

**CITY OF BALTIMORE
COUNCIL BILL 08-0150
(Resolution)**

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: July 21, 2008
Withdrawn: July 21, 2008

A RESOLUTION ENTITLED

1 A RESOLUTION OF THE MAYOR AND CITY COUNCIL concerning

2 **Payments in Lieu of Taxes – Ward 04, Section 11, Block 661,**
3 **Lot #2/3, 4, 5, 6, 7, 10, 11, 26 - “Lombard and Calvert Street Properties”**

4 FOR the purpose of authorizing an economic development project to be known as “City Center”,
5 in order that the Board of Estimates may enter into a Payment in Lieu of Taxes (PILOT)
6 Agreement (the “Agreement”) with Center City, LLC, its successors or assigns (“Owner”)
7 covering a portion of the Owner’s property consisting of (i) approximately 150 residential
8 units, (ii) approximately 20,000 square feet of commercial space, and (iii) a structured
9 parking facility containing up to approximately 300 parking spaces; generally relating to
10 payments in lieu of taxes for the City Center development; and providing for a special
11 effective date.

12 By Authority of
13 Article – Tax – Property
14 Section 7-504.3
15 Annotated Code of Maryland
16 (As enacted by Chapter 643, Acts of 1999)

17 **Recitals**

18 The properties known as “Ward 04, Section 11, Block 661, Lots 2/3, 4, 5, 6, 7, 10,
19 11, 26 Baltimore, Maryland” are to be consolidated into one lot, to be known as
20 “Lot 2”, which will be subjected to a condominium regime that will contain 5
21 units: “Unit 1”, “Unit 2”, “Unit 3”, “Unit 4”, and “Unit 5”. Included within the
22 uses in Unit 1 are approximately 150 residential apartments (the “Apartments”);
23 included within the uses in Unit 2 is approximately 20,000 square feet of
24 commercial space (the “Commercial Space”); included within the uses in Unit 3
25 is a structured parking facility containing up to 300 parking spaces (the
26 “Garage”); included within Unit 4 is a hotel containing approximately 125 keys
27 (“Hotel 1”); and included within Unit 5 is a hotel containing approximately 175
28 keys (“Hotel 2”). The Apartments, the Commercial Space, the Garage, Hotel 1,
29 and Hotel 2 are collectively referred to as the “Improvements”. The PILOT does
30 not apply to Unit 4 or Unit 5. These properties are located in the Central Business
31 District Urban Renewal Area.

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

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1 Section 7-504.3 of the State Tax-Property Article, as enacted by Chapter 643,
2 Acts of 1999, authorizes the Board of Estimates of Baltimore City, subject to
3 certain findings by the Board and to the enactment of an authorizing Resolution of
4 the Mayor and City Council, to negotiate a payment in lieu of taxes for major
5 economic development projects that meet certain criteria.

6 It is understood that the PILOT Agreement for the Improvements will include at
7 least the minimum provisions required by law for minority and women
8 participation in this economic development project.

9 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That,
10 subject to the conditions specified in this Resolution, the Improvements are authorized for
11 purposes of allowing the Board of Estimates to enter into a PILOT Agreement with City Center,
12 LLC, its successors or assigns, for the Improvements, in accordance with Section 7-504.3(b) (3)
13 of the State Tax – Property Article.

14 **SECTION 2. AND BE IT FURTHER RESOLVED,** That this authorization is subject to the
15 condition that the Improvements not house or otherwise involve (i) gambling activities beyond
16 that allowed by law as of January 1, 2008, or (ii) related to any game not authorized by the
17 Maryland State Lottery.

18 **SECTION 3. AND BE IT FURTHER RESOLVED,** That this authorization is in the best interest of
19 the City and will achieve significant public benefits and purposes, including the encouragement
20 of the economic development of the City, including (i) the use of resources and entrepreneurial
21 talents of the private sector to develop the Central Business District Renewal Area, (ii) the
22 creation of job opportunities, and (iii) the general promotion and improvement of the City and its
23 facilities in order to foster and maintain the City and its image as a positive environment for the
24 growth of business and industry and the continuing well-being of its residents, thereby further
25 encouraging the health, welfare, and safety of the citizens of the City.

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

28 (a) The PILOT Agreement for the Improvements shall be for a period of 20 years after
29 the effective date specified in the PILOT Agreement;

30 (b) The negotiated payment in lieu of taxes for the Improvements shall be:

31 (i) The amount of the existing taxes on that portion of the land comprising Lot 2
32 that is allocable to Unit 1, Unit 2 and Unit 3 as of January 1, 2009, plus;

33 (ii) Payment in years 1-10 equal to 5% of the incremental real estate taxes as
34 determined by the State Department of Assessments and Taxation (“SDAT”)
35 based on the information and assessments provided in SDAT’s worksheets for
36 the Improvements;

37 (iii) Payment in years 11-15 equal to 7.5% of the incremental real estate taxes as
38 determined by SDAT based on the information and assessments provided in
39 SDAT's worksheets for the Improvements;

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- 1 (iv) Payment in year 16 equal to 25% of the incremental real estate taxes as
2 determined by SDAT based on the information and assessments provided in
3 SDAT's worksheets for the Improvements;
 - 4 (v) Payment in year 17 equal to 40% of the incremental real estate taxes as
5 determined by SDAT based on the information and assessments provided in
6 SDAT's worksheets for the Improvements;
 - 7 (vi) Payment in year 18 equal to 55% of the incremental real estate taxes as
8 determined by SDAT based on the information and assessments provided in
9 SDAT's worksheets for the Improvements;
 - 10 (vii) Payment in year 19 equal to 70% of the incremental real estate taxes as
11 determined by SDAT based on the information and assessments provided in
12 SDAT's worksheets for the Improvements;
 - 13 (viii) Payment in year 20 equal to 85% of the incremental real estate taxes as
14 determined SDAT based on the information and assessments provided in
15 SDAT's worksheets for the Improvements.
- 16 (c) The PILOT shall only be for Unit 1, Unit 2, and Unit 3 and shall not apply to any
17 other part of the development on Lot 2.

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