

Port Covington's first buildings expected to hit market in 2020



An aerial view of the planned Port Covington project in South Baltimore.

Sagamore Development



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The loss of Amazon's HQ2 behind it, the team behind the \$5.5 billion development of Port Covington on Tuesday touted the massive project's progress and said two or three buildings would be ready for occupancy by 2020.

Steve Siegel, partner for Weller Development Co. LLC, said the buildings will include about 200,000 square feet to be used by a mix of retail and office tenants. The company will wait to build a large office building if it finds a tenant needing a large amount of space, he said. In addition to office and retail, thousands of new apartments are also part of the overall plan for the project.

Siegel joined Marc Weller, who heads Sagamore Development and Weller Development Co., other Sagamore officials, Baltimore Development Corp. President William H. Cole IV and Margaret Anadu, managing director of Goldman Sachs Urban Investment Group, for a media briefing at Port Covington's City Garage. The team spent the day hosting Anadu. She was in town from New York because of her organization's \$233 million investment in Port Covington, making the Wall Street powerhouse a joint owner in the project and helping to jumpstart the first phase of development.

The private equity investment was described as a turning point in the development by Tom Geddes, CEO of Plank Industries, which, like Sagamore Development, is owned by Kevin Plank, the CEO of Under Armour Inc.

"I don't know the next time we'll make an investment this large," Anadu said of the investment she called a "once in a lifetime" opportunity.



Margaret Anadu of Goldman Sachs and Marc Weller speak on the Port Covington project on Wednesday.

Goldman Sachs (NYSE: GS) Urban Investment Group steers about \$1 billion a year to urban and suburban communities in need of infrastructure, housing, and even new schools. She said Port Covington was attractive because "the magnitude of Port Covington" gave Goldman Sachs the chance to make a serious impact on job creation and affordable housing.

"The real estate has so much potential," she said, referring to its access to highways, the waterfront and other city neighborhoods.

It's the 235-acre project's location — and easy access to highways — that Weller said is driving interest from other investors and companies that may want to locate their headquarters to the South Baltimore development. Weller said the goal is to lure companies from out of state or elsewhere in Maryland.

"We're not looking to move companies around Baltimore City," he said.

Port Covington had been pitched by city and state officials as an ideal location for Amazon's second headquarters, but Baltimore did not make a shortlist of 20 cities. Montgomery County remains Maryland's only contender.

Under Armour also plans to develop a 50-acre headquarters as part of Port Covington, where it already occupies a former Sam's Club store.

Weller also fielded questions about a potential soccer stadium or arena being built on the property.

"We'd consider everything," Weller said, adding he had been approached about a potential arena on the site. The city has long sought an alternative to the aging Royal Farms Arena with an earlier plan that would have been financed in part by the late developer Willard Hackerman.



From left to right: William H. Cole IV, CEO of the Baltimore Development Corp., Plank Industries CEO Tom Geddes; and Margaret Anadu of Goldman Sachs.

Port Covington received \$660 million in tax increment financing, or TIF, from the city that will be used to pay for infrastructure. The BDC's Cole said the bond packages sold as part of the TIF will be rolled out in phases. The scope of the first phase has not been determined.

Meanwhile, Port Covington is trying to turn what was once a scrubby industrial waterfront on the South Baltimore peninsula into a destination. City Garage, a hub for entrepreneurs and home to the city's second Betamore incubator, has become a hotspot for activity. Across Hanover Street, Plank's Rye Street Tavern and the Sagamore Spirit Distillery are attracting those in search of food and drink.