COMMON GROUND

A Vision for Redeveloping **SPARROWS POINT**
and Leveraging the Industrial Assets of East Baltimore County

Sparrows Point Partnership
First Year Report
May 2013

First Year Report of the Sparrows Point Partnership
Delivered May 2013

to

Kevin Kamenetz
County Executive

Baltimore County, Maryland

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Background

History of Sparrows Point

Sparrows Point and North Point are situated on a peninsula jutting into the Chesapeake Bay on the southeastern edge of Baltimore County, Maryland. A small bay, Old Road Bay, separates Sparrows Point and North Point (also referred to as Edgemere.) Sparrows Point lies to the west on the peninsula. It bounds the eastern land entry of the Patapsco River which leads beyond the Point and under the Francis Scott Key Bridge into Baltimore's Inner Harbor (see attached map)

Sparrows Point is named for Thomas Sparrow who was first granted the land in 1652. North Point, some of it now a State Park, was the vicinity for battle skirmishes during the War of 1812.

The commercial value of the peninsula's location and deepwater access was first recognized by the Pennsylvania Steel Company. It purchased all of Sparrows Point and large parts of North Point and began steel production in the late 1880s as Maryland Steel. Since Bethlehem Steel purchased it in 1916, Sparrows Point has been synonymous with steel. It became the world's largest steel mill and at one time stretched nearly four miles. The mills employed nearly 30,000 workers at the height of production in the late 1950s, plus nearly 10,000 jobs in other local companies that were part of the steel industry supply chain. The mill produced the steel for the Golden Gate Bridge, cables for the George Washington Bridge, and critical product for both World Wars, among other legacy efforts.

Demise of the Steel Industry

By the close of the twentieth century, Bethlehem Steel was experiencing severe financial difficulties and declared bankruptcy. At the start of the new millennium, the steel mill operations were sold to International Steel Group, and then, over the next ten years, to different owners including Mittel and Russian-owned Severstal. The Renco Group of New York City operated the mill as RG Steel and attempted to negotiate the challenging terrain of the world steel market in an era of intense international competition, unpredictable raw material costs and fluctuating prices for finished goods. It failed and declared bankruptcy on May 31, 2012.

The ramifications of bankruptcy were felt throughout Greater Baltimore. Over many decades, the steel industry spawned numerous small manufacturing businesses along or adjacent to North Point Road, a primary access road to the peninsula. Some of these businesses—more than 60 located in Baltimore County alone—were direct suppliers to the mill. Others operated as "downstream" businesses that fed into the heavy industry of the area. When RG Steel declared bankruptcy, over 2,000 steelworkers were out-of-work along with approximately 1,000 workers that were part of the steel mill supply chain.

Steel production and related levels of employment in Baltimore County declined over a fifty year period. In response to a pattern of disinvestment in the area, the County and its public and private partners embarked in 1995 on a major effort to revitalize the area. The first step was to develop a detailed, market-based strategy for building on the area's assets, including 200 miles of Chesapeake

SPARROWS POINT IS NAMED FOR THOMAS SPARROW WHO WAS FIRST GRANTED THE LAND IN 1652.

Bay waterfront, large tracts of undeveloped, industrially-zoned land, location on the I-95 corridor, and proximity to the booming growth area in White Marsh. Since then, the County and State have invested more than $800 million in public funds to implement the three-part strategy for White Marsh, Middle River and waterfront communities with impressive results. As part of this effort, the County established a state supported Enterprise Zone in 1997 to provide tax incentives for business and property owners to improve facilities and to hire new employees. The North Point Enterprise Zone extends along North Point Road and includes large portions of Sparrows Point land.

Affect on Southeast Baltimore County

The southeastern areas of Baltimore County experienced especially difficult times during the recent recession. The average unemployment rate between 2007 and 2012 in Dundalk was 9.5% and in Edgemere 7.8%, significantly higher than that for Baltimore County as a whole and national levels.

Additionally, the commercial and industrial real estate suffered as well. The vacancy rate for industrial space in Dundalk and Essex rose from 5% at the beginning of the recession in late 2007 to greater than 15% in 2012.

Formation of Sparrows Point Partnership

In February 2012, Baltimore County's Department of Economic Development released a first ever Strategic Operations Plan. In it, the Sparrows Point-Dundalk area is identified as one of nine business investment areas identified as having "significant opportunities to reinvigorate economies, add jobs and enhance quality of life." A vision was presented for achieving growth as follows:

> **"A state-of-the-art industrial, distribution and logistics center that capitalizes on its deepwater access and excellent rail service to connect Baltimore County to Asian and world markets through the newly expanded Panama Canal."**

During the spring of 2012, renewed questions arose about the future of the steelmaking operations at Sparrows Point. Then-owner, RG Steel, had already gone through multiple rounds of mass layoffs, and the persistence of intense international competition offered dim prospects for the long-term viability of the company and integrated steel production on the peninsula. County Executive Kevin Kamenetz recognized that the greater Sparrows Point-Dundalk area was at a critical crossroads, facing daunting challenges, but also in position to capitalize on valuable economic assets. These include:

- **The Port of Baltimore's competitive advantage for attracting waterborne commerce—one of only two East Coast ports currently capable of accommodating the enormous "post-Panamax" ships that will soon navigate a redesigned and expanded Panama Canal;**

THE PENINSULA IS 5.3 SQUARE MILES, SO BIG THAT IT IS EQUAL IN SIZE TO ALL OF BWI-THURGOOD MARSHALL INTERNATIONAL AIRPORT AND NEARBY HOTEL DISTRICT, AND IS EVEN LARGER THAN BOSTON LOGAN AND REAGAN INTERNATIONAL AIRPORTS COMBINED

- **The potential for marine-based activities related to the Port of Baltimore to expand southeastward from Dundalk Marine Terminal as a result of anticipated trade and distribution growth. Capitalizing on this pent-up demand for new port-related investment is contingent, however, on securing final approval for a new dredge disposal facility at Coke Point, without which dredging necessary to accommodate increased port activity cannot occur;**

- **The future potential of a new MPA marine terminal at Coke Point, when the proposed dredge disposal facility is full;**

- **Developing several thousand acres of vacant land on the Sparrows Point Peninsula for employment and tax-generating new uses.**

Given this importance, Baltimore County Executive Kevin Kamenetz took a proactive approach to push the needle that leads to new businesses and jobs for area residents. The first step was the formation of the Sparrows Point Partnership, a business advisory group of port officials, business, real estate, manufacturing, logistics and distribution executives. The County's executive director of economic development was appointed as chairperson.

The Partnership was charged with helping develop recommendations and the outline for a work strategy to produce net new business activity and jobs specifically for Sparrows Point and more broadly for the entire eastern part of Baltimore County. The Partnership met regularly during the last half of calendar year 2012 and into 2013. The Partnership considered international business development opportunities, future Port-related needs, marketability and financial feasibility for property reuse, condition of infrastructure and site specific environmental concerns, transportation logistics, and possible real estate development options. From these discussions, the Baltimore County Department of Economic Development has developed this preliminary report for framing the salient issues and implementing business development actions.

Sparrows Point Partnership Membership

CHAIRMAN

• **Daniel C. Gundersen**, Executive Director, Baltimore County Department of Economic Development

MEMBERS

• **David Bavar**, Bavar Properties

• **M. Kathleen Broadwater**, Deputy Executive Director, MPA

• **John Bulman**, Sparrows Point Shipyard Industrial Complex

• **J. David Conrad**, Tata International[1]

• **Michael Derby**, General Manager, North Atlantic Operations, Wallenius Wilhelmsen Logistics

• **Steven A. Evans,** Assistant Vice President – Ports and International, Norfolk Southern Corporation

• **Don Fry**, President, Greater Baltimore Committee

• **Mike Galiazzo**, President, Regional Manufacturing Institute

• **Harry Halpert**, President, MTC Logistics

• **Randall Jostes**, President, Environmental Liability Transfer (Assumed D. Conrad/ RG Steel seat in 11/2012)

• **Michelle Lipkowitz**, Partner, Saul Ewing LLP

• **John Macsherry**, Vice President, Commercial Development Corporation (subsidiary of ELT)

• **Joanna McGowan**, President W.M Transport (White Marsh Transport)

• **Aris Melissaratos**, Senior Advisor to the President for Enterprise Development, Johns Hopkins University

• **Mark Montgomery**, President, Ports America Chesapeake

• **Tom Obrecht**, Chairman, Blue & Obrecht Realty

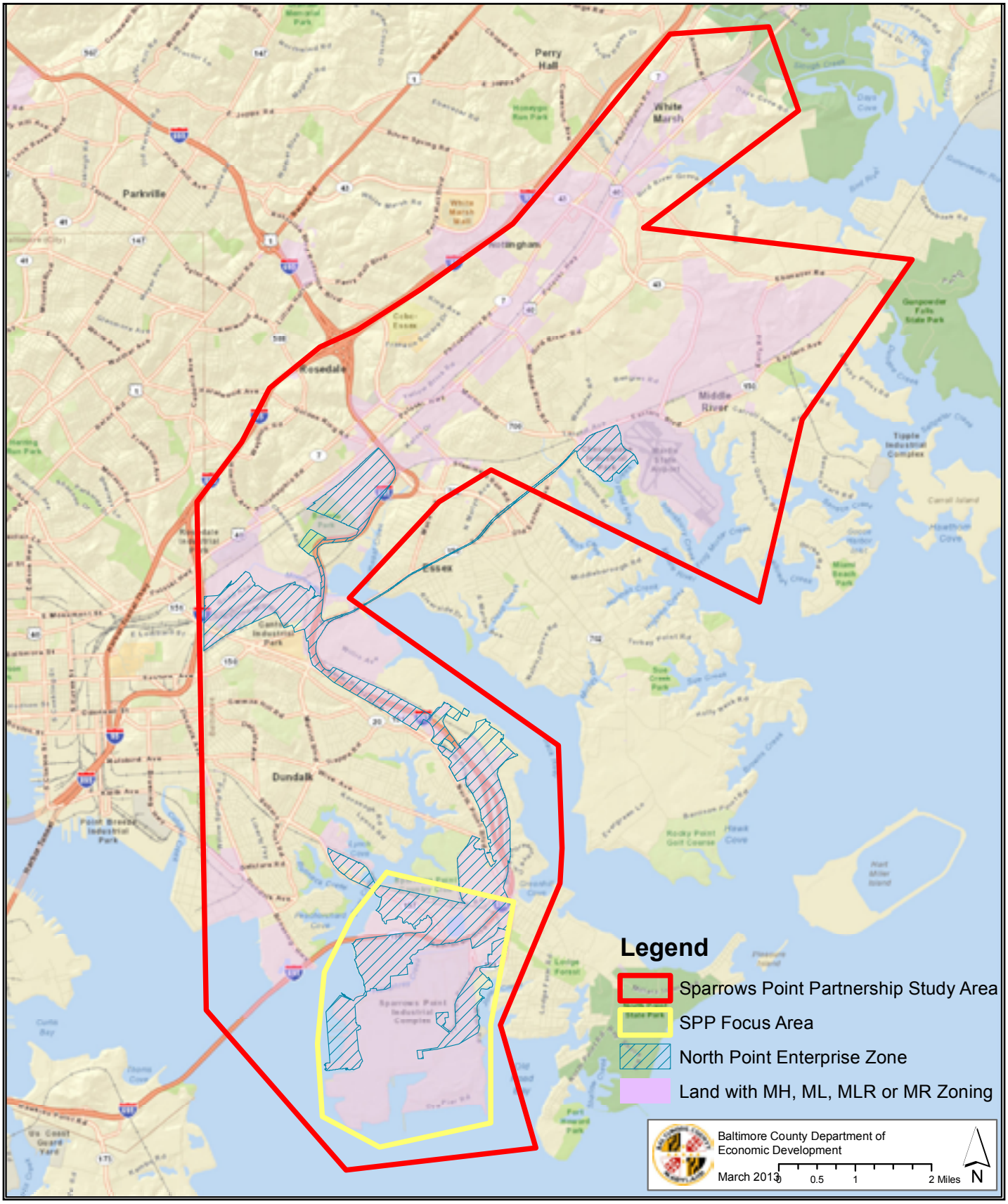
• **Jennifer Tanner**, Manager, Industrial Development, CSX Transportation (James Van Derzee, Manager, Regional Development, CSX Transportation served thru 12/2012)

• **Ted Venetoulis**, Port Commissioner

[1] Served on Partnership for RG Steel from May – September 2012. Seat assumed by Environmental Liability Transfer (ELT). Mr. Conrad continued to provide assistance in a capacity as consultant to HILCO, International and Tata International.)

