

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, January 22, 2015 beginning at 7:32 a.m. at the Corporation's offices at 36 South Charles Street, Baltimore, MD. **Board Members present at the meeting were: Chair, Arnold Williams, Greg Cangialosi, Augie Chiasera, Armentha Cruise, Clinton Daly, Deborah Devan, Jeffrey Fraley, Paul Graziano, Gilberto de Jesus, Gary Martin, Kenneth Moreland, Sharon Pinder (via phone), Henry Raymond (via phone), Kurt Schmoke (via phone), Colin Tarbert, Brian Tracey (via phone) and Christy Wyskiel.**

Staff present were: William "Bill" Cole, President & CEO; Kim Clark, Executive Vice President; Jeff Pillas, Chief Financial Officer; and Nancy Jordan-Howard, Chief Operating Officer. BDC Staff: William Beckford, Larysa Salamacha, Deb Tillet, Karl Bradley; Kerry DeVilbiss, David Adamski, Richard Escalante, Alex Hutchinson, Patrick Terranova, Larry Collins, Joann Logan, Dan Taylor, Renee West (as Recording Secretary) and Robert Williams.

Also in attendance: Adam Bednar *The Daily Record*, and Caroline Moore, Ekistics, LLC.

The meeting was called to order by the chair, Arnold Williams at 7:32 a.m.

- I. Minutes of the BDC Board Meeting from December 18, 2014 were approved as written.
- II. President's Report
 - i. Cole presented the new organization chart and highlighted the recent promotions of Dan Taylor, now Assistant Managing Director of Neighborhood Development (formerly Central Team Leader) and Patrick Terranova, now South Team Leader, (formerly South Team Economic Development Officer). He then introduced Larry Collins, Foreign Trade Zone Director. Cole noted there are a number of economic development officer and other positions still available.
 - ii. Cole reported an advertisement expressing the importance of the Red Line project was placed recently. This was a collaborative effort involving BDC and several companies/organizations. The ad was placed in the Baltimore Business Journal, the Baltimore Sun, Afro American Newspaper and the Jewish Times.
 - iii. Cole made reference to a recent news article about arena; the proposal noted in the article was not in response to requests from City or BDC. The Board will be kept apprised when formal bids are presented.
 - iv. Cole served as a panelist during the Maryland Association of Counties (MACO) Winter Conference on behalf of Maryland Economic Development Association (MEDA). He noted that this was the first time in many years economic development professionals were asked to speak with the attendees (close to 550 Maryland State and Local officials) about the basics of economic development. He highlighted the progress of the 10 and 15 year high performing tax credits and how they have benefited the city.
 - v. Cole and Clark attended the Maryland Economic Development Association's Winter Conference (in Ocean City, MD). During Michael Gill's (new Secretary of Business & Economic Development for the State of Maryland) remarks, he shared his philosophy on concierge style service for his

department. Mr. Gill recently met with Cole and expressed his desire to learn what we are doing here in Baltimore.

- vi. Cole shared that he will serve on the Global Cities Initiative's Exchange Network, advisory committee on behalf of the City. He further noted he would travel to Indianapolis, IN next month for training.
- vii. Cole and Clark made the organization's Capital Improvement Program (CIP) presentation to the Planning Commission.
- viii. Cole reported that the Mayor held a press conference earlier this week to announce the reduction of the "minor privilege permit fees". The reduction of these fees will have a major (positive) impact on small businesses.

III. State Center

- i. The current campus covers 28 acres, includes five buildings, 800,000 square feet of (MD) State Offices, 300,000 square feet in the armory and five acres of asphalt; 3,500 employees of (MD) State agencies. Cole gave the group an overview of where the project is situated including the neighborhoods it encompasses.
- ii. The RFQ process (national competition) was reviewed which initiated during Governor Erlich's administration, each team was interviewed by (MD) State, local and community representatives. Once Ekistics, LLC was selected the planning began along with all of the relevant stakeholders (including nine communities). The plan developed was voted unanimously through the Baltimore City Council.
- iii. The project will be completed in five phases (six parcels of land). The first phase (parcel G), a large surface parking lot (350 parking spaces) for the State of Maryland's use; also includes a triangle lot (across from the Light Rail Station). This phase of the project could include up to 2,000 residential units (market rate), up to 2 million square feet of office space (with 1 million square feet remaining with the State of Maryland) and 250,000 square feet of ground level retail space. A "transit rich site", connects to the Light Rail, to Penn Station and to the BWI Thurgood Marshall Airport. The project faced a lawsuit in December 2010; it took 4/12 years. In July 2011 the Economic Inclusion Plan was completed. The developers worked with the surrounding communities to develop the plan focused on achieving access to opportunity that is going to be the outcome of this development (including what jobs and training would be available, inclusion of local business employment, MBE/WBE employment, etc.) This project presents a gateway to West Baltimore and the Arts District. Everything is ready for phase one.
- iv. Dan Taylor gave a presentation to walk the group through what the BDC Board previously approved prior to this project. In September 2010, this project went before *project committee* and BDC Board of Directors for a PILOT (for a portion of the project, just phase one) request and since then, it has stayed the same.
- v. Key points were noted about the difference between this request and ones approved in the past is State Center is on state-owned land that doesn't pay taxes right now (to the City of Baltimore), thus if the project doesn't go through with private funds, there will not be any tax revenue generated.
- vi. The PILOT was only for phase one; this was structured to facilitate the states lease. The PILOT was set for \$2.50/square foot over the course of the term of 20 years; that would be for the entire 515,000 square feet
- vii. (entire project). With the approval of this PILOT, this site would generate approximately \$1.7 Million tax revenue which would generate a ROI to the City of Baltimore of 67%, just on phase one. In response to clarification on how taxes become due for land that is still owned by the state, it was noted that once the ground is leased to the private developer, the State (of Maryland) is doing the lease, thus taxes can be assessed. The PILOT lessens the tax burden to encourage the State (of

Maryland); however the developer is then liable for the taxes. The original request, approved by the Board in 2010 was halted by the law suit, now that the project is ready to move forward the request is being brought back to the Board for discussion. It was noted that we still have to look for the state of Maryland's investment in current environment

- viii. Debra Devan noted that the BDC Board has already voted on the PILOT and the vote can stand, she wanted to apprise the Board on this project. She asked the Board to ratify the decision on the previous vote. Devan further noted that this PILOT went through a vetting process. Devan made a motion that the Board move to ratify the prior recommendation of the Board to the Mayor, that the city does this PILOT for phase one of the project, motion seconded by Armentha Cruise. Paul Graziano recommended that the Board first take a vote to reaffirm the Board's support and then ratify. Debra Devan amended her motion to reaffirm the Board's approval and ratification of the PILOT (to be used for phase one of the State Center) project, with a second from Gilberto de Jesus, the motion passed.

- IV. Clinton Daly moved to adjourn the meeting with a second from Armentha Cruise at 8:45 a.m.