

F R O M	NAME & TITLE	Khalil A. Zaied, Director	CITY of BALTIMORE	M E M O	
	AGENCY NAME & ADDRESS	Department of Transportation 417 East Fayette Street, Room 527			
	SUBJECT	City Council Bill 10-0581			

TO

The Honorable President and Members
of the City Council
c/o Karen Randle
Room 400 City Hall

September 16, 2010

I am herein reporting on City Council Bill #10-0581.

The purpose of the Bill is to condemn and close Newgate Avenue, extending from New Vail Street, Easterly 1,510.0 feet, more or less to Vail Street, and Vail Street, extending from Newgate Avenue, Northerly 825.0 feet, more or less, as shown on Plat 2174-A-130 in the Office of the Department of General Services.

As the Department of General Services explains in its agency report, the City of Baltimore and the Maryland Port Administration (MPA) agreed in 1988 to close a portion of Vail Street and Newgate Avenue, in conjunction with the operation of the Seagirt Marine Terminal, an intermodal container transfer facility. City Council Bill 10-0581, if approved, would close these portions of rights-of-way to public use and companion legislation City Council Bill 10-0582 would authorize their sale.

On January 12, 2010, MPA executed and commenced a 50-year Lease and Concession Agreement with private company Ports America Chesapeake (PAC) for PAC to operate the Seagirt Marine Terminal and fund the costs of installing new cranes and building a 50-foot birth. The Panama Canal is scheduled to complete expansion in 2014, providing larger ships with all-water access to East Coast ports and making freight shipments to the East Coast more time- and cost-efficient. The agreement enables MPA to accommodate these larger ships. The State projects that the agreement will provide 5,700 new jobs to the Baltimore area, and generate \$1.3 billion for the state over 50 years and nearly \$16 million in new taxes per year.

Under the Lease and Concession Agreement, MPA has until January 12, 2011 to obtain ownership of Newgate Avenue and Vail Street. If MPA does not purchase these streets by this deadline, PAC can invoke an Adverse Action clause in the Agreement, jeopardizing the entire public-private partnership and returns it will provide the Baltimore region.

Based on these findings, the Department of Transportation supports the timely passage of City Council Bill 10-0581.

Respectfully,

Frank Murphy

FOR Khalil A. Zaied
Director

KAZ/BZ

Cc: Ms. Angela C. Gibson
Mr. Jamie Kendrick
Mr. Frank Murphy

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