



# Rising Tides

*With a booming downtown and developing niche industries, this port city is seeing growth across the spectrum.*

by Virginia Citrano

**N**ew Orleans may have a streetcar named Desire, but only Baltimore has an office building named Joy.

And why not? There is plenty of room for happiness and delight here these days. A decades-long revitalization effort has produced a vibrant waterfront, growing tourism and leisure opportunities, and thousands of new places to live and work. There are more than 100,000 jobs in the downtown area and 37,000 full-time residents. Best of all, smart development has made it possible for new Baltimore to be seamlessly integrated into old Baltimore, preserving the city's history, character, and charm.

Joy, for example, was actually built in 1929 as part of a Procter & Gamble soap factory. Struever Bros. Eccles & Rouse transformed the plant into Tide Point, a 400,000-square-



At the Emerging Technology Centers, start-up companies receive business guidance.

wherever we can," says Kirby Fowler, president of the Downtown Partnership, a business development group.

Class B and C buildings, along with old factories, are finding new uses as hotels, apartments, and condominiums, the latter two sorely needed as more people move downtown. CenterPoint, across from the Hippodrome Theatre, mixes restored historic buildings with new construction in a development that covers an entire city block. In the last seven years, 1.5 million square feet of older buildings have been converted. Baltimore wants the young people who come to its city for college to stay on as employees with its growing businesses, and it knows affordable real estate is key: The average home price in Baltimore is just \$150,000. No small wonder that its LIVE Baltimore initiative pitches the city as an alternative address for people who work in Washington, DC.

But there is plenty of top-end residential space being built, with empty-nest baby boomers in mind. On the waterfront in Harbor East, Spinnaker Bay mixes 315 luxury apartments and 32 condos. The latter are all sold out (at prices from \$600,000 to \$2.4 million), and the former earned the distinction of the city's fastest-leasing apartments when they opened for occupancy last year.

"For the first time in 50 years, Baltimore is looking at an increase in population," says C. William "Bill" Struever, president of Struever Bros. Eccles & Rouse, summing up all the changes. The development firm grew up with Baltimore's rebirth and is now involved in projects across the city — and the country.

While there has been plenty of residential development on the waterfront, Baltimore hasn't abandoned its seafaring side. The 300-year-old port was recently renamed the Helen Delich Bentley Port of Baltimore after a former longtime congresswoman. It is the seventh-largest port in the United States in terms of cargo value, moving cars and containers across the Mid-Atlantic region and into the Midwest. But people who want to hit the high seas

**"If I were going to start a tech company and I weren't already in Palo Alto, I would want to do it here."**

— Neil Davis

from Baltimore — more than 122,000 did so last year — have a brand new cruise terminal in South Locust Point, just two and a half miles from downtown. Royal Caribbean, Hapag-Lloyd, and Seabourn Cruises all depart from Baltimore.

There's been transformation, too, among Baltimore's land-based businesses. A former can-making plant in Canton is now a thriving hub of tech innovation.

Since it opened in 1999, the Emerging Technology Centers (ETC) has graduated 48 companies, 39 of which are still in business. Better still: 70 percent are still in Baltimore, including Bluefire Security Technologies. Bluefire, which got its start in Baltimore, provides security for mobile handheld devices.

ETC companies get low-cost flexible space, access to volunteer mentors and angel investors, seminars and workshops, and leads to eager partners: The ETC is a NASA-sponsored technology transfer facility, and it is affiliated with the Goddard Space Flight Center in Greenbelt, Maryland. What that means in layman's terms: If your idea is a rocket shot, it could get a good launch here.

"If I were going to start a tech company and I weren't already in Palo Alto," says the ETC's director of operations, Neil Davis, "I would want to do it here."

Is there a dark cloud to all this silver lining? Baltimore knows it needs to add to its mass transit if it wants to avoid the car congestion that is crippling Washington. And, with one of the lowest unemployment rates on the East Coast, it needs to keep attracting workers for its growing businesses. We should all have such problems.

## CONNECTING POINTS

Steve Walker is not a matchmaker, but he wants to make sure that the right connections are made. Connections among key thinkers, public and private, in academia and out; connections that will keep Baltimore at the cutting edge of technology.

Walker spent 22 years at the National Security Agency and the Advanced Research Projects Agency before coming to his current role as tech godfather. He is a legend in government circles, thanks to his work on ARPAnet, the breakthrough computer-messaging system and Internet precursor. He went on to found Trusted Information Systems, which became the world's top computer security firm before he sold it for \$350 million to Network Associates. He turned that windfall into Walker Ventures, which focuses on early-stage investments, and Steve Walker & Associates, which helps entrepreneurs with sales, marketing, and business planning.

The word Walker would whisper to today's Benjamin Braddock (from *The Graduate*) is informatics. It's the use of computing to augment humans' ability to think, reason and discover. "It's not rocket science," quips Walker, "but you can't launch the rocket without it."

To ensure that informatics creates more jobs in the Baltimore area, Walker is promoting the Informatics Coalition, a volunteer group of leaders from industry, universities and federal labs.

