

Amerimar Realty's Walnut Street Building gets \$9.35 million facelift

By James Weil

The building at 1528 Walnut Street, like many of the office buildings in Philadelphia, is an elegant testimonial of the 1920s' architectural grandeur. Its lobby, with marble walls and floor, an intricate leaf ceiling and posh elevator cabs, is now in disrepair. But, the 230,000 square foot building is about to get a facelift.

Recently acquired from a Chapter 11 sale by Amerimar Realty Company in partnership with General Electric Capital Corporation, the building is a Class B property in a Class A location. Amerimar is in the planning stages of renovating it to Class A status.

Amerimar has a \$9.35 million open-end mortgage with GE to facilitate the project. Part of the money was spent on the ninth and tenth floors—about 11,000 square feet—which GE now occupies, and \$6.1 million will go into base building improvements. Another \$3.25 million will be spent on tenant improvements and leasing commissions. Some of the renovations planned for the building are:

- Fire and Life Safety Systems
- Heating, Ventilation and Cooling (HVAC)
- Roof
- Facade
- Elevators
- Bathrooms
- Lobby
- Energy Management Systems (EMS)

Although what needs to be done may seem obvious, planning for such a large-scale project can get complicated. "A lot of times, people will hire architects and engineers to facilitate the planning; we're acting as construction project managers here. We identify all the entities and decide what plan of action we feel suits this building and the tenants that are already in place.

We listen to their concerns, then select the architects and engineers," said John Smyth, Amerimar's property manager.



A \$9.35 million renovation is planned for 1528 Walnut Street, the 230,000 sq. ft. office building located in Philadelphia, PA.

Fire and Life Safety

Amerimar's first concern is the Fire and Life Safety System. "People think they know what they want; but, unfortunately, until there's a disaster like at Meridian, they don't know all the things that they want. You have to answer all the needs that they are not aware of," said Jerry Marshall, vice president of Amerimar Realty Com-

pany. Amerimar worked closely with its insurance company, Factory Mutual Insurance, to ensure that the system is in full compliance with city codes. "Not only will we be in full compliance with the city, but with Factory Mutual as well. Factory Mutual is more stringent than the city. We wanted to benefit from the lower insurance costs," said Marshall. According to Smyth, Amerimar will also meet the new standards planned by the National Fire Protection Agency, positioning the building for the year 2000.

Heating, Ventilation and Cooling

Amerimar is investigating the possibilities of eliminating the use of city steam and using oil or gas-fired boilers, depending on which will be cheaper at the time of installation. Each of the radiators will have a separate control for adjusting the heat. GE will have a five-zone system for each floor, providing greater climate control. "We're optimistic that this will be successful, and if it is, we'll repeat the process for other full-floor users as they come into the building," said Smyth.

Presently, there is a cooling tower to dissipate heat off the condensers, but there are package units on each floor. Amerimar is investigating the possibility of adding a closed-loop air conditioning system for users such as GE that need 24-hour, year-round cooling of their computer rooms.

The Roof

Five different tasks are involved with the roof—the roof itself, the roof and parapet drains, the parapet walls, the cooling tower and the walkways—and five

different consultants will be hired to handle each aspect of it. Although Smyth is not sure which roofing system will be installed, he realizes that it is useless to upgrade the building without a good one. After the roof is installed, the building will be cleaned and repainted.

The Elevators

Mark Zipf & Associates was hired as the elevator consultant. They will complete the elevator modernization and help negotiate a long term elevator maintenance contract. Armour Elevators will be the contractor. In compliance with tenant request, a freight elevator will be added on the 16th Street side of the building.

1528 Walnut Street Building Capital Improvement Budget	
Exterior Improvements	\$617,217
*Landscaping/Grounds	
*Facade	
*Glass & Glazing	
*Roof	
Interior Improvements	1,271,082
*Main Lobby	
*Restrooms	
*Corridors	
*Firetowers	
Mechanical Improvements	3,413,511
*Elevators	
*Electrical	
*Heating	
*Cooling	
*Plumbing	
Fire/Life Safety Improvements	808,190
*Fire Suppression System	
*Security Monitoring	
*Electronic Signaling Devices	
Total	\$6,110,000

Note: Tenant Capital Improvement Budget is not included.

The Lobby

A new directory has been ordered for the lobby, but the most extensive part of the lobby renovation will be the restoration of the ceiling, which is made of plaster and leaf. Amerimar is looking for an architect to determine how the ceiling was originally done.

Energy Management System

Amerimar hopes to work a computerized EMS into the budget that it can control

from three locations: the building management office, the engineering office, and the property manager's home via modem. The EMS will probably be one of the last steps. "Before you even put in an energy management system, you get rid of as much incandescent lighting as you can and go to fluorescent. It's much more efficient—more than a third of the cost of labor and electric-

ity is saved," Smyth noted.

Smyth says that renovations will be completed in about two years, but tenants will start noticing improvements within one year.

James Weil is a freelance writer based in Philadelphia, PA.


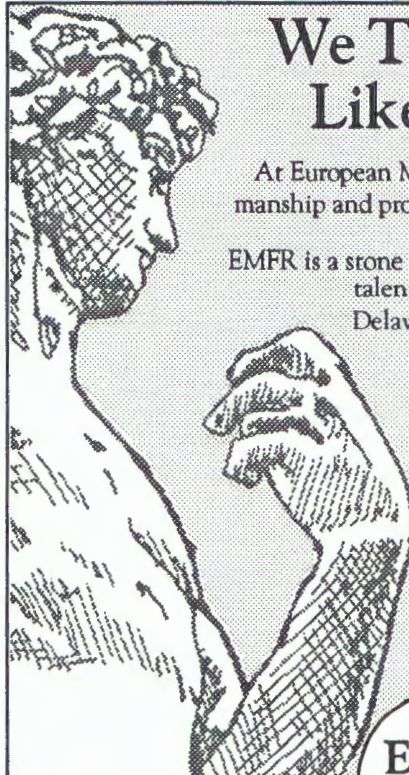
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