “The fact that we saved an old historic structure within an existing city infrastructure meant no new roads, sewers or sidewalks added,” Turner says. He notes that the adaptive reuse projects are often greener than the greenest of completely new projects, because reusing an existing building is inherently more environmentally friendly.

It wasn’t just the structural grid that was retained within this unique building. Under its eye-catching lobby is situated a lower level referred to as The Catacombs, which was converted into a high-tech health club, with billiards and games, conference rooms, wine-tasting rooms and lounges.

The lobby features 28-foot-high ceilings and striking “mushroom columns” that are octagonal at the base and spread much wider at the ceiling. In addition, Silo Point offers an upscale fine-dining restaurant, wine bar and gourmet-style deli grocery store, a spa and a hair studio.

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On the 19th floor, a 2,200-square-foot Sky Lounge is equipped with two warming kitchens for events as well as lounge areas, flat-screen TVs, fireplaces and iPod stations. "It's set up for couples or singles to sit up there and enjoy themselves," Turner says. "Or it can be closed off for a party. It has a panoramic wrap-around deck for skyline views. You can have the restaurant deliver food up while you lounge around in various outdoor seating areas."

Of course, the development's heart is its residential core. Silo Point's units are nicknamed "bins" – a nod to the bins that carried grain throughout the facility in its days as a working elevator- and range from one-bedroom to three-bedroom with dens. Most of the 36 models fall between those two extremes. The majority are two-bedroom units.

The smallest bins are 1,100-square-foot one-bedroom units with panoramic harbor views, hardwood floors, granite countertops, Lutron window systems and stainless steel appliances. These are entry priced at \$265,000, Turner reports.

By contrast, the upper-end of the development consists of two sprawling \$4.2 million penthouse homes measuring 5,500 square feet in size and featuring three sided glass, "allowing you to watch the sun rise and set from the same chair," Turner says.

Some of the units are inside the wrap building that hides the parking garage, but many are in the old grain elevator itself. The latter feature 18-foot ceilings, the old vertical concrete columns of the elevator and very large industrial-looking windows.

Turner expects Silo Point will be fully sold sometime in 2010. Remember that \$65,000 in yearly taxes the grain elevator formally paid the city? By the time Silo Point is sold out, the development will be generating almost \$6 million yearly in taxes. "And in addition, the 400 or more people living here will be shopping, dining in the neighborhood and bringing in even more tax dollars," Turner says.

Within that neighborhood, Silo Point is literally a standout, towering over the peninsula's other structures, none taller than 35 feet. But that's not the only reason residents want to invite all their friends and family to show off their new homes. "You can only live in one grain elevator in the world," Turner says. "And this is it."

Baltimore Market: 'Glass Half-Full'

Given the downturn in the economy just as Silo Point was nearing occupancy, Turner is glad he bought the old grain elevator property when, and at the price he did. "You don't make money when you sell; you make it when you buy," he says. "And we bought it at the right price, which gave us flexibility for a depressed market."

There's really two ways to view that "depressed market" in Baltimore and Maryland in general – glass half-empty or half-full.

According to a Baltimore Sun article by Hanah Cho in late-March edition, Baltimore is witnessing a vast in-

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crease in job fairs, many of which have attracted thousands of out-of-work wage earners. Little wonder, with the state's jobless rate hitting a 16-year high in January.

The glass half-full philosophy, on the other hand, notes that this unemployment rate is only 6.2 percent, almost two full percents under the nation's February rate of 8.1 percent. "Maryland as a whole has a much lower unemployment rate than the nation," Turner observes. He attributes the employment to three factors.

First, Maryland is gaining under the Base Realignment Act, which is closing some military bases elsewhere and consolidating them into existing Maryland bases. With John Hopkins and the University of Maryland medical facilities, Baltimore is very strong in health care. Finally, it has retained many defense contractors who prefer being close to the center of defense decision-making in nearby Washington, D.C.

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