THE CHALLENGES OF ADAPTIVE REUSE DEVELOPMENT

Japanese Pagoda Photo Credit: Michael Ventura

Case Study:
The Adaptive Reuse of The National Park Seminary
Silver Spring, MD

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EXECUTIVE SUMMARY
Executive Summary

Adaptive reuse is the process of adapting old (and often historic structures) for new purposes while retaining its historic or original features. It is an increasingly popular form of sustainable development in today’s society, but, its roots date back to the late 1970’s. In the 70’s, there was a movement to reuse neighborhood schools that were built between the late 1800’s until just before the Great Depression which ran from about 1929 through the 1930’s and 40’s. The schools were large, well built, and situated in great locations but had outgrown their usefulness as places to educate students. The schools also had characteristics which had become well known within the communities and therefore the idea of tearing them down just wasn’t something that people wanted to consider. Members of the planning community therefore began thinking of ways that the schools could be redesigned and used for other purposes. Some ideas and new uses included office buildings, daycares, community centers and libraries. Today, the reuse of schools and other old and historic buildings is a very popular and sustainable method of creating high density housing and mixed use spaces.

Planners, developers, the government and members of the community all recognize that there are both benefits and drawbacks associated with the adaptive reuse of underused or vacant buildings. One of the largest benefits is the fact that reuse and preservation is a fundamentally sustainable practice because it uses existing, built resources, it minimizes impact on infrastructure; roads, sewer and water, and finally it encourages reinvestment in older communities. Adaptive reuse also helps to preserve community landmarks and buildings that have high sentimental value and ultimately helps to preserve communities overall historical grounding. There are also several drawbacks which make adaptive reuse projects a challenge. For instance, controlling the costs on this type of construction can be difficult due to the many known and situations that are inherent to the job. Some examples include the fact that the physical deterioration of a building may turn out to be more extensive than revealed during an initial survey of the structure. Additionally, it is not uncommon to come across hazardous substances in a building or at a site which must be remediated prior to the project moving forward. Finally, other challenges that are often faced include making the old or historic building fit a new program, adhering to the restrictions and requirements associated with restoring historic properties, securing sufficient financing to complete the job, etc.

This thesis examines the adaptive reuse of the historic structures at the National Park Seminary, a historic property in Silver Spring, Maryland that has had several different uses since the first building was built in the late
1800’s. This thesis also analyzes several of the underlying issues and challenges associated with these types of development projects. The goal of the analysis is to help increase awareness of the range of successful strategies and solutions that are available to those interested in seeing historic structures preserved through its conversion to a new use. The National Park Seminary adaptive reuse project has been successful, thus far, in overcoming many hurdles often faced by parties embarking upon these types of development deals. For example, the physical deterioration of the existing structures has been brought under control, the history of the site is being preserved through its conversion to a new use and because of the requirement to comply with the preservation easement, additional affordable housing units have been added to the County’s inventory due to the number added as part of this project, and finally the renovation of many of the buildings have been completed and they are now occupied by new owners and renters.

The results of the research and analysis will be used to formulate recommendations which other developers can consider when faced with similar challenges on their projects and/or as they assess whether or not a project will be feasible. Recommendations include retaining a development team with the appropriate qualifications to achieve the end goal, engaging the community throughout the development process, combining funding sources in order to
make the project financially feasible and ensuring the integrity of the building and/or site is maintained during the design and development process.
CHAPTER 1:
SITE AND SURROUNDING AREA
Description of the Property – National Park Seminary:

The National Park Seminary is a 32.18 acre historic property located in the Forest Glen area of Silver Spring, MD. It is currently zoned PD-15 which allows for residential development. The property is improved with a collection of architecturally eclectic buildings, an undisturbed forest, commonly referred to as “the Glen”, gently rolling hills, un-named tributaries to Rock Creek and a steep valley stream located on the western portion of the property. The property is situated in the northeast quadrant of the intersection of Linden Lane and Stephen Sitter Lane and is surrounded by a residential subdivision, the Walter Reed Hospital Annex and its associated research buildings, recreation fields and ancillary parking. The National Park Seminary is also located inside the I-495 beltway in Silver Spring, MD and is minutes from restaurants, retail shops, and two Metrorail stations. It is also less than four miles away from downtown Silver Spring and Bethesda, Chevy Chase and Washington, D.C. are also nearby.

Due to its architectural and historic merit, the National Park Seminary is viewed as an important landmark worthy of preservation by the local government and the community. In 1972 the property was listed as a national historic district on the National Register of Historic Places. Seven years later, the property was also placed on the Montgomery County Master Plan for Historic Preservation. Finally, the property is controlled by a preservation easement placed on it by the Maryland Historical Trust. This easement controls all design and development
activities requires prior approval by the Maryland Historical Trust before changes can be made to the building’s interior, exterior and grounds. As the site is converted for reuse, the easement and oversight of the Trust ensures the historic fabric of the buildings and the site are preserved.

Photo Credit: www.marylandhistoricaltrust.net

Practice Hall Photo Credit: Home and Garden Magazine

Photo Credit: Preservation Maryland

Photo Credit: Preservation Maryland

Photo Credit: www.urbantrophy.com

Photo Credit: www.urbantrophy.com
Silver Spring, MD is home to several public sector offices as well as major corporate, education and research organizations and is one of the nation’s top places for high tech workers. Silver Spring is an affluent area and with the growing high tech and office worker environment it should continue to grow more affluent. Silver Spring is located in the county’s designated Urban Ring which also includes other CBD’s: Bethesda, Friendship Heights and Wheaton. Densely developed and established residential neighborhoods surround the CBD and Silver Spring is the County’s last suburban center to revitalize.

According to the Silver Spring Sector Plan, Montgomery County has the third largest office market in the region and is one of the wealthiest counties in the United States. As of the 2006 American Community Survey, the median household income for the county was $61,649, which has grown an average of $18,000, (4.4%) annually from the 2000 Census median household income of $51,653.
HISTORY

Timeline of Significant Events:

- **1887** – Ye Forest Inne was built by Seymour Tullock / Forest Glen Improvement Company.
- **1894** – Ye Forest Inne was converted to a women’s finishing school called the National Park Seminary by its new owners John and Vesta Cassedy.
- **1916** – New headmaster, Dr. James Eli Ament, took over the school when it was purchased by a new owner, Joseph Trees.
- **1937** – After Dr. Ament’s death, Dr. Roy Tasco Davis purchased the school and became its new headmaster. A business curriculum was introduced and the school was renamed National Park College.
- **1942** – War Powers Act invoked and property was taken over by the Army for use as a medical facility.
- **1972** - National Park Seminary was listed as a national historic district on the National Register of Historic Places.
- **1979** – National Park Seminary was placed on the Montgomery County Master Plan for Historic Preservation.
- **Late 1970’s** – Army vacated most of the historic property to newer facilities.
- **1999** – Army declared the property to be surplus and began the disposal process with GSA.
- **2003** – Montgomery County entered into an agreement with GSA to acquire the historic property. Later that year, the County solicited proposals for the site’s redevelopment and restoration.
- **2004** – GSA transferred ownership of the property to Montgomery County. Maryland Historical Trust imposed a historic preservation easement on the property. Ownership of the property was transferred to the Alexander Company for adaptive reuse.
- **2006** – The adaptive reuse of the historic property began in the summer of 2006.
- **2008** – New owners and renters began to occupy completed condominiums, apartments and townhomes.
- **2012** – Estimated completion date for the adaptive reuse of the National Park Seminary is 2012.
History of the Property:

Prior to its development in the late 1800’s the National Park Seminary site was simply a wooded glen and a tobacco plantation. This changed in 1887, when a resort/hotel named Ye Forest Inne was the first building to be constructed in the district. The hotel was intended to be an elegant vacation retreat for Washingtonians, but, it only lasted until about 1893. Hit by financial hard times, the inn had to close its doors only six short years after opening.

Almost immediately after the closing of the Ye Forest Inne, the building was purchased by a couple named John and Vesta Cassedy who converted it to one of the most prestigious post-secondary women's schools in the country. It was at that time that the 32 acre site was renamed the National Park Seminary, a name which it continues to have today. The Seminary was a Christian, non-denominational, school of higher learning for women ages 17 to 21. In addition to academics, the women were also taught horseback riding, piano, foreign languages, dance, art and other skills and pursuits necessary to become a proper society matron. In the later years, the National Park Seminary also educated younger women ages 13 to 17.

