

MEMORANDUM

TO: Honorable President and Members of the City Council
c/o Karen Randle, Executive Secretary
409 City Hall

FROM: M. J. Brodie, President *M. J. Brodie*
Baltimore Development Corporation

DATE: May 7, 2012

SUBJECT: City Council Bill 12-0066
A Resolution concerning Payments in Lieu of Taxes – Lexington Square

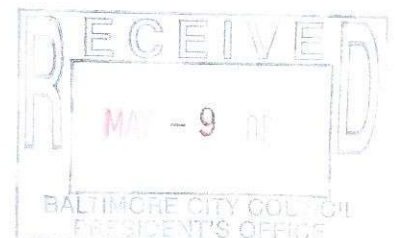
This office has been asked to comment on City Council Bill 12-0066, a resolution authorizing a Payment In Lieu Of Taxes (PILOT) for an economic development project known as Lexington Square.

Since 2007, BDC has been diligently working with Lexington Square Partners, LLC (the “Developer”) to implement the mixed-use project comprised of historic preservation and new construction of 296-market rate residential rental units, 217,444 square feet of retail space and a 650-space parking garage located in the Market Center Urban Renewal Area.

The proposed PILOT will continue the redevelopment efforts in the Westside Initiative area. The PILOT will also assist in closing the gap between the development cost and what the market will support in housing rental rates in the area. The Developer will pay the base taxes which will be set based on the current assessment of the property and receive tax relief only on the incremental assessment for the residential and garage component of the project. The existing properties are all owned by the Mayor and City Council of Baltimore and currently generate no property taxes. This development project is estimated to generate \$1.5 million in payroll and other taxes during the construction for Baltimore City and \$1.3 million after completion. This project will bring approximately 444 residents to the downtown area and will have over 650 retail jobs of which over 50% will be new residents and jobs to the City.

Approval by the City Council of this resolution is essential to the continued success of the City’s economic development initiatives for the Westside. BDC strongly supports the passage of City Council Bill 12-0066.

cc: Arlisa W. Anderson, BDC
Kathy Robertson, BDC
Irene E. Van Sant, BDC



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