

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 26, 2016 beginning at 7:33 a.m. at the Corporation's offices at 36 South Charles Street, Baltimore, MD. **Board Members present at the meeting were: Chair, Arnold Williams, Christine Bivens, Greg Cangialosi (via phone), Augie Chiasera, Armentha Cruise, Clinton Daly (via phone), Deborah Devan, Paul Graziano, Gilberto de Jesus, Henry Raymond (via phone), Kurt Schmoke (via phone), Brian Tracey (via phone) and Michael Walton (via phone).**

Staff present were: William "Bill" Cole, President & CEO; Kim Clark, Executive Vice President; and Nancy Jordan-Howard, Chief Operating Officer. BDC Staff: Karl Bradley; Larysa Salamacha; Susan Yum; Paul Taylor; Deb Tillett; Dan Taylor; Darron Cooper; Michael Snidal; Brian Greenan; Joann Logan; and Renee West (as Recording Secretary).

Also in attendance: Natalie Sherman, *The Baltimore Sun*; Ed Gunts & Mark Reutter, *The Baltimore Brew*.

The meeting was called to order by the chair, Arnold Williams at 7:33 a.m.

- I. Minutes of the BDC Board Meetings were approved as written.
- II. Chairman's Comments
 - i. Williams noted that the Open Meetings Compliance Board's opinion has been circulated to BDC Board members; each member signed an acknowledgement of receipt.
 - ii. Williams officially acknowledged the opinion of the Maryland Open Meetings Compliance Board which concluded that "the BDC Project Review and Oversight Committee violated the *open meetings act* by discussing in a closed session, a number of topics that did not fall within the exception that the committee cited as authority for the closing and that the committee failed to disclose its reasons for its decisions to exclude the public from the discussion."
 - iii. Williams expressed appreciation for the compliance board's guidance and noted that BDC will strive to comply with the Maryland Open Meetings Act. Williams shared that it was not his intention to violate the *open meetings act* and he assured the group that moving forward BDC will make every effort to be as transparent as possible.
 - iv. Williams finally noted that future meetings will need to be closed, however every effort must be made to close them under the correct "statutory authority".
 - v. It was noted for the record that (Board Members) relied on (BDC) counsel's advice to close the meetings.
- III. President's Report (via Kim Clark)
 - i. Clark reported that Bill Cole was invited to speak at the grand opening of Harbor Designs and Manufacturing (1100 Wicomico Street); BDC is looking forward to continuing to work with them, as they grow to 220 employees.

- ii. Clark also reported that BDC is jointly funding the Pimlico Racing Study that's being performed by the Maryland Stadium Authority; Cole will also serve as a member of the steering committee. This study is an important step in the revitalization of the Pimlico and Park Heights area and to ensure a future for the Preakness in Baltimore City.
- iii. Clark reported that the Harbor Point project is being evaluated for the phase two tranche of money, the (Baltimore City) Department of Finance (BOF) along with their consultant are conducting the "But For" test, the results will be reviewed by the BOF. The projected issuance of those bonds will take place by no later than the end of June (2016).
- iv. Clark further reported that The Port Covington bills were introduced to the Baltimore City Council and will continue to move along that process. The next step includes a public hearing before the Planning Commission, although it has not been scheduled it will likely take place between late June or early July (2016).
- v. Clark reported that the hearing regarding the proposed minimum wage legislation (Baltimore City Council) that would raise the minimum wage to \$15 per hour is scheduled for June 15, 2016. BDC has been conducting surveys of Baltimore City businesses to obtain feedback to be presented at the hearing.

IV. Committee Report

Business Retention and Expansion Committee

- i. It was reported that Mr. John Wasilisin from TEDCO (Technology Development Corporation) made a presentation to the committee. This organization is an arm of the Maryland State Department of Commerce that provides funding for research, technology, transfer and entrepreneurship development programs.
- ii. It was noted that Mr. Andy Jones from the Maryland Venture Fund, an early stage venture capital fund, also presented to the committee.
- iii. It was further reported that on May 24, 2016, BDC in collaboration CAMI (Cybersecurity Association of Maryland, Inc.) ETC (Emerging Technologies Center), GBC (Greater Baltimore Committee) and the Maryland Department of Commerce hosted a networking event for cybersecurity firms, fifteen companies attended the event.

