


F R O M	Name & Title	Walter Horton Real Estate Officer <i>Walter Horton</i>	CITY OF BALTIMORE MEMO	
	Agency Name & Address	Department of Real Estate 304 City Hall		
	Subject	City Council Bill 010-0625 Sale of Property- 1600 Guilford Avenue		

To: Honorable President and Members
of the City Council
c/o Karen Randle
Mayor's Legislative Liaison to the City Council
400 City Hall

Date: January 16, 2011

As requested, we have reviewed the subject bill, which, if approved, would authorize the Mayor and City Council to sell, at either public or private sale, all its interest in certain property known as 1600 Guilford Avenue, (Block 0429, lot 023), which is no longer needed for public use, and providing for a special effective date. The proposed bill also stipulates that no deed may pass under this ordinance unless the deed has been approved by the City Solicitor.

The subject property located in the Greenmount West neighborhood is the former Mildred Monroe Elementary School that contains approximately 1.71 acres, of land and is improved with two structures, totaling 54,952 square feet of building area according to SDAT information.

On March 11, 2009 the Board of Estimates approved a lease for one of the two existing buildings, to Baltimore Montessori, Inc. (BMI) for use as the Baltimore Montessori Public Charter School #336. The original term of the lease began on May 1, 2008, and ends on July 31, 2018, with four (4), five year (5-year) renewal options. BMI agreed to pay an initial monthly rent of \$2,000, subject to an annual increase of 3% each year. The lease granted BMI an option to purchase the leased premises at any time during the original or renewal terms for the option price of \$700,000. The purchase of the property was subject to a minimum \$100,000 down payment and included the option of a Purchase Money Mortgage at 4% for 20 years, with the City as lender for the balance. On May 19, 2010, the Board of Estimated approved the First Amendment to the Lease Agreement which added the remaining building located on the property known as 1634 Guilford Avenue, increased the monthly rent to \$2,471 per month with a 3% increase each year, included this parcel in purchase option keeping the original \$700,000 purchase price in place and all rent paid for the two buildings will be credited towards the purchase price

BMI is planning to renovate the two buildings, with a budget of approximately \$1.84 million, this rehabilitation will also allow BMI to expand their educational program, eliminate neighborhood blight, return of the property to a productive use, and potentially stimulate other investment into the Greenmount West community.

The Department of Real Estate has no objections to the passage to City Council Bill 010-0625, which is to take effect on the date it is enacted.

MFS, Jr.
cc: Angela Gibson

