



MINUTES

Of the

Board of Directors

Of the

City of Baltimore Development Corporation

The regular meeting of the Board of Directors (Board) of the City of Baltimore Development Corporation (BDC) was held on Thursday, December 20, 2012, beginning at 7:41 a.m. at the Corporation's offices at 36 South Charles Street. **Present at the meeting were Board members; Chair, Arnold Williams, Harry Black, Armentha Cruise, Gilberto deJesus, Deborah Devan, Frank Gallagher, Bert Hash, Kenneth Moreland, Sharon Pinder, and Brian Tracey.**

Staffs present were: Brenda McKenzie, new President, Kim Clark, Executive Vice President, Jeff Pillas, Chief Financial Officer, Nancy Jordan-Howard, Chief Operating Officer, David Adamski, Arlisa Anderson, Dylan Baker, Todd Dolbin, Richard Escalante, Joann Logan, Kristen Mitchell, Chris Moyer, Leon Pinkett, Gary Suskauer, Paul Taylor, John Thompson, Deborah Tillett, Roseann Walsh, Robert Williams, and Taronda Wagstaff (as acting Secretary).

The meeting was called to order by Chair, Arnold Williams.

I. Chair provided a brief introduction of Brenda McKenzie to board members and expressed "Thanks" to Kim Clark for providing support to BDC in capacity of Acting President.

II. The Open & Closed minutes of October 25, 2012, were approved as written.

III. Resolution of New President for the Baltimore Development Corporation:

- A resolution of election of new President for Baltimore Development Corporation (BDC) was brought before the Board of Directors. The resolution was moved by Gilberto deJesus and seconded by Armentha Cruise, and then unanimously approved by board members present.

III. President's Report was given by Kim Clark as follows:

- BDC staff negotiated the PILOT and Land Disposition Amendment Agreements which have been approved on December 20, 2012, by the Board of Estimates for Lexington



Square Partners. Lexington Square Partners have until June 30, 2012 to settle on the property and they feel confident they will be able to do so.

IV. Business Retention, Attraction & Expansion Committee Report given by Kenneth Moreland as follows:

- Tom Dann from Maryland Department of Business Economic Development – DBED’s InvestMaryland program spoke to the committee. The State of Maryland raised \$84 million last year through a tax auction for various insurance companies.
- Early investments include those made to; Bambeco, Moodlerooms, and PathSensors, all in Baltimore City. InvestMaryland is looking to invest between \$100,000 and \$ 1 million in various companies that apply for the funding.

V. The Loan & Audit Committee Report was given by Chair, Bert Hash as follows:

- Approval of Loan and Audit Committee Open minutes of the October 12, 2012 meeting as written.
- The Micro Loan lending program was approved at the October 25, 2012 board meeting.

VI. Baltimore Development Corporation (BDC) Team Presentations:

Commercial Revitalization Team – William Beckford, Managing Director

- Commercial Revitalization is committed to assisting small businesses in targeted commercial revitalization areas; to help business districts better serve the customers’ base; to strengthen the capacity of business associations; to promote the interest of the business districts; to reduce retail vacancies; and to coordinate the delivery of City services to targeted business districts.
- A Minor Privilege Bill Brochure and Code Enforcement Brochure were created by the BDC Commercial Revitalization to provide an in-depth explanation to businesses.
- Commercial Revitalization assists with attracting, retaining, and expanding businesses beyond downtown.
- Business Recruitment opportunities from the International Conference of Shopping Centers; ability to bring Starbucks, Dunkin’ Donuts, Marshalls, Target, and Grocery Stores to Baltimore City.
- Cumulative Results are as follows: 758 part-time jobs, 1,248 new full time jobs, new businesses 482, new grocery stores 20, number of façade grants 815, private to public ratio \$.5.09: \$1.00, total funds raised \$4,757,694.51, and total volunteer hours 106,054.
- 2012 Accomplishments - Hosted 2012 National Main Street conference; completed sale of Old Highlandtown library; sale of Senator Theatre; Assisted Hollinswood Shopping Center with new tenancy; completed demolition for Howard Park grocery store; and



completed \$800,000 of façade improvements in six commercial districts utilizing American Recovery and Reinvestment Act funding (CDBG-R).

