

BRAC projects at Fort Meade and Aberdeen Proving Ground moving along

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Construction continued this week in and around Fort Meade, where the Department of Defense's Adjudication Services division will add another 1,600 jobs on the base.

Driving slowly eastward along a half-completed road that will eventually be known as Guardian Gateway, Matthew F. Holbrook points out past the windshield of his car at a shiny, bluish glass building poking out above the treetops in the distance.

"See that over there? That's C4ISR. That's the big thing everyone wants to be near," he says.

He's talking about the 2.5 million-square-foot office complex that is home to the army's Command, Control, Computer, Communication, Intelligence, Surveillance and Reconnaissance operation, a mouthful of a federal agency that is driving brisk business for a handful of private developers in the midst of a building spree at and around Aberdeen Proving Ground in Harford County.

That project, which will eventually house 8,500 Army employees in six buildings, is the main driver of activity in Harford County as part of the Base Realignment and Closure initiative, which will eventually bring an estimated 60,000 jobs to Maryland, both at Aberdeen and in and around Fort George G. Meade in Anne Arundel County.

Thousands of families left jobless by the closing of Fort Monmouth in New Jersey are expected to descend on Maryland over the next year, boosting home sales in the area and bringing the most significant expansion of economic development the state has seen in years.

With an advance team of 1,400 workers already in C4ISR, officials say the project is almost a year ahead of its federally-set September 2011 deadline for completion. At Fort Meade, county officials are saying development there is three months ahead of schedule.

Meanwhile, private sector commercial development continues to sprout around both projects to accommodate defense contractors and other businesses that have started to arrive in droves.

As cranes dot the landscape along the I-95 corridor on both sides of Baltimore, and as the steel skeletons of building frames snap into place, it is clear that BRAC is well under way, and the state is girding itself for action.

Aberdeen Proving Ground

"Everyone has this idea of BRAC — 'I don't believe it,' " says Holbrook, who directs federal programs — meaning BRAC projects — for St. John Properties Inc. "The problem is, you can't understand BRAC unless you're on post and actually see what's there."

St. John, along with Columbia's Corporate Office Properties Trust and Columbia's Manekin LLC, are among the biggest winners of the commercial development spoils game associated with BRAC.

Last summer, Holbrook, then working for office real estate investment trust Opus East LLC, negotiated the handover to St. John of development rights for the 2 million-square-foot office park known as The Gate, just days before Opus filed for Chapter 7 bankruptcy. Shortly after, St. John hired him.

The 413-acre parcel is federal land that is part of Aberdeen Proving Ground, a 73,000-acre Army base just off of Route 40 in Harford County. Most of the installment is off limits to the public and the press because the Army conducts weapons technology testing there. Boaters in the nearby waters of the northern Chesapeake Bay occasionally hear the low rumble and feel the water vibrate from controlled explosions at APG.



As part of St. John's \$30 million first phase of the project, the company broke ground late last year for two 75,000-square-foot office buildings, to be leased by top-20 defense contractors Raytheon and L3 Communications. A steel building frame was recently erected for the Raytheon building, and both buildings are expected to be finished this summer.

St. John also took control of a 60,000-square-foot office building leased to Arlington, Va.-based defense contractor CACI, and about 75 percent of the space there is subleased to the federal government.

A spokesman for Maryland Lt. Gov. Anthony Brown said 100 jobs a month are arriving in Harford County from New Jersey. Harford County economic development officials have estimated that the \$2 billion to \$4 billion for testing and development that passes through APG each year could increase to \$20 billion in annual contracts.

"It's all about proximity to their federal customer," Holbrook said. "It's that reminder, the brand reinforcement that, 'Yeah, I buy stuff from Raytheon.' ... Anyone who sells services or technology to the Army wants to be there along Maryland Boulevard."

Under an "enhanced use leasing" agreement with the Army, St. John pays ground rents to the federal government to build on the land and operate the buildings. A similar agreement is being discussed at Fort Meade, 50 miles to the south, but has not yet been approved.

Around APG



Bob Leib, who coordinates BRAC efforts for Anne Arundel County, stands in front of the building that will house the Defense Information Systems Agency when it moves to Fort Meade from Virginia.

Driving deeper into the post at Aberdeen is a bit like driving back into a 19th-century mill town.

Cars and trucks creep along narrow streets between rinky-dink barracks buildings and the commercial centers of the Post Express and the Commissary, the army base's versions of Walmart and Giant, respectively.

Army offices sit in repurposed houses with chipped paint and dilapidated roofing. Along one road, several foreign military vehicles, seized in wars and brought to Aberdeen for testing, sit unused and rusting next to

old, half-demolished testing facilities — all in the shadow of the hulking new C4ISR building, a stark contrast with its modern materials and sleek finishes.

