



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, May 29, 2014, beginning at 7:37 a.m. at the Corporation's offices at 36 South Charles Street, Baltimore, MD. **Board Members present at the meeting were: Chair, Arnold Williams, Augie Chiasera, Armentha Cruise (via phone), Clinton Daly (via proxy), Gilberto de Jesus, Deborah Devan (via proxy), Paul Graziano, Bert Hash Jr. (via proxy), Colin Tarbert and Brian Tracey (via phone).**

Staffs present were: President, Brenda McKenzie, Executive Vice President, Kim Clark, Chief Financial Officer, Jeff Pillas, Chief Operating Officer, Nancy Jordan-Howard, Chief of Staff, Karyn Riley, Will Beckford, Karl Bradley, Kerry DeVilbiss, Todd Dolbin, Joann Logan, Chris Moyer, Leon Pinkett, Larysa Salamacha, Michael Snidal, Dan Taylor, Paul Taylor, Deb Tillett.

Also in attendance: Natalie Sherman of the Baltimore Sun
Guests: Tony Gross (JLL), Mike Singer (JLL)

The meeting was called to order by the chair, Arnold Williams at 7:37 a.m.

- I. Minutes of the BDC Board Meetings of March 27, 2014 and April 24, 2014
 - a. The minutes from the BDC Board Meetings for March 27, and April 24, 2014, were approved.

- II. Chairman's Comments
 - a. The Chairman opened the meeting and introduced Colin Tarbert, the newly appointed Deputy Mayor of Economic and Neighborhood Development, as the newest BDC board member, with warm regards.
 - b. The Chairman requested the Loan Committee report from Jeff Pillas, the Chief Financial Officer.

- III. Committee Reports
 - BDC Loan Committee
 - a. Jeff Pillas indicated that the Loan Committee met on May 12 and approved the minutes of April 14, 2014.

- b. A loan description was given for the company known as Ace Logistics, who recently relocated from Essex, MD to 4200 – 4210 Boston Street. They were approved for a \$250K loan to help cover expenses associated with relocation. This company performs services for the courts, and also provides various types of storage services. Ace Logistics currently holds a total employee workforce of 24 and is looking to create 12-18 new jobs over the space of the next year. They are expected to relocate by mid-July.

IV. Presentations/Updates

- a. Todd Dolbin presented information on Business Retention & Expansion and opened with information on a recent meeting that was held on May 9th, with a focus on the advanced manufacturing sector of Baltimore City.
- b. Chris Moyer indicated that various speakers have been brought in to participate in the talks on manufacturing, including some of the following: **Andrew Michael (M&T), Bob Jirsa (McGladry LLC), Carl Livesay (DBED), and Mark Rice (Baltimore's Maritime Applied Physics Corp.)**
- c. Baltimore has had success in the manufacturing industry, partly due to its designation as a port city. Bethlehem Steel and Domino Sugar were mentioned as some of the more well-known 'staple' companies of the city. MAPC and Marlon Steele Wire were also named as second generation manufacturers that are growing in Baltimore. The City has approximately 13,000 employees within the manufacturing industry.
- d. Advanced manufacturing has an opportunity in the realms of 3-D printing, exports, and off-shore wind initiatives as well.
- e. Michael Snidal was introduced as the newest member of the Economic Development Team by Todd Dolbin, and gave an overview on **Food Retail Development**, which will be his primary function.
- f. A presentation was made on the **food retail landscape** in Baltimore, in which the following details were highlighted:
 - a. In February, the BDC's BRE Committee, the BCPD, and the Mayor's Office, met with nine independent grocers from Baltimore, including Eddies, LA Mart, Apples and Oranges, and the Markets at Highlandtown. One of the strategies that was highlighted in that meeting was to reduce the number of persons living in food deserts. Independent grocers have been critical in meeting the food needs of underserved communities and an analysis of the independent grocers' concerns was discussed.
 - b. Recent closings of some of the grocery stores have been cause for concern and some remedial strategies presented were as follows:
 - i. Crime – A desire for safe shopping environments was expressed by the independent grocers. Colonel Darryl De Sousa of the BPD offered suggestions to address crime, including a standing police presence, a signature book, and security assessments.

