


<b>FROM</b>	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR	CITY of <b>BALTIMORE</b>  <b>MEMO</b>	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 417 E. FAYETTE STREET, 8 <sup>th</sup> FLOOR		
	SUBJECT	CITY COUNCIL BILL #12- 0085/NORTH LOCUST POINT DEVELOPMENT DISTRICT-AMENDING ORDINANCE 03-642, AS AMENDED BY ORDINANCE 11-533		

DATE:

**TO**

The Honorable President and  
Members of the City Council  
City Hall, Room 400  
100 N. Holliday Street

June 22, 2012

At its regular meeting of June 21, 2012, the Planning Commission considered City Council Bill #12-0085, for the purpose of adding and modifying certain definitions; enlarging the boundaries of the development district; adding new 2012 Exhibit A and revising Exhibit 1 to include additional properties; providing for a special effective date; and making the provisions of this Ordinance severable.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended approval of City Council Bill #12-0085 and adopted the following resolution; seven members being present (seven in favor).

**RESOLVED**, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bill #12-0085 be passed by the City Council.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.

TJS/WA

Attachment

- cc: Ms. Kaliop Parthemos, Deputy Chief for Economic and Neighborhood Development  
Mr. Alex Sanchez, Chief of Staff  
Ms. Angela Gibson, Mayor's Office  
The Honorable Rochelle "Rikki" Spector, Council Rep. to Planning Commission  
Mr. David Tanner, BMZA  
Mr. Geoffrey Veale, Zoning Administration  
Mr. Nicholas Blendy, DHCD  
Ms. Barbara Zektick, DOT  
Ms. Elena DiPietro, Law Dept.  
Ms. Karen Randle, Council Services  
Ms. Kim Clark, Baltimore Development Corporation



*Stephanie Rawlings-  
Blake  
Mayor*

## PLANNING COMMISSION

*Wilbur E. "Bill" Cunningham, Chairman*

### STAFF REPORT



*Thomas J. Stosur  
Director*

**June 21, 2011**

#### REQUESTS:

- City Council Bill #12-0085/ North Locust Point Development District – Amending Ordinance 03-642, as Amended by Ordinance 11-533  
For the purpose of adding and modifying certain definitions; enlarging the boundaries of the development district; adding new 2012 Exhibit A and revising Exhibit 1 to include additional properties; providing for a special effective date; and making the provisions of this Ordinance severable.
- City Council Bill #12-0086/ Tide Point Special Taxing District  
For the purpose of designating a “special taxing district” to be known as the “Tide Point Special Taxing District”; providing for and determining various matters in connection with the establishment of the special taxing district; creating a special fund for the special taxing district; providing for the levy of a special tax on all taxable real and personal property located in the special taxing district; providing for a special effective date; and generally providing for matters relating to the designation and operation of the special taxing district, the establishment and use of the special fund, the issuance and payment of bonds issued in connection with the special taxing district, the replenishment of any reserve fund, and the payment of certain expenses and administrative costs related to the operation of the special taxing district.
- City Council Bill #12-0087/ Tide Point Special Obligation Bonds  
For the purpose of providing for the issuance of special obligation bonds or notes in an amount not exceeding \$35,000,000 for the purpose of financing public and other infrastructure improvements; providing for the method and sources of payment for these special obligation bonds or notes; authorizing the Board of Finance to specify, prescribe, determine, provide for and approve the details, forms, documents or procedures in connection with the special obligation bonds or notes and any other matters necessary or desirable in connection with the authorization, issuance, sale and payment of these special obligation bonds or notes; providing for a special effective date; and generally relating to the issuance and payment of special obligation bonds or notes.

#### RECOMMENDATIONS:

- City Council Bill #12-0085: Approval
- City Council Bill #12-0086: Approval
- City Council Bill #12-0087: Approval

**STAFF:** Anthony Cataldo

**PETITIONER:** Administration (Baltimore Development Corporation)

**OWNERS:** Under Armour and Fidelco

### **SITE/GENERAL AREA**

Site Conditions: The existing North Locust Point Development District is basically the boundaries of the Under Armour Headquarters Office Complex. The current Under Armour Planned Unit Development (PUD) is comprised of approximately 24.647 acres in Locust Point. The existing Under Armour complex consists of four (4), three (3) level and one (1), four (4) level brick office buildings totaling approximately 400,000 square feet which were formerly used by Proctor & Gamble for the production of detergents. The area is bounded, going counterclockwise, by shoreline to the north, CSX ROW to the east, Beason Street to the south, Haubert and Hull Street to the east and a series of three (3) triangular lots that extend from the intersection of Hull Street and Key Highway East, moving in a south-easterly direction approximately 900 feet along the CSX ROW.