SPARROWS POINT PARTNERSHIP IS A BUSINESS ADVISORY GROUP OF PORT OFFICIALS, BUSINESS, REAL ESTATE, MANUFACTURING LOGISTICS AND DISTRIBUTION SECTORS

Sparrows Point Partnership Study and Focus Area



New Property Ownership and Site Control

The day after the formation of the Sparrows Point Partnership, on May 31, 2012, RG Steel Sparrows Point, LLC declared voluntary Chapter 11 bankruptcy. Sale of assets through the bankruptcy process was expedited by an out-of-state judge with bid procedures, approval of a form agreement of sale, arrangements for on-going post-petition expenses, and a deal with certain pre-petition obligations to employees, critical vendors and others essentially finalized within a six-to-eight week period.

The full asset value varied at the time, but was estimated by those engaged in the legal proceedings to be worth about $1 billion. The estimate of debts was, not surprisingly, estimated to exceed $1 billion. The full extent of environmental liability and costs were publicly unknown at time of sale, but so too was the true value of existing tangible assets, notably equipment, infrastructure, and buildings. Ownership of the former RG holdings on Sparrows Point was conveyed to Environmental Liability Transfer ("ELT"), a St. Louis-based company, for an estimated $72 million in September 2012. The new landowner, ELT, entered into a working agreement with Hilco International, with headquarters in Northbrook, Illinois. As part of the agreement, Hilco assumed responsibility for disposition of most "above ground" assets and management of rail operations on site for three to four years. The President of ELT assumed the seat held by RG Steel on the Sparrows Point Partnership in November of 2012.

Soon after ELT took title to the property, Hilco conducted a worldwide marketing campaign for disposition of all above ground assets. By the close of 2012 Hilco announced that there was not sufficient or strong interest from viable companies to continue operating the existing mills and it was moving forward with plans to demolish the mill structures. Soon thereafter, the equipment in the Cold Roll Mill was sold to Nucor. Nucor confirmed in the trade press that it would remove the equipment from the peninsula for use in existing Nucor facilities elsewhere.

Proud Legacy

In many respects, Sparrows Point and the industrial neighborhoods of East Baltimore County epitomizes the rugged individualism and spirit of America. Brains and brawn of generations of families who were and remain part of a proud community have chosen it over anywhere else to live and work. In the hearts of many Sparrows Point is common ground in that it represents to this day the promise of good paying jobs and the potential for achieving greater economic prosperity.

Proceedings & Dialogue

County Executive Kevin Kamenetz attended the first meeting of the Sparrows Point Partnership on June 21, 2012 in the board room of the Port of Baltimore at the World Trade Center. Members received a detailed briefing of the Port of Baltimore, along with a sober in-depth investor analysis of the steel industry by T. Rowe Price executives.

Two fundamental questions were posed to the Partnership:

1) What local, national and global factors and trends have the potential to shape the area and how can Baltimore County leverage these trends to enhance the local economy?

2) What are the best land uses, economic activities, and public policies that can produce the greatest number of well paying and family-sustaining jobs for local residents and reliable tax revenue for the County?

To help answer these questions the Partnership invited subject matter experts to address the group and retained consultants to inventory infrastructure and analyze market conditions on the Sparrows Point peninsula and East Baltimore County. Throughout the fall and winter of 2012 and into 2013, the Partnership was kept abreast of developments occurring on site with RG Steel (and later with ELT) along with ramifications to the steel-based workforce and impact to the local economy.

Meetings of the Partnership through March 2013 included among other activities:

- In-depth investor analysis of the worldwide steel industry;
- Review of business strategy for the Port of Baltimore;
- Sparrows Point on site introductions with the ELT/Hilco senior management team and deliberations regarding future plans;
- Regular briefings from consultants on condition of infrastructure and property;
- Information pertaining to logistics, distribution, manufacturing and port-related impacts to the economy;
- Water-based tour of port facilities, Sparrows Point peninsula and waterways;
- Presentation of economic impact analysis of Port operations and proposed multi-modal facility;
- Detailed overview of regional energy trends presented by the chairman of the Maryland Public Service Commission;
- Overview of environmental conditions and constraints on the Sparrows Point peninsula by the Maryland Department of the Environment;
- Detailed analysis of proposed Port remediation and reuse plans for Coke Point; and,
- Examination of possible legislation, governmental tax credits and financing incentives to spur development activity.

The Partnership also established three separate workgroups to delve deeper into areas of identified interest:

1) *Global Business Development and Advanced Manufacturing*. The Greater Baltimore Committee provided resources to retain a global site selection consultant and a nationally recognized port/logistics expert to facilitate discussions on viable business opportunities, distribution and trends regarding advanced manufacturing.

2) *Power Generation & Renewables*. The Maryland Energy Administration provided assistance and an overview of prime energy-related considerations, with thorough review of off-shore wind opportunities.

3) *Port/Maritime, Logistics, and Distribution*. This Partnership work group reviewed and discussed Port sponsored world trade missions and research and benefits and analysis of economic incentive programs and Foreign Trade Zones.

Vision

For over a century the economic fortunes of Greater Baltimore were linked to business activity at Sparrows Point. It was a key driver of the regional economy. The products made there helped build America. It has the potential in the near future to once again assume a major role in helping position the region, state, and nation for greater prosperity.

In fact, East Baltimore County is uniquely positioned in the center of the populous Eastern seaboard. It has enviable deep water access to global trade routes, along with incredible rail, land, and airport infrastructure. The area is well served with abundant energy to fuel business growth, and established means to tap available labor markets and skilled talent. This area of Baltimore County has all the ingredients for the kind of business success that can produce major regional economic impact.

Consistent with the County's current economic development strategy for Sparrows Point-Dundalk, the Sparrows Point Partnership believes that the greatest economic benefits to the region would be best served and realized by retaining the currently zoned industrial land in the East Baltimore County area and specifically on the Sparrows Point peninsula for the following:

- **Port/maritime commerce;**
- **Advanced manufacturing/value-added assembly;**
- **Clean Energy and renewables;**
- **Distribution/logistics industries.**

Redevelopment with these four uses in mind can maximize economic value for the larger region.

The Partnership is convinced, however, that for this to happen the goals of existing businesses and industry must be in alignment with the clearly stated objectives of community groups and public entities to produce family sustaining jobs for the greatest possible number of residents and wide spread opportunities for local businesses.

Achieving meaningful development goals that have long-term regional value requires extraordinary resolve. It takes both public and private sector efforts working in close collaboration to advance integrated strategies. Toward that end, this year one report of the Sparrows Point Partnership presents some key findings to date, along with guiding principles and early recommendations for moving forward.

CURRENTLY INDUSTRIALLY-ZONED LAND REPRESENTS JUST 5.5% OF ALL LAND IN BALTIMORE COUNTY

Findings

As of May 2013, the Partnership has made the following preliminary findings regarding the overall Sparrows Point Focus Area, that is, the former Bethlehem Steel property now owned by Environmental Liability Transfer ("ELT"), and the wider East Baltimore County Employment Area. (Note that the findings below are not presented in order of significance.)

Site Analysis

FINDING 1: RARE ASSET

The Focus Area possesses a remarkable combination of physical assets that are rarely found together: massive land product, deep water access, direct connection to two Class I railroads, direct interstate highway access, and exceptional natural gas and electricity supply.

LARGE, CONTIGUOUS INDUSTRIAL LAND MASS

The 3,300 acres (5.3 square miles) of redevelopable industrial land covered by the Focus Area (3,100 acres now singularly owned by Environmental Liability Transfer together with another 230 acres in private ownership at the Sparrows Point Shipyard) is extraordinarily uncommon in the northeastern United States.

To Baltimoreans, imagine that the outline of the Peninsula were laid over downtown Baltimore. The area encompassed would stretch from Oriole Park at Camden Yards almost to the old Memorial Stadium site on 33rd Street and from Harbor East to the edge of the Johns Hopkins Homewood Campus. To industrial real estate professionals, the rarity of a property like this is evident from a recent survey of available properties from Maine to Virginia on CoStar, a national commercial/industrial multiple list database. CoStar indicated no listed properties in the northeast as large as Sparrows Point. The largest available industrial (as opposed to office/R&D/light industrial) property is the 937-acre CenterPoint Intermodal site near the port of Norfolk, which has the capacity to accommodate 5.8 million SF of warehouse/distribution space. However, CenterPoint is still more than 20 miles from Port of Virginia terminals. By comparison, Sparrows Point is about 3 miles by water and by truck from the Dundalk Marine Terminal.

DEEP WATER FRONTAGE

The western and southern edges of the Focus Area (including the Sparrows Point Shipyard) contain more than six linear miles of deep water frontage, including a 45' iron ore pier. This direct access to deep water, together with its well-established railway system, makes Sparrows Point an attractive location for marine-related industries that must be linked to global markets.

EXCELLENT FREIGHT RAIL SERVICE

The Sparrows Point Focus area includes 16 miles of active short line freight railroad infrastructure that connects directly to two Class One railroads (CSX and Norfolk Southern). The combination of a short line for internal freight movement within the site and between the site and two major rail carriers is a valuable and competitive asset that should be professionally managed for the benefit of current and future customers. Advantages of freight rail service includes offering businesses

SPARROWS POINT CONNECTS TO TWO CLASS I FREIGHT RAILROADS – CSX AND NORFOLK SOUTHERN

the ability to move large volumes of product more cost effectively and safely, reducing highway maintenance costs by keeping trucks off major highways, and is more environmentally friendly than trucks.

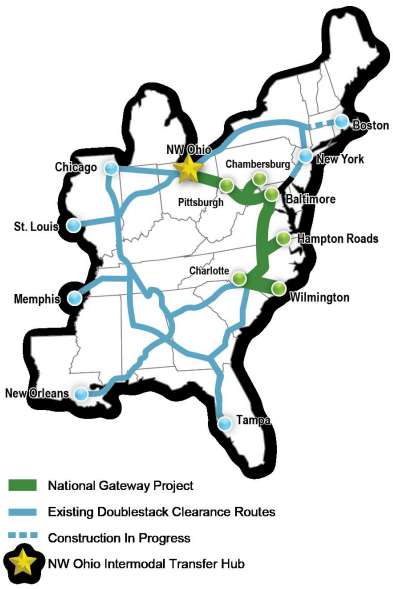
Rail service can be even more valuable when located near a deepwater port and a major highway system because it can be part integrated with a multi-modal supply chain that maximizes the potential of each mode. Together, Sparrows Point's rail assets enhance significantly the property's value and redevelopment potential.

Once CSX completes its planned Intermodal Container Transfer Facility (ICTF) at Morrell Park/Mt. Clare Yard (located south of the Howard Street Tunnel), Sparrows Point will have the added advantage of connecting to CSX's National Gateway project. The National Gateway is an approximately $850 million, multi-state, public-private infrastructure project to improve the flow of freight between the Mid-Atlantic and the Midwest by clearing key freight corridors for double-stack rail service. The National Gateway has received considerable state and federal funding and construction on this key initiative is well underway. CSX is investing approximately $575 million in the project.

DIRECT INTERSTATE ACCESS

I-695 traverses the Sparrows Point Peninsula Focus Area and provides direct access to the former steel mill property at two exits. Peninsula Expressway and North Point Boulevard provide connections for local traffic, although the proximity of residential neighborhoods makes them problematic for truck traffic.

