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HEADLINE: Eastward shift for Baltimore's downtown: As businesses relocate, old neighborhoods suffer

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Eastward shift for Baltimore's downtown: As businesses relocate, old neighborhoods suffer

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Just 12 blocks separate the old headquarters of Legg Mason at 100 Light St. in downtown Baltimore from its glassy new headquarters at 100 International Drive in Harbor East. But it's a quantum leap for the global asset manager -- and the city that fought to keep it in town.

The 24-story Legg Mason Tower is part of a wave of waterfront development that marks an expansion and redefinition of Baltimore's downtown -- from a relatively compact core with a well-defined business district to a new, linear city that encircles the harbor, with eight miles of shoreline and companies and residences spread out all along the water's edge.

At the same time, Legg Mason's eastward move of 550 employees points to the challenges facing property owners and others in areas that are losing tenants and residents to this expanded waterfront. As companies relocate to prime new harbor sites, civic leaders are taking steps to reinvigorate older parts of downtown, from sprucing up public spaces to starting a shuttle bus service that will connect old and new.

With Harbor East nearing completion, Baltimore is a much different city than it was when the Harborplace pavilions opened 29 years ago, and the activity there can be a revelation to people seeing it for the first time, said Al Barry of A. B. Associates, a planning consultant with clients in old and new parts of downtown.

"Many people who visit Inner Harbor East these days seem to have the same reaction to it that people had when they saw Harborplace for the first time," Barry said. "There's a sense of energy and vitality that's very positive for Baltimore."

"The spreading out of the Inner Harbor is a real phenomenon," agrees David Pittenger, who for years has watched the harbor evolve as executive director of the National Aquarium in Baltimore. "There's much more to see and do, and many more places to live."

That spreading out is a source of concern to longtime harbor-watchers such as Carolyn Boitnott, coordinator of the Waterfront Coalition, a group that monitors growth along the waterfront. She fears that the migration of companies to the water's edge is draining vitality from older sections of downtown.

"This has been an evolving thing," Boitnott said of the trend. "It wasn't a case of one decision being made. It has been this creeping sprawl along the waterfront and this decay downtown. ... From the Waterfront Coalition's perspective, much more development has occurred along the waterfront than we had hoped for."

Legg Mason's move, which began at the end of June and will continue until mid-September, calls attention to Baltimore's changing harbor because its new home is the latest of several office buildings that have taken shape east of Baltimore's traditional "central business district," an area bounded roughly by Key Highway, the Fallsway, Mount Royal Avenue and Martin Luther King Jr. Boulevard.

The list includes the office tower at 750 E. Pratt Street, Bond Street Wharf in Fells Point, and the 1st Mariner Bank tower in Canton. By early next year, Morgan Stanley will move to a new office building at Harbor

Point, between Harbor East and Fells Point.

Across the harbor, Tide Point, the business campus created from the old Procter & Gamble soap factory, has lured yet another crop of tenants, and the Ritz–Carlton residences and HarborView "pier homes" are vying for buyers.

Companies that have moved eastward include Constellation Energy Group, the parent of Baltimore Gas and Electric Co., and RTKL Associates and Ayers Saint Gross, architects. The law firm of Hogan & Hartson will move its Baltimore office from 111 S. Calvert St. to the new Legg Mason Tower this fall.

In the heart of downtown, meanwhile, it's hard to miss the commercial leasing signs on many older office buildings, including the Bank of America complex at Pratt and Charles streets, the Blaustein building at Charles and Fayette, and 36 South Charles.

While no one is saying this eastward shift is the death knell for Baltimore's traditional downtown, there is concern that moves such as Legg Mason's, while a boon for the areas where companies are moving, have the opposite effect on areas where companies are leaving.

Boitnott, of the Waterfront Coalition, said she worries about the ramifications of intense waterfront development on older areas such as the city's Westside, where the 1914 Hippodrome Theatre was restored.

"I think downtown is getting worse," she said. "My husband and I went to the Hippodrome the other night and tried to find a place to have dinner, and it was a dead zone. A lot of things that should have stayed downtown have moved out."

Klaus Philipsen, an architect with offices on the west side, sees benefits and challenges.

"My view is that downtown just got bigger," said Philipsen, who is also co–chairman of the Urban Design Committee of the local American Institute of Architects chapter. "Downtown expanded into Harbor East and that came out of reusing a former industrial site that didn't have meaning anymore, a former lumber yard. This is a sign of a prosperous Baltimore.

"The challenge is to not let the old locations become fallow," Philipsen continued. "We need to be very careful to keep them up to snuff. In the end, we have more than before, and that will be good provided we succeed in leasing up the vacant space. It's not a zero–sum game where you are only moving people from one location to another. The number of players is growing and should grow and will grow."

Representatives for the public and private sectors have launched a variety of initiatives aimed at keeping the traditional downtown attractive to companies and residents.

The city and the Downtown Partnership of Baltimore, which promotes businesses downtown, have upgraded Center Plaza and Preston Gardens and unveiled a vision for adding more stores along Pratt Street. An organization called the Waterfront Partnership was formed to coordinate maintenance and improvement of properties along the shoreline.

Work is nearing completion on a \$1.4 million interactive water fountain on the Inner Harbor's west shore. Some older office buildings are finding new life as hotels and apartments. Others are getting new lobbies and other cosmetic upgrades.

In May, the *Greater Baltimore Committee* announced plans to launch a six–month study to identify ways to keep the original Inner Harbor renewal area vibrant.

The GBC played a key role in the development of the Inner Harbor, said executive director Donald C. Fry. "We want to make sure it's not losing its luster."

Kirby Fowler, president of the Downtown Partnership, notes that waterfront growth has been balanced somewhat by development on the west side of downtown, including a 750-room Hilton hotel near Camden Yards and expansion of the University of Maryland's Baltimore campus. He said the expanding east side and west side are all becoming one continuous downtown.

"We have to get beyond the notion of the old CBD (central business district) and frame it in a more linear fashion," Fowler said. "Business will always want to take advantage of water views. But there's strength throughout downtown."

M. Jay Brodie, president of the Baltimore Development Corp., the agency that oversees downtown development, said he believes it's possible to expand along the waterfront and strengthen the core as well.

"It's not that the central business district has gone down," he said. "It's probably a less dense place than it was. But it's more spread out, and that's a healthy thing."

Fowler and others say they don't believe Legg Mason's move will harm the area it's leaving, assuming its old headquarters space leases up.

Owners of the 35-story tower at 100 Light St. have begun a \$20 million renovation project to help attract new tenants for the space Legg Mason is vacating.

But building renovations alone may not be enough to level the playing field. Within several blocks, Harbor East has a lively concentration of amenities that even the Inner Harbor can't match -- a cinema complex, health club, grocery store, hotels, shops, restaurants, apartments and condominiums.

Now, as civic leaders work to revitalize older sections of Baltimore's business district, Harbor East is often held up as a model for what the rest of downtown can be.

"I give them credit for creating a mixed use neighborhood," Barry, the planning consultant, said of Harbor East's developers. "It has a 24-hour-a-day, seven-day-a-week vitality that you don't find in a typical office precinct."

Harbor East isn't taking away from other parts of downtown, said Martin Millsbaugh, former chief of the city's development agency. "It's adding a new dimension."

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Highlights: Greater Baltimore Committee