

## **Public-Private Partnerships: A Tale of Three Projects**

Back-to-back-to back monthly programs in May, June and July highlighted public-private partnerships with three types of projects. Each focused on revitalizing an underutilized asset.

In the first, LAI Baltimore Chapter Board member, Joanie Millane of Millane Partners, LLC and Steve Cassard, Vice President for Facilities Management & Capital Planning at the University of Baltimore (UB) outlined their collaborative process that resulted in an award winning real estate transaction and project, *The Fitzgerald*.

UB issued an RFP in 2004-05 for a mixed-use development on a 4.3-acre, 600-space surface parking lot — a brownfield site owned by the State — on behalf of UB. The parcel is located in the midst of the urban campus and cultural arts district on a Light Rail stop and within walking distance of the Lyric Opera, Myerhoff Symphony Hall, the Charles Theater and Amtrak's Penn Station.

With the university's law school enrollment expanding to nearly 1150 students, and its undergraduate program expanding to include Freshmen and Sophomores, UB's objective, as predominantly a commuter school, was to maximize the number of parking spaces available to its faculty and students at below market rates as ground rent, while enhancing a neighborhood in one of the State's first official Transit Oriented Districts (TOD). The Bozzuto Development Corporation, teaming with PMI, was selected for the design-build project. In September 2007 the 65 year ground lease, with one 10-year renewal option, was signed and on September 17, 2008, Bozzutto settled with financing from the Bank of America through syndication with the Royal Bank of Scotland and the New York State Teachers Pension Fund.

The eight-story/1245 space public parking garage includes the first electric vehicle (EV) charging station in the City and two EV preferential parking spaces. This new parking facility is also available to art enthusiasts and patrons of the nearby cultural facilities. The 275 market rate residential unit building is certified LEED Silver. There is 25,000 square feet of retail at street level, with UB receiving a share of the revenue from the Barnes and Noble Town/Gown Operator — one of 650 schools nationwide with this arrangement. UB rents 20,000 square feet of space in which Barnes and Noble operates the bookstore and cafe. Additionally, there is a 1,500 square foot space occupied by Two Boots Pizza at the Fitz, while a third retail space of approximately 3,500 square feet is being actively marketed.

This public-private partnership is a win-win for the developer, UB and the neighborhood, — delivering a mixed-use, ecologically friendly project that is an economic development generator in the City of Baltimore. It connects neighborhoods to retail, restaurants and cultural venues where before there had been a pedestrian-unfriendly sea of cars. The developer enjoyed benefits such as no land assembly, ease of barriers to entry to the market due to UB's involvement, market rate development fees, a Payment In Lieu Of Taxes (PILOT) from the City to finance the parking garage and, diversification of its business risk.

In June, Rouse Company veteran, Barbara Nicklas, Vice President of Marketing for the Columbia-based Master Planned Communities and Development division of the Howard Hughes Corporation (HHC), chronicled the history of The Rouse Company (TRC) since the creation of Columbia in 1967. This included its merger with HHC in 1996 and the purchase of the company by General Growth Partners (GGP) in 2004. GGP shepherded the process leading to the

Downtown Columbia Plan that the Howard County Council unanimously approved in February 2010. In November 2010, GGP retained the Mall and spun off 34 assets to HHC who now has 67 net developable acres. The Columbia Mall, nearing its 4th decade of existence, was envisioned by James Rouse as the Main Street for the planned community. Guiding the six year process to create an acceptable plan to redevelop downtown Columbia was an acknowledgement that James Rouse's original vision for Columbia still was relevant—to be an integrated community with people of all backgrounds. Also recognized were the need to address the aging physical environment; to make Columbia the urban hub for the County; and to embody Smart Growth by concentrating and accommodating future regional growth. Many revisions to the original draft Master Plan were based on extensive community engagement by and between knowledgeable and passionate residents and GGP.

For the Chapter's annual summer outing, LAI Senior VP for Eastern James E. "Jim" Ellison, FAIA, joined Baltimore members who traveled to Annapolis for maritime-themed presentations. Beginning at the US Naval Academy Museum, [www.usna.edu/Museum.com](http://www.usna.edu/Museum.com), the internationally respected Associate Director and Senior Curator James W. "Jim" Cheevers provided a customized tour of the military and naval art and artifacts relating to the history of the U.S. Navy. Highlights included the collection of ship models, especially the replicas of British warships housed in custom built ornate cabinets and the smaller ones carved out of steer bone by French prisoners of war.



*Baltimore Chapter Officers, President and Vice President, Rachel Edds and Jim Leanos along with LAI Sr. VP Jim Ellison present Jim Cheevers a LAI Mug as token of appreciation.*



*LAI members gather around a sculpture of USNA's mascot, "Bill the Goat",*

The group then rode in e-Cruisers, 100% electric cars, to the Maritime Republic of Eastport and the Annapolis Maritime Museum (AMM), [www.amaritime.org](http://www.amaritime.org). Located on Back Creek and overlooking the Chesapeake Bay, AMM's Executive Director Jeff Holland welcomed and explained the public-private partnership that redeveloped in 2003 the former McNasby's Oyster Company, the last oyster-shucking and packing house in the city of Annapolis. AMM's campus includes the Barge House, McNasby's, water tours to the Thomas Point Shoal Lighthouse, and the Cap'n Herb Sadler Watermen's Park. AMM's primary mission is to preserve the Bay and to promote the area's maritime history and culture of the watermen.

The Chesapeake Bay defines the character of Anne Arundel County, according to Robert "Bob" Hannon, CEO/President of Anne Arundel Economic Development Corporation (AAEDC), [www.aaedc.org](http://www.aaedc.org) who spoke to the group. According to Bob, the County is well planned and well managed in terms of its General Development Plan, and a central role of the EDC is to ensure that the GCP is implemented. This entails organizing support for expansion of the industrial/commercial base through land use designation, correct zoning application and extension of utilities supported by financing.

The current industry count is over 14,000 businesses that in turn employ approximately 240,000 workers. Hannon said the County is just back to the employment levels of 2007 and this does not count the 400-acre National Business Park located just west of Fort George G. Meade.



*Bob Hannon explains the history of Anne Arundel County's choice to 'privatize' its economic program in 1993 by establishing the AAEDC.*

Celebrating her 6<sup>th</sup> month on the job as President/CEO of the one year old, Annapolis Economic Development Commission [www.annapolisedc.org](http://www.annapolisedc.org). Lara Fritts said her organization's audience includes the City of Annapolis government; residents and neighborhood associations; and the business community and allied organizations. Working positively with the newly-formed Committees to implement the organization's mission of retention, expansion and attraction, Fritts said she has a "healthy/contentious relationship" with the City. While she admitted achieving the mission is tough in this economy, she proudly pointed out the successes after what an audience member characterized as "the City's culture of No for the past 25 years". The AEDC helps streamline and make the process for developers easier by eliminating one or more of the regulatory steps. Also it is collaborating with the City's Planning Department on a wayfinding program by identifying keystone properties. Lara also talked about the preliminary findings from a retail market analysis to be released in early August that identified gaps, according to the responses from residents, visitors and internet patrons, in the City's 5 commercial districts. These ranged from an art cinema, entertainment to a grocery store, restaurants and parking. Having this information about people's preference will help develop a road map and action strategy.



*LAI Baltimore President Edds thanks Laura Fritts, Annapolis EDC for her participation.*

Tara B. Clifford  
Scribe

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