

The Packing House

411 A DORCHESTER AVENUE | CAMBRIDGE, MD 21613
ThePackingHouseCambridge.com

DESCRIPTION

Cross Street Partners, in partnership with Eastern Shore Land Conservancy (ESLC), will re-purpose the historic Phillips Packing Company, Factory F (*The Packing House*) in Cambridge, MD into a hub of technology innovation for the region's aquaculture and AgTech industries. Building on the Eastern Shore's deep tradition of agricultural and fishing assets, the Packing House will become an active, mixed-use development designed to grow and scale the operations of the Eastern Shore's small- and medium-sized businesses with the incorporation of state-of-art technology that also cleans the Chesapeake Bay.

Located in an Opportunity Zone, the adaptive reuse of The Packing House will not only preserve Cambridge's unique agricultural heritage but will launch a new entrepreneurial engine that will bring a new vibrancy to this rural market. The Phillips Packing Company closed in the 1960s, and The Packing House has been sitting vacant and deteriorating for decades. Located in Cambridge's targeted revitalization area, The Packing District, the 60k SF warehouse building is situated along a main thoroughfare, Route 50, and is easily identified by its pair of smokestacks. Adjacent to The Packing House will be the new 6.6-acre Cannery Park, which is a public/private collaborative project that will incorporate a new central park for the town, restore the headwaters of Cambridge Creek that flow through the property, and create a trailhead for a new rails-to-trails system.

Anticipated Uses

- **Packing and Distribution Center** – Blue Oyster Environmental, a prominent oyster company, is creating a new regional processing and packaging center to improve the capacity for at least 10 oyster farmers and others in the oyster industry. The new co-op will provide efficiencies for these small companies to clean, package, and market their oysters, and it will create a new distribution network for their goods to be sold to restaurants, grocery stores, farmers markets, and the like. Through a recently enacted nutrient trading initiative, the anchor tenant will also assist companies and municipalities in obtaining the necessary credits that offset nitrogen and phosphorous pollution in the Chesapeake Bay.
- **Oyster Shop and Bar** – As a compliment to the Packing and Distribution Center, the oyster bar and shop will offer fresh oysters for take-out or to enjoy on site as well as grilled oyster fare and local beverages.
- **Distillery, Fresh Food Market and Cafe** – Packing House is attracting the farm and food folks through the lens of a new, local ingredient forward distillery as well as fresh food hub that will provide residents and tourists with access to fresh produce, prepared foods to take away or enjoy on site, baked goods and seafood from the local farming and aquaculture industries. Young chefs are looking for opportunities to bring their talents home to the Eastern Shore through small food retail such as a cafe or eatery.
- **Office Space** – The Packing House is leasing office space to a state government agency to provide local workforce development, youth opportunity training in coding, animation and other digital skills, job training for local residents as well as promote small business development opportunities in this Opportunity Zone.



PROJECT HIGHLIGHTS

Allocation Sought: \$20 MM

Anticipated NMTC Closing: Q3 2020

Completion Date: Q2 2021

Size: 60,500 square feet

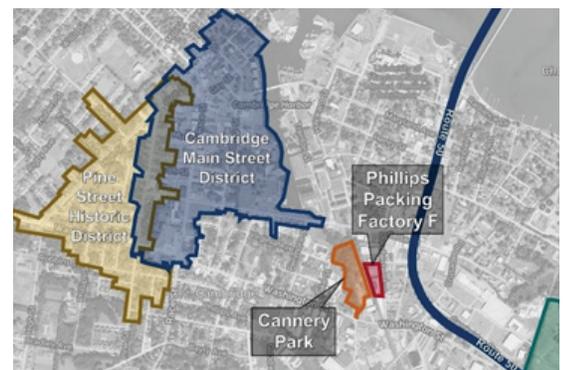
Total Cost: \$23.6 MM

Designation: RURAL

Construction Jobs: 105

Permanent Jobs: 150

CELEBRATING FOOD, FARMING, AND INNOVATION IN RURAL EASTERN MARYLAND



For more information, please contact:
Margaret Norfleet-Neff, Cross Street Partners
MNorfleet-Neff@crossstpartners.com
336.240.8374

Learn more - click on links below:
Cross Street Partners | The Packing House



- **Atrium** - This central, open two-story location will serve as a highly programmed gathering place and spill over for the food retail with music and performances, educational and community events plus limited use for private events. The atrium will have two adjacent meeting rooms available for public use.

- **Department of Housing and Community Development (MDHCD)** - MDHCD's mission will be a focus on community engagement, facilitate lending to individuals and business, expand rural broadband access, resolve vacancies, and expand home ownership along Maryland's Eastern Shore.

- **Eastern Shore Land Conservancy (ESLC)** - ESLC is a non-profit organization dedicated to the preservation of the agricultural and rural areas of the Eastern Shore of Maryland.

The Packing House will leverage its proximity to Cannery Park, which will come on line in Q3 2020, and will serve as an active, recreational place for residents and visitors

Community Impact

- **Jobs and Entrepreneurship** – The Packing House will be an ongoing job creation engine, offering workforce training and permanent FTE opportunities for Cambridge residents. The oyster co-op and nutrient trading operations will create jobs for residents and give watermen the business service support needed to grow their operation. In turn, job growth will increase at The Packing House.

We estimate the Packing and Distribution Center will create 50 new permanent jobs, and will support at least 10 small oyster farms that will retain at least 50 jobs. The new grocery store/cafe will create 5-7 jobs, the social enterprise catering program will support 15 jobs and the shared use office/lab space, featuring F3Tech in house, will a focus on AgTech startups, creating 80 jobs.

- **Catalytic Impact** – The Packing House is central to a larger revitalization strategy for the area that includes creating a community park and developing a neighborhood plan for the nearby Pine Street community. Beyond impacting the immediate neighborhood, the revitalization of The Packing House - particularly the eatery, food market, and events space - is critical to a larger economic development strategy to make Cambridge a stopping point for many of the travelers who pass through on their way to the beach. Located in a federally designated Opportunity Zone and state designated Enterprise Zone, The Packing House is a priority project.

- **Environmental Impact** – The Packing House will incorporate sustainable materials, storm-water management best practices and energy efficient measures, with the aim of achieving a LEED Gold certification. ESLC is committed to improving and preserving the waterways of the Eastern Shore. They are supporting efforts to remediate a large parcel adjacent to The Packing House to create Cannery Park and to restore the Cambridge Creek headwaters. As a tenant, Blue Oyster Environmental's nutrient credit trading program intends to clean and preserve the environment.

But For

Vacant or underutilized for decades, The Packing House is blighted: the roof has collapsed in many locations, there is structural damage, and it will take substantial rehabilitation funds to bring the building back into active use. In addition, tenant improvement costs for food-related uses are very high as compared to office space. With this project, high construction costs are coupled with relatively low-income potential: rental rates for office, retail, and light manufacturing space in Cambridge are well below the level needed to underwrite such high construction costs, and the project team would like to make space in the project as affordable as possible to food entrepreneurs, non-profit organizations and start-ups. Because of these factors, upfront subsidies such as NMTCs are needed to make the project financially feasible. ■



Cross Street Partners: A full-service real estate company exclusively focused on re-building communities by creating vibrant urban mixed-use neighborhoods built on a foundation of innovation and entrepreneurial activity.

Eastern Shore Land Conservancy is a 501(c)(3) charitable organization dedicated to the preservation of the agricultural and rural areas of the Eastern Shore of Maryland.