The Dundalk and Seagirt Marine Terminals are just 3 miles away via I-695 across Bear Creek. However, although this route is both the shortest distance between Sparrows Point and the terminals, and creates the least traffic through neighborhoods, it has a major flaw that causes truck drivers to seek alternate routes that do affect residents. The problem is that the I-695 interchange at Broening Highway (Exit 44) is effectively only a partial interchange. It functions like a normal interstate exit for traffic coming from Broening Highway and headed across the Key Bridge and for traffic coming over the Key Bridge headed to Broening Highway. There are, however, no ramps to serve Sparrows Point traffic headed to Broening Highway and Broening Highway traffic headed to Sparrows Point. Vehicles making those trips have to take a circuitous route involving a u-turn under I-695 and must pay the Key Bridge toll ($18 for trucks) even though they don't actually use the bridge. If this situation is not addressed, it could constrain the potential for port-related development at Sparrows Point.



EXCEPTIONAL POWER SUPPLY

Sparrows Point's energy supply (natural gas and electricity) is considered an excellent attribute that can provide high volumes of power and fuel to accommodate a wide variety of users. At one point

SPARROWS POINT IS ONLY 3 MILES BY WATER OR TRUCK TO DUNDALK MARINE TERMINAL.

the steel mill was the largest single user of energy in Maryland, a one-customer class unto itself. As a result, service to the Focus Area for both utilities today remains excellent; high pressure gas service over 100 PSI is available, along with multiple 115 and 34.5 kV electricity circuits. Sparrows Point also offers potential users access to the largest wholesale electricity market in the United States.

FINDING 2: CONTAMINATION

Environmental contamination should not deter redevelopment for much of the Sparrows Point Focus Area, despite perceptions to the contrary.

- **Although the entire 3,100-acre ELT property (exclusive of the Sparrows Point Shipyard) is covered by a 1997 Consent Decree, the most serious environmental contamination on the site is concentrated in five general areas totaling about 600 acres or 20% of the total acreage. Redevelopment of any of these five areas would be extremely challenging and require extensive remediation.**

On October 8, 1997, the U.S. Environmental Protection Agency (EPA), Maryland Department of the Environment (MDE) and Bethlehem Steel Corporation (BSC) entered into a Consent Decree that required BSC to comprehensively address pollution from historic and ongoing operations at the site and to complete waste minimization, pollution prevention and recycling projects for specific steel waste streams in the ongoing operations of the plant. The Consent Decree covers all parcels within the ELT/Hilco owned property, but it designated five areas (see map in appendix) that merited special study and possible interim measures:

1) Tin Mill Canal/Finishing Mills
2) Greys Landfill
3) Coke Point Landfill
4) Coke Oven Areas
5) Humphreys Impoundment

Based on information from MDE, redevelopment within any of these five areas would be extremely challenging and require extensive remediation under the terms of the Consent Decree. The Appendix contains an August 2011 update from MDE on the status of environmental activities related to the Consent Decree. Currently, with the onshore investigation completed, a federal trust agreement – funded with $500,000 from the recent bankruptcy sale – is being finalized to complete an offshore investigation. The new landowner is also preparing a final remediation plan for submission to EPA and MDE to address the most contaminated areas of Coke Point where current interim measures are in place to recover contaminants and treat groundwater.

- **Remediation and redevelopment of much of the remaining 2,400 acres (80% of the site) should be feasible in the not-too-distant future.**

Aside from the five areas of special study, the rest of the Peninsula may well have contamination issues stemming from more than a century of active steel-based industrial use. While residual contamination may need to be addressed to protect human health and the environment, any remediation requirements would be site-specific and based on a reuse plan for any individual parcel. It is anticipated that less-impacted parcels could be adequately addressed through Maryland's Voluntary Cleanup programs.

REDEVELOPMENT OF 80% OF THE SITE SHOULD BE FEASIBLE IN THE NOT-TOO-DISTANT FUTURE

The Appendix includes land analysis that was developed by Whitman Requardt consultants as part of their work in support of the Sparrows Point Partnership. It summarizes the status of individual sites, excluding the known environmentally challenged areas of special study and parcels that still had the potential for future steel production use at the time the study was conducted in the early fall of 2012.

FINDING 3: INFRASTRUCTURE

Water and sewer capacity to the perimeter of the Sparrows Point property is sufficient, but connections within the site were configured to fit the unique, and now obsolete, needs of a massive single user. This situation will likely be a challenge to future development.

- **The existing water and sewer system was developed to meet the needs of the steel mill operation. Several existing businesses still receive their water and sewer service through the steel mill infrastructure, an untenable and costly arrangement that ELT is anxious to discontinue.**

Water: The existing water and sewer infrastructure on the 3,100 acre ELT parcel is inadequate to accommodate future development. Consultants to the Partnership obtained information about existing water systems on the ELT property from a master plan that Whitman Requardt conducted in 2002 for ISG, one of the steel mill's former owners. The master plan indicated possible deficiencies related to the water systems as they pertain to future development (assuming at that time that portions of the site would continue to be used in the steel making process):

> Sparrows Point is currently served by several large diameter water mains including a 48" line, several 36" lines and several 16" lines. There are smaller mains that connect the larger mains, which help create a looped system throughout the Peninsula. A looped system helps provide reliable flow and pressure throughout the network of water mains and is vital in large networks, such as the one on Sparrows Point. However, . . . it is unlikely that there is enough capacity in the smaller pipe network to meet fire protection and domestic water demands of the new development . . . . (2002)

That report was written over a decade ago. A new assessment will need to be conducted to determine whether the existing supply is adequate for new, non-steelmaking development.

Waste Water: Similarly, The ISG master plan indicated possible deficiencies in the wastewater system:

> Infiltration/inflow causes an inordinate amount of flow to enter the system; often overloading the system's pumping stations. The measures that must be taken to repair the inherent problems with the existing system are extensive and present serious cost and coordination issues that warrant construction of a new system. (2002)

The Sparrows Point property presents major wastewater issues:

As was true for other utilities, sewer service for the companies located at Sparrows Point was provided through the owner of the steel mill. ELT is anxious to discontinue this arrangement and

has notified the affected businesses that they need to provide for their own waste water treatment. As future redevelopment options are considered a comprehensive wastewater treatment strategy will likely be needed. Any effect on the Baltimore City-owned Back River Treatment Plant, the main facility for processing waste in the area, and their associated MDE permitted discharge limits will need to be assessed.

The new owners must determine how to handle the enormous volume of "process water" that is no longer needed for steel production, but continues to be piped from the Back River Waste Treatment Plant to Sparrows Point via a 60" concrete industrial water line (circa 1941) and a 96" steel industrial water line (circa 1954). Some of this flow goes into a 15 acre lagoon which then is pumped into creeks adjacent to Sparrows Point. Some of the flow can go from the Lagoon by gravity through a conduit into a canal but must be treated at a Water Treatment Plant at the western edge of the steel mill property now owned by ELT. No industrial water from Back River is being treated there at this time. However, the treatment plant is currently in operation and manned 24/7 to treat mostly storm water runoff that goes into the canal, before it discharges into Bear Creek. This tremendous volume of process water can be an asset for attracting new users to the site.

FINDING 4: INDUSTRIAL ZONING

Beyond the Sparrows Point focus area, the larger study area offers many potential opportunities for redevelopment of industrial-zoned property, however land resources for new development is minimal.

The study area (Southeast Baltimore County) outside of the focus area (Sparrows Point) has 343 industrial buildings with a vacancy rate of 12.5 percent. The average age of these buildings is 40.7 years old. There are 122 flex buildings with a vacancy rate of 9.2 percent and an average age of 29.3 years old. Only 63 acres of industrial land are currently available in this area. The Lafarge Chase Quarry, located on 400 acres of industrially zoned land, is ending its useful operational life. This land is located along the busiest freight rail corridor on the East Coast. It represents an extraordinary vacant land mass opportunity. The quarry's proximity to Sparrows Point by rail access makes it strategically significant in positioning the region for efficient movement of goods and commerce and for creation of much needed jobs and economic activity in East Baltimore County.

Market Opportunities

FINDING 5: PORT COMPETITIVENESS

The Port of Baltimore is a critical driver of the regional economy.

- **The Port is a key economic driver for the entire Baltimore Region.**

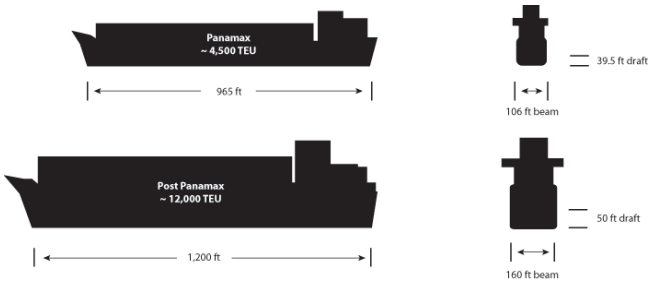
According to the MPA's "Economic Impacts of the Port of Baltimore," approximately 40,040 jobs in Maryland are generated by port activity: 14,630 jobs are direct jobs generated by cargo and vessel activities at the port, 14,470 jobs are induced by the local purchase of goods and services and 10,940 jobs are indirect jobs supported by the business purchases of the employers who create the direct jobs. Clearly the Port has a major direct and indirect impact on the regional economy.

- **In terms of both tonnage and value, the Port has been breaking new ground.**

According to the Maryland Port Authority, in 2011 the Port of Baltimore saw a 15 percent increase in cargo from 2010 which marked the greatest increase of growth by any major U.S. port. Among the key commodities at the Port of Baltimore's public marine terminals during the first half of 2012, roll on/roll off (farm and construction) equipment was up 36 percent, the number of automobiles handled at the Port of Baltimore was up 27 percent, and containers were up seven percent. Rebounding and exceeding pre-recession levels of cargo is a strong indicator for the Maryland local economy and a promising sign for future growth.

- **The Panama Canal is currently being widened to accommodate "Post-Panamax" ships, a development that has major implications for international trade patterns and East Coast ports.**

To take advantage of economies of scale and reduce operating costs, ocean carriers, particularly container carriers, are building larger and larger vessels. The newest container ships have capacities of over 10,000-12,000 TEUs (twenty-foot equivalent units), and the vessels are more than 1,000 feet long. The Panama Canal is currently being expanded to accommodate such ships, a project expected to be complete by 2015. When larger vessels are able to traverse the Canal, new opportunities will exist for container traffic from Asia to sail directly to East Coast ports, rather than dock on the West Coast and transfer cargo to trains for shipment to points east of the Mississippi. However, to compete for this business only those ports that have 50' berths and larger cranes will be able to accommodate these ships.



- **Currently, the Port of Baltimore is one of only two East Coast ports with the 50-foot shipping channel depth required by Post-Panamax vessels and it should see increased container traffic as a result.**

In 2009, the Port of Baltimore signed a 50-year lease with Ports America for the Seagirt Marine Terminal. The key elements of this public-private partnership allows the port to better compete in a global market: construction of a 50' berth to accommodate Post Panamax vessels, installation of new cranes capable of serving these ships, and payment in excess of 100 million dollars to the State of Maryland to pay for needed system preservation of its roads, tunnel, and bridge facilities.

As a result of this deal, Baltimore is one of only two East Coast ports (along with Norfolk) that have the 50' berths and larger (white in photo) cranes needed for these larger ships. While estimates vary, the Port of Baltimore's ability to handle Post-Panamax ships should increase container traffic through the Port.

The Port of Baltimore's competitive advantage due to the 50' channel and berths will likely be short-lived. New York, Charleston and other ports have plans to complete the necessary upgrades to their facilities. The opportunity exists now to get a jump and establish Baltimore as a desirable port-of-call for post-Panamax ships.

APPROXIMATELY 40,040 JOBS IN MARYLAND ARE GENERATED BY PORT ACTIVITY

- The ability of the Port of Baltimore to attract a reasonable share of this new container traffic will depend on the existence of a direct link for double-stacked rail cars from the Port of Baltimore to the Midwest.

