

Working Waterfronts

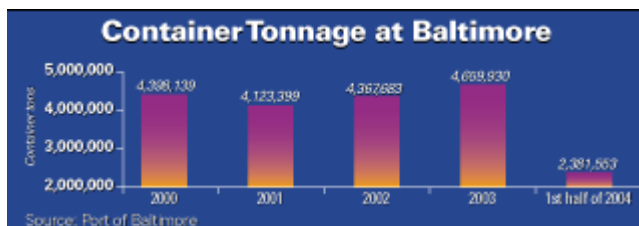
Baltimore moves to protect shipping trade, make room for port expansion with new maritime district

Port operators battling to expand their operations and shippers looking for more capacity can celebrate a victory for containers over condos in Baltimore.

The city that set a standard for harbor redevelopment, turning its decaying Inner Harbor into an entertainment and retail showcase, is setting aside waterfront property specifically for use by shipping and transportation concerns.

Baltimore Mayor Martin O'Malley signed a zoning law last month that prohibits construction of homes, hotels, restaurants, taverns, offices and shops for 10 years in a new Maritime Industrial Overlay District that covers waterfront property adjacent to deep-water shipping channels.

City officials said the new industrial zone protects more than 30,000 jobs, \$2 billion in wages and salaries and \$216 million in state and local tax revenue from maritime activities at the Port of Baltimore. It also is a boon to the Port of Baltimore's competitive position as ports struggle to find space to store containers.



[Click to Enlarge](#)

"This will give us a competitive advantage," said Otis Rolley, the city's director of planning and zoning. "I haven't heard of another city of our size doing something like this."

In effect, Baltimore has drawn a line separating trendy waterfront neighborhoods from industrial areas, he said.

"There's a place for mixed use development and deep-water access points aren't it," said Rolley. "There are plenty of places along the water's edge where we encourage mixed use development, but deep-water access is a finite resource."

Baltimore's concerns are not unique. Ports across the nation are finding themselves hemmed in on all sides as a rising tide of containerized imports threatens to create intermodal bottlenecks at ports where real estate either is unavailable or selling at a premium.

The problem is particularly severe at the Ports of Los Angeles and Long Beach, Calif., which handle about a third of the 9.1 million containers that arrive in the United States each year. As cargo volumes in Los Angeles-Long Beach grow at 10 percent to 15 percent a year, terminal operators there are trying to expand facilities to 300 acres or more.

As important as container storage space are deep-water berths capable of handling post-Panamax ships such as the giant 1,115-foot-long Albert Maersk, the latest addition to Maersk Sealand's fleet of 25 supersized vessels.

On the East Coast, Maher Terminals at the Port of New York-New Jersey is expanding to 445 acres and APM Terminals to 350 acres. The Port of Charleston, S.C., plans to build a new terminal on a former Navy base over the next five years to handle container traffic that has increased 70 percent in the past decade. APM Terminals plans to build a large container terminal at Virginia's Hampton Roads by 2007. Virginia International Terminals is establishing two off-dock sites to store empty containers.

A report prepared for the Maryland Port Administration by LDR International in 2002 identified a need for 412 acres of new property with deep-water berths, access to transportation networks and surface storage areas at the Port of Baltimore over the next 10 years. The port handled a record 7.1 million tons of general cargo in 2003, powered in part by a 10 percent increase in container business.

But ports are competing for acreage with developers who seek a faster return on their investment by converting older buildings into condominiums or building new homes and pushing up real estate prices.

With available waterfront land drying up, developers are moving into areas where maritime businesses were active. "Part of our responsibility is to sit back and take a comprehensive view and make real hard decisions about where we want mixed use development and where we want port development," Rolley said.

Many ports also face opposition from community and environmental groups that oppose expansion, citing increased noise and pollution. The Port of Long Beach late last month rescinded an environmental impact report on its Pier J container terminal project, delaying the addition of 115 acres to the 270-acre terminal operated jointly by SSA Marine and China Ocean Shipping Co. The National Resources Defense Council said the report underestimated the pollution the project would produce.

Similarly, an NRDC challenge delayed the opening of the China Shipping Container Line terminal in Los Angeles for a year. The port eventually agreed to spend \$60 million on pollution mitigation and to adopt stringent environmental standards and practices to get its bigger terminal.

Baltimore hasn't faced such hurdles and officials hope the zoning law keeps environmental complaints at bay. "When people buy \$400,000 townhouses right next to

an industrial site, they're going to have issues with noise and smoke," said Rolley.

by William B. Cassidy
bill_cassidy@trafficworld.com