


TJA

FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CITY COUNCIL BILL #14-0424 / AMENDING MARKET CENTER URBAN RENEWAL PLAN		

TO

DATE: September 5, 2014

The Honorable President and
 Members of the City Council
 City Hall, Room 400
 100 North Holliday Street

At its regular meeting of September 4, 2014, the Planning Commission considered City Council Bill #14-0424, for the purpose of amending the Urban Renewal Plan for Market Center to reauthorize the acquisition of properties within the Project Area, to clarify and correct certain language, to amend Appendix B to add a certain property, to revise an Exhibit Sheet to reflect a change in the Plan, and to extend the life of the Plan; waiving certain content and procedural requirements; making the provisions of this Ordinance severable; providing for the application of this Ordinance in conjunction with certain other ordinances; and providing for a special effective date..

In its consideration of this Bill, the Planning Commission reviewed the attached staff report which recommended approval of City Council Bill #14-0424 and adopted the following resolution; nine members being present (nine in favor).

RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bill #14-0424 be passed by the City Council.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.

TJS/WA

Attachment

- cc: Ms. Kaliop Parthemos, Chief of Staff
- Mr. Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
- Mr. Leon Pinkett, Assistant Deputy Mayor for Economic and Neighborhood Development
- Ms. Angela Gibson, Mayor's Office
- The Honorable Rochelle "Rikki" Spector, Council Rep. to Planning Commission
- Mr. David Tanner, BMZA
- Mr. Geoffrey Veale, Zoning Administration
- Ms. Sharon Daboin, DHCD
- Ms. Barbara Zektick, DOT
- Ms. Elena DiPietro, Law Dept.
- Ms. Melissa Krafchik, PABC
- Ms. Natawna Austin, Council Services
- Mr. Brian Greenan, BDC



Stephanie Rawlings-Blake
Mayor

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman

STAFF REPORT



Thomas J. Stosur
Director

September 4, 2014

REQUEST: City Council Bill #14-0424/Urban Renewal – Market Center – Amendment

For the purpose of amending the Urban Renewal Plan for Market Center to reauthorize the acquisition of properties within the Project Area, to clarify and correct certain language, to amend Appendix B to add a certain property, to revise an Exhibit Sheet to reflect a change in the Plan, and to extend the life of the Plan; waiving certain content and procedural requirements; making the provisions of this Ordinance severable; providing for the application of this Ordinance in conjunction with certain other ordinances; and providing for a special effective date.

RECOMMENDATION: Approval

STAFF: Alexandra Hoffman

COMPREHENSIVE PLANNER: Alexandra Hoffman (Downtown South District)

PETITIONER: The Administration (Baltimore Development Corporation)

OWNER(S): Multiple

SITE AREA

The Market Center Urban Renewal Plan area generally encompasses downtown west of Liberty Street, east of Martin Luther King, Jr. Boulevard, south of the Mount Vernon and Seton Hill historic districts, and north of Ridgely's Delight and the Inner Harbor (see Exhibit 1, attached). The Market Center Urban Renewal Plan includes the Lexington Market on the 100 block of North Eutaw Street, the south arcade of which is the subject of a portion of this legislation.

HISTORY

The Market Center Urban Renewal Plan (URP) was established by Ordinance Number 77-579, dated November 16, 1977. As written, the Market Center URP expires 40 years from the date of original adoption which is November 16, 2017. The Market Center URP was last amended by Ordinance Number 11-469 approved June 24, 2011 (Amendment 16). Among other actions, Amendment 16 reauthorized and expressly confirmed acquisition authority through December 31, 2014.

ANALYSIS

City Council Bill #14-0424 proposes the following four amendments to the Market Center URP which are summarized as follows:

1. Section D.1: Amended to expressly confirm that the authority to acquire the properties within the URP area is reauthorized through December 31, 2018.

In 2007, an amendment to the Maryland Annotated Code, Real Estate, Title 12 was made that requires an action for condemnation to be filed within four years of an authorization for acquisition. If that cannot be accomplished, then the authorization must be renewed:

§ 12-105.1. Condemnation action to acquire private property.

- (a) Time limitation.- Notwithstanding any other provision of law, the State or any of its instrumentalities or political subdivisions shall file an action to acquire private property for public use by condemnation within 4 years of the date of the specific administrative or legislative authorization to acquire the property.
- (b) New authorization.- If an action for condemnation is not filed within 4 years of the date described in subsection (a) of this section, the State or any of its instrumentalities or political subdivisions may not proceed with condemnation until it first obtains a new authorization to acquire the property. [2007, ch. 305]

The acquisition authority was last reauthorized as part of Amendment 16, approved on June 24, 2011. Although per Maryland Code the acquisition authority lasted until June 24, 2015, the URP expressly confirms that this authority exists through December 31, 2014. Since the four year window for acquisition authority is nearly complete, an amendment to the URP is necessary in order to reauthorize the URP's powers of acquisition and condemnation. With reauthorization, those acquisition actions may legally continue for an additional four year term from the date this bill is signed into law, although the bill as written only expressly confirms this authority through December 31, 2018.