- ii. Talent – Recruiting the right people for work opportunities has been expressed as a challenge. Rosalyn Howard of MOED has been engaged to assist with screening and training.
 - iii. Access to Capital – Many grocers don't have knowledge of the programs available to them from the State and the City. BDC will host informational session in July to educate grocers on financial programs.
 - iv. Bottle Tax – Perceptions exist that the bottle tax is hurting business and is driving customers to the surrounding counties. Department of Finance has been engaged to provide reports to demonstrate evenness in taxation.
 - v. Snap Benefits – These benefits are available for 10 days per month, however, Holly Freishtat is working with the Department of Health and Human Services to possibly increase this to 20 days.
 - vi. Market Demand – Ideas to increase business revenue have been sought and offered by BDC. Suggestions include coupons and online printouts, along with updates on consumer markets.
 - vii. A map of the independent grocer city locations was offered to the Board with comments.
- c. Brenda McKenzie thanked the board for supporting the independent grocers' initiative, as it was expressed from the BRE Committee, to enhance the quality of life for Baltimore City residents. The BDC plan is to take feedback from the Board and combine that into the final recommendations to be submitted to the Mayor by the middle of June.

g. Economic Development/Real Estate Presentation

- a. Michael Singer (Senior Vice President) and Tony Gross (Senior Vice President), from Jones Lang LaSalle, were introduced by Brenda McKenzie for the Real Estate presentation, in light of anticipated developments with BDC's lease expiration and options that may need to be explored in the near future.
- b. Introductions were made by Michael Singer and Tony Gross personally, in which it was revealed that Michael Singer represents the tenant representation group, and managing 150K – 200K feet of tenant/rep projects, while Tony Gross represents the landlord representation perspective, managing 2.5 million sq. feet of real estate in downtown Baltimore.
- c. Some of the following Baltimore Metro economic conditions were presented:
 - i. Job Growth – Current unemployment rate is down to levels equal to those in 2008. Employment growth has been consistent at an annual rate of 1% for 35 months. 23,800 jobs have been created on a monthly basis, though employment numbers have not translated into higher occupancy. Companies are doing more with less because of trends in the corporate environment.

- ii. Payrolls – Federal government payrolls have fallen consistently, while state & local government saw slightly higher employment growth. Professional/Business services along with education & health services remain the fastest growing job sectors.
- iii. Employment in Baltimore is up 3.8 % beginning in 2010, while we've witnessed a drop at the end of 2013. Employment has recovered since then.
- iv. Baltimore CBD conditions – Vacancy in the CBD fell to 17.8% after a peak in 2010 at 20.8%. Conversions of old office buildings to residential buildings have helped bring vacancy down to present levels. The CBD Class A market vacancy fell to a rate of 14.9% at the start of 2014. Class A vacancies are expected to fall below eight percent in the coming year. Vacancy along the Charles Street Corridor has climbed to 22% in the 2nd quarter as 87,000 sq. feet of availability hit the market at 100 N. Charles Street. CBD boundaries within downtown Baltimore were also noted.
- v. Office Insight – Trends have shown that construction is becoming more limited in the suburbs, especially for sizes more than 50,000 sq. feet. Available blocks of space in the downtown region were mentioned including 225 N. Calvert St., 2 Hopkins Plaza, and 111 Market Place, including others.
- vi. Baltimore City Office Market – The following areas were highlighted as being commonly targeted office submarkets: Pratt Street Corridor, Baltimore/Charles Street, Fells Point, Federal Hill, Locust Point, Canton and Harbor East/Point.
- vii. Baltimore City Office Market Trends – Backfill rates were noted, in which the trend of backfilling for Class A and Class B properties were compared. It was noted that the amount of time it takes to fill vacant properties for all classes has been increasing annually. The exception is that the Pratt Street Class A/B 2014 backfill rates have almost gone down to 2011 rates. Considerably, rental rates as a standard have shown significant progress in Harbor East, Fells Point, and South Baltimore.
- viii. Residential Projects/Baltimore City – Present units under construction within 9 regions = 1,713. Proposed units under construction within 11 regions = 2,682.
- ix. The chairman posed a question as to how the City of Baltimore should prepare itself for any possible influx of tenants coming to the downtown region. It was suggested by both presenters that specific areas, such as Pratt Street, will do well. But the trends are telling us that individuals are trying to do more with less. Active and planned conversions of buildings were discussed as well, which will give