Horseback Riding & Ballroom Photo Credits: www.nationalparkseminary.com
Between 1894 and 1916, the Cassedy’s built a collection of architecturally eclectic buildings on the campus to house classrooms, sororities, boarding rooms and a chapel to name a few. The building styles were heavily influenced by the Chicago World’s Fair which was held in 1893 to celebrate the 400th anniversary of Christopher Columbus’s arrival in the New World. The fair and exposition, which covered 600 acres, had a profound affect on architecture and the arts in the world due to the fact that it featured over 200 buildings of classical architecture, canals, lagoons, people and cultures from all over the world. The fair’s influence at National Park Seminary is seen in the unique structures located on the campus (ie – an English Garden Castle, Swiss Chalet, Japanese Pagoda, Dutch Windmill, Italian Villa, etc.) and the elaborate gardens and beautiful winding paths that connect them. The Cassedy’s hope was that the internationally influenced building styles on the campus would help to create the feeling that the girls were getting a “worldly” education in an otherwise sheltered or confined setting.
In 1916, Dr. James Eli Ament purchased John Cassedy’s interest in the National Park Seminary. During Ament’s tenure, he continued to develop and expand the campus to accommodate the growing student body. Much like the Cassedy’s, Ament also had an eye for unique architecture which can be seen in the buildings added and in the construction he directed during his tenure. Ament also had an interest in unifying the campus and accomplished this by directing it to be interconnected through ornate bridges, covered walkways and building materials that more effectively tied existing buildings and their new expansions together. The two major building campaigns that Ament became known for were the massive renovation of the Gymnasium and the building of the Ballroom which he, himself, had designed. The Gymnasium was transformed from a colonial revival style building to a beautiful, highly detailed neo-classical structure with a massive Greek portico and Corinthian columns. The most significant addition to the campus, however, was the Ballroom. At four stories tall (with a basement and sub-basement) it became the tallest structure on the campus. The Ballroom is composed of mostly gothic elements, had an open beamed roof and elliptical arches filled with classical sculptures, busts and urns.

At its peak in 1929 before the stock market crash, the Seminary enrolled 400 young women and also had a significant waiting list. When compared to the enrollment figure when the Seminary was first opened by the Cassedy’s in the late 1800’s (48 women) it is very easy to see that it grew to become one of the most prominent and well respected educational facilities in the country. At one point during its existence, the Seminary even had higher tuition rates than both Harvard and Yale. During the depression, however, the school began to suffer until a new headmaster (Dr. Roy Tasco Davis) stepped in and began to take it into a new direction. Dr. Davis was responsible
for introducing a business-oriented curriculum and for renaming the school National Park College. Shortly after Davis’s takeover and conversion in 1937, the Army invoked the War Powers Act of 1942 and the property became an annex for the Walter Reed Army hospital and was used as a medical facility.

For approximately 35 years, beginning in 1942, the National Park Seminary became the Walter Reed Army Medical Center where it was used as a rehabilitation facility for veterans of World War II, the Korean War and the Vietnam War who had lost limbs. Although construction continued during the timeframe that the Army had control of the property, the worldly architectural style of the campus slowly began to change. The Army built several military style cinder block buildings and tore down the ornate covered walkways and bridges that once connected the campus. By the late 1970’s, the Army had almost completely abandoned the campus in favor of newer facilities. The deserted campus eventually fell into major states of disrepair due to poor or non-existent maintenance, vandalism and theft. Finally, in 1999, the Army finally determined the property to be “surplus” and began a process with the General Services Administration (GSA) to rid itself of the land and improvements. In 2003, Montgomery County entered into an agreement with GSA to acquire the property and then later that year they solicited proposals for its development and restoration. In 2004, when GSA transferred ownership of the subject property to Montgomery County, the County then imposed a Maryland Historic Trust (MHT) preservation easement on the property. Shortly thereafter, Montgomery County awarded the historic preservation/development project to the Alexander Company and transferred title. The Alexander Company and Eakin Yougentob Associates (EYA) currently work in partnership on this project, but, the Alexander Company is the lead for the development efforts.
CHAPTER 3:

THE ADAPTIVE REUSE OF THE NATIONAL PARK SEMINARY
Synopsis of the Adaptive Reuse Project:

This chapter begins the examination of the adaptive reuse of the historic National Park Seminary in Silver Spring, MD. This $120 Million, multi-faceted project was awarded in 2004 to the Alexander Company / Eakin-Yougentob (EYA) development team and is currently scheduled to be complete in 2012. The project consists of a mix of historic renovation, new construction, single family homeownership, multi-family homeownership, rental units and transitional housing units. In addition to the more than 250 residential units being developed, the project also involves the restoration of a 13 acre wooded glen and it’s walking trails.

The Alexander Company paid $1 for the 32 acre National Park Seminary site and a little more than a couple of dozen dilapidated buildings that were located on it. At the time of the purchase, they hoped to leverage their $1 investment into about $90 million more by turning the campus which had been neglected for over 30 years into residential community with much of its original fantasy land feeling and charm.

The project is now proceeding in two separate phases. Phase I consists of the adaptive reuse of the existing historic structures and the construction of new homes. The units sit on approximately 28 of the 32 acre site and include multi-family dwelling units (20% of which are Moderately Priced Dwelling Units – MPDU’s), new townhouse units and single-family detached dwelling units. Phase II is a smaller phase which consists of only about 23 units located on the far side of the Glen. These units were planned as a second phase due to the unique challenges for vehicular access and utilities and also due to the level of effort associated with the restoration of the deteriorated structures.

Other aspects of the project include parking, a pedestrian circulation network, landscaping and recreational facilities. The parking solution for this project consists of surface parking, garage parking at the new townhouses, some underground parking within two of the historic condominiums and a parking deck at the north of the Main building. An extensive pedestrian circulation network is also being developed on the site. It is available to residents of the community as well as to other hikers and bikers in the neighborhood who want to enjoy the historic interpretive trail or to take advantage of the historic connection to Rock Creek. The trail, which runs through the Glen, has interpretive signage which talks about the history of the site and specific architectural and scenic amenities.
located on the Seminary property. The grounds are also undergoing an extensive renovation which includes the replacement of invasive species that currently exist at the Glen with new native and ornamental plantings. The historic landscaping efforts will also include the renovation and relocation of historic statuary that were previously found on the property. Finally, as part of the redevelopment project, a new community room has been built inside of the existing Ballroom building as has a new fitness facility and exercise room. The community room will also be used as a neighborhood community facility.

Master Development Plan

National Park Seminary Master Development Map Credit: www.eya.com
Key Stakeholders:

The Development Team:

The Alexander Company is a nationally recognized firm based in Madison, Wisconsin that specializes in historic adaptive reuse projects. They have over 25 years of experience with bringing new life to deteriorated and historically significant buildings such as those found at the National Park Seminary. The Alexander Company is a master developer who takes a holistic approach to their projects. Their services and experience include financing, design, site and building analysis, budgeting, restoration, construction management, sales, leasing and operations. The Alexander Company’s extensive adaptive reuse experience and comprehensive project approach were the key factors that led to their selection to lead the historic redevelopment efforts with EYA at the National Park Seminary. Other significant adaptive reuse projects that the Alexander Company has spearheaded are discussed later in this thesis. The Alexander Company’s role as the National Park Seminary’s master developer is to manage the restoration and conversion of the existing historic buildings to condominiums, rental apartments and shared community spaces. The Alexander Company is also responsible for oversight of the restoration of approximately twelve historic single family homes being performed by the individual property owners.

EYA (formerly Eakin-Youngentob) is a residential homebuilder in the Washington Metropolitan Area that was established in 1992. They specialize in urban infill projects and have become known for creating high quality, lifestyle friendly residential communities on sites that were often considered unworkable. EYA’s portfolio consists of both new construction and redeveloped historic properties whose architectural styles are seamlessly integrated with the surrounding neighborhoods. During the past 17 years, EYA has successfully delivered over 2,500 residential units in communities located in Maryland, DC and Virginia. At the National Park Seminary, EYA is responsible for constructing approximately 90 new townhomes and has already received awards for excellence in Land Planning, Community Design and Home Design on the project.

Struever Bros. Eccles & Rouse is the Baltimore based company hired by the Alexander Company to serve as the construction manager for the renovation and construction of the National Park Seminary. They have over 30 years of experience in developing urban neighborhoods and the adaptive reuse of historic buildings. Struever Bros. Eccles & Rouse also has extensive experience in redeveloping brownfields and they are also experienced with urban
infill projects. They are responsible for both the restoration of the existing historic structures as well as for construction of the new townhomes at the National Park Seminary.

