



## The Can Company

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Baltimore, Maryland

Project Type:  
Mixed-Use/Multi-Use

Case No:  
C030005

Year:  
2000

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### SUMMARY

The Can Company is an adaptive use project on the site of the former American Can Company factory in the Baltimore neighborhood of Canton. The mixed-use development includes more than 60,000 square feet of retail and 140,000 square feet of commercial space and serves as the centerpiece of southeast Baltimore's renaissance. A total of 290 cars can be accommodated in a surface parking lot and a garage constructed within one of the existing buildings. A lease agreement with the adjacent supermarket adds 30 additional spaces for use by Can Company tenants. The Can Company rests between the old Canton neighborhood—blocks of established housing and corner bars and markets—and the new Canton neighborhood—waterfront condominiums, townhomes, and marinas. Its location is fitting in that it has successfully blended the new with the old through architectural design, tenant recruitment, and community involvement.

### FEATURES

- Mixed-use development
  - Historic preservation
  - Brownfield redevelopment
  - Public/private partnership
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### SPECIAL FEATURES

- Mixed-use development
- Historic preservation
- Brownfield redevelopment
- Public/private partnership

### DEVELOPER

Struever Bros. Eccles & Rouse, Inc.  
519 N. Charles Street  
Baltimore, Maryland 21201  
410-332-1352

### ARCHITECT/PLANNER

Design Collective Inc.  
100 E. Pratt Street  
Suite 1400  
Baltimore, Maryland 21202  
410-685-6655

### HISTORIC PRESERVATION CONSULTANT

Betty Bird & Associates  
2607 24th Street, NW, Suite 3  
Washington, D.C. 20008  
202-588-9033

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## GENERAL DESCRIPTION

The Can Company is a mixed-use complex consisting of the four-story Signature Building; the three-story Factory Building; the two-story 1895 Building; the boiler house; and a small annex. In September 1997, DAP Products Inc.—the world's largest manufacturer of sealants and adhesives—signed the first lease at the Can Company, and development of the 1895 Building was fast-tracked to allow the company, the Can Company's largest tenant, to move its world headquarters to Baltimore by March 1998. DAP Products Inc. employs 125 people and serves as the Can Company's commercial anchor tenant. In hopes of attracting young high-technology companies to Baltimore, the Baltimore Development Corporation, the Maryland Economic Development Corporation, and the federal government teamed up to create the Emerging Technology Center, a high-tech incubator. The center's 48,000 square feet of office space takes up the entire third floor of the three-story Factory Building and will accommodate up to 30 start-up companies. The four-story Signature Building is home to Bibelot Books and Music, Donna's Coffee Bar, and gr8, an Internet marketing firm.

Tenants of the Can Company complex have preserved the building's industrial features, such as brick facades, high ceilings, and expansive windows, while adding modern features to create unique spaces that take advantage of the site's historic character. This blending of design styles is evident in most of the leased retail spaces, including the hip new restaurants—Atlantic Seafood and Austin Grill—and Baltimore-based Bibelot Books and Music store and its companion coffee bar, Donna's. The architectural style is not lost on the commercial tenants either. With the help of Design Collectives Inc. of Baltimore and others, the offices of DAP, gr8, and the Emerging Technology Center maintain a great deal of the building's industrial character, blended with modern design features. Other retailers include boutique stores such as the Chesapeake Wine Company, Gingiss Formalwear, the Card Shop, Touch the Earth, Color Me Mine, a Crestar Bank branch, and Bridals by Deborah. Commercial space tenants include Safe Harbors Travel Group, a furniture designer, attorneys, and technology companies.

The Canton neighborhood's successful revitalization efforts follow several other efforts in Baltimore neighborhoods located adjacent to its now-famous Inner Harbor. Canton is located just a mile east of downtown Baltimore, adjoining the revitalized Fells Point neighborhood. The Can Company is located on a recently upgraded thoroughfare, Boston Street, and looks out on the Baltimore waterfront.

## PLANNING

Canton itself was once a proud industrial community that was home to numerous industries, including the American Can Company, that helped to power the city's economy. In 1895, the Norton Tin Can and Plate Company, later the American Can Company, constructed its first building on the 9.5-acre site. By 1900, the company was the largest can manufacturer in the United States, employing up to 800 people. In 1913, the site was expanded with the construction of the boiler house, Factory Building, and annex. In 1924, the Signature Building was added. The American Can Company continued to prosper through most of the century until, in the late 1980s, the factory closed. The vacant buildings blighted the Canton community until 1994, when Safeway purchased 5.2 acres of the site, demolished existing buildings, and constructed a 50,000-square-foot supermarket. Safeway's decision to put a supermarket in the neighborhood was an indication that a market for community retail existed. In 1997, Struever Bros. Eccles and Rouse, a mid-sized development and construction company based in Baltimore, purchased the remaining 4.3 acres, which included 300,000 square feet of the most historically significant buildings on the site. Soon after the purchase, Struever Bros. began developing the Can Company.

