

**CITY OF BALTIMORE
COUNCIL BILL 12-0066
(Resolution)**

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Introduced and read first time: April 23, 2012

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Baltimore Development Corporation, Planning Commission, Department of Housing and Community Development, Department of Transportation, Baltimore City Parking Authority Board, Board of Estimates

A RESOLUTION ENTITLED

1 A RESOLUTION OF THE MAYOR AND CITY COUNCIL concerning

2 **Payments in Lieu of Taxes – Ward 04, Section 10, Block 0620, Lots 4-51 -**
3 **“Lexington Square”**

4 FOR the purpose of authorizing an economic development project to be known as “Lexington
5 Square”, in order that the Board of Estimates of Baltimore City (the “Board”) may enter into
6 a Payment in Lieu of Taxes Agreement with Lexington Square Partners, LLC, its successors
7 or assigns (the “Developer”), for a project encompassing approximately (i) 296 residential
8 market rate rental units and (ii) a structured parking facility containing approximately 650
9 parking spaces and related improvements; generally relating to payments in lieu of taxes for
10 the Lexington Square development; and providing for a special effective date.

11 BY authority of
12 Article - Tax-Property
13 Section 7-504.3
14 Annotated Code of Maryland
15 (As enacted by Chapter 643, Acts of 1999)

16 **Recitals**

17 The Lexington Square Project (the “Project”) is proposed to include
18 approximately 296 market rate rental units and a related structured parking facility
19 containing approximately 650 parking spaces and related improvements to be
20 constructed on parcels of land known as Ward 04, Section 10, Block 0620, Lots 4-
21 51, generally bounded by West Fayette Street, North Howard Street, West
22 Lexington Street, and Park Avenue, in the Market Center Urban Renewal Area.

23 Section 7-504.3 of the State Tax-Property Article, as enacted by Chapter 643,
24 Acts of 1999, authorizes the Board, subject to certain findings by the Board and to
25 the enactment of an authorizing Resolution of the Mayor and City Council, to
26 negotiate a payment in lieu of taxes (a “PILOT”) for Baltimore City real property
27 taxes for major economic development projects that meet certain criteria.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 It is understood that the PILOT Agreement will require compliance with the
2 Minority and Women’s Business Enterprises (MBE/WBE) Program in the Project.

3 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That,
4 subject to the conditions specified in this Resolution, the Project is authorized for purposes of
5 allowing the Board to enter into a PILOT Agreement with Lexington Square Partners, LLC, its
6 successors or assigns, for the Project, in accordance with § 7-504.3(b)(3) of the Tax-Property
7 Article of the Annotated Code of Maryland.

8 **SECTION 2. AND BE IT FURTHER RESOLVED,** That this authorization is subject to the
9 condition that the Project not house or otherwise involve (i) gambling activities beyond that
10 allowed by law as of January 1, 1999, or (ii) activities related to any game not authorized by the
11 Maryland State Lottery.

12 **SECTION 3. AND BE IT FURTHER RESOLVED,** That this authorization is in the best interest of
13 the City and will achieve significant public benefits and purposes, including the encouragement
14 of the economic development of the City, including the use of resources and entrepreneurial
15 talents of the private sector to develop the Market Center Urban Renewal Area; the creation of
16 job opportunities; the promotion of “24/7” downtown living; and the general promotion and
17 improvement of the City and its facilities in order to foster and maintain the City and its image as
18 a positive environment for the growth of business and industry and the continuing well-being of
19 its residents, thereby encouraging the health, welfare, and safety of the citizens of the City.

20 **SECTION 4. AND BE IT FURTHER RESOLVED,** That this authorization is subject to the
21 following conditions:

22 (a) The PILOT Agreement for the Project shall be for a period of 20 years (the “PILOT
23 Term”) after the effective date specified in the PILOT Agreement.

24 (b) The negotiated payment in lieu of taxes for the Project shall be:

25 (i) for each year of the PILOT Term, the amount of the Baltimore City real property
26 taxes based on the existing assessments on the entire property comprising the
27 Project, or applicable component, as of July 1, 2012 (the “Base Taxes”); plus

28 (ii) for each year of the PILOT Term, a percentage of the Baltimore City real property
29 taxes that would otherwise have resulted from the increased assessment and
30 reassessment due to the construction of the Project or applicable components (the
31 “Increased Taxes”), with the percentages to be as follows:

32	Years 1 - 15	5% of the Increased Taxes
33	Year 16	20% of the Increased Taxes
34	Year 17	35% of the Increased Taxes
35	Year 18	50% of the Increased Taxes
36	Year 19	65% of the Increased Taxes
37	Year 20	80% of the Increased Taxes

38 **SECTION 5. AND BE IT FURTHER RESOLVED,** That this Resolution takes effect on the date it
39 is enacted.