**Other Key Stakeholders:**

Save Our Seminary (aka: S.O.S.) is a non-profit organization formed in 1988 by neighbors of the Seminary, historic preservationists, Seminary alumnae, and civic leaders. The mission of its 300 (or so) members is to protect the National Park Seminary from further neglect and to promote its preservation and restoration. S.O.S.’s mission was established as a direct result of the frustration the members felt as they watched the Army controlled campus sit vacant and deteriorate for more than 20 years. Today the organization is instrumental in communicating the Seminary’s history, determining its appropriate use and ensuring public support and access.

Neighbors in the area adjacent to the National Park Seminary is the group that has been most affected by the use and condition of the property. They are the ones whose property value and quality of life have been the most impacted by the Army’s neglect of the property and lack of maintenance. Throughout the years, the neighbors in the surrounding community voiced their concerns about the vandalism, theft, arsons, safety and several other issues that had impacted their quality of life.

Maryland Historical Trust is responsible for assisting residents of Maryland in identifying, studying, preserving, protecting and interpreting the state’s significant prehistoric and historic districts, sites, structures, cultural landscapes, heritage areas, cultural objects, and artifacts, as well as less tangible human and community traditions. At the National Park Seminary, they are responsible for ensuring the development of the site adheres to the requirements of the preservation easement that covers the entire property.

Finally, there are several other organizations have been instrumental in the adaptive reuse of the National Park Seminary. To name a few, there is Montgomery Preservation, Inc., a county wide umbrella preservation advocacy program who’s mission is to help protect, preserve and enjoy Montgomery County’s rich architectural heritage and historic landscapes. There is Preservation Maryland, an organization dedicated to preserving Maryland’s historic buildings and neighborhoods, landscapes and archeological sites through outreach, funding and advocacy. Preservation Maryland assisted with the local efforts to preserve the National Park Seminary as it passed from the government to private hands. The Montgomery County Historic Preservation Commission is responsible
for administering the Montgomery County Historic Preservation Zoning Ordinance and local rehabilitation tax credit program. Other governmental organizations who also had key roles in the redevelopment of the National Park Seminary include Montgomery County Park and Planning, Montgomery County Department of Housing and Community Affairs, and the Department of Permitting Services (DPS) to name a few.

Status of Construction and Occupancy:

Construction at the National Park Seminary began in the summer of 2006 and has made significant strides since breaking ground. Although much of the campus continues to be a work in progress, several of the converted and new units have been built, are ready for occupancy and/or have already been occupied. The Aloha House, building containing condominium units, was completed in June of 2008 and is currently occupied by several residents. In the Fall of 2008, residents also began moving into the rental apartments in the Main (the central building on the campus) and at this point all of the units are occupied. Construction of the new townhomes is continuing and over eighty percent of the 90 units that were planned have been sold. The transitional housing units are nearing completion and are scheduled for occupancy in late Spring 2009. Finally, many of the historic houses that have been renovated by private owners and contractors are completed and available for sale. The remaining buildings in Phase I of the redevelopment project are scheduled to be completed and occupied by 2012. Phase II has not yet been planned.
CHAPTER 4:
EXAMPLES OF PRESERVATION AND REUSE
EXAMPLES OF PRESERVATION AND REUSE

Reuse of Built Resources:

Residential reuse of the existing historic structures located on the National Park Seminary property is a great example of how this project is taking advantage of built resources. The residential reuse of almost one hundred percent (100%) of the existing buildings has added or will add several types of residential housing solutions on the property. The unit types include single family homes, condominiums, transitional housing, affordable and market rate apartments. For the market rate residential units, the developer is taking advantage of the high land values that the existing buildings are sitting on through the development of high end luxury condominiums. Additionally, the developer has also been able to develop affordable housing units on this high valued land because the nominal transaction price paid for the land had eliminated his land carrying costs. Finally, in addition to the reuse of the existing buildings helping to create additional residential housing options, it has done so in a manner that has helped to minimize urban sprawl, to conserve resources and to preserve our history.

Reuse of Materials:

Due to the requirements associated with the historic preservation easement, the Alexander Company is required to reuse many of the existing building materials. Whenever possible, the original doors, windows, trim, fireplaces, etc. are being reused throughout the property. There are many instances, however, when the original materials can’t be reused. For instance, there are many cases where the original wood has dry rotted and is in too bad condition to repair and salvage. Also, several of the doors have had to be upgraded to meet the current building code. In any case where the existing materials and features could not be salvaged, the Alexander Company has had to replace it with an alternative that is like in kind.

Another way that the materials from the existing buildings have been or will be reused is in the newly constructed stone walls located throughout the property. The stone walls have been built to accent the historic nature of the existing buildings and also as a way to provide identity and to tie in the new townhomes that have been
constructed. The stone comes from existing structural features & walls that were dismantled and removed from the property. Its reuse throughout the community has helped to create continuity with the new building materials also used during the construction.

Finally, contractors were delighted to discover the original swimming pool which still existed below the floor of the Gymnasium. The beautiful mosaic tile from that former swimming pool will be reused to decorate living room walls in the condominiums being built in the Gymnasium building.
CHAPTER 5:
CHALLENGES OF THE ADAPTIVE REUSE OF THE NATIONAL PARK SEMINARY
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Pre-Construction:

Determining New Use and Transferring Ownership:

One major challenge that is faced on almost every adaptive reuse project is determining the best future use of a building or site that has been vacant or underused for several years and also the process associated with transferring its ownership for redevelopment. In the case of the National Park Seminary (also known to the Army as the Forest Glen Annex), this process took almost 30 years. In 1972, the Army had announced its plans to build a new hospital at their main post at Walter Reed and projected that it would be completed by 1977. At the same time, the Master Plan for the Forest Glen Annex was revised to recommend that the Army completely vacate the National Park Seminary property or that they demolish the old buildings and construct new military housing. The possible loss of the historic Seminary site sparked an outcry from the public. This outcry in 1972 in turn led the National Capital Planning Commission to appoint a task force of preservationists, local residents, representatives from the state, county and federal agencies to conduct a study of the property to determine feasible reuses. Before the study could be completed, the National Park Seminary site was placed on the National Register of Historic Places by Maryland Historical Trust. This nomination temporarily put the Army’s demolition plans on hold and allowed additional time for the task force to complete their study. The feasibility study eventually determined that the heavily forested glen should be preserved because it was of utmost importance and is what gave the district its name. The study also determined that some of the buildings constructed during the later era should be demolished because they detracted from the simple, picturesque qualities established on the property during the Cassedy’s tenure. The Army eventually rescinded its plans to demolish all of the buildings on the site and continued to occupy the property until about 1978 when they vacated it in favor of their newer facilities.

After the Army vacated the Forest Glen Annex (from the late 1970’s and the early 2000’s), the property fell into a major state of disrepair due to neglect, poor or non-existent maintenance, vandalism and theft. Water leaks and structural failures became the leading cause of deterioration throughout the property. Concerned citizens held numerous meetings with the Army in an effort to influence them to provide the necessary security and maintenance to stop or slow the deterioration. For a short while, the Army spent money on rudimentary repairs in an effort to fend off lawsuits such as the one filed by S.O.S. and the National Historic Trust after the fire in 1993 completely
destroyed the Odeon Theater. The Army eventually decided that they didn’t want to continue spending money (on a property that they no longer had a use for) just to avoid litigation. Therefore, the Master Plan for Forest Glen was revised to reflect the construction of a massive new research facility on Brookville Road for the Army’s use. The revised plan also reflected the Army’s disposal of the historic district.

The lengthy disposal process, called excessing, began in about 1991 when the Army determined that it no longer had a need for the historic site. The process started with a study funded by the Army (and led by
Montgomery County) to determine the best private use for the property. The adaptive reuse study was assembled through about 1994 and was released in early 1995.

The next step in the process was the preparation of the Environmental Impact Statement, but, that was delayed until the middle of 1997 because the Army temporarily reversed its decision to dispose of the property. Eventually in 1997 Environmental Impact Statement was prepared, but, was reformulated into a tool that was used by the Army help them finally decide what they were going to do with the property. Of the four options presented in the study, excessing was the only viable option in the eyes of S.O.S., the National Historical Trust, Montgomery County and other concerned citizens and preservationists. The Army agreed and made it official in 1998 when they notified GSA that the property was excess to its needs.

