

From the **Baltimore Business Journal**

:<http://www.bizjournals.com/baltimore/print-edition/2013/05/03/the-tug-for-t-rowe.html>

SUBSCRIBER CONTENT: May 3, 2013, 6:00am EDT

Developers, politicians ready to fight for T. Rowe Price

'We want them to stay and grow in the city,' BDC's McKenzie says



[Gary Haber](#)

Staff Reporter- *Baltimore Business Journal*

[Email](#) | [Twitter](#)

When Exelon Corp. began hunting in 2011 for a new regional headquarters in Baltimore, it spent the better part of a year putting together an elaborate request for proposals. The company then spent another four months sifting through developers' proposals, considering 12 sites in Baltimore.

The utility giant had committed to Maryland leaders that as part of Exelon's acquisition of Constellation Energy Group Inc. it would create a new regional headquarters in the city. But company officials had some very exacting criteria they were looking for, including a building large enough to house a 75,000-square-foot energy trading floor on a single floor, said [Calvin Butler](#), who as an executive with Exelon at the time was involved in the site-selection process. The company downplayed tax incentives in weighing its choices.

"Our issue was can you meet our development specs?" said Butler, now senior vice president of regulatory and external affairs for Baltimore Gas and Electric. "Can you build it on time? And what is the price you're charging us?"

The exhaustive process Exelon went through, before settling on a new building to be constructed in Harbor Point, shows the examine-every-detail approach companies take when they consider moving their headquarters.

T. Rowe Price Group Inc., the Baltimore financial services giant, has embarked on a similar process. City officials hope T. Rowe's search will not result in one of the city's largest and most high-profile employers fleeing to the suburbs.

On the other hand, officials in Baltimore County hope to win the corporate tug-of-war by luring T. Rowe to their side of the border. Landing T. Rowe and its 1,256 downtown employees would be a coup for Baltimore County and help offset the hit in prestige and employment the county took when it lost the corporate headquarters of Black & Decker Corp. as part of its 2010 merger with Stanley Works.

MORE: [Suburbs vs. city? T. Rowe can benefit from each locale](#)

If Baltimore County wants to steal T. Rowe, it will have to go through [Brenda McKenzie](#) first. McKenzie, president of the Baltimore Development Corp., makes no bones about the city's intense desire to hold onto T. Rowe.

"We absolutely don't want them to leave," she said. "We want them to stay and grow in the city."

McKenzie declined to reveal the kind of incentives the BDC could offer T. Rowe Price to keep it from leaving.

"We really want to hear from them about the things that are most important to them," McKenzie said. "They're a valued corporate partner and we want to make sure their needs are met."

What T. Rowe wants

It's difficult to know which factors are most important to T. Rowe's top executives in weighing a possible headquarters move after [CEO James A.C. Kennedy](#) first raised the possibility in an April 23 interview with the Baltimore Business Journal.

[Kylie Muratore](#), a T. Rowe spokeswoman, said the company had no further comments beyond what Kennedy has said.

Those who know T. Rowe say officials and developers on both sides of the city-county line should take the company seriously when Kennedy raises the prospect of moving — if not to Owings Mills, then possibly to Harbor Point, where it would be Exelon's neighbor.

T. Rowe also raised the prospect of a possible move three years before its lease at 100 E. Pratt St. was last to expire in 2006. The current lease expires in mid- 2017.

[Kirby Fowler](#), president of **Downtown Partnership of Baltimore Inc.**, said T. Rowe has not raised any specific concerns about its downtown location with his group.

But Kennedy was not pleased about T. Rowe having to move its downtown employees to other company locations in Maryland in 2011 and 2012 because of noise and disruption from the Baltimore Grand Prix, which buzzed right past T. Rowe's front door.

[Of the city locations T. Rowe said it is considering](#), Fowler said three are within enterprise zones that would qualify the company for a one-time tax credit.

The tax credit is \$1,000 for each new employee a company hires. It would apply to Harbor Point, the former News American site at 300 E. Pratt St. and T. Rowe's current location at 100 E. Pratt St.

Meanwhile, Baltimore County officials are tightlipped about what kind of incentive package they could offer to lure T. Rowe's headquarters to Owings Mills, where the company already has a campus with six buildings.

"Certainly Baltimore County is grateful for T. Rowe Price's presence in Owings Mills, which represents a significant investment on its part," said Fronda Cohen, a spokeswoman for Baltimore County Department of Economic Development. "In terms of future decisions about locations, that's

a business decision on the company's part."

'Free agents'

As companies have become more cost-conscious, many have shown an increased willingness to pick up stakes, said John Boyd, principal of the Boyd Co., a Princeton, N.J., firm that advises companies on site selection.

"It's almost as if you're a free agent in professional sports," Boyd said. "Communities are going to bid for you, and offer financial incentives to attract you."

Those incentives could include a tax credit for hiring new employees or picking up the cost of infrastructure improvements such as widening a road.

But Boyd, whose firm has advised companies like **JPMorgan Chase & Co.** and PNC Financial Services Group in their office searches, said that while incentives are critical, companies shouldn't base a decision entirely on the incentives being dangled in front of them.

"We counsel our clients to look beyond mere incentives because incentives will eventually expire," he said.

Instead, Boyd advises clients to focus on factors such as the quality of life for employees. A good location helps a company "attract world-class talent and project a world-class image."

One Baltimore-area real estate honcho doesn't expect T. Rowe to take the incentive money and run.

"The history of the company is one with a fiduciary responsibility to its clients and shareholders, and they're not going to shake down a municipality to put up a big opulent headquarters with their name on it," said [Robert A. Manekin](#), managing director at Colliers International. "That's not these guys, who want to do the right thing and they've done the right thing for decades in this town."

Meanwhile, law firm **Miles & Stockbridge PC** decided to remain downtown — it moved to 100 Light St. in April — because of mass transit options.

Many of the firm's 287 downtown employees use mass transit — Light Rail, Metro, bus and the Charm City Circulator — to get to work, Chairman [John Frisch](#) said. Downtown is also convenient to Penn Station, where many of the firm's lawyers catch MARC commuter rail and Amtrak trains to travel to the firm's office in Washington, D.C.

"This is all about having the best tool," Frisch said. "We see the space and the location as a real recruiting plus."

Gary Haber covers Banking, Finance, Insurance, Law