



Legislation Text

File #: 16-0700, **Version:** 0

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)

A Resolution Entitled

A Resolution of the Mayor and City Council concerning
Payment in Lieu of Taxes - Ward 07, Section 04, Block 1567, Lot 51A and Ward 07, Section 03, Block 1586, Lot 2, "Eager Square"

For the purpose of authorizing an economic development project to be known as "Eager Square", in order that the Board of Estimates of Baltimore City (the "Board") may enter into a Payment in Lieu of Taxes Agreement with Eager Place, LLC, a Maryland limited liability company, its successors or assigns (the "Developer"), for a project encompassing approximately (i) 246 residential market rate apartments and townhomes; (ii) 3,485 square feet of street retail; (iii) 152 on-site parking spaces; and (iv) related improvements/amenities; providing for a special effective date; and generally relating to payments in lieu of taxes for the Eager Square development.

By authority of
Article - Tax-Property
Section 7-504.3
Annotated Code of Maryland
(As enacted by Chapter 573, Acts of 2013)

Recitals

The Eager Square Project (the "Project") is proposed to include approximately (i) 246 residential market rate apartments and townhomes; (ii) 3,485 square feet of street retail; (iii) 152 on-site parking spaces; and (iv) related improvements/amenities to be constructed on parcels of land known as Ward 07, Section 04, Block 1567, Lot 51A and Ward 07, Section 03, Block 1586, Lot 2, generally bounding on the 1900 block of East Eager Street between North Wolfe Street and North Washington Street in the East Baltimore Development Initiative Master Plan Area.

Section 7-504.3 of the State Tax-Property Article, as enacted by Chapter 573 Acts of 2013, authorizes the Board, subject to certain findings by the Board and to the enactment of an authorizing Resolution of the Mayor and City Council, to negotiate a payment in lieu of taxes (a "PILOT") for Baltimore City real property taxes for major economic development projects that meet certain criteria.

It is understood that the PILOT Agreement will require compliance with (i) the Minority and Women's Business Enterprises (MBE/WBE) Program in the Project; (ii) Employ Baltimore, the revised Executive Order issued by the Mayor of Baltimore, dated December 10, 2013; and (iii) the Local Hiring law, Ordinance 13-142, enacted June 25, 2013.

Section 1. Be it resolved by the Mayor and City Council of Baltimore, That subject to the conditions specified in this Resolution, the Project is authorized for purposes of allowing the Board to enter into a PILOT

Agreement with Eager Place, LLC, its successors or assigns, for the Project, in accordance with § 7-504.3(a)(2) (ii) 6 of the Tax-Property Article of the Annotated Code of Maryland.

Section 2. And be it further resolved, That this authorization is subject to the condition that the Project not house or otherwise involve (i) gambling activities beyond that allowed by law as of January 1, 1999, or (ii) activities related to any game not authorized by the Maryland State Lottery.

Section 3. And be it further resolved, That this authorization is in the best interest of the City and will achieve significant public benefits and purposes, including the encouragement of the economic development of the City, including the use of resources and entrepreneurial talents of the private sector to develop the East Baltimore Development Initiative; the creation of job opportunities; and the general promotion and improvement of the City and its facilities in order to foster and maintain the City and its image as a positive environment for the growth of business and industry and the continuing well-being of its residents, thereby encouraging the health, welfare, and safety of the citizens of the City.

Section 4. And be it further resolved, That this authorization is subject to the following conditions:

- (a) The PILOT Agreement for the Project shall be for a period of 15 years (the “PILOT Term”) after the effective date specified in the PILOT Agreement.
- (b) The negotiated payment in lieu of taxes for the Project shall be:
 - (1) for each year of the PILOT Term, the amount of the Baltimore City real property taxes based on the existing assessments on the entire property comprising the Project, or applicable component, as of July 1, 2016 (the “Base Taxes”); plus
 - (2) for each year of the PILOT Term, a percentage of the Baltimore City real property taxes that would otherwise have resulted from the increased assessment and reassessment due to the construction of the Project or applicable components (the “Increased Taxes”), with the percentages to be as follows:

Years 1 - 5	5% of the Increased Taxes
Year 6	15% of the Increased Taxes
Year 7	25% of the Increased Taxes
Year 8	35% of the Increased Taxes
Year 9	45% of the Increased Taxes
Year 10	55% of the Increased Taxes
Year 11	65% of the Increased Taxes
Year 12	75% of the Increased Taxes
Year 13	80% of the Increased Taxes
Year 14	85% of the Increased Taxes
Year 15	95% of the Increased Taxes

Section 5. And be it further resolved, That this Resolution takes effect when it is enacted.