Under the Federal Property and Administrative Services Act and its accompanying regulations, the General Services Administration (GSA) is responsible for the disposal of excess federal property. As the disposal agent, GSA is responsible for evaluating the potential environmental impacts associated with disposal and reuse of the property. Upon GSA’s receipt of notice from an agency like the Army that a property is in excess to its needs, an Environmental Impact Statement must be prepared. The Army’s declaration in 1998 that the site was excess to its needs led to the preparation of the official (versus reformulated) Environmental Impact Assessment required under the disposal process. That assessment was prepared in 1999 and officially started what can be a very long and complex process.

Once all of the requirements for declaring the property surplus have been met, GSA must first offer the site to other federal agencies. If there are no other federal agencies that have a need for the property, it is then offered to state and local government agencies. Finally, in the event each of those entities also does not have a need for the property, GSA will proceed with selling the property at a public auction. In the case of the National Park Seminary, the transfer of title was made from the Army to GSA and from GSA it was conveyed to Montgomery County in 2004 who had exercised their right to title using the public conveyance process.

Montgomery County did not have a need or interest in owning the property, but, they were committed to finding the best use and user for the site. This is the reason why they exercised their right to acquire the site and they successfully stopped it from being sold at a public auction. Shortly after the property was transferred to Montgomery County, they proceeded to issue a request for expressions of interest for reuse of the National Park
Seminary. The request for expressions of interest not only communicated the County’s goals and objectives for the site, it also incorporated four key objectives for reuse which had been established by S.O.S. and their preservation oriented partners. The objectives were as follows:

1. Reuse must demonstrate a maximum amount of preservation on the site.
2. Reuse must allow for some public access to the site.
3. Reuse must have the least amount of adverse impact on the community.
4. Reuse must be financially sustainable.

The request for expressions of interest resulted in eight teams being interviewed. Of those eight, two teams were selected to present their proposals to the County Executive and to the community. After several meetings and presentations, the Alexander-EYA team was selected by the County Executive in 2004. Montgomery County conveyed the property to the development team once the required zoning entitlements were approved.

Lesson/Recommendation: Concerned citizens, S.O.S., Montgomery County and the other preservation oriented entities played a major part in the future use of the National Park Seminary and its transfer from the Federal Government to a private developer. They felt very strongly that the Army’s level of care and maintenance of the property had become detrimental to the historic district and surrounding communities once the Army vacated to newer facilities. The coordinated efforts and regular communication between these federal, state, local and private interest groups were essential in ensuring the necessary protections were put in place to save the historic treasure. Examples of their combined activities included:

- The organization of public forums where concerned parties could voice concerns to the Army about safety, arson, theft, vandalism and a host of other issues affecting the quality of life in the area.
- The initiation of a law suit against the U.S. Government for conduct leading to demolition by neglect.
- The inspection of the site on an almost daily basis and reporting of broken windows, felled doors, etc.
- Educating the current owner on the procedure to dispose of the property in a manner that would allow them (preservationists and concerned parties) to have control over the future use.
Selecting the Development Team:

A master developer is responsible for managing the development and disposition of a site from initiation to final build out, overseeing the site preparation and infrastructure development, financing, marketing and asset management. The master developer may or may not be involved in the construction of the buildings. Typically, though, they will sell the improved building or site to another developer.

There are certain criteria that should be taken into consideration when choosing the most appropriate candidate to carry out the tasks as master developer on an adaptive reuse / historic preservation project. For instance, the candidate must be able to demonstrate that they have general development experience and expertise, specific experience in the type of land use being proposed and also adaptive reuse and/or historic preservation experience. This is especially important on adaptive reuse and historic restoration projects so drilling down to ensure the developers employees and/or partners also possess that specialized experience is recommended. The candidate should also have general management skills, the ability to acquire entitlements and also the ability to raise the financing necessary to initiate the project. The master developer’s financial capacity is also key because they must have the ability to carry the project forward even during periods of fluctuation in the business cycle. The candidate must also be able to demonstrate that they fully understand and are committed to meeting the goals and objectives for reuse of the building or site. Their responsiveness to those goals and objectives are vital in ensuring that the adaptive reuse is achieved as the owner or key stakeholders intended. Finally, the master developer must be able to show that they have been successful in the past with working well with the community and representatives of the public sector. The relationships with these parties are especially vital during times when the developer will need their support on making changes to the plan as needed to overcome obstacles dictated by changing market conditions or other challenges.

Lesson/Recommendation: In late 2003, Montgomery County selected the Alexander Company to be the master developer for the reuse of the National Park Seminary. This company was selected over other candidates for many of the reasons previously discussed, but, primarily because of their extensive experience on adaptive reuse projects and their proposal to preserve almost all of the existing historic buildings located on the property.

Other major adaptive reuse projects and/or projects where the Alexander Company has been the master developer include:
- **Capitol West** - $110 million mixed use infill development project located in Madison, Wisconsin. The project consists of 166 condominiums, 151 room hotel, 92,500 square feet of commercial office space and the construction of Capital Mews and Washington Place.

- **Novation Campus** - $110 million commercial infill development project located in Madison, Wisconsin. The project consists of 1 million square feet of commercial space and its uses includes class “A” office, hotel, retail, flex style office and light industry spaces.

- **Laurel Hill** – The Alexander Company was recently selected to be the master developer for a 79 acre portion of the old Lorton Prison property in Lorton, Virginia. The project will consist of a mix of residential, retail and office uses. Historic preservation and adaptive reuse are facets included in this project.

- **National Terminal** - $27.5 million adaptive reuse of a cold storage facility in downtown Cleveland. The project consists of 248 apartments and 9,000 square feet of retail space.

- **Professional Building Lofts** - $21 million adaptive reuse of a 1920’s Modernist Style office building located in Kansas City. The project includes 132 apartment homes and 10,780 square feet of retail space.

  The Alexander-EYA development team (to include Struever Bros. Eccles & Rouse – the construction manager for the project) possesses the right mix of experience and other characteristics essential to the success of this large scale historic restoration project as well. The team understands state and federal historic issues and regulations, they have demonstrated success with tax advantaged financing and historic tax credits and they are commitment to the urban environment. EYA has extensive redevelopment experience in historic neighborhoods. Examples of relevant projects that they were involved in include:

- **Bryan Square** – Redevelopment of a historic Washington, DC school property. The redeveloped property includes 38 new row homes done in 3 distinct architectural styles which reflect the surrounding historic communities.

- **Harrison Square** – Redevelopment of the old Children’s Hospital property in Northwest Washington, DC. The project involved the redesign of an entire city block to blend with the surrounding historic neighborhood.
Finally, Struever Bros. Eccles & Rouse’s (the construction manager for the National Park Seminary project) relevant historic renovation experience includes:

- **Crompton Mills** - $60 million adaptive reuse of a 20 acre historic site in West Warwick, Rhode Island. The redevelopment of a former velvet, corduroy and lace mill into a mixed use complex including over 300,000 square feet of commercial space and residential units.

- **American Locomotive Works** – 25 acre revitalization project encompasses the rehabilitation of mill buildings and new construction with the potential to reach approximately 2 million square feet. The new development consists of approximately 415,000 square feet of office space, 300,000 square feet of retail and restaurant space and, 600 mixed income residential units.
Regulatory:

Deed Restrictions (Historic Preservation Easement):

Deed restrictions which can regulate development on a property are a major obstacle on adaptive reuse projects. This is especially true when a building or site has historic significance as it will usually have attached to its deed an easement to preserve and protect its unique characteristics.

A historic preservation easement is a conservation easement where a private legal right is given by the owner of a property to a qualified, non-profit historic preservation organization or governmental entity for the purpose of protecting a property’s historic, architectural, or archeological significance. Preservation easements may also protect natural land values as a part of the property’s historic setting. Some easements are created for a period of years, but, most create permanent restrictions. Donors of qualified preservation easements often receive incentives such as the ability to take charitable contribution deductions from their federal income taxes equal to the value of the historic preservation easement.

Historic preservation easements can present a significant obstacle on adaptive reuse projects. Such easements are intended to establish requirements and restrictions that will help preserve the historic nature of a building or site. This often times means that the demolition of historic structures may be prohibited, strict maintenance requirements may need to be adhered to in order to prevent or reduce deterioration, exterior and sometimes interior alterations must be appropriately done, additions may be prohibited unless approved, the subdivision of land may not be permitted, the historic setting and landscape features may need to be protected. Developer compliance with the restrictions is typically ensured due to the additional layers of oversight put in place to enforce the historic preservation easement. First, there is the appropriate government or preservation entity which is responsible for approving all requested changes to the historic building or site. The second layer of oversight is provided by the building inspectors who monitor construction to ensure that the builders are building in accordance to the plans that were approved by the historic preservationists.