The redevelopment of the Canton site faced a series of constraints and challenges. The area, although it was expanding in 1997, was still a relatively untested market. In fact, in 1993, approximately 300 acres of Canton land was underused, the city's downtown office market was performing poorly, and 11 percent of the city's residential housing was vacant. However, in the years leading up to the Can Company's development, the neighborhood was experiencing a rebirth. A younger and more affluent demographic group began to move into the community, particularly along its waterfront. The developer recognized the demographic shift, which made Canton a more attractive location for retail and commercial development.

A second constraint to development was the existence of the historic structures on site, which required Struever Bros. Eccles and Rouse to comply with U.S. Department of the Interior redevelopment guidelines. Accordingly, Struever Bros. restored the steel-sash windows; reglazed 15,000 panes of glass using DAP glazing; repaired and repointed brick walls; constructed new corrugated metal and built-up roofs for all five buildings; and salvaged the factory's distinctive stacks and ventilators. Struever Bros. embraced most of these adaptations because it recognized that the preservation of historic features was central to the type of complex it sought to develop.

"The cost of renovating the buildings was higher than if we had just torn them all down," explains Katherine A. Hearn, development director, Struever Bros. "That may have been the simple thing to do, but that was not what we wanted to do." Preserving the buildings and maintaining the character of the community also was important to neighborhood residents, who in the past had rejected development proposals for the site that included razing its structures. Working with the residents was central to the Struever Bros. approach. From the outset, citizen involvement in the design of the Can Company helped to facilitate its rapid development and secure the permits for Can Company's bars and restaurants.

Another potential constraint was identified when the site was prepared for development: a portion of the site had been contaminated due to poor disposal of lead solder from the soldering plant. Struever Bros. Eccles and Rouse addressed the issue by taking advantage of the Brownfields Voluntary Cleanup and Revitalization Program, which enables participants to develop an action plan that meets Maryland Department of Environment cleanup requirements. Once the requirements are met, the developer is given limited relief from liability for past contamination. Before the state began to offer such programs, concerns regarding brownfield liability may have deterred the redevelopment of the American Can site. Struever Bros. was the first property owner in Maryland to successfully complete this smart growth program.

With any infill development and redevelopment project, the issue of providing adequate parking can be difficult. In the case of the Can Company, the developer adapted the first and second floors of the Factory Building into a 170-space parking garage. During the day the lot is available only to employees of the commercial space. However, in the evening, the parking lot is open, free of charge, to any patron of the Can Company's retailers. In addition to the garage, there is a 120-space surface parking lot on site. The Can Company also leases 30 parking spaces from the Safeway supermarket and secured 45 parking spots for tenants of the Emerging Technology Center in a public lot located on Boston Street. The Can Company is not accessible by either light-rail or subway lines.

The public sector role in the project was substantial, helping to secure its early successes. In addition to the support received through Maryland's brownfield program, the project qualified for a ten-year property tax abatement through Baltimore's property tax credit program for the rehabilitation of historic structures. This also allowed it to receive historic tax credits and other state funds. Vital infrastructure improvements, particularly the road improvements to Boston Street, helped to attract tenants to the development. The city also helped to gain community support for the project and allowed the shared-parking arrangement with the adjacent Safeway store.

## FINANCING

Financing a complicated adaptive use project in the heart of Baltimore was also a difficult undertaking. However, through a number of creative traditional and nontraditional financing techniques, the resources necessary to complete the Can Company were obtained. Financing included an equity contribution from the developer; a bridge loan for land purchase and initial construction; a construction and permanent loan from Riggs Bank; the purchase of historic tax credits from the Bank of America (through syndication by the Enterprise Social Investment Corporation); and an equity investment by Fannie Mae's American Communities Fund. In total, the development cost for the Can Company reached nearly \$28 million.

## MARKETING

The Can Company is at the heart of the renaissance occurring in the southeast Baltimore neighborhood of Canton. In just over a year, its commercial space was 100 percent leased and all but 2,000 square feet of retail space was leased. The project has established an employment, retail, and entertainment hub in the community, empirical evidence that the public recognizes the value it has brought to the neighborhood. Approximately 650 jobs have been created, almost equaling the 800 jobs the American Can Company generated in its heyday. Demand for housing in Canton has increased exponentially. Over the last four years, housing prices have increased 40 percent, average time on the market has been cut nearly in half, the percentage of homeowners in the neighborhood has increased, and reinvestment is visible in the existing housing stock near the Can Company. Bill Struever, president, Struever Bros. Eccles and Rouse, summarized the success of the project recently by stating, "If we had ten American Cans, we could fill them up as fast as we could build them."

