

# NAIOP news

COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

## MARYLAND CHAPTER

The Forum for Commercial Real Estate • Winter 2010 Issue

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## MEET ROB BAVAR PRESIDENT, MD CHAPTER, NAIOP



Rob Bavar

After sitting in the spot reserved for the President-Elect of NAIOP-MD for the past two years during monthly NAIOP board meetings, Rob Bavar's new position is clearly at the head of the conference table. He is surrounded by past chairs Cole Schnorf and Cathy Ward which provide a metaphoric comfort level, as well as a diverse and experienced board of directors that bring a strong sense of responsibility to membership. Still, Rob feels a bit of pressure to get off to the right start and advance the reputable name and excellent momentum of the "voice of the commercial real estate industry."

In his "spare" time, Rob serves as Vice President of Bavar Properties Group, LLC a family-owned commercial real estate development and investment company with

a portfolio of more than 2.5 million square feet of commercial office, industrial and retail space throughout Maryland, Virginia, Pennsylvania and Florida

Rob is interested in making an early mark and definitive statement about his administration. Quality membership must be increased. Compelling monthly programming to encourage regular member participation is also vital. Securing community-based partnerships that can mobilize the developing leadership group to make a long-term difference is another important objective.

With strong committee leaders at the helm, the networking and educational initiatives are in good hands, which allows Rob to focus his attention on what he considers the most tangible, significant and far-reaching priority. "NAIOP-MD must serve as an industry advocate in Annapolis and before county governments. We must continue to build a coordinated, carefully-executed and successful legislative strategy," Rob explained. "Anything less would be a great disservice to our membership and would place the entire commercial real estate industry at extreme risk. "Our industry as a whole continues to face difficult challenges due to the slowly-improving economy that, because of typical real estate cycles, is working itself out. Of somewhat greater concern is the proposed legislation that our industry faces on the local, state and federal levels that can prove to be extremely restrictive and expensive in the long-term," he added.

Many of these issues will be front and center during the 2010 Maryland General Assembly Session. "In the next several weeks, issues such as storm water management, permit tolling, additional taxes on real estate transactions and an impervious surface tax bill will be debated

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## AWARDS OF EXCELLENCE - APRIL 22ND - MORE THAN 60 ENTRIES RECEIVED

The NAIOP-MD 2010 Awards of Excellence committee is busy touring the properties that have been entered in this year's competition, and making final recommendations for the winners in more than twenty different categories. "It is a true labor of love to participate in this process, as well as educational for commercial real estate

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## IN MEMORIAM: LEROY M. MERRITT (1930-2010)

NAIOP-MD mourns the passing of Leroy M. Merritt, founder of Merritt Properties, Inc. and Merritt Athletic Club, as well as a recipient of the NAIOP-MD Lifetime Achievement Award in 2002. After building one of the largest private commercial real estate development firms – with more than 16 million square feet of space throughout 70 locations – Leroy stepped down from day-to-day management activities of the company in 2000. This allowed him to invest more time into the Leroy Merritt Charitable Trust, which focuses on the continuing needs of disadvantaged women and children. Donations in his honor can be made to the International Dyslexia Foundation ([www.interdys.org](http://www.interdys.org)).

## NEW MEMBERS

Welcome to the following individuals who joined NAIOP-MD since April 1:

**Sharon Akers**, St. John Properties, Inc.

**Ken Bernstein**, David S. Brown Enterprises

**Robert Copper**, FRP Development Corporation

**Andrew Crosby**, Obrecht-Phoenix Contractors, Inc.

**Al Cummiif**, St. John Properties, Inc.

**Charles Fiala**, Corporate Office Properties Trust

**Andrew Finkelstein**

**Debbie Heaver**, The Brickman Group

**Nicholas Hollandier**, Reznick Group PC.

**Thibault Manekin**, Seawall Development Company

**Leo McDermott**, Transwestern

**William McFaul**, PS Business Parks

**Don Moore**, Morgan-Keller Construction

**David Nemecek**, Bohler Engineering, PC.

**Vonda Peterson**, Creative Access, Inc.

**Lee Sachs**, David S. Brown Enterprises

**Justin Schaub**, St. John Properties, Inc.

**Robin Senecal**, American Office

**Gigi St. John**, St. John Properties, Inc.

**Stuart Thomas**, Transwestern

**Janeann Walsh**, Corporate Office Properties Trust

**Nicole Wilhelm**, Heath Design Group  
And, here are a few reasons why ...

"I joined NAIOP-MD to build more one-on-one relationships in the real estate community and recognize this group as the one place to go to accomplish this. When you attend meetings, you are in contact with the full gamut of real estate professionals—including brokers, developers and associated vendors."

—**Vonda Peterson**, President  
Creative Access, Inc.