Loan and Audit Committee

- i. A loan to Baltimore Arts Realty Corporation (Open Works) to assist with financing the purchase of furniture, fixtures and equipment for its project to be located at 1400 Greenmount Avenue. Open Works is a "makerspace" that will provide safe, affordable and state of the art facilities for up to 500 individuals, including start-ups and small businesses, engineers, artists and designers.
- ii. A loan to Ditter, Inc. (Java Joe's) to assist with new kitchen equipment, furniture and fixtures, working capital and improvements. The company will be relocating its existing restaurant and coffee shop from 8 East Baltimore Street to 10 East Baltimore Street for more visibility and increase from 2,200 to 2,400 square feet.
- iii. A loan to Star Smith, LLC, to assist with financing furniture, improvements, inventory and working capital for the expansion of its retail gift store from 2,500 to 5,000 square feet at their new location, 233 Saint John Street in Havre De Grace, MD. It was noted for the record that the funds for this loan came from the Video Lottery Terminal Fund (VLT), thus BDC is required to provide funds to businesses within a 50 mile radius of Baltimore City.
- iv. In response to a question regarding the nature of the funds approved by the loan committee, it was noted that the process is similar to bank underwriting. It was further noted that not all applications qualify to be presented to the loan committee and that most of the businesses requesting funds use BDC loans have additional capital from traditional banking institutions, which spurs investment.

Project Review and Oversight Committee

Howard Street East

- i. Devan reported that the committee reviewed two projects, the first one to be reviewed is located at 407-415 North Howard Street (Site C).
- ii. A RFP was issued on June 29, 2015 for the Howard Street EAST, it closed on October 27, 2015. BDC received four responses from qualified developers.
- iii. BDC staff (Brian Greenan, Central Team) presented the existing conditions (internal and external) of the property. It was further noted that the property is zoned for mixed-use commercial, thus Proposal #3 from Legsom 400, LLC is appropriate. The developer proposes to purchase and redevelop Site C, which will include five renovated storefronts for neighborhood-serving food retail and 32 market-rate rental units on the upper floors. It was noted that the developer is a minority owned firm.
- iv. Deborah Devan made a motion to close the BDC Board of Directors Meeting at 8:02 a.m. under Section 3-305 (b) (14) which states before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process. Seconded by Armentha Cruise. Vote was unanimous.

The meeting of the Board of Directors (Board) of the City of Baltimore Development Corporation (BDC) was held on Thursday, May 26, 2016 reopened at 8:29 a.m. at the Corporation's offices at 36 South Charles Street, Baltimore, MD. **Board Members present at the meeting were: Chair, Arnold Williams, Christine Bivens, Greg Cangialosi (via phone), Augie Chiasera, Armentha Cruise, Clinton Daly (via phone), Deborah Devan, Paul Graziano, Gilberto de Jesus, Henry Raymond (via phone), Kurt Schmoke (via phone), Brian Tracey (via phone) and Michael Walton (via phone).**

Staff present were: William "Bill" Cole, President & CEO; Kim Clark, Executive Vice President; and Nancy Jordan-Howard, Chief Operating Officer. BDC Staff: Karl Bradley; Larysa Salamacha; Susan Yum; Paul Taylor; Deb Tillett; Dan Taylor; Darron Cooper; Michael Snidal; Brian Greenan; Joann Logan; and Renee West (as Recording Secretary).

Also in attendance: Natalie Sherman, *The Baltimore Sun*; Ed Gunts & Mark Reutter, *The Baltimore Brew*.

The meeting was called to order at 8:29 a.m.

