


FROM	NAME & TITLE	Harry E. Black, Finance Director HB	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 454, City Hall (396-4940)		
	SUBJECT	City Council Bill No.12-0066 PILOT for Lexington Apartments		

TO Honorable President and
 Members of the City Council
 C/O Karen Randle
 Room 409, City Hall

DATE: July 11, 2012

This bill authorizes the Board of Estimates of Baltimore City to enter into a Payment in Lieu of Taxes Agreement with Lexington Square Partners, LLC, its successors or assigns, for a project encompassing approximately (i) 296 residential market rate rental units and (ii) a structured parking facility containing approximately 650 parking spaces and related improvements; generally relating to payments in lieu of taxes for the Lexington Square development; and providing for a special effective date.

Fiscal Impact

The PILOT will provide 296 market rate apartments in the City along with a 650 car parking garage. Based on estimates by the Baltimore Development Corporation, these structures will increase City revenues in the form of parking, income and energy taxes.

The Finance Department has reviewed BDC's financial projections for the Lexington Square SuperBlock Project. The review included pre-construction, construction and post-construction projections. The Finance Department supports the methodology and models used to support the project.

The Superblock project is expected to generate substantial new revenues for the City. In total, it is expected to generate a revenue stream in excess of \$48M over the 20 year period of the PILOT for the apartments and related garage structures. Annual revenue streams are estimated at \$2.45M per year.

Recommendation

The Finance Department supports the SuperBlock project. When completed, it is expected to be one of the cornerstones of the Downtown redevelopment efforts.

The Finance Department supports the Superblock project as a means to bolster the City's tax base.

The Finance Department supports City Council Bill 12-0066.

CC: Henry Raymond
 William Voorhees
 Angela Gibson

