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## BofA sells Rodney Square courthouse

### Pettinaro Enterprises plans to renovate historic building for offices

By MAUREEN MILFORD  
*The News Journal*

The landmark 1916 courthouse on Rodney Square, a forlorn, vacant presence in downtown Wilmington for more than four years, is scheduled to be sold in November by Bank of America to a company controlled by Pettinaro Enterprises of Newport.

"It's kinda nice that a historic building is back under local ownership," said Gregory Pettinaro, chief executive of Pettinaro Enterprises.

Pettinaro declined to give a price for the former Daniel L. Herrmann Courthouse at 10th and King streets. But the asking price was \$13.4 million, according to sales material created by CB Richard Ellis, the real estate broker handling the sale for Bank of America. Real estate agents familiar with the deal said the building is being sold for close to the asking price.

Plans call for the 218,000-square-foot building to be marketed as offices beginning in the spring, Pettinaro said. He said his company is investigating whether it would be feasible to build a new office tower that incorporates the historic façade, as was done with the Wilmington Trust Co. headquarters on Rodney Square.

"We're in the planning stages and still investigating all of our options," Pettinaro said.

Bank of America, which has owned the building since it bought the giant MBNA credit card bank in 2006, declined to comment on the sale, according to Joe Goode, spokesman for Bank of America.

John Rago, communications and policy director for Mayor James M. Baker, said the city will work with Pettinaro as it seeks tenants for the building.

"We've been in communication with Pettinaro about the future of the building," Rago said.

The bank put the building up for sale in 2006 when it dumped more than 800,000 square feet of office and industrial space once owned by MBNA on the market. Properties included the courthouse, the 23-acre Crozier Center at Del. 4 and Del. 273 in Ogletown and the nearly 20-acre Greenville Center campus at Del. 141 and Del. 100 in Greenville.

The granite, neoclassical courthouse is the last prestige property once owned by MBNA to be sold.

In April, it was announced that Buccini/Pollin Group Inc. of Wilmington had bought the Crozier Center for about \$28 million. In early 2007, the Stoltz group announced it had bought the Greenville campus for \$20.6 million.

Originally constructed as the Public Building to house Wilmington City Hall and New Castle County offices, the former courthouse was designed to be the most important structure in the city. Designed by the noted 20th century architect Henry Hornbostel of the New York City firm of Palmer &

Hornbostel, it was a hub of activity in downtown Wilmington for decades. Rago said he remembers visiting the building with his father as a child.

"I think a lot of people in Delaware have walked through that building," Pettinaro said.

The building was bought by state during Gov. Pete du Pont's administration in the 1980s. It was home to state courts and judicial offices.

It remained in public hands until the state built a new courthouse at 500 King St. It was then that MBNA picked up the building for \$13.5 million in September 2002.

The bank embarked on an ambitious renovation project, which included gutting the building to its shell. MBNA had spent \$25 million on the property before work was halted in 2004 after founder Charles M. Cawley retired, according to sales materials from CB Richard Ellis and published reports.

Pettinaro said a lot of the equipment to finish the building is sitting in boxes in the basement of the structure, left from the previous remodeling.

"It's waiting to be installed," he said.

Many of the building's distinctive design elements remain, including its two three-story entrance hallways with elliptical staircases, according to the sales materials.

Just weeks after Bank of America acquired MBNA, the state expressed interest in buying back the building. Some lawyers and judges strongly supported a state acquisition.

When a state purchase fell through, Bank of America hired CB Richard Ellis in February to market the property, according to Steve Marzullo, senior vice president with CB Richard Ellis. Offers on the property were received in March.

"We had a lot of interest in it," Marzullo said. "It's a building that has a great location and has a lot of potential to be grand, Class A space."

Pete Davisson, partner with Jackson Cross Partners, said some in the real estate community speculate Pettinaro will need to expand the structure in order to maximize value.

Pettinaro said any plans will depend on what a market analysis shows.

"It's an absolutely beautiful piece of real estate located at ground zero of Wilmington's central business district. It's an unbelievable piece of real estate," said Dan Reeder, executive vice president with CB Richard Ellis.

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