V. Project Review and Oversight Committee (Cont.)

Howard Street East

- i. Devan reported that BDC obtained an appraisal of a total of just under \$610K; the bidder offered a purchase price of \$50K. It was noted that the Federal Historic Tax Credit was available to the developer;
- ii. Further analysis to include this factor was reviewed.
- iii. The committee will recommend to the Mayor and the City enter into an Exclusive Negotiating Privilege Agreement for the sale of the property to this developer at a price that is different from the price that was offered based upon the analysis of returns to the developer and to the City.

Lexington and Howard Site

- i. The committee reviewed two projects; the second one is located at 109-111 North Howard Street.
- ii. BDC issued a RFP on August 31, 2015 and it closed on January 15, 2016. Four responses from qualified developers were received. It was noted that the property is in the Bromo Arts and Entertainment District and is a historic building.

- iii. BDC staff (Darron Cooper, Central Team Leader) reviewed the existing area around the proposed site and the proposal from Response #1.
- iv. Everyman Theatre proposes purchasing and renovating this property to serve as an expansion of the Everyman Theatre (located at 315 West Fayette Street). The development program (Everyman Studios) includes a costume shop, rehearsal hall; two flex classroom spaces, storage space and eight short-term, furnished apartments to serve as temporary housing for out-of-town artists associated with active productions at the theatre. Those units will also be offered as short-term, market rate apartments during the course of the year when they are not occupied by out-of-town artists.
- v. It was noted that Everyman Theatre is a 501 (c) 3 non-profit corporation and would be the sole owner of the property.
- vi. The appraised value of the property obtained by BDC Staff was \$415K. It was noted that this property has reached its economic functional utility.
- vii. It was noted that this property is in complete disrepair and is a financial drain on the city to maintain. It was further noted due to the parameters stated within the 2001 MOU with the Maryland Historic Trust, places restrictions on the level of rehabilitation that can take place in the property. It was further noted that due to these additional restrictions, the appraiser determined that further reduction in the property's value was appropriate.
- viii. This project will support the mission and activities for the Everyman Theatre and improve their ongoing overall success by enhancing their overall operations.
- ix. Devan made a motion to close the BDC Board of Directors meeting at 8:52 a.m. under Section 3-305 (b) (14) which states before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process. Seconded by Gilberto de Jesus. Vote was unanimous.

The meeting of the Board of Directors (Board) of the City of Baltimore Development Corporation (BDC) was held on Thursday, May 26, 2016 reopened at 9:09 a.m. at the Corporation's offices at 36 South Charles Street, Baltimore, MD. **Board Members present at the meeting were: Chair, Arnold Williams, Christine Bivens, Greg Cangialosi (via phone), Augie Chiasera, Armentha Cruise, Clinton Daly (via phone), Deborah Devan, Paul Graziano, Gilberto de Jesus, Henry Raymond (via phone), Kurt Schmoke (via phone), Brian Tracey (via phone) and Michael Walton (via phone).**

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Also in attendance: Natalie Sherman, *The Baltimore Sun*; Ed Gunts & Mark Reutter, *The Baltimore Brew*.

The meeting was called to order by the committee chair at 9:09 a.m.

I. Project Review and Oversight Committee (Cont.) Lexington and Howard Site

- i. Devan reported that during the closed session of the BDC Board Meeting, the body discussed the proprietary analysis of information from staff.
- ii. Devan further reported that after the body reviewed and discussed this information it was decided to recommend the approval of the Everyman Studios project.
- iii. It was reported that a capital campaign (to be raised by Everyman Theatre, a 501 (c) 3 non-profit corporation) will be the primary source for financing needed for the redevelopment of the property.

- iv. It was further noted that as with similar projects with other theaters that an agreement be made between the City and Everyman Theatre to ensure that the capital campaign achieve appropriate benchmarks to ensure appropriate funding is available for the project.
- v. The body was reminded that the exact recommendation will be made public after it has been made to the Mayor.

II.

- i. Paul Graziano made a motion to adjourn the BDC Board of Directors Meeting. Seconded by Armentha Cruise. Vote was unanimous.