

**CITY OF BALTIMORE  
COUNCIL BILL 07-0700  
(Resolution)**

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Introduced by: The Council President  
At the request of: The Administration (Baltimore Development Corporation)  
Introduced and read first time: June 4, 2007  
Assigned to: Taxation and Finance Committee

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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

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A RESOLUTION ENTITLED

1 A RESOLUTION OF THE MAYOR AND CITY COUNCIL concerning

2 **Payments in Lieu of Taxes – Ward 03, Section 06**  
3 **Block 1800, Lot #0001**  
4 **“701 Aliceanna Street”**

5 FOR the purpose of authorizing an economic development project to be known as “701  
6 Aliceanna Street”, in order that the Board of Estimates of Baltimore City (the “Board”) may  
7 enter into a Payment in Lieu of Taxes Agreement with Harbor East Parcel D-Acquisition,  
8 LLC, its successors or assigns (the “Owner”) covering a portion of the Owner’s property,  
9 consisting of (i) office space consisting of approximately 500,000 rentable square feet, and  
10 (ii) a structured parking facility containing approximately 1,200 parking spaces and related  
11 improvements; generally relating to payments in lieu of taxes for the 701 Aliceanna Street  
12 development; and providing for a special effective date.

13 BY authority of  
14 Article - Tax - Property  
15 Section 7-504.3  
16 Annotated Code of Maryland

17 **Recitals**

18 The Owner is the owner of Parcel D that is described on a Plat titled “Resubdivision of  
19 Parcels B, D, and P - Inner Harbor East II” recorded in the Land Records of Baltimore City  
20 in Plat Records F.M.C. No. 3718. The Owner intends to develop on Parcel D a mixed use  
21 development that will include a hotel, residential condominiums, office space, retail space,  
22 and a garage (the “Project”). The office portion of the Project will contain approximately  
23 500,000 net rentable square feet (the “Office Space”) in a single building (the “Office  
24 Building”), and the garage facility will contain approximately 1,200 parking spaces and  
25 related improvements (the “Garage”).

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, Acts of 1999,  
2 authorizes the Board, subject to certain findings by the Board and to the enactment of an  
3 authorizing Resolution of the Mayor and City Council, to negotiate a payment in lieu of taxes  
4 (a “PILOT”) for major economic development projects that meet certain criteria.

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

7 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That,  
8 subject to the conditions specified in this Resolution, the Project is authorized for purposes of  
9 allowing the Board to enter into a PILOT Agreement with Harbor East Parcel D-Acquisition.  
10 LLC, its successors or assigns, for the Office Space and the Garage, in accordance with § 7.504.3  
11 (b)(3) of the Tax-Property Article of the Annotated Code of Maryland.

12 **SECTION 2. AND BE IT FURTHER RESOLVED,** That this authorization is subject to the  
13 condition that the Project not house or otherwise involve (i) gambling activities beyond that  
14 allowed by law as of January 1, 1999, or (ii) activities related to any game not authorized by the  
15 Maryland State Lottery, and is further contingent on the Owner entering a lease with a single  
16 commercial office tenant for a minimum of 300,000 square feet, which tenant previously leased  
17 office space in the City.

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, (i) including the  
20 encouragement of the economic development of the City, including the use of resources and  
21 entrepreneurial talents of the private sector to develop the Inner Harbor East Urban Renewal  
22 Area, of which Parcel D is a part, (ii) the creation of job opportunities, and (iii) the general  
23 promotion and improvement of the City and its facilities in order to foster and maintain the City  
24 and its image as a positive environment for the growth of business and industry and the  
25 continuing well-being of its residents, thereby further encouraging the health, welfare, and safety  
26 of the citizens of the City.

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

- 29 (a) The PILOT Agreement for the Office Space shall be for a period of 15 years after the  
30 effective date specified in the PILOT Agreement.
- 31 (b) The PILOT Agreement for the Garage shall be for a period of 25 years after the  
32 effective date specified in the PILOT Agreement.
- 33 (c) The negotiated payment in lieu of taxes for the Office Space and the Garage shall  
34 include: (i) the amount of the existing taxes on the land comprising the Office Space  
35 and the Garage portions of Parcel D (as reasonably determined by the Owner and the  
36 State Department of Assessments based on a reasonable allocation method) as of the  
37 earlier of (A) July 1, 2008, or (B) July 1<sup>st</sup> of the tax year during which Parcel D is  
38 divided into separate tax parcels; plus (ii) 5% of the incremental taxes due resulting  
39 from the construction of the Office Building for the period of 15 years after the  
40 effective date as specified in the PILOT Agreement; plus (iii) 5% of the incremental  
41 taxes due resulting from the construction of the Garage improvements, for the period  
42 of 25 years after the effective date as specified in the PILOT Agreement.

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1 (d) The PILOT shall only be for the Office Space and the Garage and shall not apply to  
2 any other part of the development on Parcel D.

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