- The largest impact comes from the Façade Improvement Project a total of \$800,000 in grant funding utilized, thirty-eight (38) completed façade improvements grants awarded.
- Projects; 700 Block Washington Boulevard the Developer is Baltic Gold, LLC and completion planned for first quarter of 2013. Old Highlandtown Library, Developer Southeast CDC, completion planned for first quarter 2013. Howard Park Grocery store, 67,000 sq. ft. full-service Shop Rite supermarket, \$20 million project, 225 projected jobs, and Grand Opening scheduled for fourth quarter of 2013. The Senator Theatre renovation and expansion is estimated at \$3.491 million the Commercial Revitalization (CR) staff helped to secure financing and sell the property (which sold last month). Oldtown Mall - previous Developer's Exclusive Negotiating Privilege (ENP) expired and CR staff will take cues from the 2012 Oldtown Redevelopment Plan.

Small Business Resource Center (SBRC) – Paul Taylor, Executive Director

- The Small Business Resource Center (SBRC) is a technical assistance provider which is open to the public and available to assist small business businesses who have 25 or less employees and less than \$ 1,000,000 in annual revenue
- The SBRC provided assistance to a young woman who wanted to start a company to bring acknowledgment to Tradesman around the world – The Company is called SAFA and the SBRC helped to educate the owner, find funding, get licensing as a wholesaler to promote her products.
- SBRC was able to partner SAFA's owner with Service Corps of Retired Executives (SCORE) who was a wholesaler and provide insight to help the owner of SAFA avoid the pitfalls of this type of business.
- SBRC assisted 2,154 Entrepreneurs in 2011 in partnership with SBA, SCORE, SBDC, Baltimore City, and BDC.
- SBRC Economic & Fiscal Impact; new business startups, job creation, capital formation, technology transfer & commercialization, increased federal, state and city contracts, increased minority & women businesses, and help to develop local contractors and vendors doing business with Baltimore City.
- SBRC Programs offered are start-up classes & workshops (over 200 classes in 2012), one-on-one counseling (over 6,800 hours/free), free resource library, and free computer access with Business Software.

Emerging Technology Center (ETC) – Deborah Tillett, President & CEO



- Emerging Technology Center (ETC) is a Nonprofit 501 c (3) corporation with two facilities; in Canton and at the old Eastern High School building which is a venture of BDC.
- ETC has been creating a community of innovation with over 85 companies and more than 50 prospects currently. In 2012 45% of ETC companies were seeking “virtual” support as ETC affiliates, and the average stay at ETC is 25 months.
- ETC is a culture of peer learning, mentoring, collaboration and energy. ETC offers facilities, tools, resources and valuable connections.
- Helping entrepreneurs bring concepts to reality since 1999. ETC has a company success rate of 87%, \$377 million economic impact; a 48:1 multiplier, 2000 creative class jobs, 30% of 50 top Baltimore Start-ups were ETC companies, and 49% of ETC companies in 2012 Minority Business Enterprise & Women Business Enterprise (MBE/WBE).
- Federal & State Grants total of \$65,172,000.00 and Private funding total of \$49,840,000.00
- ETC was involved in Governor Martin O’Malley kick off of the Innovate Maryland in April of 2012 at the ETC Eastern location. Received the Daily Record Award - Innovator of the Year, Accelerate Baltimore ICOY Awards annually.
- The Governor of Delaware, India, & Chinese delegations, Russians Delegation/WTCL, Dorchester City Economic Development tours all looking at ETC as the model for successful incubation.
- ETC offers clinics on Accounting, Legal, and Venture Capital.

Business Retention, Expansion and Attraction (BREA) Team – Larysa Salamacha, Managing Director

- BDC’s Business Development Team focuses on business growth sectors, proactively reaching out and responding to business assistance requests regarding location, financing, workforce, and the Baltimore environment.
- In 2012, business retention efforts resulted in retaining 5,276 jobs from companies such as: Under Armour, Exelon, and Veolia Transportation.
- Business Retention and Expansion (BRE) Committee
- Business Advocacy – BDC/ETC/SBRC
- Enterprise and Foreign Trade Zone
- Business Outreach
- In 2012 BDC assisted in attracting new companies to Baltimore City to include; CSC, Len the Plumber, American Forest Products, and Chesapeake Shakespeare Company which represents over 300 new jobs/ 420,000 sq. ft./ over \$44M in capital investment.
- Assists with the Mayor’s Downtown Office Vacancy Task Force.



