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| FROM | NAME & TITLE | Robert Cename, Deputy Finance Director | CITY of BALTIMORE MEMO |  |
| | AGENCY NAME & ADDRESS | Department of Finance Room 432, City Hall | | |
| | SUBJECT | City Council Bill 22-0123R – Informational Hearing – EBDI Audit | | |

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

September 6, 2023

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 22-0126R, Informational Hearing-East Baltimore Development Incorporated Audit, the purpose of which is to brief the Council on the status of the ongoing revitalization of an 88-acre portion of East Baltimore and the upcoming forensic audit of EBDI, including considerations for auditor selection, community involvement, and clarification of financial outlay.

Background

East Baltimore Development Inc. (EBDI) was formed in 2002 as a non-profit corporation, recognized under Section 501 (c)(3) of the Internal Revenue Code, at the request of the Mayor, Johns Hopkins University, and others to lead a public/private partnership in the revitalization of East Baltimore by combining new-job producing business activities with mixed-incoming housing.

Pursuant to Ordinance 07-539, enacted on November 8, 2007, the City is authorized to issue \$85,000,000 in special obligation bonds to finance and refinance acquisition of property, relocation of business and/or resident, site removal, and public infrastructure. The City has pledged the incremental property taxes as payment for the debt service. If the available revenues are insufficient to pay the debt service, a special tax will be levied and paid by the property owners.

The table below shows the aggregate bonds issued in the district.

| Series | Issue | Maturity | Principal | Principal |
|--------------|-----------|-----------|----------------------|----------------------|
| | Date | | Issue | Outstanding |
| 2008C-1 | 5/22/2009 | 9/1/2038 | \$ 10,680,000 | \$ 8,005,000 |
| 2017A | 6/4/2017 | 9/1/2038 | 42,965,000 | 42,965,000 |
| 2017B | 6/4/2017 | 9/1/2038 | 4,720,000 | 2,960,000 |
| 2009D-1 | 9/15/2009 | 9/15/2039 | 11,870,000 | 11,593,000 |
| 2009D-2 | 2/15/2009 | 9/15/2039 | 11,725,000 | 11,454,000 |
| Total | | | \$ 81,960,000 | \$ 76,977,000 |

The East Baltimore Research Park is expected to include approximately 2,100 mixed income housing units, 1.1 million square feet of life science technology space, 400,000 square feet of office and retail space, parking, and a seven-acre campus with a pre-kindergarten to eighth-grade school. The State of Maryland

has been asked to develop a new MARC train station at the northwest corner of the development area. The entire East Baltimore Research Park is expected to generate \$1.8 billion of investment in the community.

While the entire development program is expected to take several years to complete, there are two main phases of development: (i) the first approximately 31 acres of the East Baltimore Research Park primarily within the boundaries of the Special Tax District (the "Special Tax District Phase"), and (ii) the remaining approximately 57 acres, which is to take place primarily within the boundaries of the Phase II-B Subdistrict (the "Future Phase"). On August 25, 2014, the Mayor and City Council of Baltimore approved amendments to the Planned Unit Development Ordinance and Master Plan for the EBDI project area. These changes essentially retain the aggregate development scale (residential unit counts and commercial square footage) of the original TIF District while moving certain land uses within the District boundaries, reallocating residential densities among certain residential parcels, and expanding the footprint of the proposed public park. Additionally, one commercial parcel previously designed for Life-Sciences office/lab development has been re-designated for Hotel and Retail development.

Fiscal Impact

The Department of Finance does not anticipate a cost for the City as a result of this legislation.

Conclusion

Finance supports the intent of this legislation to understand the status and the resources used towards the revitalization of the community in East Baltimore.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 22-0123R.

cc: Michael Moiseyev
Nina Themelis