





Source: Weller Development Company

January 05, 2021 14:00 ET

1.1 Million SF of Vertical Construction Set to Begin in Port Covington

Buildings to Begin Delivering in 2022; More than \$9 Million Distributed as Part of Largest Community Benefits Agreement in Baltimore History

Baltimore, Md., Jan. 05, 2021 (GLOBE NEWSWIRE) -- The Port Covington Development Team consisting of lead investors Sagamore Ventures and Goldman Sachs Urban Investment Group, and lead developer Weller Development Company, today announced that financing for the next development phase has been finalized. The capitalization totals more than \$650 million, including approximately \$137 million in Tax Increment Financing (TIF) bonds. The closing of the financing marks a significant milestone for one of the largest urban revitalization efforts in the country, signifying vertical construction is underway. In conjunction with the closings, the Port Covington Development Team funded more than \$9 million to the South Baltimore 7 (SB7) Coalition, as part of its Community Benefits Agreement (CBA). In total, the Port Covington Development Team has funded more than \$19 million to date toward combined Memorandum of Understanding (MOU) and CBA commitments.

Port Covington is a 235-acre redevelopment located on Baltimore City's prime waterfront. A redeveloped Port Covington will have a fundamental and far-reaching positive impact on the Baltimore metropolitan area and will pave the way for an influx of economic benefits, investment, and jobs. Port Covington will result in tens of thousands of new jobs, fresh opportunities for innovation and entrepreneurship, new ways to reach the waterfront, and much more for Baltimore City and the State of Maryland. Many businesses, nonprofit organizations and destinations are already located in Port Covington including Sagamore Spirit Distillery, Rye Street Tavern, Nick's Fish House, Under Armour, City Garage, The Baltimore Sun, two marinas, Swann Park, West Covington Park, and Impact Village, which provides complimentary office space to startups and nonprofits whose work positively impacts the community.

Maryland Governor Larry Hogan on this milestone, "It is exciting to see this transformational project moving forward despite the many challenges the global pandemic brought this year," said Governor Larry Hogan. "This project has the potential to bring tens of thousands of new jobs into the region and create significant economic growth not only for Baltimore City, but our entire state. This is truly an outstanding example of years of collaboration between the City, State, and the private sector to ensure that Maryland continues to be open for business."

"This is an example of collaboration between the developer, City government and residents that will create thousands of jobs for local residents, invest in the surrounding neighborhoods and generate economic impact across the city," said Mayor Brandon M. Scott. "I'm committed to ensuring the Port

Covington project is a benefit for the local South Baltimore community and speaks to how we can do business in an equitable, inclusive and accountable way.”

Kevin Plank, lead investor in Port Covington, had this to say, “Port Covington is a long-term, bold vision for helping to build a better Baltimore. The TIF bond sale was met with overwhelming demand, and the overall deal successfully closed last week, which is significant proof of institutional investors’ belief in the future success of the project. We are thrilled about this important milestone, and what it means in validating our vision. Port Covington, a decades long-endeavor, will have a fundamental and far-reaching impact on Baltimore’s future, and we are eager to bring additional economic benefits, investment and jobs to the City and our surrounding neighborhoods.”

Mike Middleton, Chair of the South Baltimore Seven (SB7) Coalition, “This closing on the tax increment financing (TIF) funds culminates four years of partnership and collaboration between the Port Covington Development Team, Weller Development Company, and the six communities of SB7. The future looks brighter each day for our communities and Baltimore City as we bring additional resources to the table to make a dream envisioned four years ago a reality.”

“We are excited to see the continued progress towards delivering on the collective vision for Port Covington as a hub of opportunity, growth and inclusivity,” says Margaret Anadu, Managing Director and Head of the Goldman Sachs Urban Investment Group. “In what has been an incredibly challenging year, today’s milestones provide hope — both the significant funding under the community benefits agreement and the financing to build space for community members seeking affordable quality places to live, businesses looking to launch and expand, and those who believe what we do — that Baltimore is a dynamic city on the rise!”

