

# Tradepoint Atlantic, Baltimore, Maryland An Emerging East Coast Distribution Hub LOGISTICS DX Transformation from Industrial Site to Global Logistics Hub

Photo: Tradepoint Atlantic

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The rise of Tradepoint Atlantic as an East Coast logistics hub is a remarkable story. The vast 3,300-acre Tradepoint Atlantic site, adjacent to the Port of Baltimore and almost four times the size of New York's Central Park, has become a bustling distribution center for global companies like Volkswagen and Under Armour. Tradepoint Atlantic's anchor tenants, Amazon and Federal Express, have been breaking cargo delivery records daily as e-commerce continues to boom, accelerated by the COVID-19 pandemic. Washington CORE had the opportunity to visit Tradepoint Atlantic in October 2020 and speak with Aaron Tomarchio, Senior Vice President, and Russel Williams, Director. The following article is based upon our interview with them, and supplemented by additional research.



Aaron Tomarchio,  
Senior Vice President



Russel Williams,  
Director

Photo: Tradepoint Atlantic



Tradepoint Atlantic is located on the site of a huge former ironworks, one hour from Washington, DC. The location was once occupied by Bethlehem Steel, which played a leading role during the rise of American industrial production throughout much of the 20th century. However, starting in the 1970s, the once mighty steel company was gradually overtaken by relentless competition from overseas steelmakers, and the vast site eventually shut down in 2012.<sup>1</sup> The future of this contaminated site remained in doubt for some time, as redevelopment was considered to be cost-prohibitive due to state requirements to clean up the hazardous waste. It seemed inevitable that the site would be left empty for many years.

Fortunately, the Maryland Department of the Environment and the U.S. Environmental Protection Agency, along with other regulatory authorities and investors, came up with the idea of allowing the site to be further assessed and cleaned on an “as you go” basis, meaning that developers could develop and implement a parcel-specific clean-up plan as they attracted new tenants. In the past, a brownfield redevelopment was possible only when the entire site had been remediated. Tradepoint Atlantic’s use of this site became possible because of this new incremental development approach, and their commitment to privately fund the clean-up of the site. Tradepoint Atlantic’s first tenant at the site was Federal Express, which opened at the location in 2016. With that opening, the site began its journey from a defunct industrial site to a vibrant logistics hub.

During the guided tour of Tradepoint Atlantic, Washington CORE saw convincing evidence of the site’s rebirth. Although we passed a decrepit factory and a series of abandoned warehouses, evidence of transformation was all around. We saw recently delivered Volkswagen cars lined up in rows, waiting to be transported to dealers along the East Coast. We also observed two enormous vessels docked side by side at the site. One had just arrived and the other was preparing to leave. The import vessel had just delivered feed grain from Europe to a Perdue Chicken Farms warehouse located on the site,<sup>3</sup> while the departing vessel was loading aluminum-related materials.

Photo: Tradepoint Atlantic



## Location, Location, Location: Goods can reach 2/3 of the nation in a single day

Tradepoint Atlantic is taking advantage of its location, infrastructure, and size to become a key regional hub, utilizing what Mr. Williams described as a “symbiotic” relationship with the Port of Baltimore. Tradepoint Atlantic itself has a 50-foot deep channel that can accommodate large ships. It is also the first entrance point into the Port, and its vast space conveniently allows shipments to be stored at the site. In addition, the site has unparalleled access to train and truck transportation; 70 miles of private rail provide direct access to the CSX and Norfolk Southern freight lines. Closer to the Midwest than other East Coast ports such as Wilmington and Philadelphia, Baltimore provides importers with access to 35% of the U.S. manufacturing base overnight and two-thirds of U.S. consumers within 24 hours. Finally, Baltimore and by extension, Tradepoint Atlantic, have room for expansion while most other East Coast ports are fully built out.

Tradepoint Atlantic also benefits from the Port of Baltimore’s prominence as the foremost U.S. port for handling cars and light trucks, as well as large industrial machinery such as heavy farm and construction equipment.<sup>4</sup> Volkswagen, Audi, Porsche, Lamborghini, and Bentley vehicles are delivered from the Tradepoint Atlantic site to 300 dealers in the mid-Atlantic region. Volkswagen in particular uses Tradepoint Atlantic’s capability to accommodate Roll-on and Roll-off ships, commonly called RO-RO ships. In July 2020, Volkswagen constructed a large pre-delivery site for vehicles where accessories are installed and an additional quality check is performed before the vehicles are shipped to nearby dealers. Placing shipments closer to consumers helps to reduce the carbon emissions associated with vehicle delivery, and supports Volkswagen’s global sustainability goals.<sup>5</sup>



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## From Steel to Bok Choy: Tradepoint Atlantic’s Focus on Sustainability

Many of Tradepoint Atlantic’s tenants are committed to sustainable practices. In 2019, Dutch multinational power company Ørsted announced plans to open a wind turbine construction and staging facility to assemble turbines at the Tradepoint Atlantic site.<sup>6</sup> In addition to creating hundreds of jobs, this development will also support the growth of green energy along the eastern seaboard. One such effort is a port electrification project<sup>7</sup>; a joint MD-DC-VA study is also planned.