The Port of Baltimore has a competitive advantage in reaching Midwest markets via rail and trucks. Due to its inland Chesapeake Bay location, Baltimore is that much closer to Midwest markets than is Norfolk, Virginia. However, railroad economics today dictate that freight is carried on double-stacked trains. Baltimore's advantage can only be realized if CSX is able to achieve double-stack capability on its entire route to the Midwest. The most insurmountable impediment to achieving this objective is the Howard Street Tunnel, which lies between the Port of Baltimore and CSX rail routes to the west. Reconstructing the Tunnel to accommodate double-stacked trains would cost well over $1 billion and is not funded. In response, CSX is aggressively pursuing a workaround which is to create an intermodal terminal west of the tunnel at Mt. Clare. The site would receive containers from the Port on single-stack rail cars through the tunnel or on trucks. At the new intermodal terminal containers would be double-stacked for the trip westward. CSX anticipates this intermodal terminal to be operational by 2015 to coincide with the completion of the Panama Canal widening. Keeping this project on schedule is critical in order for the Baltimore area to benefit from the Port's readiness for post-Panamax ships.

FINDING 6: PORT USE

Sparrows Point's valuable deepwater asset offers short-to-medium and long-term opportunities to tap into booming international waterborne commerce and attract port and marine-related businesses.

SHORT-TO-MEDIUM TERM

The key short-to-medium term priority is finalizing Coke Point as the Port's next dredge disposal area and preparing the site to move into full operation. Having a definite location to accommodate dredge material will be critical to keeping the Port of Baltimore – both public and private terminals – and related businesses competitive. While Coke Point is being developed, however, significant opportunity exists for the remainder of Sparrows Point's deepwater frontage. The 45-foot pier used by the former steel mill to import iron ore is immediately available to accommodate other bulk commodities. Pennwood Wharf, though not as deep, also offers the potential for loading and unloading barges and other vessels requiring less draft. The land along the southern edge of the property could also be attractive to other marine-related activities such as supplying, repairing and/or maintaining vessels and component parts. More uses include short term container storage area for the two Class One railroads, and other industries aligned with port activities.

THE PORT OF BALTIMORE IS ONE OF ONLY TWO EAST COAST PORTS CAPABLE OF HANDLING NEW 50' POST-PANAMAX CONTAINER SHIPS.

Sparrows Point is already pre-designated by the U.S. Commerce Department to allow businesses to apply for and operate in the local Foreign Trade Zone (# 74). This is an advantage to attracting businesses seeking to defer, reduce or eliminate U.S. Customs duties and fees. Such companies include importers, manufacturers, distributors, assemblers of products, and exporters of imported merchandise and/or products containing imported merchandise.

LONGER-TERM

If the MPA's plans for Coke Point proceed in a timely fashion, a new marine terminal would be constructed in 15-20 years. This allows the Sparrows Point area to add a new container, RORO or other terminal to its capabilities. This new capacity would enable Sparrows Point to tap even more directly into trends in international trade, particularly the growth of waterborne commerce.

Ernst & Young estimates that between 2010 and 2020 world trade in goods will increase 250% to about $35 trillion. Much of this trade will be carried by water due to the inherent cost advantage of waterborne transport over other modes (rail, truck, and air) for long trips. In addition, direct and proximate connectivity to other transportation modes reduces the overall costs to transfer freight to its final destination. Sparrows Point will be in the strong position of offering port to rail and/or truck all at one location.

FINDING 7: ENERGY

Sparrows Point holds tremendous potential as a viable location for power generation facilities.

- **It is projected that the Mid-Atlantic region will not be able to produce adequate supplies of electricity starting in 2019, if not before. In Maryland, the problem is more immediate as transmission constraints and lack of new generating capacity make Maryland a net electricity importer.**

Maryland's electricity is supplied through PJM, a regional transmission organization that coordinates the movement of wholesale electricity serving 60 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. According to the Maryland Energy Administration (MEA) the state currently imports about 30 percent of its electrical energy from surrounding states, making it vulnerable to both price fluctuation and unreliable supply. The problem is even worse for central and eastern Maryland due to inadequate transmission capacity which raises the cost of transporting out-of-state power.

The combination of inadequate local power generation and high interstate transmission costs make Maryland electricity costs some of the highest in the U.S. The U.S. Energy Information Administration estimates that Maryland businesses pay 30 percent more for electricity than the national average with Maryland residents paying almost 6 percent more. A new 660-megawatt gas power plant under construction in Waldorf will provide needed generation in this constrained part of the PJM starting in 2015. The need, however, for increased local generation remains. In 2007, PJM projected that without increases in local generating or transmission capacity, central and eastern Maryland could be facing brownouts and rolling blackouts in the future. Although this crisis was postponed temporarily due to the great recession, the underlying problem still exists.

IN ORDER TO REACH ITS 20 PERCENT GOAL BY 2022, MARYLAND MUST GENERATE 9,277 GWH FROM RENEWABLE SOURCES IN 2022 (IN 2012 IT GENERATED 3,000 GWH)

- **Sparrows Point could be an advantageous location for a facility to help address this inadequate local supply.**

Sparrows Point offers large tracts of industrial land with excellent domestic natural gas supply. In addition, there is a history of such use on the peninsula. When the steel mill was operating it was a member of PJM and a state-approved supplier of electricity to the grid.

- **Sparrows Point may also be positioned to help meet Maryland's energy efficient standards.**

The EmPOWER Maryland Energy Efficiency Act of 2008 sets targets to reduce both per capita energy consumption and per capita peak demand by 15 percent by the end of 2015 (based on a 2007 baseline).

Renewable Energy - Maryland's Renewable Portfolio Standard (RPS) requires that 20 percent of Maryland's Electricity be generated from renewable energy sources by 2022. Types of renewable energy include solar, wind, biomass (including poultry litter), landfill gas, and small hydroelectric power. The Maryland RPS also requires 2.5 percent to come from additional renewables such as municipal solid waste until 2019, after which this additional renewable energy source will be no longer be included.

At the end of 2012, 7.8 percent of the energy generated in Maryland came from renewable sources, up from 5.8 percent in 2007. In order to reach the 20 percent goal by 2022, Maryland must generate 9,277 GWh from renewable sources in 2022. In 2012, the state produced 3,000 GWh from renewable sources.

1) **Solar** - Maryland's RPS, as amended in 2007, requires that a percentage of the renewable portfolio standard must originate from in-state solar generated electricity. This percentage gradually ramps up to 2% by 2022. Distributed solar or on-site generation produces electricity from many small energy sources. A wide deployment of distributed solar throughout the state would reduce peak energy demand from centralized power plants and lower transmission congestion. Solar is usually installed close to the demand source. By having supply and demand at the same location eliminates and reduces the need for additional generation, transmission, and distribution infrastructure.

Additionally, solar energy production is highest on hot sunny days coinciding with the highest level of cooling demands from air conditioners. Solar equipment contains no moving parts and even after 20 years of service can produce power at 80% of rated capacity or higher. As a result, operating and maintenance costs remain very low throughout the life of a system. Solar energy provides a hedge against rising energy costs from fuel based power plants and stability to customers. Solar panels could be placed on top of industrial buildings and on some contaminated, non-developable, land to help might the renewable standards.

2) **Biomass** - Maryland has a variety of second generation biomass feed stocks including: wood biomass from forestry waste, other organic materials such as agricultural crops and residues, special grasses, poultry manure as well as household and industrial refuse for waste-to-energy

processes. There is also considerable interest in developing an energy project in Maryland that uses poultry litter as a feed stock. Maryland has the potential by some estimates to produce in excess of a million dry tons of biomass per year (excluding municipal solid waste). This supply, combined with the state's demand for renewable energy, reinforces MEA's belief that biomass can make a significant contribution to meeting the state's RPS goals. However, because of the high investment cost for each biomass facility and the high dependency on the price consistency and availability of the feedstock it is unlikely that MD will witness the construction of more than one plant every two to three years.

3) **Waste to Energy** – Representatives of the Dundalk Chamber of Commerce presented information to the Baltimore County Department of Economic Development regarding some waste to energy possibilities for generating economic activity at Sparrows Point. The multimodal connection of transportation systems within Sparrows Point could allow it to become a generator of energy using trash products from different industries, produced locally or within the Mid-Atlantic region. Products could feed into an energy plant include (but is not limited to) aluminum, paper, glass, tires, and bottles. CSX currently operates a multi-state train along the I-95 corridor that moves these kinds of materials. It was also suggested that yet another energy process that could be explored is reverse osmosis.

FINDING 8: OFFSHORE WIND

Offshore wind development for the Eastern seaboard offers a major opportunity for Sparrows Point and East Baltimore County.

- **The General Assembly passed a bill which Governor O'Malley signed into law to make Maryland the first state to build offshore wind energy facilities.**

The law clears a major hurdle for the State of Maryland in establishing an offshore wind industry in the state. Such facilities would be located at least 12 miles off the coast of Ocean City. In addition to its obvious clean energy advantages, wind energy is estimated to have significant economic impact on the states that succeed in establishing assembly and, perhaps, future manufacturing facilities to support the industry. A study produced in 2011 by Kinetik Partners and commissioned by Maryland Department of Business and Economic Development entitled "Analysis of Maryland Offshore Wind Supply Chain Capabilities" states:

> "Maryland has the embedded industrial capability to capitalize on, and perhaps command, the upcoming offshore wind economy that will develop in the Atlantic. Over 6 gigawatts (GW) of projects have been announced off of the Atlantic Coast, 3 GW in the Mid-Atlantic and 1 GW off of Maryland; a $10 billion market in 10 years which can be captured by Maryland's economy, given implementation of the best strategies…In terms of port capability, Dundalk Marine Terminal at the Port of Baltimore has the ability to begin staging for components. In the long run, Sparrows Point has many of the best characteristics to establish offshore wind operations, but will require some investment to become a viable working port.

Maryland also has supply capability for electronics, composites, engineering, construction and other necessary services from a wide number of potential supply chain participants across the state.

THE MARYLAND OFFSHORE WIND ENERGY ACT OF 2013 CREATES THE REGULATORY FRAMEWORK TO INCENT OVER 200 MEGAWATTS OF CLEAN RENEWABLE ENERGY TO THE STATE AND REGION, WHILE CREATING ALMOST 850 NEW GREEN JOBS AND IMPROVING ECONOMIC DEVELOPMENT STATEWIDE.

Offshore wind presents significant economic development opportunities in both the short-to-medium term and the longer-term. The most immediate opportunity is the construction of onshore facilities to assemble the large wind turbines and blades constructed in Europe and stage them for shipment via specialized "jack-up" vessels to offshore wind farms. In the longer term, if the Mid-Atlantic establishes a critical mass (600-900) of offshore wind facilities, the demand would be sufficient to justify manufacturing of the blades and turbines." (Kinetic Partners, LLC).

- **Maryland must act quickly if it is to seize the opportunity to capitalize on the job creating potential of offshore wind production.**

It is widely believed that only a few sites are needed to assemble and stage wind turbines and that the first state to begin construction will have a long-term advantage. Several states are competing with Maryland to get wind energy facilities up and running because of their significant economic development impact. For example, the State of Massachusetts is partnering with the Port of New Bedford, to build a $100 million "marine commerce terminal" to support a new offshore wind industry that they hope will attract large manufacturers. New Jersey enacted an offshore wind law in 2010 that offers up to $100 million in tax credits if a manufacturer located its operations in the state.

- **Sparrows Point has several key infrastructure features that make it a candidate for assembly and manufacturing of offshore wind components.**

Offshore wind energy installations require a significant landside facility. Even without the actual manufacturing of components, these facilities can require 200 - 500 acres of land. Land is preferable on deep water for: crane lifting for offloading inbound and outbound cargo; staging components dockside to be transported for installation at the wind farm; assembling components; storing components in a lay down area to ensure adequate inventory to facilitate uninterrupted assembly and shipping; office space; fabrication buildings; warehouse space, etc. Sparrows Point is an inland location requiring additional time for travel to and from the ocean. Even so, Sparrows Point's large land mass and deep water channels are well suited to hosting product and barging to off shore locations..