The easement that was placed on the National Park Seminary by the Maryland Historic Trust protects against changes that would be inconsistent with the preservation of the property. The easements affect the Alexander Company and their efforts to restore and convert the majority of the historic structures on the property to condominiums and apartments, EYA and their efforts to construct the new townhomes and finally, it also affects the
private parties who were responsible for the restoration and conversion of the smaller properties to single family homes. The Maryland Historical Trust requires the historic fabric of the buildings (i.e. – windows, staircases, fireplace mantels, detailed trim and walls) to remain as they were originally built, but, they also permit the buildings to be upgraded with modern conveniences such as kitchen appliances and bathroom fixtures.

Although the preservation easement is a mechanism used to control interior and exterior changes made to the property, it also allows owners and developers to be rewarded for their preservation efforts. The incentives / rewards are typically offered in the form of preservation or rehabilitation tax credits and have had a profound effect on attracting private investors to historic preservation projects. The Alexander Company was the recipient of many such incentives and those are discussed further in the financing section of this thesis.

A Forest Conservation Easement also had to be placed on the entirety of the Glen to protect it for its historic value, visual contributions and environmental benefits. The requirements were met by the developer (as required by the development plan) with the retention of 8.70 acres of the 11.7 acres of the existing forest on the site. The Forest Conservation Plan required the protection of large and specimen trees and also for the mitigation for the existing a proposed encroachment within the stream valley buffer.

**Lesson/Recommendation:** At the National Park Seminary, meeting the requirements of the preservation easement as well as meeting the requirements of the state and federal tax incentive programs was a major hurdle that the developer has and is continuing to overcome. It turns out that the two sets of requirements are similar in nature in that their primary focus is on the protection and preservation of the historic nature of the site. On many adaptive reuse projects that involve historic buildings or sites, some believe that the potential funding to be received from state and federal programs is a greater incentive for a developer to comply with preservation requirements than the an easement would be alone. The adaptive reuse of the National park Seminary is great example of this theory. This is evidenced by the fact that the developer, although very preservation oriented, successfully met the requirements and has received the maximum amount of tax credit incentives offered by the state for the project.

Finally, a couple of general recommendations related to developers complying with preservation easement and tax incentive program guidelines are as follows:
- Allow adequate time in the schedule for the extra layer of oversight and approvals associated with the preservation requirements. Approvals are required throughout the entire process so the project schedule needs to reflect that in each phase.

- Engage the entities responsible oversight of the easement and/or tax incentive programs as early is possible in order to help mitigate the time and possibly the need to make modifications to plans or work put in place later. Early engagement of the appropriate parties ensures that their input is incorporated into the design and/or construction process from the outset and that there are no major surprises down the road that could impact the project cost or schedule.

- Don’t try to skirt the process. As tempting as it may be to keep construction activities moving along, it is critical for the developer to make sure that they have received approval to move forward with follow on activities impacted by the preservation easement or requirements to comply with state and federal tax incentive programs. For example, ensure paint selections are in compliance, materials to be use are acceptable, the type and placement of major equipment has been agreed upon, etc. In these instances, the developer must remain flexible and they should also have the ability to shift resources to other work activities if a current activity is being delayed due to a pending approval. At the National Park Seminary, the Alexander Company got ahead of themselves when installing the HVAC equipment and it ultimately cost them both time and money. The issue was that the Alexander Company proceeded to install a cooling tower on top of the Main building prior to the completion of the approval process. As a result, the Maryland Historical Trust required the Alexander Company to lower the unit and add additional screening (at the Alexander Company’s cost) so that aesthetically it was more considerate of the historic nature of the site.
Entitlements:

Rezoning of a site is a common hurdle that developers are faced with on adaptive reuse projects because more often than not, a new program is being implemented into the existing building or site. Rezoning is a time consuming process which could have financial and other negative repercussions if it is not handled in an expeditious manner.

The Alexander Company very quickly determined that rezoning of the National Park Seminary historic district would be necessary. When they first took title of the property, it was zoned R-90 which allowed for single family residential development and had height restrictions of about 2 ½ stories. The R-90 zoning was not adequate for the property’s future higher density residential use. An application was therefore submitted to request the historic district be rezoned from R-90 to PD-15 to allow for enough new residential construction to finance the rehabilitation of the existing historic structures. The PD-15 zoning would allow for the development of up to 15 dwelling units per acre, but, the Alexander Company only planned to build a maximum of 8.8 dwelling units per acre (280 total units). The PD-15 zoning was also necessary because the height restrictions would easily accommodate the height of the tallest existing historic building (Main) on the property which was 4 stories. The Main building was critical part of the development because it was where all of the future affordable housing units would be located. The Planning Board approved the rezoning request in December 2004; approximately 15 months after the application had been submitted.

Lesson/Recommendation: The “Green Tape Process” is a policy that allows the County to give higher priority to certain projects seeking land use approvals so that those projects can move forward expeditiously. Examples of the types of projects that are given such precedence include those that are historic or that have a high number of affordable housing units associated with them. The Green Tape Process allows many issues that would normally surface later in the process to be identified and addressed early. The National Park Seminary was identified for Green Tape Processing and for expedited review because the property had lacked proper maintenance over the years and was rapidly deteriorating due to the extensive water damage and vandalism that it had experienced. Also, it was anticipated the project would provide a number of affordable housing units (20%) which exceeded the 12.5% required by the County. The development team worked expeditiously to stabilize the existing buildings while every effort was made on the part of the County to expedite their request for rezoning.
Building Codes:

Building codes on large adaptive reuse projects such as at the National Park Seminary tend to be less of an obstacle than on projects that are smaller in scale. Typically, major adaptive reuse projects involve a scale of work that dictates that the entire interior of a building be gutted and rebuilt which allows the resulting work to be built in accordance with current construction standards. The additional expenses associated with incorporating incremental code requirements are often buried into the already overall expensive cost to rehabilitate/restore the building.

On smaller adaptive reuse or rehabilitation projects, building codes can prove to be a more significant obstacle to overcome. One of the primary reasons for this is because many local jurisdictions regulations don’t differentiate between new construction and rehabilitation of existing buildings. Therefore, the rehabilitation costs on the smaller projects can be increased as they often end up taking on major modifications in order to adhere to the more stringent building code requirements. In some cases, these projects are no longer feasible because the renovation is no longer as economical as their small budgets needed them to be.
Financing & Economic Feasibility:

Financial feasibility is an issue that must be taken into consideration when evaluating whether or not adaptive reuse is the most appropriate construction approach for a project. Historically, many have argued that it is more economically feasible to tear down and rebuild a physically/functionally obsolete building than it is to save it and convert it to a new use. This line of thinking has slowly changed as a result of the government implementing programs and policy changes to stimulate private investment into old and underutilized buildings. These incentives, when combined with other traditional funding sources, have made it possible financially for developers to have successful and profitable adaptive reuse projects.

Many of the issues that impact the economics of an adaptive reuse project stem the historical significance of the existing building and its intended new use. For example, the protection of a building’s historic elements and architecture will often have an associated cost which could make that protection not feasible. Another issue that affects the economics of adaptive reuse projects is the requirement to provide a minimum number of affordable housing units. When faced with these challenges, developers often rely on tax credit incentives offered by both the State and Federal Government such as those used by the Alexander Company at the National Park Seminary to make the project feasible.

Lesson/Recommendation: Past experience has shown the Alexander Company that in order for an adaptive reuse project to be financially feasible, the tax incentives must be at least 20% of the total project cost. At the National Park Seminary, they relied very heavily on the tax incentives which amounted to approximately $25M (approximately 20% of the $120M total project cost). These incentives were used to offset the costs associated with the restoration/build-out of the affordable and market rate housing units located in the Main building. In addition to the federal and state grant or tax incentive programs, the Alexander Company also used debt from private lenders, proceeds from the sale of parcels of land they also made personal equity contributions. This creative financing approach has allowed them to not only meet the preservation and restoration goals, but, it has also allowed them to create dwelling units at a wide range of price points.
Key Incentives Received by Alexander Company for the Adaptive Reuse of the National Park Seminary:

- **Gift from Montgomery County** – Montgomery County sold the property to the Alexander Company for redevelopment for $1.

- **Proceeds from Sale of Land** – Approximately $4M received by the Alexander Company for land sold to EYA was contributed toward the development of the affordable and market rate housing units built in the Main building. Total cost of the rental housing is approximately $25.3M.

- **Federal Historic Rehabilitation Tax Credit** - Received $4M from the sale of federal historic rehabilitation tax credits. These funds were used to offset the $25.3M cost associated with the affordable and market rate housing units built in the Main building.

