

ANNE ARUNDEL

BUILDER TO BUY SEWAGE PLANT

Developer hopes facility can serve Gateway project

BY PHILLIP MCGOWAN
(SUN REPORTER)

An Annapolis developer has struck a tentative deal with Constellation Energy to buy the Piney Orchard wastewater treatment plant, gambling that the county will approve his stalled plan to build 1,600 homes near Fort Meade.

If the agreement announced yesterday goes through, John C. Stamato would bring sewage service three miles west along a strip of Route 198 where he intends to build Arundel Gateway, a \$500 million mix of homes, offices and a town center on 300 acres abutting the Patuxent Research Refuge.

The service extension could also spur construction of homes, offices and retailers along a mostly barren two-mile stretch of the Route 198 corridor as the state prepares for the base realignment and closure process, or BRAC, which will relocate thousands of jobs to Fort Meade by 2011.

"That's exactly what the area needs," said Jay Baldwin, president of Reliable Contracting Co. Inc., who is partnering with Stamato on Arundel Gateway. "It's a great location to carry the BRAC initiative. The homes, the retail, the offices at the doorstep of Fort Meade — the county and the state need to get a hold of this. ... They need to pay some attention to this."

The deal between Constellation's real estate arm and Stamato's Piney Orchard Utility Co. formally draws in Anne Arundel County, which has the "first right of refusal" to take control of the plant, according to a release provided to *The Sun*. County Executive John R. Leopold declined yesterday to comment through a spokeswoman, who said he would meet today with top aides to discuss. (Please see GATEWAY, 5G)

Builder plans to buy sewage plant

GATEWAY (From Page 1G)

cuss whether the county will buy the plant.

Leopold and the County Council would have to approve Stamato's requests to not only hook Arundel Gateway up to the Piney Orchard sewer service area but also rezone the industrial property to permit homes, offices and shops.

"It's bold," County Councilman G. James "Jamie" Benoit, a Piney Orchard Democrat, said of Stamato's deal. "Financially, it's a very big risk he is taking, because he's effectively betting that he will get his project."

Benoit said it's in the county's interest to bring sewer lines along Route 198. How the estimated \$10 million cost is spread out will be the source of an impending negotiation between Ribera Development, Stamato's development company, and the county, Benoit said.

"That's very much up in the air," Benoit said. "If the county makes a decision that bringing these lines up is good policy, certainly the county and Ribera will have to work together."

Constellation had made overtures to the county in recent years, offering to sell Anne Arundel the sewage plant, but Anne Arundel officials declined, in part because of the cost to upgrade the facility.

Lawrence McDonnell, a Constellation spokesman, said that both parties would close on the deal by the end of the summer. He said the company moved to sell the plant because it was "not aligned with our core energy business." Citing a confidentiality agreement with Stamato, McDonnell declined to discuss the terms of sale.

Stamato could not be reached for comment yesterday.

Stamato and Parkland Properties, another partner in Arundel Gateway, have not submitted development plans to the county. They have been impeded by the National Park Service from bringing water and sewer access from Maryland City across the federally owned Baltimore-Washington Parkway.

There are about 300 wastewater treatment plants across the state, about 50 of which are privately owned, state environmental officials said. Most of the private facilities serve a shopping center or a small residential community, such as a mobile home park.

Built in the late 1980s, the Piney Orchard facility is operated by Maryland Environmental Services. It serves 4,000 homes and apartments and 250 commercial units.

Stamato would draw on the estimated daily excess capacity of the Piney Orchard plant, roughly 500,000 gallons, according to his statement, to serve Arundel Gateway. Based on those numbers, state environmental officials said the plant could service an additional 2,000 homes.

Stamato said in the release that customers from Arundel Gateway would make the plant profitable enough to make upgrades there. The developer said he has reviewed the environmental, engineering and financial aspects of the facility. He added that he wants to retain Maryland Environmental Services to run it.

Doreen A. Strothman, president of the Piney Orchard Community Association, said she has little concern about Stamato running the facility. She said the developer, who is also building an age-restricted community of 2,000 homes south of Odenton, has plenty of incentive to be a good steward.

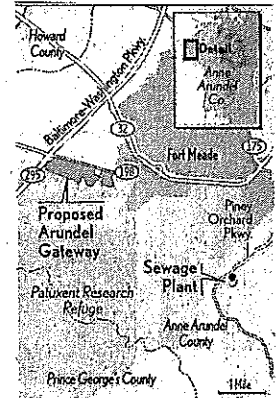
Strothman said that Stamato would brief Piney Orchard's board of directors about the plant next month.

"It's good that it's a party that has a stake in the area," she said.

The plant agreement comes as county and state lawmakers continue their fight to relocate the Oak Hill Youth Center to the District of Columbia. The juvenile detention center sits on nearly 900 acres owned by the district. Those leaders want that land for a regional park, a commercial business park and a security buffer for the National Security Agency.

"If the Oak Hill project goes through," Benoit said, "the utilities will be sitting there awaiting the county."

The biggest remaining obstacle lies in changing the underlying zoning. Attempts to introduce a zoning bill before the County Council last year died in the heat of the election season.



(SUN NEWS GRAPHIC)

This month, Leopold pulled support for a rezoning bill and said any changes must be made as part of a review of the county's growth blueprint, the General Development Plan, a process that could take years. That decision prompted Baldwin to announce that Parkland Properties would build 500,000 square feet of warehouses instead of the proposed pedestrian-friendly town center at the heart of Arundel Gateway.

In an interview yesterday, Baldwin reiterated his interest in pursuing the town center if he can gain county assurances that a planning review of the Laurel area would be expedited. At a minimum, Baldwin said that sewer and water capacity would allow Parkland to include more office space and less industrial use.

Ribera and Parkland had anticipated starting construction of Arundel Gateway in 2010 to meet the housing needs of the incoming white-collar work force coming to Fort Meade. Stamato said he would like to set aside 10 percent of the new homes as moderately priced "work force housing."

"We would like to see the project go forward with the best project for the community," Baldwin said.

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