The Sparrows Point Shipyard Industrial Complex is a key asset in making this industry a very viable option for the region. The Shipyard's graving dock berth, the draft and additional piers and adjacent acreage are all conducive for accommodating a wind farm staging area. The Kinetik Partners LLC study was produced prior to the closure of RG Steel and it states that "RG Steel's production capability should be an anchor of any investment in offshore wind supply." But even without an integrated steel producer on site there is great potential for building out the offshore wind industry. The study states:

> *"Investment in infrastructure: Investing in capability to build the high value components of the offshore wind value chain is the most critical action for capturing the opportunity in offshore wind. As such, it is incumbent upon the state of Maryland to support the efforts of its private firms in their development of ventures and expansion of businesses, support development of partnerships between Maryland and outside companies, or to attract outside companies in order to capture this opportunity. The development*

of cluster development around Sparrows Point Shipyard and Industrial Complex in close proximity to the supply capabilities of RG Steel receives our strongest recommendation: expand the casting, plate making, rolling and welding capabilities at Sparrows Point, along with the development of onshore assembly from the numerous wharves surrounding the area. Additionally, there is opportunity for the development of ship and barge-making capabilities in Maryland, which are specifically designed to service the offshore wind industry. In addition, RG Steel's capability and the SPSIC can cooperatively attract other manufacturers who can serve the offshore wind supply chain and further strengthen the cluster. Lastly, as these steel and ship oriented operations take root, Maryland should engage wider-scoped industries such as electronics to begin operations to further enhance the full capabilities of the supply chain. "

"Aggregation of operations at Sparrows Point: While Maryland has a handful of strong players in the steel fabrication industry, a significant number of smaller firms could positively support the growth of the industry. We propose the development of an industrial consortium or collaborative enabling the support of these firms at the consortium level. An active consortium could develop more buying power for its members through aggregated buying and economies of scope through closer ties by adjacent companies in the supply chain. This will increase business while decreasing the cost of material inputs." (Kinetic Partners, LLC).

FINDING 9: ADVANCED MANUFACTURING/ASSEMBLY

Advanced manufacturing and value-added assembly is a sector that is well-suited to Sparrows Point and offers the potential for strong job creation and economic spinoff.

Sparrows Point's physical and location advantages will likely draw interest from a wide variety of potential land users. Some of the most likely proposed industrial uses – such as energy production and certain warehouse/distribution operations – while offering important economic benefits, will provide relatively few jobs. Consistent with the employment base in the area, manufacturing and value-add assembly businesses can provide a significant number of family-supporting jobs. National research indicates that manufacturing employees earn more per year than the national average for all private sector employees, a pattern that actually widened to nearly $10,000 during the great recession.

- **The industrial repurposing of Sparrows Point is not unique; examples abound of large industrial communities that reinvented themselves for a globally-competitive, digital economy. Some strive for green, sustainable industries and nearly all include attraction of new advanced manufacturing, innovation, research and development.**

Just in Pennsylvania alone there are many redevelopment success stories. Several former Bethlehem Steel sites were demolished across the state, cleaned and redeveloped. Two of the sites attracted foreign capital for the manufacture and assembly of sophisticated large turbines and blades for on-shore windmills. In Pittsburgh and the Ohio/Monongahela River valleys adaptive reuse of industrial property has produced commercial success.In Philadelphia, the old Navy Yard was transformed into a dynamic business and research park. In the Greater Scranton area, programs of the Lackawanna Industrial Fund Enterprises and Scranton Lackawanna Industrial Building Company reclaimed thousands of acres of mine-scarred land for productive reuse creating a total of 17 industrial, office and technology parks housing over 350 buildings that now employ thousands.

- **The manufacturing sector is driving innovation of new products to meet demands of growing economies.**

NATIONAL RESEARCH INDICATES THAT MANUFACTURING EMPLOYEES EARN MORE PER YEAR THAN THE NATIONAL AVERAGE FOR ALL PRIVATE SECTOR EMPLOYEES, A PATTERN THAT ACTUALLY WIDENED TO NEARLY $10,000 DURING THE GREAT RECESSION

According to the Brookings Institution, "Exploding demand in developing economies and a wave of innovation in materials, manufacturing processes, and information technology are driving today's new possibilities for manufacturing. Even as the share of manufacturing in global GDP has fallen—from about 20% in 1990 to 16% in 2010—manufacturing companies have made outsize contributions to innovation, funding as much as 70% of private-sector R&D in some countries. From nanotechnologies that make possible new types of microelectronics and medical treatments to additive manufacturing systems (better known as 3D printing), emerging new materials and methods are set to revolutionize how products are designed and made."

The U.S. Department of Commerce reports that "Jobs that are supported by the export of goods and services pay 15% more than the average non-export-related job. For export-supported manufacturing jobs, the average wage increase is even higher—18 percent." Given that 95% of the world's customers live in countries other than the United States, it behooves the County, State and nation to place greater emphasis on manufacturing products to meet the needs of the world. Apart from consumer goods, one example could involve meeting the most basic of community infrastructure needs in developing countries, such as systems-built housing units for basic shelter or as replacement shelter in response to natural disasters, or equipment for resource management such as water treatment, distribution and collection.

- **In-sourcing (as known as re-shoring) is real and Sparrows Point is ideally positioned to capitalize on the changes taking place in the manufacturing world.**

Unique products and processes are important reasons why American firms continue to gain competitive advantages in the world marketplace. Locations that offer lowest cost or abundance of natural resources are not guarantees of success. The need for companies to access skilled workers and highly educated talent, to protect intellectual property, tap lower energy costs, be close to supplier networks, and move products quickly to wealthy and fast growing markets are all reasons why corporations are re-thinking the off-shoring of jobs of the recent past and beginning to "in-source" (re-shore) some of these back to American soil. Some pertinent facts:

- 61% of larger companies surveyed "are considering bringing manufacturing back to the U.S." (MIT forum for Supply Chain Innovation 1Q12)
- 40% of contract manufacturers did reshoring work in 2012 (MFG.com 4/12)
- % of U.S. consumers who view products Made in America very favorably: 78% (2012) up from 58% (2010) (AAM June 28-July 2, 2012)

- **The inherent advantages of Sparrows Point, and by proximity Southeast Baltimore County, provide opportunity for diverse manufacturing enterprises and related supply-chain businesses.**

The Greater Baltimore Committee helped retain the former head of IBM's Global Location Consulting practice to address the business development work group of the Sparrows Point Partnership. The consultant provided insight regarding the types of manufacturing projects that are currently seeking suitable locations around the world. The consultant suggested that some of these advanced manufacturing and value-add assembly opportunities could be targeted to consider

61% OF LARGER COMPANIES SURVEYED "ARE CONSIDERING BRINGING MANUFACTURING BACK TO THE U.S." (MIT FORUM FOR SUPPLY CHAIN INNOVATION 1Q12)

facilities at Sparrows Point. They include, but are not limited to:

- Advanced manufacturing and advance materials cluster (OEM and suppliers) related to integrated wind power (engineering, fabrication, installation, operation and maintenance of turbines, towers, blades, controls) for Mid-Atlantic federal/state sanctioned offshore wind farms;
- Advanced manufacturing and materials cluster (engineering, manufacturing, testing, and delivery) related to high speed, heavy and light rail transportation rail cars and ships, and marine vehicles;
- Advanced engineering and manufacturing related to flood control systems and structures, walls, gates, pumps and related wave/tidal action energy generation controls.

Additionally, the consultant noted that with exports expected to increase 13-20 percent over the next five years and spurred by abundance of low natural gas prices, some key export growth sectors are well positioned. They potentially include manufacture of: electrical equipment, agri-business, niche advanced fabrication of metal products, medical equipment, specialized machinery, chemicals, and transport equipment.

FINDING 10: DISTRIBUTION/LOGISTICS

Distribution and logistics industry is a good fit with the development of Sparrows Point.

Not long ago, the term "warehouse/distribution" evoked an image of a quiet facility with rather infrequent large shipments, where goods sat for weeks or months before being shipped to a customer (or where goods were stored until markets improved and they could be sold for profit.) While such warehouses still fill a niche today, newer distribution and logistics parks are the locus of intensive activity by humans and machines and can have more in common with light manufacturing facilities than with the traditional warehouse. A study conducted by New York State to articulate the location requirements for this industry noted that "As manufacturers become more focused on reducing costs, increasing customer satisfaction, and optimizing their supply chain to resources, suppliers and customers, they are paying much more attention to the number and location of their distribution facilities and the functions they perform...Historically, typical distribution functions were shipping and receiving, storage, order picking, break-bulk, freight consolidation and containerization. Today, thanks to technology, many distribution operations are computerized, automated, and equipped with state-of-the-art material handling equipment and information systems. This enables them to deliver overnight to a widening geographic market. As a result, many distribution operations have added a number of value-added services, including total logistics management, inventory control and tracking, packaging, labeling and bar coding, procurement and vendor management, and customer service functions, such as returns, repair, rework and assortment promotional assembly." (Development Profile for Warehouse/Distribution/Logistics Center Sites, New York State, 2008)

These facilities create significant economic value and jobs. They can also serve as anchors that attract other kinds businesses. MIT logistics expert Yossi Sheffi defines "logistics clusters" as areas where many logistics activities take place in close proximity. According to Sheffi, in a logistics cluster, both logistics service providers and the logistics operations of manufacturers, retailers, and distributors congregate around a port, airport, rail facility, or a location close to major population centers. The

MANUFACTURING COMPANIES MAKE OUTSIZE CONTRIBUTIONS TO INNOVATION, FUNDING AS MUCH AS 70% OF PRIVATE-SECTOR R&D IN SOME COUNTRIES.

following features are keys to successful distribution/logistics parks.

ACCESSIBILITY TO PORT, RAIL, HIGHWAY

Transportation costs remain the dominant factor in total logistics costs. Accessibility and proximity of logistics parks to rail and port locations and customers is a key metric. Energy costs are important as final distribution costs ("last mile") tend to increase with distance. Also, the site can be open around the clock, enabling to better match the flexibility of supply chain management.

LAND AVAILABILITY

Land already zoned for use is a key issue. Companies are sensitive to availability and cost of land since it is a significant part of their operation. Local and regional governments often establish preferential taxation procedures if a logistical freight cluster fits regional development policies. For business users this kind of careful analysis of demand that leads to the provision of a mix of functional parcel sizes reflecting the needs of the industry can make a big difference in choosing to locate a facility in a given area.

INFRASTRUCTURE

Provision of utilities (electricity, water, sewage, etc.) is another key component, as well as highway egress and ingress. In some communities "freight villages" offer the opportunity to provide warehousing space available for various term leases as well as equipment supporting logistics and distribution activities.

Sparrows Point's extensive, relatively flat acreage with heavy industrial zoning under single ownership, direct access to two Class I railroads, direct interstate access, deep water (with the potential for a future port terminal), excellent natural gas service make it a strong candidate for becoming a logistics cluster along with the Port of Baltimore. Such a cluster would facilitate the efficient and large movement of freight, accommodating an increase in freight volumes and efficient transportation and product handling costs.

FINDING 11: FREIGHT

Freight tonnage from, to and through Maryland is projected to nearly double by 2035. If the Greater Baltimore region is able to efficiently, reliably, and economically increase highway and rail capacity it will prosper economically.