"We have to find a way to connect these folks not as heads of agencies, but scientist to scientist," Walker says. — VC



Steve Walker

foot waterfront office complex (other buildings are named Tide, Ivory, Cascade, and Dawn, after some of P&G's other products). The class A space has drawn tenant companies such as sports apparel maker Under Armour; Advertising.com, a Baltimore tech start-up now owned by AOL; and Ayers/Saint/Gross, an architecture firm that has helped universities like Duke, Carnegie Mellon, and Notre Dame make better use of their properties.

Local experts like to describe the Baltimore economy — based as it is now on health care, education, government, and technology — as recession-proof, but that's not stopping its economic development teams from seeking to bring more businesses in.

"We still want to recruit more health care and biotech," says M. Celeste Amato,

managing director for business development at the Baltimore Development Corp. "For those businesses, we're a very logical place to land. Johns Hopkins is the largest recipient of federal research dollars, and the largest spender of all research dollars," Amato says. Hopkins is also the city's largest employer, with 44,000 jobs between the university and medical system.

The economic vibrancy shows in its commercial real estate development. Nearly 400,000 square feet of office space has been built in the last two years, and the class A vacancy rate is still less than 20 percent. More than 450,000 square feet of retail space has been added, often as part of mixed-use properties that are now the city's primary development model. "We are trying to push retail

## BWI EXPANDS

It's fitting that the city that saw America's first manned flight — in a balloon — more than 200 years ago should have one of its fastest growing airports.

Baltimore/Washington International Thurgood Marshall Airport — renamed for the late Supreme Court justice in 2005 — shepherds the arrivals and departures of more than 20 million passengers and 550 million pounds of cargo every year. More of both are on the horizon as well, now that the airport is wrapping up a \$1.8-billion expansion plan.

Growth at BWI has brought a new terminal, a huge parking garage and car rental facility, and loads of new shops to entice travelers, including a satellite location of famed Baltimore crab house Obrycki's. Perhaps now getting there can be considered half the fun. — VC



BWI's main terminal

**Biotech** / continued from page 183

a developer of brain cancer treatments that is now part of MGI Pharma; Martek Biosciences, which develops and sells microalgae products; and BD Diagnostics Systems, a microbiology unit of Becton, Dickinson.

The Greater Baltimore Committee, a regional business group, is encouraging more development, citing the presence of 60 bioscience-hungry federal agencies and research labs in the area.

As big as BioPark will be, it will not be alone. There is a biosciences complex in development at the University of Maryland, Baltimore County. And early this year, Maryland Gov. Robert Ehrlich gave \$20 million in state funds to a massive redevelopment project in East Baltimore, just north of Johns Hopkins Hospital, that includes a biotech park and retail and housing developments. When all three developments are completed, Baltimore will have added nearly 3 million square feet of bioscience facilities. — VC

**THE NEXT BIG BUSINESS IDEA**

There was no heavy metal music, no slam dancing. Just a lot of Baltimore college students butting business plans — for \$30,000 in prizes.

Welcome to a different kind of mosh pit: The MoshPit Business Plan Competition, created by the Greater Baltimore Technology Council to give students a taste of life as a tech entrepreneur. When it was created five years ago, just 19 teams vied for the prize. This year, the GBTC was flooded with 173 ideas. Student teams are paired with expert help from seasoned entrepreneurs; judges included legendary Maryland venture capitalist Steve Walker.

The winning team this spring was comprised of students from Johns Hopkins and Hopkins Medicine. They pitched a plan for a company called ResuRx Pharmaceuticals, which would be a library of 11,000 existing drugs

with potential for new uses.

Sure, the geeks won, you might grumble. But consider this: Second place went to a collection of students from a few of Baltimore's lesser-known colleges with a plan for a biodiesel fuel company. So great is the desire now to have MoshPit bragging rights that colleges like Towson University and the University of Maryland, Baltimore County have integrated business plan thinking into their classes.

"The kids coming through this are unbelievably motivated," says Steve Kozak, executive director of the GBTC. "We tell them, 'You will never, ever stop having ideas, but what do you do about them?'"

Clearly Kozak hopes to capture some of those ideas for the long haul, channeling student energy into what could be the next round of great Baltimore tech companies. — VC

# Some Companies Go the Extra Mile.



## We Clean It.

O P T I M A

NATIONAL COMMERCIAL CLEANING SERVICES

At OPTIMA NATIONAL CLEANING SERVICES, the extra mile is our home address, and we keep it spotless. We care about what your image says to your customers and are ready to deliver whatever it takes to make you look your best every day. That's why 92% of our clients choose OPTIMA year after year, and 64% recommend us to their colleagues.

Let's shine together –  
call **888-678-4621**  
for a free consultation and estimate.

*A Clean Business. A Clean Impression.*

**www.optima-services.com**

OFFICES | THEATRES | RESTAURANTS | SCHOOLS/DAYCARE | PLACES OF WORSHIP | RETAIL