



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, July 24, 2014, beginning at 7:43 a.m. at the Corporation's offices at 36 South Charles Street, Baltimore, MD. **Board Members present at the meeting were: Chair Pro Tem, Deborah Hunt Devan, Armentha Cruise, Clinton Daly (via phone), Gilberto de Jesus, Paul Graziano, Sharon Pinder, Colin Tarbert and Brian Tracey (via phone).**

Staffs present were: Brenda McKenzie, President & CEO; Kim Clark, Executive Vice President; Jeff Pillas, Chief Financial Officer; Nancy Jordan-Howard, Chief Operating Officer; Karyn Riley, Chief of Staff, Karl Bradley; Alex Hutchinson, Dan Taylor, Paul Taylor, Deb Tillet and Renee West (who acted as secretary)

Also in attendance: Natalie Sherman of the Baltimore Sun and Adam Bednar of the Daily Record.

Gilberto de Jesus made a motion seconded by Armentha Cruise that Deborah Hunt Devan serve as the *Chair Pro Tem* for the July 24, 2014 Board Meeting. The Board voted unanimously.

The meeting was called to order by the chair pro tem, Deborah Hunt Devan at 7:43 a.m.

- I. Minutes of the BDC Board Meeting of May 29, 2014 approved as written.
- II. President's Report
Brenda McKenzie provided The President's Report.

RFP's

- a. The Oldtown RFP responses are due August 15, 2014. Fifty people attended the bidders' conference. It was asked if the project would include Vacants To Value, the program is not specifically included however the Sommerset site includes housing.

Business Development

- a. It was recently announced that PANDORA is moving their headquarters for the Americas to Baltimore City.
- b. MAIF announced in June that it will be moving their location to Baltimore at the old Phillips Building from Anne Arundel County.
- c. Howard Park ShopRite's opening August 1, 2014.
- d. Horseshoe Casino will open on August 26, 2014.
- e. BDC is working with The Department of Planning on the four Stop Shop and Save closures. Two were replaced by The Save A Lot stores and BDC is exploring a number of national retail options to fill the other two.
- f. New retail has opened in Federal Hill.
- g. The city's newest Chipotle {restaurant} is opening in Hampden August 10th.
- h. Two East Baltimore Focus Areas were approved.

Administrative

- a. BDC's lease renewal was one of the topics discussed at the last Policy Committee Meeting; as a result BDC is looking at leasing options.
- b. Standard and Poor upgraded the City's bond rating. Part of the upgrade is attributed to BDC's economic development activity.
- c. The draft {Comprehensive} Economic Development Strategy is being finalized. The Board will be briefed and presented the draft prior to public roll out.
- d. New Hires - Brian Greenan, Economic Development Officer, West Team; Alex Hutchinson Economic Development Officer, East Team; Raven Thompson Economic Development Specialist, South Team; Renee West, Executive Assistant to the President & CEO; William Joyner, Mayoral Fellow. BDC also hired two "Hire One Youth" students for the summer, and we have new positions that still need to be filled.

III. Committee Reports

BDC Loan Committee

Jeff Pillas reported on the BDC Loan Committee activities

- a. The Video Lottery Terminal Revolving Loan Fund (VLT), BDC was selected to manage \$1million.
 - i. Loans range from \$30,000-\$300,000 with the first half (has to be distributed) within a 10 mile radius (of the Maryland Live Casino) and the second half can be distributed anywhere in the State.
 - ii. There will be a strategy for promoting the program. A roll out event was suggested to debut the program.
 - iii. Funds are not guaranteed every year, BDC must apply annually. Once the Horseshoe Casino opens, the 10 mile radius will include all of Baltimore city.