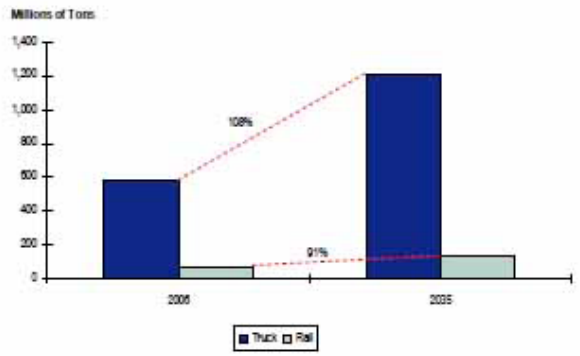
Ernst & Young estimates that by 2020 world trade in goods will total around US$35 trillion, two and a half times its value in 2010. Since shipping via water is generally less expensive than any other mode (followed by rail, truck and then air), there is an increased trend toward "all-water services," which move product completely by sea, such as between Asia and the East Cost via the Panama Canal, or from India to the East cost via the Suez Canal. These trends open up new opportunities for East Coast ports like Baltimore.

The Maryland Statewide Freight Plan (SFP) was released in September 2009 and identifies an estimated $35 billion in freight-related infrastructure projects. This is the first ever freight plan for Maryland and it provides a comprehensive overview of the State's current and long-range freight planning activities and investments. The Plan includes a freight project needs inventory and set of corresponding policy initiatives.

BETWEEN 2007 AND 2035 FREIGHT TONNAGE FROM, TO, AND THROUGH MARYLAND IS ESTIMATED TO DOUBLE (105 PERCENT), COMPRISING 1.4 BILLION TOTAL TONS.

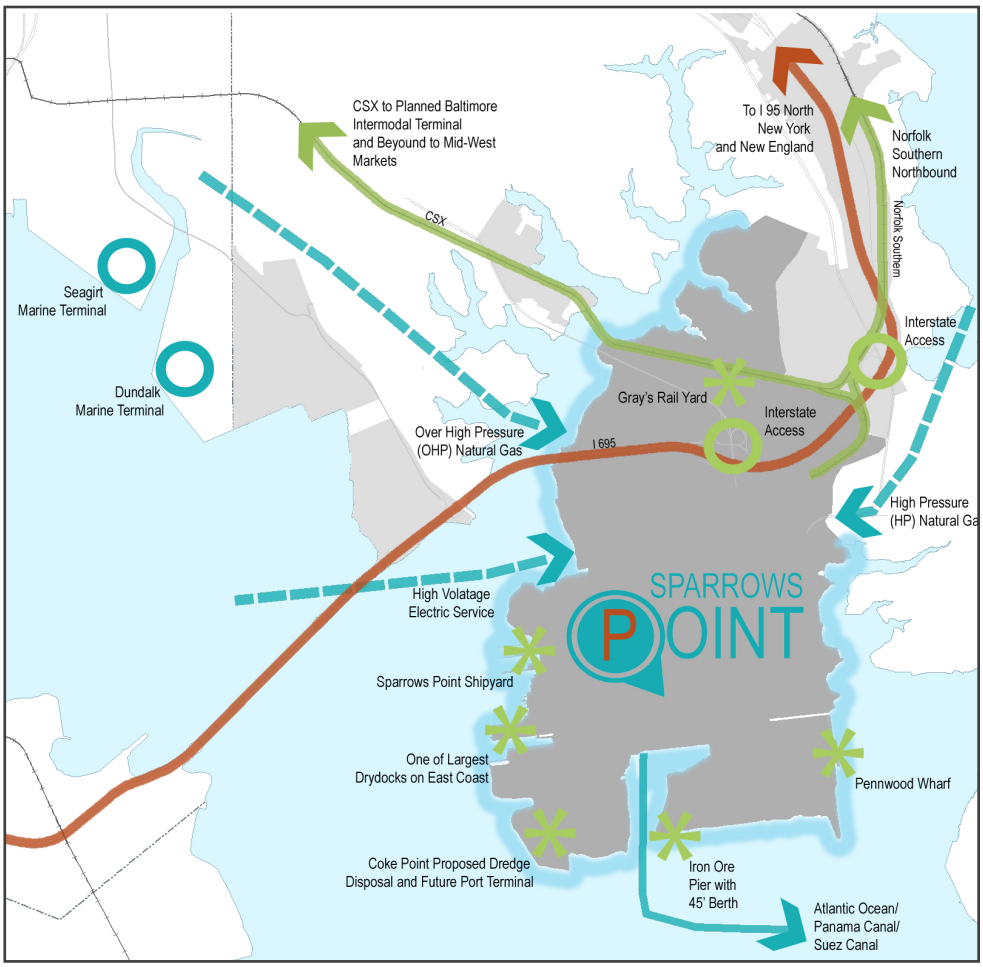
Between 2007 and 2035 freight tonnage from, to, and through Maryland is estimated to double (105 percent), comprising 1.4 billion total tons. The I-95 corridor will continue to be the state's largest concentration of freight intensive industries and freight flows. Together with population growth, higher truck volumes will increase congestion on Baltimore's already-congested roadway network infrastructure, raising capacity, congestion, truck parking and related issues (highway capacity, congestion, truck parking, urban bottlenecks, etc.), affecting costs to shippers, carriers, and logistics providers who could shift to alternate routes or relocate businesses, directly impacting county and state jobs.

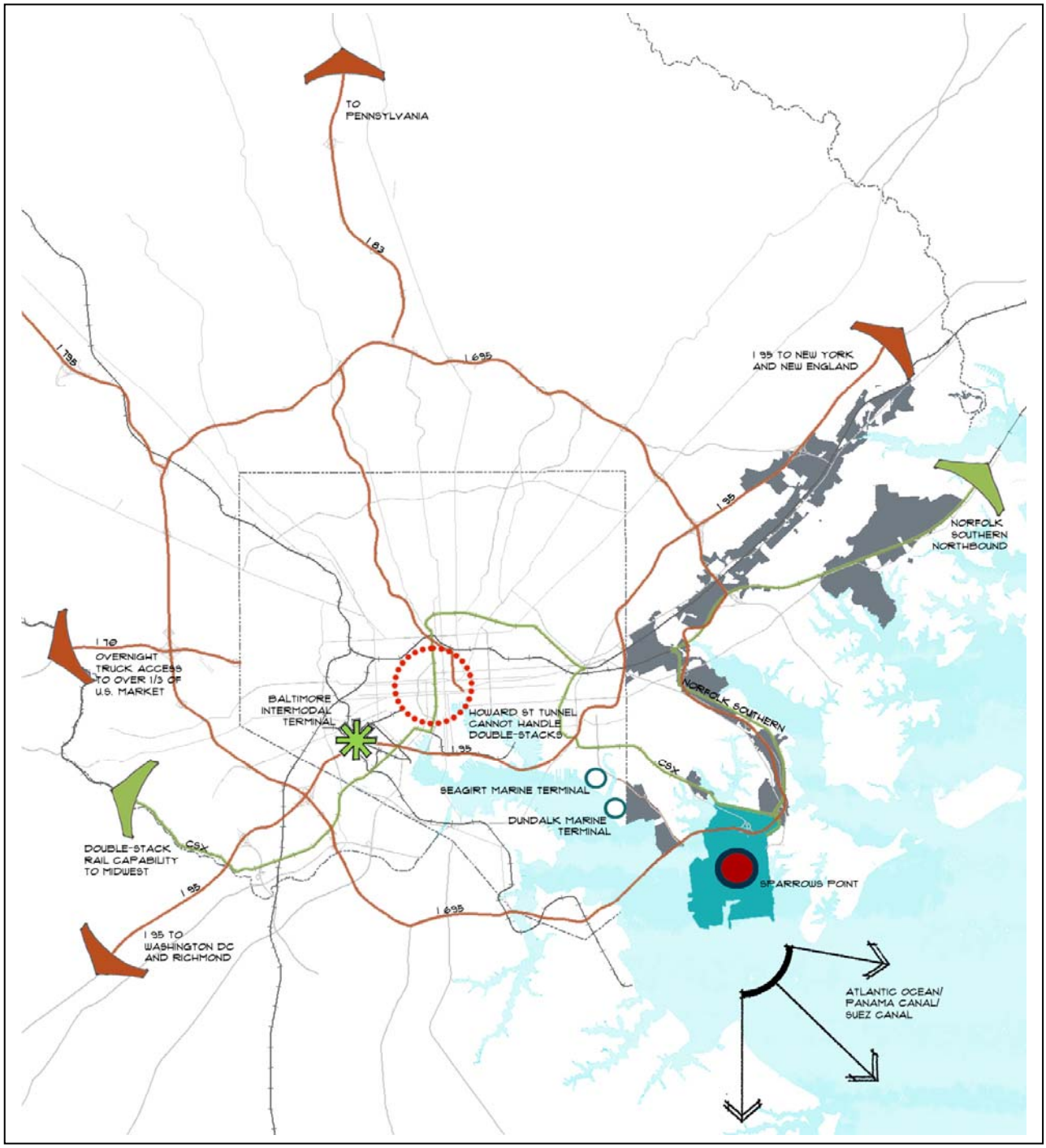
Maryland Tonnage Growth Rates by Mode
2006 to 2035



Source: 2003 TRANSEARCH® Insight, forecast update to 2006 by Cambridge Systematics, Inc.
(Maryland State Freight Plan, 2009)

Freight tonnage through the Port of Baltimore reached an all-time high in 2012. The availability of post-Panamax vessels to reach POB in 2015 will increase its need for efficient, cost-effective, supply chain goods movement to compete with other east coast ports.




TO PENNSYLVANIA
I 83
I 795
I 695
I 95 TO NEW YORK AND NEW ENGLAND
I 95
NORFOLK SOUTHERN NORTHBOUND
I 70
OVERNIGHT TRUCK ACCESS TO OVER 1/3 OF U.S. MARKET
BALTIMORE INTERMODAL TERMINAL
HOWARD ST TUNNEL CANNOT HANDLE DOUBLE-STACKS
I 95
NORFOLK SOUTHERN
CSX
SEAGIRT MARINE TERMINAL
DUNDALK MARINE TERMINAL
DOUBLE-STACK RAIL CAPABILITY TO MIDWEST
CSX
I 95
SPARROWS POINT
I 695
I 95 TO WASHINGTON DC AND RICHMOND
ATLANTIC OCEAN/ PANAMA CANAL/ SUEZ CANAL

Guiding Principles for the Sparrows Point Focus Area

After careful consideration of the findings outlined in this report the Sparrows Point Partnership has distilled several guiding principles that the Partnership believes should shape the future of the Sparrows Point Focus Area.

PRINCIPLE 1: MARINE USE

All measures should be taken to expeditiously secure Coke Point to be used by the Maryland Port Administration.

- **Constructing MPA's proposed Coke Point facility will have the immediate impact of energizing private and public maritime and related industrial activity throughout the entire Port of Baltimore area because it will remove the obstacle (lack of a place to dispose of dredge material) that has hindered new investment.**

While MPA has continued to accept dredge material necessary for maintenance of the Port's channels and berths, for several years, the MPA has severely limited the new work dredging projects for which it can accept material into its placement sites. This is due to the fact that Hart Miller Island was closed, by State law, in 2009, and there is limited capacity in the MPA's other two placement sites for Harbor material. The MPA's other two sites for Harbor material includes Masonville in Baltimore City, and Cox Creek in Anne Arrundel County. This limitation on dredge material placement has hampered new investments and new job-producing projects in the Port. Of course, in the medium to longer term, the potential for the dredge placement facility at Coke Point to become a new terminal facility offers future job creation and economic impact.

- **Given the importance of Coke Point in the short-term for dredge disposal and in the longer term for marine terminal use, any development plans for the Peninsula should be formulated using a future Coke Point marine terminal as a defining feature.**

A marine terminal will require excellent rail access, so before any changes are made to the existing, extensive rail network on the site, the new owners should coordinate with MPA to ensure that all rail lines likely to be needed by a future terminal be kept in place. Similarly, a major port terminal will require excellent highway access. I-695 crosses the northern edge of the property itself. It would be wise to identify any rights-of-way that would likely be needed for future roads to connect Coke Point to the I-695 interchange at Sparrows Point Boulevard.

PRINCIPLE 2: LAND USE

Retain the current zoning of the Sparrows Point peninsula for heavy industry.

