

BDC cancels demolition contract

Planned wrecking of 8 buildings was not openly bid

By Annie Linskey, *Baltimore Sun*, September 11, 2009

The city's development arm announced Thursday it will cancel a \$1.5 million contract to demolish eight downtown buildings at Calvert and Lombard streets, the second planned demolition to be halted since The Baltimore Sun reported that the agency was not following the city's open-bidding rules.

"We're not planning to do any future demolition at this time," said Baltimore Development Corp. President M.J. "Jay" Brodie. "We are not going to follow this approach of BDC soliciting work."

The Baltimore Sun reported Monday that the agency had awarded a \$378,477 demolition contract at the proposed site of a slots casino after soliciting prices from a handful of firms rather than advertising the work publicly. Baltimore Mayor Sheila Dixon announced Tuesday that BDC would no longer award demolition contracts.

The contract to raze the downtown buildings to clear land for the planned \$80 million City Center project, which will include two hotels and retail space, had been awarded several months ago to the Berg Corp., Brodie said. The company has already hung its purple banner on a towering former USF&G building slated to be knocked down. Workers with the firm are tearing out interior wiring and debris from one building as part of the environmental remediation for the project; that will continue for the next two to three weeks, Brodie said.

The city's charter requires any contract over \$25,000 to be advertised. But for the past year, Brodie said, his agency has been soliciting city demolition companies to tear down buildings at sites where developments were planned because BDC anticipated very little construction because of the tight credit markets.

"We thought acquisition, relocation and demolition would advance sites," Brodie said. "We would prepare the grounds."

Brodie said he consulted with some of his BDC colleagues who believed that the quasi-governmental agency had the authority to go outside the regular city bidding process with demolition contracts, as it does for other types of contracts. "I didn't question that," he said. "I don't know to what degree they checked."

BDC can award consulting and other third-party contracts without using city guidelines, but those contracts tend to be much smaller than those for demolition, although at times they do exceed the city's \$25,000 limit.

The demolition work, however, is viewed as "public works" and not "third-party consulting" and therefore does not fall within BDC's ability to go outside the charter, Brodie said.

City Comptroller Joan M. Pratt questioned the BDC's contract-awarding process, saying that it lacked transparency and could cost the city taxpayers more money because it circumvented a competitive process. Arnold Jolivet, the managing director of the Maryland Minority Contractors Association, also raised fairness concerns, saying that the process didn't allow all companies an equal chance to bid on work.

Dixon's statement on Tuesday condemning the BDC practice prompted Brodie to halt a plan that was in the works to bulldoze another group of city-owned warehouses on land where a garage for the proposed casino would be built.

As The Baltimore Sun reported, the BDC was using the same selective method to pick a demolition firm for that contract, and five firms gave prices from \$266,930 to \$379,885 to raze the warehouses. The contract has not been awarded.

The BDC contacted eight demolition firms to offer prices on the City Center project, and Berg offered the lowest, Brodie said. The head of that firm, David Berg, was boarding an airplane when he was reached yesterday afternoon and could not comment for this article.

Mark Sapperstein, the developer, said the change would not affect the plans for his project, which includes 300 rooms in the two hotels, Hyatt Place and Hyatt Summerfield Suites.

"I can start demolition at any point over the next year and not affect the project," Sapperstein wrote in an e-mail. The developer would have reimbursed the city for the demolition costs, Brodie said.

Separately, the Baltimore chapter of the American Institute for Architects passed a resolution Wednesday protesting the planned City Center demolition out of fear that Sapperstein may not have the financing to go forward and that the buildings could be replaced with surface parking, which would "continue to disfigure prominent parts of downtown Baltimore where significant and historic buildings once stood," according to the resolution.

Councilman William H. Cole IV, who represents downtown Baltimore, said he was pleased BDC "recognized the need to slow down."

"The last thing we wanted to see was buildings torn down for a hole in the ground," Cole said. "I don't like demolishing properties just for the purpose of demolition, unless you have a plan ready to go."