The next five buildings in Port Covington are scheduled to begin delivering in late 2022. This development phase, referred to as Chapter 1B, includes more than 1.1 million square feet of development (440,000 SF office; 586,000 SF residential, with 537 total units (367 residential dwelling units (RDU), 89 affordable dwelling units (ADU), 81 extended stay units); 116,000 SF retail, and more than 1,000 parking spaces), and 10 acres of parks and public space.

- Building E1: 223,000 SF building (162 residential units and 40,000 SF retail)
- Building E5A: 221,500 SF building (212,000 SF office and 9,500 SF retail)
- Building E5B: 133,000 SF building (40 residential units, 81 extended stay units and 6,000 SF retail)
- Building E6: 293,000 SF building (254 residential units and 16,000 SF retail)
- Building E7, Rye Street Market: 273,000 SF building (228,000 SF office and 45,000 SF market)

In total, Chapter 1 will include approximately 3.4 million square feet of development. Affordable housing is a key component of Port Covington. Upon delivery of Chapter 1B, 20% of the residential units in Port Covington will be affordable dwelling units. In addition, Alexandria Real Estate Equities (NYSE: ARE), one of the preeminent life sciences developers and investors in the country, is actively marketing a 170,000 SF laboratory building for lease in Port Covington. At full completion, Port Covington is planned to include up to 18 million square feet of new, mixed-use development, with 2.5 miles of restored waterfront and more than 40 acres of parks and green space.

Port Covington is much more than a real estate development. In 2016, the Port Covington Development Team signed a Community Benefits Agreement with the South Baltimore 6 (SB6) Coalition, a non-profit organization that represents the South Baltimore communities of Brooklyn, Cherry Hill, Curtis Bay, Lakeland, Mt. Winans, and Westport, to outline how these communities will share in the benefits associated with a redeveloped Port Covington. That same year, the Port Covington Development Team also entered a Memorandum of Understanding with the City of Baltimore that includes more than \$100 million in commitments to fund priorities such as workforce development, education, economic development, SB6 local community benefits, affordable housing, and more. The Port Covington Development Team has funded more than \$19 million toward its MOU

and CBA commitments to date, including more than \$9 million of baseline funding that was deployed to SB7 upon the closing of the financing.

Marc Weller, Founding Partner at Weller Development Company, had this to say about this momentous occasion: “The team and many stakeholders across the City and in the community have worked tirelessly for a long, long time to get to this point, and we are so proud to have reached this important milestone together. There are many things to be proud of, but what rises to the surface most is the emphasis the team has put on equity and diversity of participation in the project - minority owned businesses, women owned businesses, local hiring, and all the jobs that are being created. We have worked alongside the South Baltimore community for years to ensure that the rising tide of Port Covington does in fact lift all boats in Baltimore. The momentum continues for Port Covington, and we look forward to great things ahead for the entire City and our South Baltimore neighbors.”

Eric Costello, Baltimore City Council, 11th District, said this regarding the development, “Port Covington continues to deliver on the promise of being a vibrant and inclusive waterfront neighborhood. With today’s news of 1.1 million square feet of vertical construction to be delivered in late 2022, Port Covington will bring more new jobs and economic opportunities to not only our neighbors in South Baltimore, but residents of our entire City.”

The Port Covington Development Team anticipates having an official vertical construction groundbreaking celebration in February. More details on the event will be forthcoming.

For more information on Port Covington, visit www.pc.city.

About Port Covington

Port Covington is a vibrant urban neighborhood under development on the Baltimore City waterfront. Situated on the Middle Branch of the Patapsco River, the 235-acre site includes 18 million square feet of proposed development, with residences, shops, restaurants, hotels, offices, piers, 40 acres of green space, and 2.5 miles of restored waterfront. As one of the largest urban revitalization efforts in the United States, Port Covington brings far-reaching positive impact to Baltimore, its economy and its future. This includes a robust community impact program, generating thousands of new jobs, attracting new businesses and residents to Baltimore, a year-round calendar of public events, and increasing the tax base. The development plan includes enhancing transportation access throughout South Baltimore and creating public parks, promenades and piers. Learn more at pc.city.

###

Attachment

- [Port Covington rendering January 2021 - small](#)