The greatest economic benefits would be best served and realized by retaining the current zoning of the peninsula. The future vision for Sparrows Point should include a mix of four basic categories of industrial use:

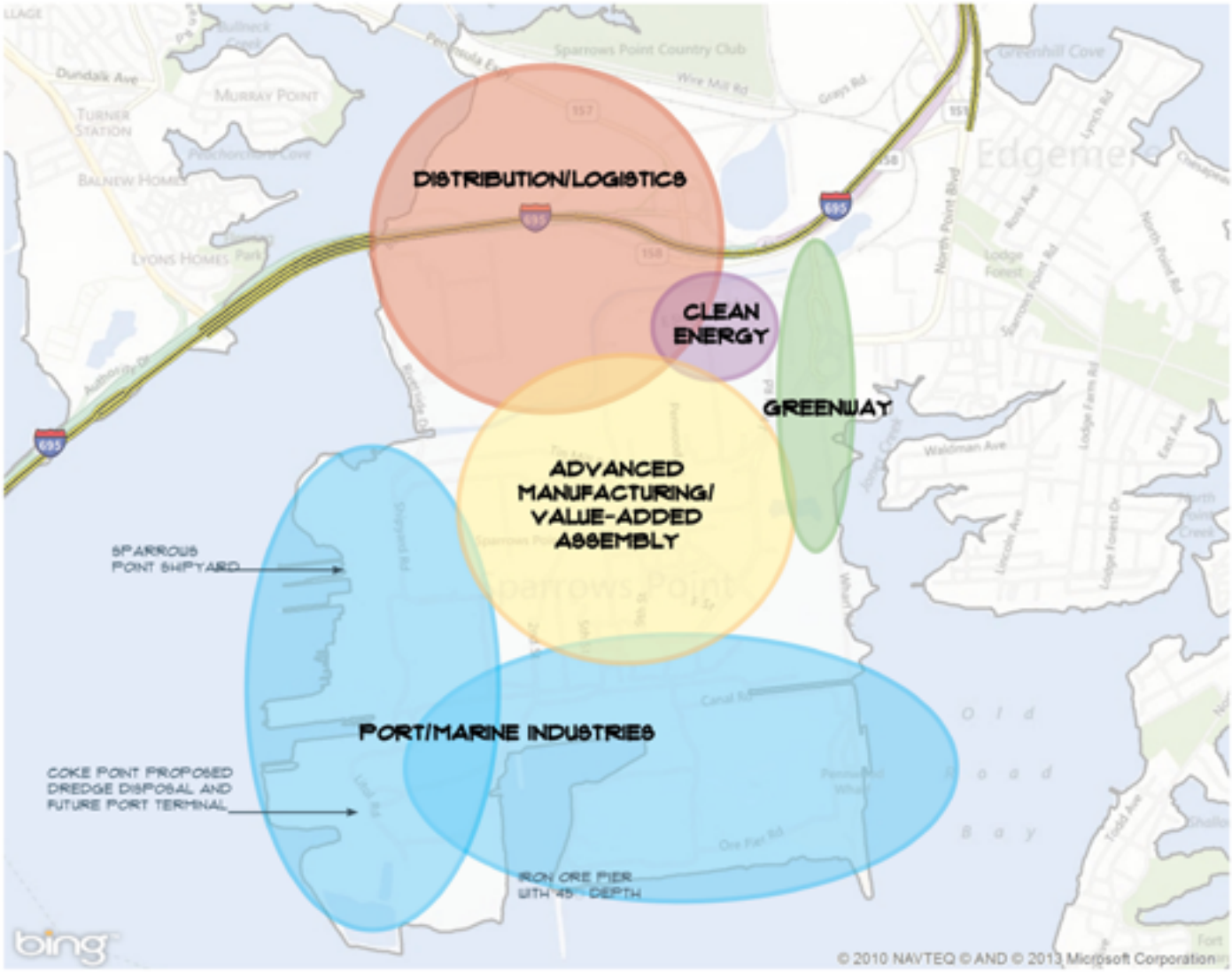
THE SPARROWS POINT PENINSULA HAS MORE THAN 6 MILES OF DEEP WATER FRONTAGE.

- Port/maritime commerce;
- Advanced manufacturing/value-added assembly;
- Clean Energy and renewables;
- Distribution/logistics industries.

Industrial sites like this one, which can accommodate a variety of economic base industries, do not come along often and should be managed judiciously recognizing the long-term value they represent. Economic base sector industries create wealth for a local jurisdiction by exporting products and services primarily to national and international markets outside of the local area. As such, base sector industries drive regional prosperity, are a source of competitiveness and innovation, and a source of new businesses in the region.

The Focus Area is a vast and strategically-located asset that has the potential to play a key role in the economic future not just of Baltimore County but the entire region. The Partnership has identified four general categories of industrial activity that have tremendous promise and can all be accommodated on the Peninsula in a complementary manner: port/maritime commerce; advanced manufacturing/value-added assembly, clean energy and renewables; and, distribution/logistics. The Findings section of this report outlined the opportunities presented by each of these industry sectors. The schematic map below illustrates how these different uses might all be accommodated at Sparrows Point.

3,100 ACRES OF REDEVELOPABLE INDUSTRIAL LAND IS EXTRAORDINARILY UNCOMMON IN THE NORTHEASTERN UNITED STATES.



PRINCIPLE 3: INFRASTRUCTURE

Water and sewer infrastructure is fundamental to the future build out of Sparrows Point. As currently configured it is completely inadequate and must be addressed. In the immediate future, the new landowner and private businesses operating on site as tenants will need to determine how best to economically extricate users from the water and sewer delivery system.

Water System - The City of Baltimore operates and maintains the water system which includes tanks, reservoirs, pipelines and pumping stations, while the County is responsible for the capital improvements, upgrades and rehabilitation of the water system infrastructure within the County. The public jurisdiction extends up to the water meter.

Sewer System - The City of Baltimore is responsible for the sewage treatment plants. Baltimore County is responsible for the operation, maintenance and repair of the sewer pipelines and sewer pumping stations. The public jurisdiction extends up to the cleanout and the private property owner is responsible from the cleanout to the building.

It is to the benefit of both the County and new landowner to formulate a comprehensive, yet simple approach to address all water and sewer issues for future users of the parcel. The overall integrity of the water system on the new landowner's property and a coordinated process for new permits for improved and updated capacity, are primary needs to be addressed. In addition, some current customers on the new owner's land may be requested to leave the system and find alternative methods for water. This could mean tapping into an older or less reliable system and prove more costly than the current system. Potential large users of water will require assurances for their needs to be met. These types of requests and methods for efficient delivery should be examined for future development.

PRINCIPLE 4: LONG-TERM STRATEGY

There should be an agreed upon long term strategy between the owners of the Sparrows Point parcels and public interests to guide redevelopment efforts.

Decisions made now about the disposition of Sparrows Point's land product have enormous long-term consequences. Without at least a general development framework within which to assess sale or lease decisions for specific sites, the risk of making short-sighted decisions that precludes or hinders larger, longer-term returns is very real. For example, the existing short line railroad provides a critical link between potential future users and the CSX and Norfolk Southern main lines and should be managed with long-term development in mind. The best way to maximize Sparrows Point's future economic success is for all stakeholders to work in partnership with the County and the State to achieve a shared vision.

A LONG-TERM STRATEGY IS NEEDEDTO SUCCEED

Recommendations for the East Baltimore County Employment Area

The Sparrows Point Focus Area presents a major opportunity but redevelopment of those 3,330 acres will succeed largely to the degree it integrates with, reinforces and benefits from the infrastructure and market assets of the wider East Baltimore County economy. This section of the report offers general actions (which are not presented in order of priority) that can address this larger area. A more detailed analysis with recommendations should be developed as a next step for the County and/or Sparrows Point Partnership.

RECOMMENDATION 1: FREIGHT MOVEMENT

Freight movement is of great value to the regional economy. The Sparrows Point Partnership recommends that public bodies formulate a plan and identify resources for future freight growth and the infrastructure it will require – highways, rail and water.

- **Baltimore County, State officials (MDOT, SHA, MdTA) should work with the Baltimore Metropolitan Council and other key entities to consider how this movement should best be accommodated and identify needed improvements to the freight movement system in the County.**

In addition to coordinating with state and regional entities on freight planning, the State and/or County might wish to consider commissioning a consultant to produce an industrial land and freight movement study. The purpose is to obtain a comprehensive assessment of future opportunities and constraints relative to industrial development and freight that can inform future policy development.

- **Key infrastructure projects that are needed to ensure smooth freight movement throughout the region and particularly in the vicinity of the Port of Baltimore should be identified and prioritized.**

A project that should considered for priority status is the proposed highway improvement under I-695 at Broening Highway that would enable truck traffic to move directly between the Dundalk and Seagirt Marine Terminals and the greater Sparrows Point area without going through residential communities near Wise Avenue. Currently, trucks headed from Sparrows Point to Dundalk Marine Terminal must pay a heavy toll and negotiate a difficult, roundabout maneuver to get onto Broening Highway. As a result, many truckers opt to use North Point Boulevard and Wise Avenue as an alternate route, causing significant noise and traffic for neighborhoods along the way. Addressing this long-standing problem would improve traffic flow for trucks serving the Port while alleviating a concern for residents that causes them to oppose new industrial development. The role Martin State Airport and its long runways and hangers might play in the overall infrastructure system should also be considered.

- **Large industrial parcels should be evaluated for their potential to help accommodate the projected increase in freight tonnage to allow the County and region to compete for jobs in the future.**

KEY FREIGHT INFRASTRUCTURE PROJECTS MUST BE PLANNED FOR NOW

Projected economic growth in the State and throughout the mid-Atlantic region will lead not only to increased freight traffic, but a corresponding acceleration of road and bridge infrastructure deterioration, a worsening of congestion, and heightened safety and community livability concerns. As congestion increases on key freight corridors, shippers, carriers, and logistics providers will shift to alternate routes, directly impacting mobility for both people and goods – and indirectly, jobs statewide. Therefore, the planning of efficient freight movement on highways, railroads, and through the Port of Baltimore is vital to keep Baltimore County and Maryland competitive with surrounding jurisdictions.

With freight tonnage estimated to double by 2035, it would be wise to assess the future potential of the County's industrially zoned land. Currently, industrially zoned land represents only 5.5 percent of all land (21,300 out of 386,643 total acres) in Baltimore County. Often, municipalities will rezone unused industrial land to non-industrial purposes for short term economic gain at the expense of greater long term benefits. The 3,330+ acre parcel at Sparrows Point and smaller parcels throughout the county should be analyzed for their greatest potential economic benefit.

One of the ways metropolitan areas have utilized specific land parcels to improve multimodal transportation flow is to develop freight villages, or logistics parks. These kinds of industrial parks help "transload" efficiencies and make better utilization of industrial parcels. As noted earlier, the Lafarge Chase Quarry, located on 400 acres of industrially zoned land, is ending its useful operational life. This land abuts the busiest freight rail corridor on the East Coast. It represents an extraordinary vacant land mass opportunity. The Quarry's proximity to Sparrows Point by rail access makes it strategically significant in positioning the region for efficient movement of goods and commerce and for creation of much needed jobs and economic activity in Southeast Baltimore County.

RECOMMENDATION 2: INDUSTRIAL ZONES

Industrial zoned land in Baltimore County plays a crucial role in creating family-sustaining jobs and contributing to increasing levels of prosperity throughout the region. It must be preserved and improved.

The County and State should work in tandem to preserve all industrially-zoned parcels in East Baltimore County and, working with experts in the advanced manufacturing, energy, logistics, distribution industries, identify future needs and determine improvements to existing business and industrial parks. In particular, future development plans for the LaFarge Chase Quarry need to consider its critical link in building out the logistics and distribution patterns for the region. The concept of a freight village or sophisticated regional center for consumer-based goods activity tied directly to Sparrows Point and the Port of Baltimore needs to be given high consideration.