- **Heritage Preservation Tax Credits** - Received $2.6M from the sale of Heritage Preservation Tax Credits, administered by Maryland’s Historical Trust. These funds were used to offset the $25.3M cost associated with the affordable and market rate housing units built in the Main building.

- **Montgomery County’s Housing Initiative Fund** – The Housing Initiative Fund (HIF) is a permanent source of funding for affordable housing and neighborhoods which was created in 1988. The HIF is administered by Montgomery County’s Department of Housing and Community Affairs. The goals of the fund include creating mixed-income communities, renovating distressed properties, creating housing for residents with special needs and preserving the affordability of housing units. Funding is available to developers throughout the year for predevelopment, bridge, acquisition and permanent financing. The Alexander Company was given $1.25M in financing which was used toward the build out of 66 multifamily units in the Main building. 56 of those units were rented to families at or below the area median income.

- **Permanent Mortgage** – A permanent mortgage was provided by Wachovia Multifamily Capital, Inc. in the amount of $4M. These funds were used to cover the remaining costs associated with building the apartments. Total cost of the rental housing is approximately $25.3M.

- **Federal Low Income Housing Tax Credits** - $8.9M equity was received from the sale of federal low income housing tax credits. This subsidy made it possible for 56 of the 66 apartments affordable for
families earning no more than 60% of the area median income (AMI) to rent. Some of the units were also reserved for families earning no more than 50% of AMI to rent.

- **Maryland Rehab Tax Credits** - The Maryland Rehab Tax Credit incentive is available to both historic and non-historic rehab projects and is one that was used on the National Park Seminary Historic Preservation project. It offers 10% tax credit on building rehabilitation projects. This incentive has spurred over $800M in renovations since 1997, but, was recently at risk for elimination until the National Trust for Historic Preservation stepped in and contributed to keep it afloat.
Technical / Architectural / Engineering:

There are a variety of technical, architectural and engineering challenges inherent to adaptive reuse projects. For example, layout of the space typically requires the designer to have a lot of creativity and flexibility if he/she will be successful in incorporating the new program into the existing footprint. The designer must also understand the history of the building or site and its local surroundings. This is particularly important when a preservation easement has been imposed on the property or when infill development is combined with the renovation of existing buildings. There are oversight entities responsible for ensuring compliance with the easement and also for ensuring the seamless integration of the new structures with their existing surroundings.

Confirming structural soundness and overall building integrity is another issue that the architects and engineers must address during the planning and design of adaptive reuse projects. Deterioration and the age of existing building systems typically require the designers to recommend repair or replacement of those systems. Finally, stairwells, exits, electrical systems, etc. typically do not meet current building codes and will therefore need to be upgraded to meet current standards.

Lesson/Recommendation: At the National Park Seminary, the master developer was faced with the challenge of dealing with a historic preservation easement that had been placed on the property by the Maryland Historical Trust. That easement drove the design and development process. The developer encountered the challenge of redesigning a property where all of the existing buildings had to be retained, but, architecturally each of those buildings was speaking different languages. All of the existing structures on the site had unique architectural features which had to be preserved for two primary reasons, the first of which was the previously mentioned historic preservation easement. Secondly, it was thought that the architecturally significant features of each structure would help attract certain demographics to want to purchase and live at the property. Therefore the design of the new residential units incorporated the key architectural features (i.e. - the high ceilings, large windows and high quality architectural appointments) whenever it was possible. Also in the historic structures, the corridors were left in tact, ornate fireplaces and wainscoting remained in their places, light fixtures were specified for refurbishment and reuse, window styles were kept or duplicated and whenever possible statues and fountains were shown in their original locations.
The master redevelopment plan also ensured the new townhomes were designed and built in a manner that brought them together with the existing historic structures. New townhomes feature architectural styles reminiscent of the existing historic buildings. For instance, styles include Spanish Mission, English Tudor and Arts & Crafts architecture. The design team worked closely with Save Our Seminary to design the two, three and four level townhomes that ranged in size from 2,100 to 2,800 square feet.

Next, the site and landscaping design also played a major role in creating a new property which was cohesive and historically accurate. Extensive research of historic documentation had to be conducted to ensure the appropriate plant palette was selected for each building (if applicable). The plantings selected for the historic structures were made based on the architectural style indicative of the era. The townhouse landscaping consisted of deciduous and evergreen shrubs, flowering trees, ornamental grasses, ground cover, shade trees and large areas of green space. Also, the streetscape design was just as important as the design of the buildings. The streetscape of Linden Lane consists of smaller shade trees, a pedestrian sidewalk and a five foot lawn panel and was probably the most important as it is the primary road that runs through the site. Finally, the formal gardens with numerous sculptures and walkways were also incorporated into the design and are being restored.
Each residential unit in the historic buildings was designed to have a unique configuration depending upon its original function in the old school. This required the design team to constantly find creative ways to convert oddly shaped spaces into usable/livable spaces which featured modern amenities such as stainless steel appliances, solid maple cabinetry, granite countertops, hardwood floors and/or wall-to-wall carpeting. There are many examples where the design team had to come up with creative ways to address the existing architecture in each building. See below for examples of some of those unique architectural challenges:

- The transformation of the three story Greek Revival style Gymnasium. When this building was originally built in 1907 it featured a heated swimming pool, a bowling alley and solarium. In the new design, the school’s former gymnasium will feature sunken condo units in the space that was once occupied by the swimming pool and also wall mosaics from the existing pool tile.
• The Chapel, which was built between 1894 and 1898, is one of the oldest structures on the property. It is one story, is made of stone, and is attached to the south side of the Inn. The chapel has been redesigned to become a stand-alone condominium residence featuring a loft with a bedroom, a den, family room, cathedral ceilings and stain glass windows. Its renovation is the largest and most expensive on the project. The residence is expected to be priced at over $1M dollars.

• In 1927, the spectacular four story Gothic style Ballroom was built on the property. It features amazing arches, galleries, timbered roof and dormers. The new design includes approximately 14 condominium units. The units will feature 12-foot ceilings and large windows once it has been restored. The Ballroom building will also serve as a community space for fundraisers and parties and will also house one of the nation’s last remaining large-scale Victrola speaker systems.

• The largest structure on the property, Ye Forest Inn, is a two story Tudor style building with a stucco exterior trimmed in wood and which rests on a stone foundation. The building was built in 1904 also has a veranda with a pedimented pavilion. The redesigned former hotel features condominium units that have arched windows, hammered tin ceilings and authentic plaster wainscoting. The building was also designed to include market rate and affordable rental housing. Finally, transitional housing for recently homeless men has also been incorporated into this building and it will be run by Catholic Charities.
- Single Family Homes - Former sorority houses and other smaller / odd buildings are being transformed into unique single family homes. Some of the buildings include the Japanese Pagoda, Swiss Chalet, Dutch Windmill, American Bungalow, English Garden Castle, and Spanish Mission.

Photo Credit:  
www.nationalparkseminary.com
Construction:

Risk due to unknown building/site conditions:

Adaptive reuse projects have more inherent risk than new construction projects because of the amount of unknown conditions in the existing buildings which can’t be discovered until after construction commences. Some of these conditions include the integrity of the foundation, the antiquated state of the mechanical, electrical and plumbing (MEP) systems and also the extent of the degradation of the structural system due to water damage, dry rot or termite infestation. It is also fairly common for the systems previously described to be in a deteriorated state due to either poor, or, a complete lack of maintenance over long periods of time. The discovery of these conditions throughout the construction phase normally translates to additional project costs and a reduction in the developers return on investment. As a result of the potential risks, a developer’s desired rate of return is typically higher on adaptive reuse projects than it is for new construction.

At the National Park Seminary, the development team was faced with many unforeseen building and site conditions. They dealt with the fact that none of the buildings original framing members conformed to standard sizes. Many were jury-rigged with fastening and bearing methods that did not comply with present day building codes. Other unforeseen conditions discovered on the far side of the Glen and included vehicular accessibility issues, utility challenges, problems with noise from the adjacent railroad and beltway and two buildings that had deteriorated so much that partial demolition and reconstruction would be required. Finally, one of the largest issues that arose throughout the entire site was related to the extent of the water damage and deterioration and the fact that in most of the buildings those problems were more extensive than originally expected.