The properties to be added to the North Locust Point Development District are the CSX Right-of-Way along Key Highway East that is currently used by the Tide Point campus for parking, E. Fort Avenue Right-of-Way extending from Lawrence St. to the entrance of Fort McHenry, a portion of Right-of-way at the intersection of E. McComas St. and Key Highway, Latrobe Park, the Right-Of-Way of Hull St. extending from Key Highway East to the waterfront, public and private property and Right-of-way in the location of the proposed greenway trail extending from Hull St. to E. Fort Ave., and a portion of the existing State-Owned parcel immediately east of the Under Armour Campus, 2300 E. Fort Ave, Block 2024 Lot 007 as shown.

General Area: Locust Point is located on the South Baltimore peninsula, which terminates with Fort McHenry at its eastern tip. Under Armour Headquarters PUD is located in the Locust Point neighborhood. There are industrial uses on the waterside of the peninsula that take advantage of the deep harbor access. The area consists of heavy industrial, office, and residential uses. Domino Sugars is located to the west adjacent to the Under Armour office complex. To the east of Hull Street are storage tanks, operation buildings and storage tanks, CSX Railroad right-of-way and Pier #10 across Hull Street (zoned M-3 & M-2-2). South of the complex is CSX rights-of-way, two and three story row houses, and neighborhood commercial establishments in the Locust Point community. The Silo Point development is within the community to the southeast of this site.

### **HISTORY**

- Ordinance #03-642, approved December 22, 2003, established the North Locust Point Development District.
- The Planning Commission adopted the Locust Point Comprehensive Plan in June 2004.
- Ordinance #09-103, approved January 28, 2009, established the current Tide Point Planned Unit Development.
- On September 24, 2009, the Planning Commission gave Final Design Approval for the Tide Point Signage Master Plan as well as approval for the Final Subdivision and Development Plan for 1450 Beason Street.

- On August 5, 2010, the Planning Commission gave Revised Final Design Approval for the Under Armour Innovation Center Façade Improvements.
- On October 7, 2010, the Planning Commission gave Final Design Approval for the Daycare Center Playground at Tide Point.
- On November 22, 2011, Ordinance #11-553 which amended the boundary of the North Locust Point Development District was enacted.

## **CONFORMITY TO PLANS**

The action is consistent with Baltimore City’s Comprehensive Master Plan, specifically EARN Goal 1 Strengthen Identified Growth Sectors, Objective 1: Retain and Attract Businesses in all Growth Sectors. The request is also in conformity with the Locust Point Community Plan.

### ***Background on Under Armour Headquarters PUD, formerly Tide Point***

Located in Locust Point, a neighborhood rich in character and history, Struever Bros. Eccles & Rouse, Inc. (SBER) transformed the former Procter & Gamble soap factory, circa 1929, into Tide Point, a 15-acre, 400,000 square foot corporate office campus. The five building site features fully renovated Class A office complex. In revitalizing the property SBER preserved the buildings’ heritage and original façade. There are several on site amenities that make up Tide Point. Tide Point Day Care Center is a 22,000 square foot daycare center for children six weeks to five years of age. Tide Point Athletic Club is a fully-appointed corporate fitness center. Tide Point also has Waterfront Park which is part of Baltimore’s public promenade.

Under Armour anticipates a significant expansion of its operations at its Tide Point headquarters. The recently-approved PUD amendment allows the company to add 25,000 square feet (sf) of retail and 450,000 sf of office space for growth. Under Armour anticipates expansion in three phases over the next nine years. The first phase would be development of a building on the western edge of Tide Point that would have a 25,000 sf Under Armour flagship store and 55,000 sf of office space. This building is expected to break ground in 2013. The second phase of expansion would be the expansion of the Tide Point campus by adding office space on top of three existing buildings. The final phase would be the demolition of the Tide building and development of the High Tide building, which would be a 255,000 sf office building on the eastern edge of Tide Point. This expansion is necessary to accommodate the company’s rapid growth. The company currently has 1,176 employees. With Under Armour’s planned growth in the current development district, the company projects adding more than 1,600 employees in the next ten years.

