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New Chapter Awaits the John Marshall

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JOHN MAHONEY/ RICHMOND TIMES DISPATCH

The Hotel John Marshall, once the prince of Richmond, will shine again.

It opened in 1929 as the country slipped into the Great Depression.

With the country pulling out of the worst recession since the Depression, it will reopen this fall as the Residences at the John Marshall — a 16-story apartment building with retail at the ground level.

The city block at North Fifth and Franklin streets is abuzz with construction, as the landmark building — closed essentially since 1988 except for a few starts and stops as a hotel — is fully renovated and retrofitted. The building will house 238 apartments and about 20,000 square feet of retail space. The John Marshall Barber Shop, which is in temporary quarters across the street from the hotel, will move back in. Suzanne Wolstenholme, who runs The Colony Club restaurant and Homemades by Suzanne, will lease kitchen and office space and manage the ballrooms there. "You can see (through the construction) how grand it will be," she said. Her first wedding there is scheduled for Oct. 1. The event is double booked to be held at The Colony Club on Franklin Street in case the John Marshall doesn't open on time. When brides view the ballrooms, they wear pink hardhats. Nearly everyone who sees it books it, Wolstenholme said. "Their first comment is 'wow.'" She has about 20 events lined up and has yet to advertise. "We thought this was an opportunity to revitalize an old, historic landmark," said Alex B. "Andy" Andrews IV, president and CEO of Dominion Realty Partners, the Raleigh, N.C.-based developer and co-owner on the project. The first several floors are scheduled to open in October with the final floors completed by March, said Michael Campbell, a principal with Dominion Realty.

The apartments will be efficiencies, one-bedroom and two-bedroom units with an average of 705 square feet. Rental rates, to be released this summer, will be in line with other high-end apartments in the downtown area, Campbell said. Apartments in the nearby Miller & Rhoads Residences, a former department store, lease for an average \$1,100 a month for one-bedroom units and \$1,500 a month for two bedrooms. The Miller & Rhoads project at Fifth and Broad streets — which shares the building with the Hilton Garden Inn — opened in early 2009 as condominiums. With that market in the tank, only 21 of 133 condos have sold. Given the difficulty getting financing especially for condos, owner HRI Properties changed plans and began leasing as well as selling units this year. "We're seeing good demand," said Chris Connolly with New Orleans-based HRI Properties. As of Thursday, 52 units had been leased. Connolly said he is not worried about more apartments opening in the area. They will bring more people downtown and create a critical mass to help with redevelopment efforts, he said. "We are not concerned. We think the market is there."

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The Hotel John Marshall, named for the longest-serving chief justice on the U.S. Supreme Court, opened when the stock market crashed. By some accounts, it opened on a Friday in October and went broke the following Monday. Still, it became stage central for Richmond's political and social scene. Most every Richmond resident old enough to remember has a story to tell about the hotel. "I used to get my hair cut in the barber shop there as a kid," said Campbell with Dominion Realty. Robert S. Mills, president of Commonwealth Architects, said he took his state exam there. "I still know exactly where I sat." Vernard W. Henley, retired chief executive of Consolidated



Bank & Trust who held the job for three decades, recalls being invited to a business event there soon after he joined the black-owned and -operated bank in 1958. The person who invited him wasn't aware that blacks were not welcome at the time, Henley said. That would change and Henley ate many lunches there as a member of the Kiwanis Club. Wallace Stettinius, retired chairman and CEO of Cadmus Communications Corp., stayed there with his pregnant wife and two oldest children in February 1966 to be near the hospital when a snow storm was headed this way. "She didn't have the baby that night," he said. "We had the hotel almost to

ourselves." Jeffrey Cooke, a senior vice president at Cushman & Wakefield/Thalhimer real estate brokerage, said he wrangled a ticket to see President Ronald Reagan at the hotel in the 1980s. He doesn't remember the speech as much as the Secret Service swarming the downtown area. All support the plan to convert the hotel into apartments. "I think it's a good idea to put the building to some use," Henley said. "It has a shot at success but it might take awhile," Stettinius said. "My impression is apartments downtown have done very well," he said, noting the success of Tobacco Row. "It's been a long time coming," Cooke said. "It was a difficult project and it took a very long time to finance it."

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Banks dropped out of funding big, speculative projects, as the recession took hold, Cooke said. However, the developers were able to secure \$40 million in financing from the Department of Housing and Urban Development. The total cost of the project is \$70 million. "I seriously doubt the John Marshall would be under construction now without the HUD loan," Cooke said. "That was the catalyst." HUD loans generally come with good terms. However, government-backed financing can take 18 months to secure one and the market can change in that time, Cooke said. The John Marshall opened briefly in the late 1990s as a hotel, but that plan morphed into apartments when Virginia Atlantic Development Inc. in Hampton Roads bought the property in 2005 and Dominion Realty came in as a partner in 2007. "It is a brave enterprise," Cooke said. "It's in a good location and it's close to amenities." The John Marshall is a few blocks from the recently opened Richmond CenterStage performing arts center on East Grace Street and it is close to Virginia Commonwealth University's medical center campus. "Some people are concerned that the apartment market is over-built but apartments seem to be leasing up quickly,"



Cooke said. "Leasing is more attractive (than buying) especially for younger people or people not committed to the area." Mills, whose company was the original architect on the project, said building code issues jump out whenever large adaptive reuse projects are undertaken. His firm was hired in 2004 to provide architectural, engineering and design services for the renovation of the hotel into apartments. When Dominion Realty joined the project three years later, Rule Joy Trammell + Rubio in Atlanta was brought in as the architect. A copyright-infringement suit filed by

Commonwealth Architects against Rule Joy Trammell + Rubio was settled in September 2010 for an undisclosed amount. "The hotel was modified over the years, adding to the complexity," Mills said. "It's like an archeological dig. You have to deconstruct to find the original design intent." Because the renovation is being done to historic standards, many original features must be retained, Mills said. State and federal historic tax credits will offset some of the renovation costs. The hotel's cathedral doorway, marble staircase and stone exterior were reflections of the pre-1929 exuberance, Mills said. "It would have been great to keep it as a hotel, but the economics wouldn't support it," he said. "I am glad to see some kind of use. If not a hotel, then it should be residential."



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In 1955, a major wing was added. At some point, a two-story atrium was closed in to make way for a conference room. The atrium will be opened up again, and the lobby will be similar in finishes and space as it was when the hotel first opened, Dominion Realty's Campbell said. "It will be like stepping back in time," he said.

Residences at the John Marshall

Some factoids on the hotel and the project:

- A 16-story apartment building with 238 units and 20,000 square feet of retail space
- Opened originally in 1929 as the Hotel John Marshall
- Named in honor of the longest-serving chief justice of the U.S. Supreme Court
- Hotel guests included Elvis Presley, Mary Tyler Moore, Elizabeth Taylor and Vincent Price
- Hotel closed in 1988
- Gilbert L. Granger, a former mayor of Williamsburg, bought the structure in 1997 and reopened the hotel in 1999.
- Hotel closes again in 2004.
- John C. Camper of Virginia Atlantic Development Inc. buys property in 2005 with plans to convert it into apartments, rent the units for five years and then sell them as condos.
- Dominion Realty Partners of Raleigh, N.C., joins project as developer/partner in 2007 and takes over the \$70 million renovation.