Lesson/Recommendation: There were several ways that Alexander Company dealt with the previously mentioned challenges, but, one particularly worthy of noting is the way they addressed the rapid deterioration that was prevalent in the existing historic buildings located on the property. From the outset, the Alexander Company’s primary focus was on the restoration of the larger historic buildings located on the property. They were focused on getting those larger buildings under construction as quickly as possible in order to stop them from suffering any further deterioration. There were also about a dozen or so smaller deteriorating buildings on the property that they knew they would not be able to get to for quite some time. So, the Alexander Company decided to sell those buildings off to qualified private individuals and renovation firms so that they could begin the restoration as quickly
as possible. Not only did this mitigation plan help save the developer time and expenses, it allowed them to direct their resources toward getting the larger buildings under construction. Additionally, the funds that the Alexander Company raised from the sale of the smaller individual buildings helped them to offset the costs of the restoration efforts on the other existing historic structures. The smaller buildings which were sold off have been and are continuing to be restored as single family homes. They are in many different phases of completion; one has been completely restored and is occupied, several others are also completely restored and are on the market for sale and the remaining buildings are currently under construction.
Retaining and not Disturbing Historic Elements:

Debris Removal Photo Credits:  www.nationalparkseminary.com & www.alexandercompany.com

A significant challenge faced by developers who take on the restoration of historic structures has to do with ensuring the integrity of the building is not compromised. It is imperative that the building’s historic fabric is preserved in tact while the necessary modifications are made. Additionally, the developer must ensure the work is carried out in a manner that is historically accurate, so it is imperative that the approach taken to accommodate modern functional requirements such as kitchens and bathrooms is based on sound physical and documentary evidence. The best approach is to treat the restoration from a curatorial standpoint where the building is treated with the same care as a valuable piece of furniture or rare painting.

When carrying out historic restoration work it is essential that trained craftsmen be used to perform the physical work tasks. This is because craftsmen who are trained in historic preservation understand the importance of using the appropriate materials or techniques needed to complete the job correctly. Trained craftsmen can also appreciate the fact that preservation work can be extremely difficult and time consuming and that they must be dedicated to taking the time and care necessary to be accurate and to achieve excellence.

The installation of new utility, HVAC, structural and other systems has often been the most damaging renovation activity in historic buildings. Normally, these systems require large amounts of space within the building and can cause large amounts of destruction of the buildings historic fabric during the process of putting them in into
their final locations and also concealing them once they are there. Much of this destruction can be mitigated if the
design work is directed to a firm that specializes in historic preservation. The restoration architects are typically
more sensitive to this issue and will select systems which are less intrusive and damaging to the building.

Preservation of other parts of the building such as its doors, hardware, windows, floorboards, ceilings and
walls are also difficult to do without disturbance or damage to themselves or other building elements. Exterior
masonry walls should be repaired carefully and/or cleaned with a mild masonry cleaner. Loose and flaking paint at
windows should be removed using hand-scraping techniques. Doors that will be reused should be removed with
care as should any hinges that are still attached with its original handmade screws. Whenever possible, these items
should be put back in its original location.

**Lessons/Recommendations:** There were several instances during the restoration efforts at the National Park
Seminary when extreme measures were taken in order to ensure the existing historic elements of the buildings were
not disturbed. For example, the Senior House experienced so much water damage that the ceilings on four levels
had all collapsed down to the basement. Therefore, in order to remove the debris and install the new ceilings extra
care had to be taken so as not to damage the exterior and other parts of the interior of the building any further. To
accomplish this, the general contractor removed one of the turrets on the Senior House and temporarily placed it on
the ground next to the building. This allowed cranes to reach over the structure and haul the existing collapsed
ceiling out of the building without damaging it any further. The new structural elements and ceilings were then
installed and the turret was put back in place using a crane once that work was completed.

*Collapsed Ceiling & Turret Removal Photo Credit: www.nationalparkseminary.com*
Photos: Turret Removal & Ceiling/Floor Replacement
Environmental:

Environmental contaminants and the process associated with their remediation are often challenges inherent to adaptive reuse projects. The early environmental assessments conducted at the National Park Seminary uncovered hazardous substances in many of the existing historic buildings and also in pockets located throughout the property. Contaminants found include asbestos in the existing historic buildings and on pipes in the steam tunnels, lead based paint in the buildings, polychlorinated biphenyl transformers (PCB’s) at different locations throughout the property, two boilers and several above ground storage tanks were also found at the existing heating plant. Groundwater and soil testing revealed the presence of arsenic, chromium, and lead in the surface soils of the property. Finally, elevated levels of mercury, diesel range organics and polycyclic aromatic hydrocarbons were also found in the surface and subsurface soils on the site.

Lesson/Recommendation: The abatement and clean up of the hazardous materials found on the site was a joint effort between the Alexander Company and the Army who was committed to remediating the environmental contamination that was associated with its past ownership and use. The task took approximately six (6) months to complete and that timeframe was largely dictated by the need for the developer comply with the requirements of the preservation easement placed on the property by the Maryland Historical Trust. The easement required the Alexander Company and the Army to not only work within strict guidelines as they moved through each phase of demolition and construction, but, also as they completed the abatement of the hazardous substances. One thing, however, that did help to mitigate the impact to the schedule was the Army’s tasking of the Alexander Company to take on responsibility for managing and executing the remediation activities. This step allowed the Alexander Company to remain in control overall of the construction activities and schedule for the restoration project.
Marketing & Sales:

The sales and marketing efforts at the National Park Seminary were affected by both positive and negative circumstances which were also as unique as the site itself. These circumstances ranged from the existence of a variety of product types (such as historic condominiums, new townhomes, restored single family homes, affordable and market rate rentals, transitional housing), to being in a location that was both ideal and difficult to find and finally the issue of having a development project that others fear may never be completed. There was also the issue of having a property whose history and prior uses attracted both buyers and tourists, and finally pricing that appealed to households making less than 60% of the median area income and also that appealed to the more affluent.

Location:

One of the major challenges from a marketing perspective was the location of the National Park Seminary. This challenge was one that impacted all of the product types located within the community. The National Park Seminary is ideally situated inside the Interstate 495 beltway and is also just minutes away from the Forest Glen and Silver Spring Metro stations. The issue faced on this project is the fact that the property is located “off the beaten path” and is not visible from any of the major thoroughfares such as Georgia Avenue, Seminary Road and Forest Glen Road. The bottom line is that individuals would only find the property if they headed there to begin with or if they were headed to one of the residential communities or Walter Reed facilities bordering the site.

Lesson/Recommendation: While the location of the site is not a challenge that is specifically related to the fact that the project is an adaptive reuse project, there were several strategies employed by the marketing teams to overcome that hurdle. For example, all public relations activities and marketing efforts/materials focused on promoting the uniqueness of the property. The marketing teams capitalized on the fact that the property itself and the history of uses over the past 100 or so years were very intriguing to the general public. The fascination with this site became so prevalent that it has been picked up by most of the major news outlets throughout the country. The national exposure has driven people who would have been none the wiser to other marketing vehicles such as websites and blogs containing additional information about the community and the adaptive reuse project. The websites, blogs, marketing brochures and other forms of media about the site focused on driving people to want to physically visit the hidden treasure. This was done by creating and emphasizing visual interest in the property
through the use of current and historic photographs. Creating visual interest has been easy to do because the National Park Seminary has and still does photograph well.

Living Room and Kitchen Photo Credit: www.nationalparkseminary.com

Other efforts to draw buyers to the National Park Seminary site were along the lines of more traditional new home marketing strategies. This consisted of advertising in the New Homes Guide, Bethesda Military Paper, Gazette, Comprint, the classifieds and other newspapers. Also, a lot of emphasis was placed on signage in the areas surrounding the property.

Another very effective means of informing the public about the location of the site has been through word of mouth. The National Park Seminary has had many uses and lives over the last 100 or so years. Because of its history and previous uses, people who may never have known about the location have been made aware of it because of stories told by others who have had some sort of connection to the location in the past. For instance former students of the Seminary, people who were part of the Army and stationed here, relatives or friends of those who have lived, worked or visited the site in the past have all been instrumental in getting the word out about the where this adaptive reuse project is located and the plans for its redevelopment. These conversations have led people to the site and in many cases to become the buyers and/or renters that live in the community today or that will live there in the future.
Various Product Types and Pricing:

While offering residential products that will cater to every possible demographic is positive and encourages diversity within a community, it also poses another marketing challenge. The issue of attracting buyers and/or renters that fall within a broad demographic category was one that was experienced by both the Alexandra Company and EYA at the National Park Seminary. The challenge for both entities was addressing the huge disparity between the sizes and prices of the units being offered. For example, the historic condominiums ranged in size from 700 sf to 3000 sf at prices starting around $300,000 and exceeding $1,000,000. The new townhomes ranged from 2100 sf to 2800 sf, at pricing which started in the mid $600,000’s and stopped just below $1,000,000. Finally, the community also offered rental units whose prices were both market rate, but, primarily whose rates were affordable to households earning 60% of the median area income.