RECOMMENDATION 3: PROVIDE GREATER FOCUS TO REDEVELOPING OLDER BUSINESS/INDUSTRIAL AREAS

Coordinating and accelerating redevelopment and job creation in the County's older business communities is a large undertaking that requires fresh assessment of how the County can best meet these critical needs.

A key challenge facing Baltimore County moving forward, especially in the older business

communities of the East side, will be redevelopment of aging building stock and updating infrastructure. Addressing these challenges effectively will require the capacity to bring together public and private stakeholders and tap both traditional and innovative funding sources, such as the P3 (public-private partnerships) legislation passed this year by the General Assembly. These challenges come at a time when local governments across the country, including Baltimore County, face unprecedented pressure to reduce budgets and refocus limited government resources on the most fundamental needs – public safety, education and basic public services. Given these realities, the Sparrows Point Partnership suggests that the County review its existing economic development capacity and assess whether any additional tools or organizational structures might be needed to provide sustained focus on improving older business and industrial communities. For example, such evaluation would include addressing whether a quasi-public redevelopment corporation would better position the County to bring a wide variety of public and private entities and resources to bear on creating family-sustaining jobs in redevelopment areas.

RECOMMENDATION 4: PUBLIC INDUCEMENTS

The State of Maryland should develop new or enhance existing tools, resources and incentives to encourage redevelopment.

The following programs could enhance the ability of East Baltimore County to attract investment to improve land and building stock and produce new jobs. The region typically competes with neighboring jurisdictions for industrial projects. Many of these jurisdictions offer similar programs and East/Southeast Baltimore County should not be at a relative competitive disadvantage in the region.

ENTERPRISE ZONE

The North Point Enterprise Zone currently covers 3,821 acres of industrial land in the study area. It is scheduled to expire at the end of 2014. The County must reapply to the Maryland Department of Economic Development for the designation for its benefits to continue. The benefits include property tax credits for the increased assessed value of properties and buildings and a job creation tax credit. Specifically,

- Real property tax credits – Ten-year credit against local real property taxes on a portion of real property improvements. Credit is 80 percent the first five years, and decreases 10 percent annually to 30 percent in the tenth and final year;
- Income tax credits – a one-time $1,000 credit per new worker. For economically disadvantaged employees, the credit is $6,000 per employee over three years.

Further evaluation should be conducted to determine if the Zone should be expanded to include additional industrial land in the larger study area. At a minimum, an aggressive outreach should be conducted to encourage property owners to improve their aged or run down property and utilize the credit.

More could be done. For example, certain targeted areas (currently located in Prince Georges County and Baltimore City) in Maryland are eligible for "Focus Area" Tax Credits that include:

- Real property tax credits – Ten-year, 80 percent credit against local real property taxes on a portion of real property improvements (does not decline as it does with the standard

benefit);

- Personal property tax credits – Ten-year, 80 percent credit against local personal property taxes on new investment in personal property within a focus area;
- Income tax credits – a one-time $1,500 credit per new employee. For economically disadvantaged employees, the credit is $9,000 per employee over three years.

Baltimore County and the State of Maryland should determine eligibility of the entire study area of this report and consider pursuing the state's "Focus Area" designation.

JOB CREATION TAX CREDIT

Most industrial businesses are eligible for the Job Creation Tax Credit (JCTC) when creating over 25 new jobs over a 24 month period. The income tax credit is up to $1000 a job and up to $1500 a job when located in an Enterprise Zone or Sustainable Community. What few business owners realize is that this JCTC credit can be added to the Enterprise Zone credit thus allowing up to $7500 a job when hiring economically disadvantaged workers. A Focus Area designation would enhance the credit an additional $3000.

NEW JOB TAX CREDIT

Baltimore County should consider passing a law to utilize a State enabled program called the New Jobs Tax Credit Program. It provides eligible companies with tax credits against both real and personal property taxes if they constructed or expanded operations and created new jobs. This program could be used for projects outside of the Enterprise Zone.

The local credit is based on the increase in both real and personal property tax assessments resulting from the business's expansion. The credit decreases over six years, as follows:

Years 1 and 2: Credit = 52 percent of tax attributable to the assessment increase;
Years 3 and 4: Credit = 39 percent of tax attributable to the assessment increase;
Years 5 and 6: Credit = 26 percent of tax attributable to the assessment increase.

New Jobs Tax Credit recipients also are eligible to receive an additional State tax credit, which uses the same calculation method. However, the State credit is given against one of the following taxes:

- corporate or personal income taxes;
- financial institutions franchise tax;
- insurance premiums tax.

The amounts for the State tax credit are as follows:

Years 1 and 2: Credit = 28% of tax attributable to the assessment increase
Years 3 and 4: Credit = 21% of tax attributable to the assessment increase
Years 5 and 6: Credit = 14% of tax attributable to the assessment increase

FOREIGN TRADE ZONE

A Foreign Trade Zone (FTZ) is a federal designation that allows companies to defer, reduce or even eliminate Customs duties on products admitted to the zone. Merchandise in an FTZ designated

site is considered to still be in "international commerce". Duty-free treatment is accorded to items that are re-exported and duty payment is deferred on items sold in the U.S. market, thus offsetting customs advantages available to overseas producers who compete with producers located in the United States. The Baltimore Development Corporation (BDC) administers FTZ #74, in the Baltimore area. Owners and users of properties and buildings in Eastern Baltimore County can apply for FTZ designation through BDC.

MARYLAND SUSTAINABLE COMMUNITIES DESIGNATION

The Sustainable Communities Act of 2010 targets State revitalization resources into a single focus area called Sustainable Community Areas. In the Act, Sustainable Community Areas are defined as places where public and private investments and partnerships achieve:

- Development of a healthy local economy;
- Protection and appreciation of historical and cultural resources;
- A mix of land uses;
- Affordable and sustainable housing, and employment options;
- Growth and development practices that protect the environment and conserve air, water and energy resources, encourage walkability and recreational opportunities, and where available, create access to transit.

The concept is to break down silos and achieve more integrated and balanced approaches to community planning and investment. Although most of the benefits that accrue to a designated SC relate to residential and retail areas, there are several potential benefits to an area like Sparrows Point: eligibility for enhanced Job Creation Tax Credits, eligibility for the Neighborhood Business Works program (loan funds), and recognition by Maryland Department of Transportation as a Sustainable Community in the planning and utilization of its limited transportation investment resources.

Baltimore County Department of Planning submitted an application to Maryland Department of Planning for the Dundalk/Sparrows Point area and is waiting for approval.

MARITIME INDUSTRIAL OVERLAY DISTRICT (MIZOD)

Consider establishing a Maritime Industrial Overlay District (MIZOD) similar to Baltimore City's to reduce conflicts between residential and retail/commercial encroachment on industrially zoned land.

Baltimore City's Maritime Industrial Zoning Overlay District (MIZOD) was enacted in 2004 in an effort to reduce increasing conflicts between mixed-use development and maritime shipping by demarcating deep water areas in industrial precincts and reserving them for industrial use. The zoning overlay disallows planned unit developments (PUDs) and mixed uses such as office and hotel/motel, except when accessory. Included in their overlay district are existing industrial properties with deep water access and zoned "Heavy Industrial" (M-3) property.

Appendix and Resources

Sparrows Point Peninsula

SPARROWS POINT LAND USE ANALYSIS & VISIONING
TASK 1: IDENTIFICATION AND CLASSIFICATION OF AVAILABLE LAND
Site assessment findings from Department of Economic Development consultants

SPARROWS POINT LAND USE ANALYSIS & VISIONING
TASK 2: MARKET ANALYSIS
Assessment of general market for industrial space in Eastern Baltimore County and recent trends and opportunities at the Port of Baltimore

SPARROWS POINT PENINSULA PARCELS AND STATUS
Table from 2012 Whitman Requardt consultant study listing size, access, constraints and other features of redevelopment parcels within the Sparrows Peninsula that were not used recently for steel production

MDE AUGUST 2011 STATUS OF CONSENT DECREE ACTIVITIES
Short summary of status of major activities required under 1997 Consent Decree among EPA, MDE and Bethlehem Steel

Port of Baltimore and Trade

PORT OF BALTIMORE OVERVIEW FOR SPARROWS POINT PARTNERSHIP INITIAL MEETING
Presentation by M. Kathleen Broadwater, Deputy Executive Director, Maryland Port Administration.

MARYLAND DAILY RECORD REPORT: PORT OF BALTIMORE REPORT
February 2013 Daily Record report on trends, outlook and developments at the Port of Baltimore.

FACT SHEET - THE PROPOSED COKE POINT DREDGED MATERIAL CONTAINMENT FACILITY
August 2012 fact sheet for the Maryland Port Administration's proposed Coke Point Dredged Material Containment Facility

COKE POINT VISUAL SIMULATIONS
MPA PowerPoint presentation showing future dredge containment facility and marine terminal

ECONOMIC AND FISCAL IMPACTS OF THE PANAMA CANAL EXPANSION ON THE PORT OF BALTIMORE STUDY
Economic Alliance of Greater Baltimore (EAGB) commissioned the Regional Economic Studies Institute of Towson University to perform an economic impact analysis on the economic and fiscal impacts of the Panama Canal expansion on the Port of Baltimore

Freight Policies and Plans

MARYLAND STATEWIDE FREIGHT PLAN - 2009

Maryland's first statewide plant to assess critical issues facing freight and offers strategies to help Maryland prepare for the estimated 75 percent increase in freight by 2030 for the State and the region

NEW BALTIMORE-WASHINGTON RAIL INTERMODAL FACILITY

Maryland Department of Transportation website

THE NATIONAL GATEWAY PROJECT FOR RAIL

The National Gateway project will improve the flow of rail traffic throughout the nation by increasing the use of double-stack trains, creating a more efficient rail route that links Mid-Atlantic ports with Midwestern markets.

MID-ATLANTIC RAIL OPERATIONS STUDY

A cooperative study involving five states and three railroads that identifies opportunities to better utilize the region's existing rail assets; formulates a program of systemwide rail investments in all five states; and recommends a public-private partnership to fund and implement the improvements.

MARYLAND RAILROAD MAP

Map showing location of freight and passenger rail lines.

Business Opportunities

MARYLAND OFFSHORE WIND ENERGY ACT OF 2013

SB275/HB 226 creates the regulatory framework to incent over 200 megawatts of clean renewable energy to the state and region, while creating almost 850 new green jobs and improving

ANALYSIS OF MARYLAND OFFSHORE WIND SUPPLY CHAIN CAPABILITIES

A 2012 Kenetik Partners study commissioned by The Maryland Department of Business and Economic Development to understand the potential impact of the burgeoning offshore wind industry on the East Coast.

SPARROWS POINT ENERGY OUTLOOK

Presentation by Doug Nazarian, former Chairman of the Maryland Public Service Commission to the Sparrows Point Partnership.

JOBS IN THE MAKING: ECONOMIC DEVELOPMENT STRATEGIES TO GROW MANUFACTURING

International Economic Development Council (IEDC) 2012 presentation.

TASK FORCE ON INDUSTRIAL JOB CREATION IN BALTIMORE COUNTY: FINAL REPORT

June 2012 report from the Task Force established by the General Assembly to develop recommendations on encouraging industrial job creation in Baltimore County and throughout Maryland.

Economic and Industrial Development

FOREIGN TRADE ZONE MAP

Map of Baltimore's existing Foreign Trade Zone #74.

POTENTIAL ECONOMIC DEVELOPMENT TOOLS

Table produced for Sparrows Point Partnership summarizing economic tools that could be considered to foster economic and port-related development in the study area.

Support for the Sparrows Point Partnership provided by:

The Baltimore County Department of Economic Development
Daniel C. Gundersen, Executive Director
400 Washington Avenue - Suite 100
Towson, Maryland 21204
410-887-8000
www.baltimorecountymd.gov/business

Sparrows Point Partnership Project Team:
Sharon Klots, Chief, Policy and Program Planning
Helga Weschke, Chief, Business Development
Rick Johnson, Business Development Representative
Phyllis Panopoulos, Administrative Support
Department of Planning, Mapping Support