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## City seeks \$102.3M TIF for massive redevelopment in East Baltimore

Jun 18, 2018, 4:48pm EDT Updated: Jun 19, 2018, 4:12pm EDT

Baltimore officials are seeking a tax increment financing package totaling \$102.3 million to help pay for a nearly \$900 million redevelopment of a blighted area between Harbor East and Johns Hopkins Hospital.

The TIF would pay for some of the redevelopment of Perkins Homes, a public housing complex, the former Somerset Homes site, a new City Springs Elementary and Middle School, two new public parks, infrastructure and a network of roads and sidewalks in the community.

The massive redevelopment was first detailed in March by the Baltimore Business Journal. It would total \$155 million in infrastructure improvements, \$309 million in commercial and mixed-use development and \$425 million in new housing, according to figures unveiled during a special meeting of the city Board of Finance on Monday.

A team of private developers that formed PSO Housing Co. will spearhead the project led by Beatty Development Group, St. Louis-based McCormack Baron Salazar; Cross Street Partners, the Henson Development Co., founded and owned by former city housing commissioner Daniel P. Henson III, and Mission First Housing, a low-income housing group based in Philadelphia.

The downtrodden area slated for redevelopment is only blocks away from Harbor East and Harbor Point, the fast-developing waterfront neighborhood and commercial districts. Among projects being built there are high-end residential and commercial towers, as well as a 50,000-square-foot Whole Foods.

The city has applied for a \$30 million Choice Neighborhoods grant from the U.S. Department of Housing and Urban Development and should receive an answer by the end of the month, Mayor Catherine Pugh told the finance board.

"We are one of six cities now vying for three grants," Pugh said.

Pugh said the move to start the process to establish the TIF portion of the redevelopment was timely considering the federal grant timeline.

"This is a neighborhood TIF that will help to improve neighborhoods," she said. "This is the kind of TIF my administration is pushing."



HOUSING AUTHORITY OF BALTIMORE CITY

A rendering of the redeveloped Perkins Homes site from South Central Avenue.

In the past, the city has approved TIF packages for projects that include Harbor Point, Mondawmin Mall, the East Baltimore Development Inc. and Clipper Mill. None of those approached the dollar amount approved for Port Covington, the development proposed by Under Armour CEO Kevin Plank's real estate arm. Sagamore Development Co. was awarded \$660 million in tax increment financing for the project in 2016 but has not set a date for selling the bonds yet.

The TIF to PSO Housing Co. would be spread out in three separate bond sales, said Keenan Rice, president of MuniCap Inc., a private financial consultant hired by the city.

The first bond sale would fund the demolition and replacement of Perkins Homes at an estimated cost of \$13.4 million. The replacement of City Springs would cost \$33.8 million and the new parks and a recreation center in the neighborhood would cost \$20 million, a report to the finance board by the Housing Authority of Baltimore City said.

Work could begin on razing 629-unit Perkins Homes later this year and replacing them with 737 units of affordable housing, said Stephen Kraus, deputy director of the Department of Finance.

A total of more than 2,100 new housing units are expected to be built in the nearly 200-acre footprint — a mixture of public housing, affordable and market-rate units. In addition, Caroline Street — that runs north and south along the footprint — would be framed by bike lanes.

The city's Board of Finance voted unanimously to approve the "concept of the TIF" and legislation will soon be introduced before the City Council to begin the private bond sale process, Kraus said. Public hearings will be held by the council in the coming months.

The 393-unit Douglass Homes public housing development could also be razed and redeveloped as part of the project, said Bill Struever, a member of the development team, earlier this year. Tania Baker, a spokeswoman for the city housing authority, said it was not included in the plans.

The redevelopment of the Somerset Homes site would be overseen by Henson, who is including the 16-acre Old Town Mall redevelopment in his plans. Some of the designs have been presented to the city's design panel in the past six weeks. In January, the state Department of Commerce re-designated the Old Town Mall area an Enterprise Zone, making it eligible for tax credits upon redevelopment.

Overall, there are 3,715 new jobs projected as part of the redevelopment, city finance officials said.

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