The ground rents that St. John pays for the use of the Gate business park will go toward maintenance and upgrades of these facilities.

And elsewhere nearby, other developers are making their own upgrades.

Columbia's Corporate Office Properties Trust has broken ground on its North Gate office park, a 56-acre complex with one building leased to another top-10 defense contractor, the Mitre Corp.

That project is also expected to deliver this summer, well ahead of the September 2011 deadline, according to COPT.

Fanning out from the Gate along Maryland Avenue, smaller companies have begun their pitch for new contractors coming to Harford County to support BRAC efforts.

Bel Air-based RKS Realty Inc. is marketing nine commercial and retail properties for their proximity to APG, including 340,000 square feet of new Class-A office space geared toward defense industry tenants.

"There was a movie that said, 'If you build it, they will come,'" said Beetle Smith, a broker with RKS. He said representatives of his company had visited the Fort Monmouth area to court the defense contractors there who could conceivably relocate to Maryland. "We're seeing a big uptick in the realty community to get access to these folks, and this is how we get access to them."

Smith is marketing 20,000 square feet of office space at 400 Hickory Drive, parts of which are already leased to companies such as Cape Fox Professional Services and General Dynamics. Another building on Route 40 between Route 7 and Route 715 calls for another 130,000 square feet of single-story flex space that RKS hopes will be filled with defense contractors.

The latest estimate for total number of defense industry jobs expected to come to the area around APG is 20,000. In nearby Belcamp, Manekin last year signed leases for a large portion of its 467,000-square-foot Water's Edge office park, with tenants including Booz Allen Hamilton Inc. and Computer Sciences Corp.

All of this activity has the residential real estate community abuzz as well.

Joseph T. "Jody" Landers, executive vice president of the Greater Baltimore Board of Realtors, said the most recent reports indicate that about 50 to 60 percent of workers at Fort Monmouth will relocate to the Baltimore region. The original estimate was for only about 40 percent of the work force coming to Maryland.

"What I'm hearing from agents is that they're beginning to see more activity," he said. "You're talking about people who have resales. Not first-time buyers. These are established people who may have equity in their homes already."

In addition, Landers said, renters from New Jersey could begin to arrive in larger numbers right around the time that the federal first-time homebuyer tax credit expires in April, which could be good timing for area Realtors.

Fort Meade

Fifty miles to the south, similar signs of progress are rising at Fort Meade.

Anne Arundel County is counting on 22,000 jobs from BRAC in the next five to seven years. About 5,700 of those will be on-post, direct Army jobs, while 4,000 more will come from an expansion of the National Security Agency. About 10,000 more are expected to come along with the private sector defense contractors that are snatching up leases at National Business Park in Annapolis Junction, a development owned and operated by COPT.

Bob Leib, who coordinates BRAC efforts for the county, came to Fort Meade in 1981, in the midst of a decade-long stint with the Navy.

"All Fort Meade was back then was a shortcut," he said during a recent tour of the facility. He drove through Fort Meade, pointing out new construction on the installation between forested areas. "I call it the woods tour, because you see a lot of wooded areas, and in a few years, they won't be."

Now, Fort Meade is a 5,596-acre "federal office park," he said, with 25,000 employees, plus homes and public schools.

But Fort Meade hasn't nearly made use of all its space.

Over the next three years, BRAC will bring 4,370 jobs with the relocation of the Defense Information Systems Agency from its headquarters in Virginia. In February 2008, the Army awarded a \$370 million contract to Hensel-Phelps Construction Co. to build a 1.1 million-square-foot campus for DISA. Completion of that building is expected this month.

The Department of Defense's Adjudication Services division, which awards security clearances to federal employees, will add another 1,600 jobs on the base. And then there are the rumors — that the DOD's Cyber Command will move to Fort Meade, and the murky numbers emerging about the NSA's expansion could include 5.8 million square feet of new construction to accommodate as many as 11,000 employees — none of which has been made official by government sources.

Just down the road at National Business Park, the list of top-20 defense contractors whose names adorn COPT's trademark reflective blue glass-plated buildings is impressive: General Dynamics, L-3 Communications, The Boeing Co., Booz Allen Hamilton, Northrop Grumman Corp. — and more is to come. COPT is seeking tax increment bond financing to expand National Business Park by 300 acres and an unknown number of buildings.

This past summer, COPT broke ground on the first speculative office project that the county had seen in years, meant to house support businesses for the DISA move.

"We figure it's a growth business, here at Fort Meade," Leib said. "Silicon Valley is going to have nothing on us. Different application, of course, but that's the scale of what we're talking about."