tenants, both business and residential, more options, once these changes are complete.

V. President's Report

The President's report was provided by Brenda McKenzie with an update on projects as follows:

RFP's (Proposals):

- a. Old Town-Somerset (Commissioner Paul Graziano is partnering on this RFP)
Coverage has been very favorable for this region with a recent bitters conference being held where there were approximately 50 attendees. This is conveyed to be a very uniquely situated location, as it is between Hopkins and Harbor East, within walking distance to downtown and other prime locations.
- b. Mulberry Street 410-412 (Downtown's West Side *mixed use*) – April 28th was the issue date. Walk thru took place on the May 21st with proposals due the 27th of June.
- c. The superblock RFP has been receiving favorable responses in court and we expect to be able to move forward on this project within the next 2-3 weeks, to be available for review. Many regions are affected by this project including the University of Maryland and Mount Vernon.
- d. Business Development/Outreach
 - a. ICSC – May 18-20 – Prime retail business attractions for Baltimore City were presented to the Vegas conference. Will Beckford and Colin Tarbert represented the City of Baltimore along with the Mayor. Comments seem to indicate that the reception from various businesses has increased. Diverse retailers are becoming more aware of the buying power in the city and it is becoming easier to attract quality retailers.
 - b. Highlights regarding the BDC President's recent Weinberg Foundation trip to Israel were given. Innovation economies, tech sectors and tech transfer continues to be a source of job creation. Collaborative work with the private sectors, anchors, researchers, and local government, and utilization of best practices were mentioned.
 - c. BIO – From June 23 – 26, Chris Moyer and Larysa Salamacha are headed to the BIO conference. BDC has been able to team with EAGB for this trip in San Diego, including business recruitment. This is a major biotechnology conference.
 - d. Annual Report – The BDC Annual Report has been released as of the beginning of May as is now online. 2013 was a good year comparatively and it is believed that this is a good time for Baltimore to move forward.
 - e. Mind Grub – Technology company from Catonsville, who moved at the beginning of May, and will have its grand opening on June 4, along with the Mayor.

- f. BDC Outreach – BDC sent members to various businesses who were impacted by the recent flooding at the beginning of May. Our intention was to help businesses recover sooner by letting them know what resources were available to them from BDC. The areas especially affected were the metal mill region, however, the representatives of BDC were well received at all locations.
- g. Updates:
 - i. Chesapeake/Shakespeare Theater – Kimberly Clark provided comments on the process of the theater and indicated that she had toured the property about a week ago. It was noted that progress is coming along on schedule. BDC and the Downtown Partnership were approached for help when a suitable location was being scouted. BDC/Downtown Partnership assisted with parking and permits to facilitate staff at the theater. The theater is scheduled to open in September.
 - ii. CEDS Document – CEDS baseline information has been received with the intent to send the information back to the advisory committee for consistency. The draft will be made available within the next several weeks and will be made available to the public for comments for approximately 3-4 weeks. The final report will then go the EBA

VI. New Business

A motion for adjournment was made at 8:37 AM by the Chairman.