

Deal close for \$300M harbor tower

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Philadelphia developer plans luxury condos, hotel and retail space

A Philadelphia developer is close to buying one of the Inner Harbor's last undeveloped properties and building a \$300 million luxury condominium, hotel and retail project, The Daily Record has learned.

In negotiations for about a year, ARC Wheeler LLC expects to finalize a deal in the next few months for the surface parking lot at 414 Light St., according to the developer's lawyer, Jon M. Laria of Ballard Spahr Andrews & Ingersoll LLP.

Once home to a McCormick & Co. Inc. spice factory, the property is located just across the street from Harborplace and the Maryland Science Center.

"It's the last great Inner Harbor site that is undeveloped," Laria said. "It's going to just be a really marquee project."

The former News American site on Pratt Street is the only other major parcel that is undeveloped, said J. Kirby Fowler, president of the Downtown Partnership of Baltimore.

Laria would not elaborate on a sale price for the former McCormick property, but the land has an estimated value of \$14.9 million, according to the State Department of Assessments and Taxation.

New York-based architect Robert A.M. Stern will design the project, which will include 200 to 250 luxury condominiums, on-site parking, a gourmet grocery store and a hotel, the brand and size of which have not yet been decided. A spa also could be part of the project, Laria said.

A number of hotel chains have expressed interest in doing business on the ARC Wheeler site, Laria said, but he declined to name any of those companies.

Laria expects the condominiums and hotel to take the shape of a tall, slender tower rather than a long, squat building that would act like a wall along Light Street.

Stern's firm, which designed recent additions to Sheppard Pratt Hospital in Baltimore, is still finalizing plans that will be presented to the city's Urban Design and Architectural Review Panel on Feb. 16.

The company did consider office space for the site, but Laria said there "was no market" for offices.

"Both the condominium market and the hotel market remain extremely strong," Laria said. He was not sure how much each condominium would cost.

But given the location and pricing of other nearby projects, the condominiums likely wouldn't come cheap.

Less than a half-mile south of the site, condominiums in the Ritz-Carlton Residences on Key Highway are selling for \$5 million each. That project by Midtown Baltimore LLC is still under construction.

"I think they just have tremendous faith in Baltimore's circumstances and future," Laria said of ARC Wheeler, which he said has never developed a project in Baltimore before.

Ground-level retail will be a major component of the project, as Baltimore development officials have said they want to make sure Light Street remains pedestrian-friendly, Laria said.

"We've been pushing for street-level retail in every building," Fowler said. "From the Harbor Court [Hotel] to Pratt Street, you can almost envision a very walkable retail area that of course includes Harborplace."

"No. 1 on the retail list is to get a gourmet grocery store that would serve the project but also be an amenity for the neighborhood," Laria said.

Baltimore development officials have lauded the entry of such upscale projects along Baltimore's waterfront, welcoming new residents and their contribution to the city tax base.

Neighbors, however, caution that the city should beware of too much of a good thing.

"We understand why everyone would want to capitalize on the waterfront property," said Keith Losoya, president of the Federal Hill Neighborhood Association.

"But what we are very afraid of is that the pricing of the properties that are being built right now will tilt the demographics of the community to a non-diverse, very affluent community," Losoya said.

Losoya said the neighborhood association generally opposes towers along the waterfront but judges projects on individual merits.

He said the association would wait to see ARC Wheeler's final design before taking a stance on this project.