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Hope for Sparrows Point

Our view: Latest report points to myriad opportunities at Baltimore County site with one sure thing — expansion of Baltimore's port

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The demise of steelmaking at Sparrows Point last year landed like a body blow on eastern Baltimore County. With 2,000 jobs and a 125-year-old legacy lost in the shutdown and subsequent liquidation of assets, the cost to families, to the local economy and to the very social fabric of a close-knit community was immense.

Yet, nearly one year after RG Steel filed for bankruptcy, the outlook for the 3,300-acre property is significantly brighter. The potential for redevelopment could yield as many as 10,000 jobs within 10-15 years as new businesses — particularly those related to the Port of Baltimore — take the place of steelmaking.

That's the conclusion of a report called "Common Ground" released today by Baltimore County Executive Kevin Kamenetz and put together by a work group (the Sparrows Point Partnership) of experts and leaders from the public and private sectors. Redevelopment at the site could bring hundreds of millions of dollars of new investment into the county.

And that's not pie-in-the-sky thinking. For years, much of the attention toward Sparrows Point has been on the slow, seemingly inevitable losses associated with U.S. steelmaking. Meanwhile, a successor business has been rising next door.

The Port of Baltimore has been one of the city's biggest success stories. Each year, from containers to coal, cars to cruises, the amount of traffic coming in and out of local terminals has been growing steadily — by double-digits of late. And it's due for a major boost with construction of a deep-water berth to serve the super-sized ships made possible by expansion of the Panama Canal in 2015. Baltimore is one of only two East Coast ports that can accommodate that business. A new CSX intermodal terminal, to be completed in two years, is also expected to improve service to such "Panamax" ships.

Ask anyone associated with shipping these days. The biggest issue for Baltimore's port is finding sufficient room to expand — and a place to store dredge spoil from the maintenance of its shipping channels. Sparrows Point, specifically the waterfront area known as Coke Point, offers both a place to create a dredge containment facility and enough room to create a new marine terminal.

As a result, it's not difficult to envision that within a few years, Sparrows Point may add more jobs than were lost when the plant closed. Already, county officials say the port is looking to use a former iron ore pier at Coke Point for the loading and unloading of automobiles and other bulk commodities, a development that will create 1,000 jobs within just three years.

But that's not the only reason to be optimistic. The Point's 5.3 square miles zoned for industrial use represents a massive opportunity that is perhaps unique in the densely populated East Coast. It has deep-water access, links to two major freight lines, proximity to the Interstate 95 corridor and a highly motivated workforce.

That's not to suggest that all is rosy, of course. It also has the environmental legacy of more than a century of steelmaking and the hazardous materials associated with it. But that is a challenge that can also be addressed in redevelopment — as new investment also helps finance remediation.

It also doesn't hurt that the outlook for U.S. manufacturing is on the upswing; that sector has added 520,000 jobs since January 2010. Some companies are even relocating in the U.S. from overseas, a reversal made possible, in large part, by lower energy costs resulting from the nation's newfound supply of natural gas.

Suddenly, there's a demand for manufacturing sites. Might Sparrows Point fit the bill? The partnership concludes that advanced manufacturing as well as port-related business, clean energy and industries involved in distribution and logistics offer the best opportunities for growth.

Obviously, there are still many people hurting from the closing of Sparrows Point who may find little comfort in such speculation. Some have already left the state in search of better job opportunities. But it's also clear that the loss of steelmaking may offer possibilities for the peninsula that were unimaginable just a few years ago. That makes the partnership's various recommendations — investing in freight-related transportation infrastructure, preserving industrial zoning, maintaining existing public inducements such as enterprise zones and other tax credits — appear to be prudent choices for the region's economic future.