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Two more Norfolk apartment projects in the works

Plans are under way in Norfolk for two more apartment complexes in or near downtown, the latest in a wave of apartment projects flooding the region.

Mayor Paul Fraim said Friday that a seven-story building at 100 W. Plume St., sometimes referred to as the Trader Building, will be converted into high-end apartments.

Separately, the developers who turned the old Krisp-Pak building on Front Street in Fort Norfolk into loft apartments successfully bid on an old waterfront warehouse in that area and plan to turn it into apartments and develop another apartment building nearby.

The announcement involving the Trader Building came from Fraim at the Norfolk Waterside Marriott during his annual State of the City speech [1], sponsored by the Hampton Roads Chamber of Commerce.

The development was one of dozens of residential, retail and industrial projects across the city mentioned by Fraim during his speech. He highlighted a planned outlet mall at the site of the city-owned Lake Wright Golf Course, calling it the most important development in the city since MacArthur Center.

Development under way in Norfolk will create thousands of new jobs, Fraim said.

Details of most of the projects, including the outlet mall, already have been reported.

But Fraim's mention of the Trader Building was the first public disclosure of that project.

The building is owned by Dominion Enterprises. Dominion, formerly known as Trader Publishing Co., is part of Landmark Media Enterprises LLC, which owns The Virginian-Pilot. Both Dominion and Landmark are based in downtown Norfolk.

A unit of Marathon Development has a deal to buy the building, Buddy Gadams, Marathon's president, said.

He declined to give the purchase price but said the conversion project will cost \$22 million. He said he plans to turn the building - to be called The Seaboard - into 135 apartments, which would include studios, one-bedroom and two-bedroom units. Financing for the deal is in place, Gadams said, and he expects to close on the purchase in 30 to 45 days and wrap up renovations before the end of the year. Rents will range from \$1,000 to \$2,000 a month.

The new units will bring Gadams' downtown total to 670 apartments. He said his company will be the largest residential landlord downtown.

Marathon also is building 188 units in the Metro, a new apartment building on Granby and Freemason streets,

and 177 units in the former James Madison Hotel on Granby. It is scheduled to start construction at the former Union Mission Ministries building in late April, with plans for 90 luxury apartments there, along with 46 units in a new building to be constructed next door. It wrapped up a conversion of the Wainwright Building into apartments in October.

While downtown Norfolk and its environs have been the hottest spots for new apartment projects in the region, nearly every Hampton Roads community - and Williamsburg - have seen a surge in apartment construction in the past few years.

Young professionals who want to live in a walkable, urban setting are driving downtown's rental market, Gadams said. "When they go out at night, they'll invite their friends, and they'll bring people in from Chesapeake and Virginia Beach."

The project planned in Fort Norfolk - which wasn't mentioned in Fraim's speech - involves the vacant building at 519 Front St., a large white former warehouse with rectangular windows. The building had been owned by developer Bobby Wright, who filed for bankruptcy on behalf of his company, Fort Norfolk LLC.

Andy McCullough and his partner Pieter Reidy, through a limited liability company called Front Street Flats, outbid another developer on the Wright building. Southern Bank had foreclosed on the property. The auction was held Feb. 14.

Wright had previously brokered a deal to sell the building to Chris Johnson, a Richmond developer and principal owner of MonumentCos. LLC, who partnered with The Edison Co., for \$800,000.

A bankruptcy judge rejected that deal and ordered that the property be auctioned. Attorneys involved said McCullough outbid Johnson with a \$1.175 million offer.

In addition, McCullough said, he and Reidy bought an adjacent vacant lot and plan to develop another apartment building there.

McCullough said he cannot release details on the projects until all the sale paperwork has been finalized.

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