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in Annapolis. There is a lot on the plate in front of us," Rob said.

"The good news is that I am confident that NAIOP-MD has a strong leadership team with the commitment, track record and confidence to achieve successful and meaningful differences that will benefit the real estate community. The track record has been laid. Now we have to systematically follow and execute the plan. I am looking forward to the ride," Bavar smiled.

—**Stuart Thomas**, Transwestern



What fun! NAIOP-MD members had a ball at the Mustang Alley's event held in January.



## WHY MARYLAND STORMWATER MANAGEMENT REGULATIONS HAVE BECOME SO CONTROVERSIAL

Maryland developments have included pollutant removing stormwater management devices since 1985. On May 4, the next generation of management regulations will go into effect requiring that stormwater discharged from new developments have the same characteristics as the stormwater from a healthy forest – the highest performing land use. Similarly, redevelopment will be required to retrofit and improve the existing environmental conditions more than under current regulations.

The May 4 regulations are the result of the Stormwater Management Act of 2007 (The Act). The Act made environmental site design and surface infiltration methods the preferred method to manage stormwater. With the support of the development industry and of local governments, the Maryland General Assembly instructed the Maryland Department of the Environment (MDE) to apply these new stormwater management practices to, “the maximum extent practicable.”

What is being debated now are not changes to The Act but whether the regulations conform to The Act. Is it “practicable” to apply new 2010 rules to projects that have already been designed and received government approvals under existing stormwater rules? Also at issue is whether the redevelopment regulations are so onerous (so impracticable) that urban land – most with no existing stormwater management of any kind – will lie idle while development that could clean up existing environmental problems are deflected away from Maryland’s growth areas.

## Essential and customary grandfathering are not included

The regulations provide no grandfathering for projects that have been granted stormwater management approvals under the existing regulations. Regional stormwater management facilities that have already been built and are in use will be stranded by this policy making them of little or no use. Approved projects will be forced to redesign using alternative engineering techniques that will routinely consume between 15% and 30% of the already approved buildable area. In many cases, the resulting loss of building yield will be borne by institutions, businesses and individuals who purchased land that had been granted MDE and local government approval only to have their approval status reversed. In high density land uses, these techniques have been found to consume more than 45% of the buildable area and produce results that undermine Smart Growth goals.

## Redevelopment requirements are not “practicable”

The regulations threaten to stifle redevelopment because the current stormwater standard is more than doubled for projects that will still meet the new definition of redevelopment. For many other projects the definition of redevelopment is artificially narrowed. Projects that almost anyone would consider for redevelopment will be required to meet a stormwater standard five times greater than is applied to current redevelopment. The effect of these changes is amplified because the regulations limit or prevent the use of space saving, alternative, more cost effective engineering techniques and off-site mitigation that often produces better environmental results in urban settings. Based on case

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## HOWARD COUNTY RECYCLING PLAN ENDORSED

NAIOP-MD has partnered with The Howard County Chamber of Commerce to make it easier for commercial real estate – and other – companies to improve its sustainable practices, particularly in the area of recycling waste. By visiting [www.howardchamber.com/](http://www.howardchamber.com/) recycling businesses can learn more about participating as an individual company or with others in a co-op arrangement.

Real estate development and commercial construction contractors can work with the Chamber to arrange for the installation of recycling dumpsters at specific jobsites. The recycling of construction waste can earn a project up to two points towards Leadership in Energy and Environmental Design (LEED) certification. Smaller-sized carts can also be installed to recycle day-to-day products produced by companies such as paper, bottles and printed materials.

It is important to note that a company DOES NOT have to be located in Howard County to be eligible for this program.

Stormwater Regulations continued from page 3

studies, complying with the proposed redevelopment standard has been found to cost 2.5 times as much as current requirements. Despite the “maximum extent practicable” directive in The Act, the MDE regulation states that economic reasons are not sufficient justification to move from surface infiltration techniques to alternative methods of treatment.

## MDE is blocking local attempts to implement flexibility directed by The Act

In recent weeks jurisdictions such as Montgomery County and Baltimore City have received comments that consistently block attempts by local government to incorporate engineering alternatives and grandfathering into local programs. Flexibility at the local level so that reviewers and design teams can work together to meet the provisions of the Stormwater Management Act of 2007 is an essential part of The Act that has not been forthcoming from MDE.

For questions or to become involved with NAIOP-MD legislation efforts, please contact Tom Ballentine, Vice President for Policy and Government Relations at 410-977-2053 or [naiopmd.tom@verizon.net](mailto:naiopmd.tom@verizon.net)

## REACH! PARTNERSHIP SCHOOL SEEKS SUPPORT

NAIOP-MD is encouraging all members to learn more about – and become involved with – the Reaching Educational Achievement through Construction and Healthcare (REACH!) Partnership School, a unique institution located on the campus of Lake Clifton High School in Baltimore City. Only two years old and currently offered in grades six, seven, nine, and ten. It will add one new grade eight and eleven this fall and grade twelve next year.