Another anchor tenant, Amazon, recently opened a second fulfillment center at Tradepoint Atlantic in August 2020, adding 500 employees to the 2,500 employee workforce at the first center.<sup>8</sup> Amazon is exclusively using energy-saving forklifts and warehouse trucks called Power Industry Trucks (PITs)<sup>9</sup> in an effort to reduce its CO<sub>2</sub> footprint.



Photo: Shutterstock

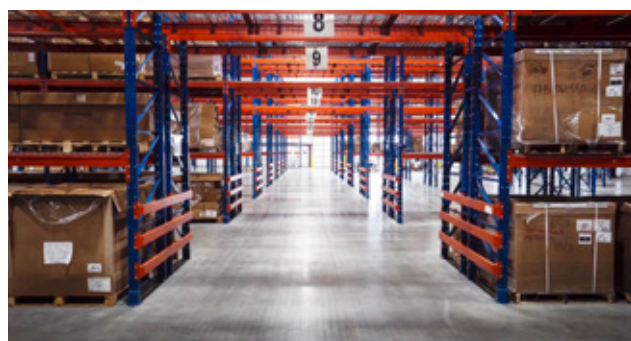


Photo: Tradepoint Atlantic



Finally, urban farms are taking advantage of Tradepoint Atlantic's location to provide fast delivery of fresh produce to the mid-Atlantic region. Gotham Greens, an up-and-coming high-end greenhouse operator, grows high-quality organic vegetables such as lettuce and bok choy at Tradepoint Atlantic and delivers them directly to nearby retailers and restaurants.<sup>10</sup> Starting in New York and Chicago, Gotham Greens is expanding to metropolitan areas across the U.S. with its state-of-the-art indoor environmentally controlled agriculture systems. Gotham Greens is an example of the diversity of tenants at Tradepoint Atlantic, and emblematic of the site's radical transformation from its industrial origin.

## Sea Change in Supply Chains

The 2016 expansion of the Panama Canal has significantly contributed to the growth of Tradepoint Atlantic, enabling larger vessels from Asia and elsewhere to come through the Canal from the Pacific Ocean and up to ports all along the East Coast.<sup>11</sup>

Tradepoint Atlantic has a foreign trade zone on site, and some of the tenants have manufacturing facilities, making it possible to handle everything from production to warehousing and distribution all in one place. Mr. Tomarchio told us that there have been many inquiries from companies that are considering investing in new supply chain hubs. Most recently, global seasonings manufacturer McCormick & Company Incorporated announced in October 2020 it would locate its 1.8 million square foot Northeast Distribution Center at Tradepoint Atlantic.<sup>12</sup> Tradepoint Atlantic is now making plans for the next five years and intends to build out additional development capacity for large scale distribution, manufacturing and warehousing space.

Just like the trade winds which aided ships carrying trade supplies in days past, Tradepoint Atlantic hopes to facilitate the efforts of those who seek to grow their shares of global trade today.

### Endnote

<sup>1</sup> <https://www.baltimoresun.com/business/bs-bz-sparrows-point-layoff-notice-20120524-story.html>

<sup>2</sup> <https://www.baltimoresun.com/business/bs-bz-sparrows-point-layoff-notice-20120524-story.html>

<sup>3</sup> <https://www.bizjournals.com/baltimore/news/2018/11/05/perdue-to-invest-30m-in-tradepoint-atlantic.html>

<sup>4</sup> <https://www.greaterbaltimore.org/sites/default/files/Logistics2019.pdf>

<sup>5</sup> <https://businessfacilities.com/2020/07/volkswagen-tradepoint-atlantic-vehicle-terminal-port-of-baltimore/>

<sup>6</sup> <https://www.baltimoresun.com/maryland/baltimore-county/bs-md-co-tradepoint-partnership-20190723-4wo3iskchremth4rw5elmgv64a-story.html>

<sup>7</sup> <https://www.virginiamercury.com/2020/07/31/a-real-opportunity-virginia-places-a-big-bet-on-electrifying-port/>

<sup>8</sup> <https://foxbaltimore.com/news/local/amazon-celebrates-official-opening-of-second-fulfillment-center-in-baltimore-county>

<sup>9</sup> <https://www.amazondelivers.jobs/about/pit-equipment-at-amazon/>

<sup>10</sup> <https://www.producegrower.com/article/tradepoint-atlantic-gotham-greens-sparrows-point/>

<sup>11</sup> <https://open.maryland.gov/blog/port-baltimore-celebrates-panama-canal-expansion/>

<sup>12</sup> <https://www.areadevelopment.com/newsItems/10-29-2020/mccormick--company-tradepoint-atlantic-industrial-park-sparrow-point-maryland.shtml>

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