

Wilmington, Del.

TEXT BY MARGOT CARMICHAEL LESTER



LIKE MANY URBAN CENTERS, Wilmington, Del.'s downtown started to decline with suburban flight in the 1960s and 1970s. The dwindling population drove small businesses out, but the corporate entities, lured by Delaware's business-friendly attitude (and the state's lack of usury laws), stayed. In the 1980s, the city became a haven for credit card companies, including Bank of America and Chase. That boom led to bust as Wilmington was slammed by the recent collapse of the banking industry and the ensuing recession.

"Many of our businesses were tied to the needs of the financial corporations, and that market has gone away," laments Mary Severino, president of local architecture firm MGZA. "The credit crunch has stalled development. This has a domino effect, with completed buildings left vacant because no one can obtain credit to move, and projects put on hold."

Some projects are moving forward, though, many of them spearheaded and funded by three-term Mayor James Baker before the economic tsunami hit. Baker led the effort to revitalize the city's waterfront and the Lower Market district, known by locals as LoMa. He also created the Upstairs Fund, which provides gap financing to help building owners create residential units above street-level commercial property in an effort to bring people and small businesses back downtown.

Thus local architects such as Mike Deptula, principal at ABHA Architects, aren't without hope. "Clients who are venturing out to build are getting great value for their dollar," he notes. "They are getting more building than they possibly could [have] in the past. The flip side is that there are still clients who need convincing to go forward. Most corporate clients are looking at renovation work because they want to preserve their assets and take care of their facilities. This is a great time to build, but people are afraid to." □

1. Lincoln Towers/Wilmington Fire Department Station No. 5

ARCHITECT: Design Collaborative, Wilmington.
COMPLETION: 2012. **BRIEF:** HUD invested \$10 million in this apartment building that also houses a fire station.

2. P.S. duPont Middle School

ARCHITECT: ABHA Architects, Wilmington. **COMPLETION:** 2008. **BRIEF:** \$44 million renovation of the 206,000-s.f. school was the largest such project, budgetwise, in Delaware's history.

3. Queen Theater

ARCHITECTS: Homsey Architects (lead), Wilmington; Belk Architecture, Durham, N.C. **COMPLETION:** 2011. **BRIEF:** \$16 million in private and charitable funding, plus three kinds of tax credits, fuels the renovation of a historic performance venue.

4. The Residences at Justison Landing

ARCHITECT: Burt Hill, Philadelphia. **COMPLETION:** 2008. **BRIEF:** \$123 million residential project is phase one of a \$400 million development on the Christina River.

POPULATION/EMPLOYMENT

2009 population: 72,868;
2009 job growth: -4.6%.

OFFICE MARKET

15.6% Class A vacancy rate on asking rates of \$26.88/s.f. in the first three months of 2010.

RESIDENTIAL MARKET

Median home sale price, first quarter 2010: \$167,000.

MARKET STRENGTHS

- Highly educated workforce
- Proximity to Philadelphia, New York, and Washington, D.C.
- Philanthropic community

MARKET CONCERNS

- Vacant commercial space
- Ongoing recession
- Lack of affordable housing

FORECAST

"A lot of people still work in the city, and ... hopefully more will actually live in the city," says Eldon Homsey, president, Homsey Architects. "We just have to get enough merchants downtown to support those residents. The city seems to be interested in helping architects and their clients develop the buildings that they want."