



MEMORANDUM

STEPHANIE
RAWLINGS-BLAKE,
Mayor

PAUL T. GRAZIANO,
Executive Director, HABC
Commissioner, HCD

To: The Honorable President and Members of the Baltimore City Council
c/o Karen Randle, *Executive Secretary*

From: Paul T. Graziano, *Commissioner*

Date: June 1, 2012

Re: **City Council Bill 12-0066 (Resolution) – Payments in Lieu of Taxes – Ward 04, Section 10, Block 0620, Lots 4-51 – “Lexington Square”**

The Department of Housing and Community Development has reviewed City Council Bill 12-0066, which was introduced for the purpose of authorizing an economic development project to be known as “Lexington Square”, in order that the Board of Estimates of Baltimore City (the “Board”) may enter into a Payment in Lieu of Taxes Agreement with Lexington Square Partners, LLC, its successors or assigns (the “Developer”), for a project encompassing approximately (i) 296 residential market rate rental units and (ii) a structured parking facility containing approximately 650 parking spaces and related improvements; generally relating to payments in lieu of taxes for the Lexington Square development; and providing for a special effective date.

This resolution of the Mayor and City Council would authorize a payment in lieu of taxes (“PILOT”) for an economic development project known as “Lexington Square,” a \$152.7 million project comprised of 296 market rate housing units, a 650 space parking garage and 217,444 square feet of retail. The PILOT is required to close the gap between the rent that the developer can earn and the cost of the project. The redevelopment of this city-owned site will bring new residents to the City and create jobs for city residents in the portion of the City of Baltimore known as the Westside, while preserving several historic buildings and increasing the housing mix in the neighborhood.

The Department of Housing and Community Development supports the adoption of City Council Bill 12-0066.

PTG:nb

cc: Ms. Angela Gibson, *Mayor’s Office of Government Relations*
Ms. Kaliopé Parthemos, *Deputy Mayor*