If you wonder why NAIOP-MD members should be interested in REACH then you need to look no further than the “C” in the school’s acronym. The letter stands for construction and symbolizes the specialized educational tract that is one of two focus areas (we are leaving the healthcare component to a different set of experts).

In grades six through nine, in addition to a college preparatory curriculum, students are exposed to the breadth of both industries. Then, in tenth grade, those selecting construction begin the National Center for Construction Education and Research (NCCER) curriculum in their choice of electrical, carpentry or HVAC. Coming later is a Construction Management tract.

What does the REACH! Partnership School need? Like any institution – especially such a new one – the answer is “everything.” But what NAIOP-MD members can uniquely offer is insight and help with development of the Construction Management tract, opportunities for students to observe and apply classroom theory and practice in the “real world” of construction, mentoring programming, as well as actual construction materials and equipment. REACH! is also interested in attracting guest lecturers that can offer insight into the construction industry and the arrangement of visits to working construction sites.

“Our school is designed to not only prepare students for post-secondary education, but also for a career in construction or health care,” said Gantton G. Epps, Sr., Chief Operating Officer for REACH! Partnership. “Students must apply to attend REACH!, and our task is to provide the individual support and opportunities needed to unleash their full potential,” stated Principal Michael S. Frederick.

St. John Properties, The Mullan Contracting Company and Wilhelm Commercial Builders have already pledged support to the school. For additional information, visit [www.reachpartnership.com](http://www.reachpartnership.com)

## MARCH PROGRAM TO EXAMINE ROI OF GREEN BUILDINGS

On March 18, the Sustainability Committee will present a breakfast program featuring David Pogue, National Director of Sustainability for CB Richard Ellis. Pogue will provide a summary of a year-long national study that GBRE conducted with the University of San Diego entitled: “Do Green Buildings make Dollars and Sense?”

Completed in 2009, this study analyzed the performance of 154 Energy Star labeled buildings in 10 U.S. markets. The economic impact of green policies and practices on rental rates, occupancies and operating expenses was compared against a general market set. In addition to the economic impact, the study

also looked at the attitudes of the nearly 3,000 tenants and their observations as occupants in a sustainable building environment. Of particular interest was their experience regarding improved productivity.

Following Pogue’s presentation a panel including a local broker and developer will discuss how the results compare to what we are seeing on the ground in the Corridor.

For additional information, contact the NAIOP-MD office at 410-752-5318 or [www.naiopmd.org](http://www.naiopmd.org).

## HOLIDAY PARTY AT M&T BANK STADIUM



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professionals regardless of their experience,” explained Connie Rhodes of Rhodes Development, the chair of the event. More than 60 different entries were received, which represents one the highest totals in several years.

“Because of the current real estate environment, our committee was crossing our collective fingers about the turnout of entries and was hopeful for a strong showing. We could not be more pleased about both the quantity and quality of the entries, and believe the eventual winners will be reflective of the superior work being performed by our membership,” Connie added.

NAIOP-MD members are encouraged to act quickly when purchasing tickets for “Night At The Museum,” the theme of the awards celebration. It will be held on Thursday, April 22 at the Baltimore Museum of Art. The venue is applying a strict attendance count and, as in past years, the event is expected to sell out. “To help squeeze a few more people in, we are not reserving actual seats for the committee members,” she laughed.

In addition to recognizing project work, individual awards will be presented for Lifetime Achievement, Broker of the Year, Service Provider of the Year, Developing Leader, the Greg Masi Volunteer of the Year and the Pat Hughes Legislative Award.

Taylor Fields of James F. Knott Realty Group and Liz Tarran-Jones of Manekin, LLC are working with Connie on the awards event.

## UPCOMING NAIOP-MD EVENTS

- |          |   |
|----------|---|
| March 18 | Sustainability Building breakfast<br>Westin BWI<br>8:00 am - 10:00 am   |
| March 25 | March Madness networking<br>Luckies Tavern at Power Plant Live<br>6:00 pm - 8:00 pm   |
| April 22 | Awards Gala<br>Baltimore Museum of Art<br>5:30 pm - 8:30 pm,<br>reception beings at 5 pm  |
| May 10   | Spring Golf Outing<br>Chestnut Ridge Country Club<br>Luncheon begins at noon, followed by golf<br>RSVP to Jenny at 410-752-3318 |
| May 20   | Legislative Update session with CE credits<br>Sheraton BWI<br>5:30 pm - 8:00 pm   |



More than 150 professionals attended the Fall networking event at Geppi's Entertainment Museum.

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720 Light Street  
Baltimore, MD 21230