- Continues working with our partners MOED, DBED, the Economic Alliance, Downtown Partnership and the Maryland Port Administration (MPA).
- Assists with the “Open For Business” website (<http://business.baltimorecity.gov>), most of the emails are regarding licensing and permits.
- BREAs work with the U.S. Customs and Maryland Port Administration (MPA) in the implementation of the Foreign Trade Zone (FTZ).
- Entire city Enterprise Zone and Focus Area renewed/new areas designated stats for 2012 were; 101 business certified, new construction \$1,558 billion, Rehabilitation \$177 million, equipment \$108 million and total capital investment \$1,843 billion.
- Alternative Site Framework (ASF) granted to FTZ #74 expediting FTZ designation to operators stats of 2011 were; 17 operators active as FTZ Companies, 144 businesses served, 1,546 people employed, \$8.2 billion worth of goods transferred to U.S. Custom’s Territory, \$184 million in merchandise exported, and \$42 million collected by U.S. Customs on merchandise entered.
- Through business outreach – 353 companies were contacted we have met 92% of our goal for 2012.
- Every ten years Baltimore city needs to update its city maps – this process has been going on and received good media coverage.
- BREAs Team provides support services such as; maintenance/landscaping of business parks; BDC outreach materials, mapping (Data mapping, Geographic areas and GIS ArcViewing mapping) and also provides signage/flyers and displays to local businesses.

Special Projects Team – Dylan Baker, Director of Special Projects

- Ensure all obligations associated with \$300.9 million 2006 bond issues to build convention center hotel are met
- Debt Service Payments
- Taxes, Insurance, Legal Matters, and Audits
- Cash flow to operator to maintain normal course of business
- Oversee Hotel Operating Agreement reached with Hilton Hotels and act as Owner’s representative (Term: 2006 -2021)
- Oversee Parking Garage Operating Agreement reached with LAZ/PMS Parking and act as Owner’s representative. Contract due to expire in 2013.
- The Baltimore Hilton Hotel has 757 rooms and competes primarily against 6 comparable full-service hotels in the downtown area. The hotel focuses on serving groups because its intended purpose is to provide an anchor hotel for the Convention Center.
- Food and beverage contribute a substantial amount to revenue as the hotel has over 62,000 sq. ft. of meeting space for gatherings, banquets, and other catered events.



- Industry rankings show that the hotel is outperforming its competitive set by 15% in terms of revenue generated per available room so far in 2012.
- Debt service payments amounts were set with bond issuance; fixed according to original deal which projected average hotel rates \$40 greater than those of current market.
- Unique expense structure due to commitment to collective bargaining agreement; higher wages than non-union hotels and high employment of City residents (79% as of 9/30/12)
- Baltimore Hotel Corporation (BHC) parking garage represents approximately 8% of total project income. Adheres to the City's living wage levels and unique offering of 24/7 security to enhance guest experience.

Special Projects Team – Arlisa Anderson, Senior Project Analyst/Inner Harbor Coordinator

- Inner Harbor Coordinator position, BDC and the Waterfront Partnership are working collaboratively together to ensure that the Inner Harbor remains the jewel of the city.
- BDC's responsibilities are; to staff an inter-agency Inner Harbor Task Force; manage 16 lease agreements with private and non-profit organizations; act as the single point of contact for the Inner Harbor; coordinate the baseline services of approximately 8 city agencies working at the Inner Harbor and the Waterfront Partnership of Baltimore (WPB).
- The Waterfront Partnership of Baltimore (WPB) role and responsibilities; professional landscaping; safety and hospitality services; marketing and programming; cleaning and detailed maintenance; advocating for the Inner Harbor and assist with Special Capital Projects.
- Ongoing Activities – Inner Harbor Study – to review the replacement of the existing lighting fixtures and poles. A partnership with Department of Planning (DOP), Department of Transportation (DOT), Department of General Services (DGS), and the Waterfront Partnership (WFP)
- New Inner Harbor Attraction Request For Proposal (RFP) – Charm City Carousel Entertainment, LLC was selected to operate. The Carousel due to open in spring 2013.
- The Inner Harbor will have its first German Christmas Village to begin November 29, 2013 – December 24, 2013.
- BDC provides property management for two (2) buildings;
 - 2901 Druid Park Drive – located in Northwest Baltimore, 75,000 leasable sq. ft. of space, 81% occupied, and managed by Otis Warren & Company.
 - 7 E. Redwood Street – located in downtown Baltimore, 162,700 leasable sq. ft. of space, 81% occupied and managed by Cassidy Turley.