2. Section I: Amended to change the period of effect for the URP from 40 years from the date of original adoption (November 16, 2017) to December 31, 2018, consistent with the period acquisition authority expressly confirmed under Section D.1.
3. Appendix B: Amended to add 130 North Eutaw Street to the list of Properties for Acquisition and Disposition for Rehabilitation or Redevelopment.

The property known as 130 North Eutaw Street is the south arcade of the Lexington Market. The exterior of the south arcade was built by the City in 1982 using revenue bonds. However, additional funds were required for tenant improvements. In 1984, rather than directly finance the tenant improvements, the City ground leased the land and transferred by conditional sales contract the existing improvements to a private investor, Arcade Limited Partnership. Arcade Limited Partnership then borrowed the money to fund the outstanding tenant improvements and leased the land and improvements back to the City. The City's rent payments were tied to the debt service on the loan obtained by Arcade Limited Partnership. In 1992, the City closed on the

conditional sales contract and conveyed the improvements to Arcade Limited Partnership by deed, subject to the leaseback to the City and the ground lease, which runs until 2044 at which time title to the land and improvements will revert to the City.

The original agreement grants to the City an option in 2014 to purchase the improvements back from Arcade Limited Partnership for fair market value as determined by three appraisals. On June 4, 2014, the Board of Estimates authorized the exercise of such purchase option. However, Arcade Limited Partnership contests the enforceability of the purchase option granted to the City in the original agreement. In order to assure that the City can complete the re-acquisition of this property as contemplated in the original documents, the City seeks acquisition authority for this property.

The purpose of the acquisition for 130 North Eutaw Street is to allow for the consolidation of ownership of all of the properties related to the Lexington Market ahead of a planned comprehensive update to the public market facilities at this location.

4. Exhibit 2: Replace with “Property Acquisition - Land Disposition”, dated August 11, 2014 (see Exhibit 1 to this Staff Report, attached) which adds 130 North Eutaw Street to the Market Center Property Acquisition/Land Disposition to reflect the proposed amendment to Appendix B.

CONFORMITY TO PLANS

City Council Bill #14-0424 is compatible with the Comprehensive Master Plan for Baltimore City, specifically:

LIVE

Goal 2: Elevate the Design and Quality of the City’s Built Environment

Objective 2: Strategically Redevelop Vacant Properties throughout the City

Objective 3: Promote Transit Oriented Development (TOD) and Mixed-use Development to Reinforce Neighborhood Centers and Main Streets

PLAY

Goal 1: Enhance the Enjoyment, Appreciation, and Stewardship of Baltimore’s Historical and Cultural Resources

Objective 1: Market, Develop, and Promote Visitor Attractions in Baltimore City

Objective 4: Strengthen Stewardship of Historical and Cultural Resources

Goal 2: Improve Nightlife, Entertainment, and Recreation Experiences for Residents and Visitors

Objective 2: Promote Unique Retail Venues as Shopping and Tourist Destinations

NOTICE PROCEDURE

Article 13, *Housing and Urban Renewal*, is the section of the City Code that outlines the processes for establishment of and amendments to URPs. For new URPs, or major changes, §2-6(d) outlines the notice procedures, and include postings within the neighborhood, and two newspaper notices (one per week for two weeks) prior to the first public hearing.

For amendments to URPs, under §2-6(g)(3) the amending bills are required to go through the same procedure as for adoption, that is, a City Council ordinance process. However, “If the Planning Commission determines that the proposed amendment is a technical correction or a minor modification that would not substantially affect the Plan or the size, use, or disposition of any property subject to the Plan, the proposed amendment need not be posted or advertised as otherwise required by subsection (d) of this section.”

It is staff’s finding that this bill constitutes a major change because it proposes to impact the duration of the URP and the disposition of a property subject to the URP. Therefore, it must meet the higher standard of community notification.

COMMUNITY NOTIFICATION

In addition to the notice procedure referenced above, staff provided written notice of today’s hearing to the following organizations and interested parties: the Market Center Merchants Association, the Mount Vernon-Belvedere Association, the Seton Hill Neighborhood Association, the Downtown Partnership of Baltimore, the West Side Renaissance Inc., and Arcade Limited Partnership, the owner of the improvements at 130 North Eutaw Street which is the sole privately-owned property to be added for acquisition authority.



Thomas J. Stosur
Director

Exhibit 1: Market Center Property Acquisition/Land Disposition