## EXPERIENCE GAINED

- Community involvement in the design of the project was crucial. Katherine Hearn noted that "the community's involvement must come early and continue throughout the process. If they are surprised with how it is progressing, the project could be severely sidetracked." Struever Bros. has continued its commitment to community participation by partnering with Canton Middle School to teach kids how to develop properties. The course included drawing to scale, architectural design, and statistics.
- A developer working with multiple public sector agencies, whose support can help to move the project forward and to resolve unexpected problems, must be persistent. In the case of the Can Company, a contaminated portion of the site was identified during the development process. With the help of local and state agencies, this problem was solved.
- The Can Company illustrates that the public and private sectors can work together to produce a high-quality development that both serves the public interest and is profitable for the developer. The project also demonstrates that incentives provided through Maryland's smart growth program and by the city of Baltimore can help facilitate urban renewal.

**PROJECT DATA****LAND USE INFORMATION**

Site area: 4.3 acres  
 On-site parking spaces: 290  
 Off-street parking spaces: 45

**Gross building area**

Use	Square feet
Office	140,000
Retail	60,000
Parking	100,000
Other (industrial)	300,000
Total	300,000

Office net rentable area (NRA): 140,000 square feet  
 Retail gross leasable area (GLA): 60,000 square feet  
 Other (industrial): 300,000 square feet

**LAND USE PLAN**

Use	Acres	Percent of site
Buildings	3.3	76
Streets/surface parking	.8	19
Landscaping/open space	.2	5
Total	4.3	100

**OFFICE INFORMATION**

Percent of NRA occupied: 100  
 Number of tenants: 11  
 Average tenant size: 12,727 square feet  
 Annual rents: Approximately \$15 to \$20 per square foot  
 Average length of lease: 5 to 15 years  
 Typical terms of lease: full service; one parking space per 1,000 square feet of leasable space.

**RETAIL INFORMATION**

Tenant Classification	Number of stores	Total GLA (square feet)
Food service	4	16,425
Clothing and accessories	3	3,250
Hobby/special interest	1	2,250
Gift/specialty	3	19,674
Personal services	3	7,258
Financial	1	1,400
Total	15	50,257

Percent of GLA occupied: 85  
 Annual rents: Approximately \$15 to \$30 per square foot  
 Average annual sales: Approximately \$200 per square foot  
 Average length of lease: 5 to 15 years

**DEVELOPMENT COST INFORMATION**

Total site acquisition cost: \$972,500  
 Total site improvement costs: \$1,000,000  
 Total construction costs: \$18,300,000  
 Total soft costs: \$7,397,000  
 Total development cost: \$27,669,500

**DEVELOPMENT SCHEDULE**

Site purchased: August 1997  
 Planning started: June 1996  
 Construction started: September 1997  
 Sales/leasing started: September 1996  
 Project completed: December 1998

**DIRECTIONS**

From BWI Airport: Follow 195 to 95 North. Go through Fort McHenry Tunnel. Take Exit 57 (Boston Street), and turn left

at bottom of ramp on Boston Street. Follow approximately two miles. The Can Company is on the right at 2400 Boston Street (just after Safeway store).

*Driving time:* 20 minutes in non-peak traffic.

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This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI-the Urban Land Institute.

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The Can Company is an adaptive use of a historic can manufacturing company in the southeast Baltimore neighborhood of Canton. The Factory Building is one of four that were restored for commercial and retail use.



Each of the four historic buildings on the 4.2-acre site was carefully restored to ensure that its architectural character was preserved.





The site's 1895 Building is now home to the Austin Grill restaurant and the Can Company's commercial anchor tenant, DAp products, Inc. The Can Company is now considered the commercial and retail center of the Canton neighborhood.



The Can Company's 140,000 square feet of commercial space and 60,000 square feet of retail space includes several restaurants, a bookstore and coffee bar, and various high-technology office tenants. There also are 290 parking spaces available on site.



The interiors of the buildings were restored to blend the buildings' industrial architecture with the modern features appropriate for high-technology firms such as gr8, an Internet marketing firm.



A portion of the site was contaminated due to poor disposal of lead solder from the soldering plant. The developer took advantage of Maryland's smart growth brownfield incentive program to remediate the area so it could be redeveloped.