## **ANALYSIS**

### ***Purpose***

City Council Bill (CCB) #12-0085 will expand upon the development district known as the “North Locust Point Development District.” CCB #12-0086 will create a special taxing district to be known as the “Tide Point Special Taxing District.” CCB #12-0087 will authorize the City to pledge the required funding not to exceed \$35 Million.

Initiated at the request of Under Armour, City Council Bill 12-0085 proposes an expansion of the North Locust Point Development District so that the increment of property taxes created by redevelopment of the existing structures and new structures may be captured. The tax increment would then be used in a Tax Increment Financing (“TIF”) to finance future public improvements within the Locust Point Community and connecting the Tide Point area to Fort McHenry. These improvements will not only create value for the Locust Point community, but will help retain Under Armour’s headquarters in the City of Baltimore. Under the TIF, the City will issue special obligation bonds and pledge the local real property tax increments generated by the redevelopment of the North Locust Point properties as the repayment source for the bonds; the TIF bonds will not constitute a general obligation or other debt of the City of Baltimore or a pledge of the City’s “full faith and credit” or taxing power.

***Potential Improvements***

Since purchasing Tide Point earlier in 2011, Under Armour has worked with the Locust Point residential community and adjacent land owners such as CSX and Pat Turner of Silo Point on developing various public improvements, assisting the Locust Point area to continue to be a vibrant community in which to live and work. The improvements to be completed with the proposed \$35 million TIF include:

Development of a New Linear Park (“Fort McHenry Trail”) – A linear park would be developed along the CSX tracks and would connect the Tide Point area and Fort McHenry. This one-mile-long trail would benefit all residents of Locust Point. The park would be a primary feature of the neighborhood, as future Baltimore Marathons would be re-routed to utilize the park rather than affecting local roads; also, it would be highlighted as Baltimore and the State of Maryland prepare for Bicentennial celebrations of the Battle of Baltimore and the War of 1812.

Street Improvements – Improvements would be made to Hull Street, Haubert Street, and Fort Avenue. These include resurfacing, sidewalk improvements, landscaping, and the installation of brick pavers, benches, and trash receptacles.

Parking Lot Improvements – Improvements would be made to a parking lot along Key Highway to the southwest of Tide Point and to a parking lot along the CSX tracks to the southeast of Tide Point. These include the paving of existing gravel areas.

Key Highway/McComas Street Intersection Improvements – This intersection is a main gateway into Locust Point, as well as downtown Baltimore. Improvements include the installation of lighting, landscaping, painting, and incorporating a mural.

Improvements in Bulkhead at Tide Point – Improvements would be made in the bulkhead along Tide Point to allow tall ships to temporarily dock at the project. This will become an attraction particularly when the Bicentennial celebrations of the Battle of Baltimore and the War of 1812 occur starting in June 2012.

Latrobe Park Improvements – Improvements to this Locust Point amenity include improvements to the recreation center and associated playing fields and installing benches and lighting.

State-of-the-Art Athletic Fields and Park – The parcel immediately east of Tide Point is currently State-owned property. There is potential for this space to become a state-of-the-art athletic complex that Under Armour would use for testing and R&D. The facility would be open to the public and would serve as an amenity for the entire community.

### *Summary of Economic Benefits*

#### **Economic Benefits: Jobs and Incremental Taxes**

- Retains approximately 1,176 jobs
- Adds approximately 1,600 jobs
- Continues attraction of well-paid young professional residents

#### **Other Factors:**

- **Company Retention.** Under Armour expects to add more than 600 jobs in the next four years. Of the company's current employee base, 88% live in Baltimore City and 28% own a home in Baltimore City.
- **Retaining a Valuable Headquarters Operation.** With the recent acquisition of Constellation Energy by Exelon, the retention of Under Armour's headquarters has extra importance for Baltimore City.

In advance of today's hearing, staff has notified Locust Point Civic Association, Inc., the Maryland Port Administration, Domino Sugars and the Fort McHenry Business Association of this action.



**Thomas J. Stosur**  
**Director**