

What flavor will old McCormick site take on?

By Melody Simmons, *Daily Record*, October 28, 2010

Next week's foreclosure auction of the site once occupied by the old McCormick & Co. spice plant has stirred an array of visions about what kind of new development the Inner Harbor location could hold.

The 1.9-acre site has been a parking lot since the fragrant landmark was demolished in the late 1980s after McCormick moved its manufacturing hub to Hunt Valley. ARC Wheeler Equities had planned to build a 59-story skyscraper there for a hotel, retail, condominiums and apartments.

Instead, the site is scheduled for the auction block Nov. 5. And many are wondering about the future of the parcel, deemed one of the last available prime locations at the harbor.

"You need mixed use. You need retail to make the numbers work," said Bill Miller, principal at NAI KLN B and a native Baltimorean. "I see all the things that they planned, but maybe not as grand as they planned. I thought their plans were beautiful, but I don't see there's a market for the level of condos and apartments that they were talking about there."

Miller said the recession and the tight real estate market will restrict the type of development that can go up at the Light and Conway Streets parcel. The property was once owned by the Rouse Co., which developed Harborplace, and later bought for about \$18 million by ARC Wheeler Properties of Clifton, N.J., which defaulted on a loan for the development totaling \$24.5 million, court papers show.

Jerry Witt, senior vice president for marketing at St. John Properties, used to work inside the McCormick plant, a large box-shaped building that opened in 1921 and had a charming English Tea House on the seventh floor.

"I have a warm spot in my heart for that property," he said. "But I think that the center of the office market has definitely shifted to Harbor East."

Witt said planned development at State Center uptown and at the old Allied Chemical plant site near Fells Point have added to the stress of potential office development in the harbor area. A third-quarter report released last week by Cushman & Wakefield said the city's central business district has a vacancy rate of nearly 18 percent.

"Those other new developments kind of leave the old McCormick site the odd man out," Witt said. "Could it be apartments or condos or a hotel? Maybe. Certainly, I don't think the development of that site is going to happen in the near future."

Baltimore City Councilman William H. Cole IV, who represents the district that encompasses the Inner Harbor, said the site is a precious jewel in the city's main tourist area.

"It screams development," Cole said. "It's a shame when you see a surface lot right in the heart of downtown. I remember when they took the McCormick building down wondering what that space would be. Sometimes it takes several attempts before you can get a development project off the ground."

Cole said a mix of retail and residential is a good bet, and perhaps a certain type of development could lure a department store to return to the downtown shopping area. He said he was disappointed that the skyscraper plan fell through.

"It's a shame because the ARC Wheeler project was something to dream about," Cole said. "And you wonder had the economy not turned whether something like that would have been possible."

M.J. "Jay" Brodie, president of the Baltimore Development Corp., said the parcel's prime location should dictate a new landmark development.

"If it can be financed, it should be a tall building," he said. "It's an extraordinary site. It's a site that demands a major signature building — what the composition of that is nobody knows."

Martin L. Millspaugh, formerly CEO of Charles Center-Inner Harbor Management, which oversaw the development of Harborplace, said the old McCormick site was an integral part of the Inner Harbor redevelopment plan that was crafted in 1967.

"It called for mixed use then," Millspaugh said. "Right now what needs to be there is the same sort of project that is on all the other blocks surrounding the harbor — a 10-story building that ... creates a continuous frame around the harbor."

Owen Rouse, senior vice president with Manekin LLC, said the auction of the property will likely draw many interested developers.

"There will be a lot of tire kickers," he said, adding that a new condo project would not be a prudent plan considering the high vacancy rate at existing luxury developments nearby. "The property is as prime as it gets on the harbor. It has a nice view to look out from, is close to Interstate 95 and close to the train station and surrounded by hotels."

"But anything that is going to go up is going to be three years in the future, so you're looking at a 24-to-36-month development window because you have to figure out a conceptual plan, a design, and then bids and construction."

The foreclosure auction is scheduled for 11 a.m. on Nov. 5 at the site, said Bryan Goodman, senior project manager for GoIndustry DoveBid, the auctioneer, based in Owings Mills.

A request for comment left by phone at ARC Wheeler headquarters Thursday was not returned.

“We have had a lot of interest, fielded a lot of calls and email inquiries,” Goodman said of prospective bidders. “It is a jewel. We all know what’s happened here in the last 30 years since Harborplace opened. This can be just another jewel in the Inner Harbor.