Project and Oversight Committee

Deborah Devan reported at the July 15, 2014 committee meeting. There were two items to discuss:

- a. Franklin RFP (on N. Howard Street [408-414]), the action requested by our committee was to recommend issuing an ENP to Howard Street Incubator, LLC.
 - i. Staff presented background. Howard Street Incubator, LLC was the only response received for the Franklin Howard West RFP that closed on April 1, 2014.
 - ii. The properties are located within the Bromo Arts Entertainment District. The space will include three theaters, a small business incubator and a café.
 - iii. The co-op includes six individual theater companies who will use the theaters. The business incubator will be run by This Impact Hub which operates co-working space throughout the country. The project is pre-leased.
 - iv. Deborah Devan disclosed that Winstead Rouse is behind Healthy Planet and her law firm does work for him but not on this project.
 - v. This project will provide a projected 65 full-time construction jobs and 87 full-time jobs once the project is completed.
 - vi. The City is projected to receive \$2.8Million of new tax revenue. The project qualifies for *enterprise zone* and *the arts and entertainment* tax credit.
 - vii. The Project Committee recommended that the Board approve the purchase price of \$300,000 subject to a demonstrated environmental remediation cost capped at \$50,000; that \$50,000 down payment will be due on the closing on the disposition of the property. A purchase money mortgage the remaining balance of purchase

price less than the environmental remediation credit; (the committee) did not specifically recommend what the terms of the mortgage would be but did specify that the mortgage must be repaid when the certificate of occupancy is issued for the redeveloped property. Armentha Cruise made the motion to accept the recommendation outlined by Deborah Devan from The Project Committee and was seconded by Sharon Pinder. The Board vote was unanimous.

- b. The 2nd project The Project Committee reviewed was the *parking revenue bonds* at 1 Light Street, per request from the Mayor's Office and the Parking Authority.
 - i. The proposed property by Metropolitan Development, LLC, includes: 362 unit (apartment) building with 10,000 square feet of retail on the ground floor, wrapping the building; and a 664 space parking garage.
 - ii. The parking revenue bonds will be used for the garage, separate from the financing for the apartment building.
 - iii. The 10 Light Street (which is being also developed by Metropolitan Development, LLC) includes 430 planned apartment units with 38,000 square feet of retail space with no parking, will be utilizing spaces in the 1 Light Street project, as well as public parking.
 - iv. The project will create \$28 Million in tax (revenue) over 20 years and 982 construction jobs, 30 permanent jobs (retail, parking attendants, etc.) 543 residents will live in the building. The developer will use the "*buy right high performance*", 15 year tax credit for the residential portion of the project.
 - v. The Project Committee recommended that the Board of Directors endorse the use of parking revenue bonds to build the garage at 1 Light Street with the provision that assurances be received that parking will be constructed even if retail and residential space is not built during the development. Colin Tarbert made a motion to approve the proposal with recommendations presented by The Project Committee with a second from Armentha Cruise. The Board vote was unanimous. Brian Tracey recused himself from the vote.

Policy and Planning Committee

Brian Tracey reported on the July 18, 2014 committee meeting. There were three items discussed:

- a. The committee recommended that the Board formally adopt the recommendations outlined in 2010 in the BDC Transition Report submitted to the Mayor.
- b. A process will be established to update the report on an ongoing basis via The Policy Committee.
- c. The BDC President & CEO will disclose to the Board the industries from which recommended replacements for the Board members are coming from.
- d. Deputy Mayor Colin Tarbert raised two issues for consideration:
 - i. Under attachment #5 of the report (Other Recommendations) item #1 be changed so that it reads "reads "the Board to consider representation from the following sectors". Item #3 to be tabled until the next Board Meeting.
- e. Brian Tracey made a motion that the BDC Board adopt the BDC Transition Report of 2010, with changes to section #5 of the report, item #1, so that it reads "the Board to consider representation from the following sectors" and to defer a Board vote on item #3. Gilberto de Jesus seconded the motion and the Board vote was unanimous.

IV. New Business

Deborah Devan made a motion for adjournment with a second from Gilberto de Jesus 8:35 a.m.