Lesson/Recommendation: Although efforts were made to market to a variety of potential buyers, the bottom line is that the people who are purchasing in this community are doing so because they have an interest in the property and its history and because they actually want to be there. The history of the condominium and townhome sales in this community has shown that many of the buyers fall into a category of those who have been waiting/anticipating the release of units for sale. Studies have also shown that buyers have been willing to pay the premium associated with owning in this community and also that this property has remained somewhat insulated from the declining home prices seen elsewhere in the real estate market. An example of this is the fact that EYA began selling in late 2005. Since their start, they have sold an average of 1.5 homes per month and have only made one price adjustment which amounted to an 8% reduction. The price reduction of 8% for the townhomes in this community as compared to a 16% drop in single family homes in the market shows that even though the price decrease in the community was less than in other parts of the market, people still continued to purchase homes at a premium and at a consistent pace.

Finally, there is a long list of things that have appealed to some of the buyers in this community, but, that have also been a barrier to purchase for others. Those items are just as diverse as their owners who consist of young professionals, empty nesters looking to downsize, people who have a connection to the school or Army’s history, etc. The sales managers and marketing teams have attempted to close this gap by obtaining the best understanding...
of their potential buyer’s interests and/or concerns and tailoring their marketing efforts in a way that specific and that identifies the most suitable product for their needs. For instance:

- For potential buyers who need to accommodate larger households, the new construction where marketed to them and because its design is more efficient and spacious.

- For buyers who were interested in having something unique and unlike anything anyone else has, the historic homes were showcased. No two floor plans were alike in the historic homes because of the atypical architectural style of the buildings within which they were located.

- For buyers interested in having an ownership interest in a historic building, the marketing teams and sales managers offered the option to purchase the historic condominiums. The historic units were easier to market because they were able to offer historic tax credit incentives along with the purchase of their unit.
CHAPTER 6:
CONCLUSIONS & RECOMMENDATIONS
CONCLUSIONS & RECOMMENDATIONS

Adaptive reuse has become a favored mechanism for urban revitalization and historic preservation. It is a concept that has been promoted in many cities due to benefits such as its potential to reduce urban sprawl, it is efficiency in terms of the resources (i.e. construction materials, roads, sewer and water infrastructure) needed to revitalize neighborhoods, and finally it is promoted due to its environmental and social benefits. Additionally, developers who take on this type of construction have learned that a substantial financial savings may be realized because of the ability to reuse the existing building’s foundation, structural system and cladding and also the ability to take advantage of tax incentives offered by the government. Finally, although the adaptive reuse of a historic building or site may be more challenging than typical development project it may also have unique attributes that can be capitalized upon and that often becomes a key factor in the project being successful. The National Park Seminary is a great example of an adaptive reuse projects who’s history and physical attributes are so unique that it is one of the reasons that is has been so successful.

This thesis revealed that in addition to benefits, adaptive reuse development also has inherent challenges. The investigation conducted on the adaptive reuse of the historic National Park Seminary identified many of the key hurdles faced on these types of development projects and used that as a basis to provide examples of strategies to overcome them. The strategies and solutions provided may be considered by developers and other key stakeholders involved in or considering taking on other adaptive reuse efforts. The following summarizes the conclusions provides recommendations for others to consider:

1. The lack of a timely decision to transfer the National Park Seminary property for reuse impacted the complexity and cost of the redevelopment of the site. Deterioration of the existing structures occurred and worsened with each year that the Army took to make a decision about what it planned to do with the property. The deterioration also resulted from the Army failing to be good stewards of the property after they vacated to newer facilities in the late 1970’s. Once the decision was made by the Army to dispose of the historic site, the lengthy government process to do excess the property further impacted condition of the buildings. The lesson to be learned from this project is that although 30 years when by since the property was last actively used, concerned citizens, preservationists, government entities and community organizations pulled together and had a major influence on the Army’s decision to release the site so that it could be saved from further destruction. Also,
these parties formed an alliance and established measures which gave them control over the future use of the property and ultimately influenced its preservation.

2. The selection of the right development team to take on the large and complex adaptive reuse of the National Park Seminary has been a major key to the successes realized on this project to date. The Alexander Company’s passion and first priority since the beginning of this project has been to save all of the existing historic buildings on the site unlike other developers who proposed to demolish most or all of them. Additionally, the Alexander Company has extensive experience in the area of adaptive reuse and historic preservation development. This has allowed them to anticipate and navigate the hurdles that have arisen during all phases of the project. Those involved in the project (i.e. – preservation organizations, the County, etc.) are very complementary of the Alexander Company and indicated that they were never argumentative and whenever issues needed to be worked through they were understanding and partnered to come up with the best solution. Careful selection of the development team on any adaptive reuse project is critical and the wrong selection can result in a project not reaching its goals.

3. The regulatory issues such as deed restrictions and entitlements account for a significant amount of the challenges often face on adaptive reuse projects. Compliance with the requirements of the historic preservation easement and the guidelines established by the tax incentive programs seem to drive every aspect of the project. It is therefore imperative that the proper time be built into the project schedule to allow for the additional oversight and approvals that will be associated with ensuring the requirements are met. Attempting to bypass the approval process or even ignoring the requirements could cost the developer time and money in the long run. Regarding entitlements, developers should seek ways to take advantage of government programs and processes that grant priority during the land use approval process. The National Park Seminary adaptive reuse project successfully took advantage of a process offered by the County for an expedited review because the project was historic in nature and it was expected to add additional affordable housing units to the County’s inventory.

4. In more cases than not, in order for an adaptive reuse project to be economically feasible the use of multiple funding sources and tax incentives is necessary. Typically, tax incentives must be around 20% of the total development costs in order for the project to be economically feasible. Developers should seek to do projects in states where federal and state tax incentive programs will amount to at least 20% of the total project cost. At
the National Park Seminary, the low cost of the land ($1) and the availability of tax incentive programs related to affordable housing and historic preservation helped to make the project feasible.

5. In order to overcome technical, architectural and engineering challenges on adaptive reuse projects flexibility and creativity is key. The National Park Seminary adaptive reuse project had many examples of such challenges starting with the need to implement a new program into existing buildings that were architecturally unique, in a deteriorated state, which were restricted by a preservation easement and which needed to be made to feel cohesive with the rest of the community. Once again, the experience, expertise and talent of the entire development team allowed them to come up with creative design and construction solutions while retaining the original character of the buildings and property.

6. Mitigating/addressing risks due to unknown site conditions is very common on adaptive reuse projects. Properties that have been sitting vacant and that have not received the proper maintenance and care are especially risky for developers because the initial assessment of a building prior to demolition/construction doesn’t always reveal all of the problems. The Alexander Company mitigated their exposure to the unforeseen site and building conditions by developing and implementing a plan that brought the deterioration of the existing buildings under control as quickly as possible. They sold all of the smaller historic structures to other entities for immediate renovation so that they could focus their efforts on stabilizing the larger existing historic structures rather than letting them to continue deteriorate and cause greater exposure.

7. Retaining and not disturbing historic elements during the adaptive reuse of a building requires extra care. In some cases, during the adaptive reuse of the National Park Seminary project the developer had to use extreme measures in order to protect the existing buildings from damage. For example, in order to gain access to parts of the building that were very badly deteriorated and damaged the contractor had to remove portions of the building that weren’t damaged and then put them back once the interior work had been completed.

8. The shear fact that a building or site is being converted to a new use is unique and is something that can be used to generate interest in the project. The National Park Seminary has had multiple uses since the first building was built on the property in 1887 and is one of the reasons why so many people are intrigued by it and have fought for it to be preserved. The sales and marketing efforts for the community have focused heavily on the history of the site and its uniqueness because it has been a major factor in why many people have chosen to live in this community.
The adaptive reuse of the National Park Seminary is ongoing with the writing of this thesis and continues to be successful. This is evidenced by the fact that construction is continuing, completed residential units are being sold, leased and occupied. Also, the developer has been able to complete the build out of the new spaces while preserving / maintaining the integrity of the buildings and the site. Additionally, the project has furthered the County’s housing policy by providing an amount of affordable housing units which exceeds the number required by Montgomery County by approximately 8%. Finally, the adaptive reuse of the National Park Seminary is successful because the history and the physical structures located on this beloved property are being preserved through its conversion to yet another use.
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