Real Estate Development Team – Darrell Doan, Managing Director

Primary Functions:

- Real Estate – Disposition and Acquisition, Exclusive Negotiating Privileges (ENPs), Land Disposition Agreements (LDAs), Lease and License Agreements, Asset Management, and Business Park Management.
- Financial Assistance – Tax Increment Financing (TIFs), Payment in Lieu of Taxes (PILOTs), Revenue Bonds, Funding Agreements, BMR Land Sale, Mortgages and Loans.
- Technical Assistance – Assist developers to navigate and expedite City permitting, regulatory, and approval processes
 - Legislation
 - Permits/Regulatory Approvals
 - PUDs/Rezoning
 - Transportation/Infrastructure Improvements
 - Relocation
- \$1.5 million active and recently completed projects, \$140 million of City subsidies, with a leverage of 10:1, 12,750 permanent jobs, and 6,560 construction jobs.
- Lexington Square Partners as known as the Superblock project – Land Disposition Agreement (LDA), 300 market rate apartments, 650 parking space garage total investment of \$152 million, 220,000 sq. ft. retail space, 12 affordable units (inclusionary housing), cultural preservation, LDA approved and construction pending for this project.
- Liberty Park – LDA and PILOT and mortgage assistance from BDC, 92 market rate apartments, 6,600 sq. ft. of retail space total investment of \$19.7 million, mixed-income units, and currently in negotiations.
- 602 N. Howard Street – LDA, 240 market rate apartments, ground floor retail space, rehabilitation of existing five (5) story private building, new 20 story tower and currently in negotiations.
- Parkway Theater – LDA, rehabilitation of Historic Theatre and proposed retail total investment of \$17 million, will host the Maryland Film Festival, Maryland Institute of College Art (MICA) and Hopkins Film Schools will utilize this theatre, currently in negotiations.
- Harbor Point - \$800 million investment for this mixed-use project, \$100 million TIF financed public infrastructure, \$3 million sq. ft. of new development, and will be Exelon Baltimore Headquarters office, the first building completed in Fall of 2010.
- Hendler / 1107 E. Fayette Street – LDA and mortgage assistance from BDC, Hendler recently sold to Commercial Interiors, there will be 200 market rate apartments, 200



parking spaces, 10,000 to 50,000 sq. ft. or retail space, \$50 million investment, currently in negotiations.

- Market Place at Fells Point – BDC assisted with LDA, Technical Assistance, and CIP project, 160 market rate apartments, 35,000 sq. ft. of retail space with parking a total of \$53 million in private investment.
- 114 E. Lexington Street – PILOT, downtown residential conversion, 110 market rate apartments, 10,000 sq. ft. of retail space with an investment of \$20 million, PILOT approved, and construction pending.
- Calvert and Water Streets – LDA assistance from BDC, rehabilitation of six city-owned buildings with an investment \$19 million, 200 market rate apartments, 10,000 sq. ft. of retail space, Historic Preservation, currently in negotiations.
- Government House, LDA and mortgage assistance from BDC, rehabilitation of Historic Mansion, 20 room boutique hotel with Restaurant total investment of \$7 million,
- 400 East Pratt Street (The Examiner Building) – LDA assistance, 30,000 sq. ft. of retail addition to existing building total investment of \$5 million, removal of Skybridge, currently in negotiations.
- Emergent Bio-solutions, LDA, and purchase option assistance, expansion of existing Biotech Facility onto adjacent City Property
- Horseshoe Casino Baltimore – LDA and Lease Agreement, full service Casino with Table Games, Restaurant, 4,000 space parking garage with investment of \$400 million, go to construction in first quarter of 2013, and should be completed in June 2014.
- There were several projects that required Technical Assistance such as: Brewers Hill, Canton Crossing, South Clifton Park, Power Plant Live, Merchants Terminal, Chesapeake Commerce Center, Port of Baltimore, etc.

The meeting was adjourned at 9:08 a.m.