

STEPHANIE RAWLINGS-BLAKE
MAYOR

*100 Holliday Street, Room 250
Baltimore, Maryland 21202*

November 3, 2014

The Honorable Martin O'Malley
Governor, State of Maryland
100 State Circle
Annapolis, Maryland 21401

Re: Support for State Center

Dear Governor O'Malley:

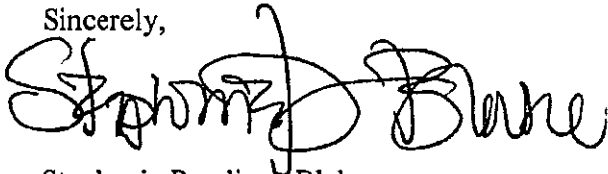
I am writing to reiterate my strong support of the State Center redevelopment project. Initiated in 2005 by the State of Maryland, this important project has been needlessly delayed due to litigation. This year, the Court of Appeals ruled in favor of the State Center development team allowing the project to proceed. The State Center project will transform a 28-acre outdated office complex into a vibrant mixed-used and transit-oriented community in the center of Baltimore City, strengthening connections to Downtown and reconnecting several diverse midtown Baltimore neighborhoods.

It is important to note that over the last four years I have also worked diligently to spur development in Downtown, including the creation of a 15-year tax credit for the conversion of obsolete office buildings into market-rate apartments and the construction of new apartment projects. As a result, over 1,000 new apartment units are currently under construction, with additional projects and hundreds of additional units planned. The tax credit program, the launch of a new Downtown Partnership marketing program and expansion of the Enterprise Zone have reduced office vacancy rates in Downtown. This expanding residential base is attracting new office and retail tenants to the downtown office market including companies like Pandora and R2 Integrated. Additionally major existing tenants are staying in Downtown such as PNC, Ellin & Tucker, and Miles & Stockbridge, just to name a few. Further investments in Downtown are underway including the demolition of the Mechanic Theatre, Lexington Market redevelopment plans, and the sale and development of several City-owned properties on the Westside. Despite claims from a minority of Downtown property owners that the State Center Project would harm the Downtown market, I am confident the growth of Downtown will not be slowed by the State Center project.

In 2011 I stated in my *Sun* editorial, "Let's stop suing and start doing," regarding State Center. It is time to start doing. Now that the project is once again moving forward, I understand that the development team has met with the Baltimore Development Corporation (BDC) regarding various aspects of the project's approval process, including the request for a Payment in Lieu of Taxes (PILOT) to support the project financially. In 2010, I supported the developer's requested PILOT as reviewed and approved by the BDC Board at that time. I have asked BDC to review the PILOT request and reaffirm its prior Board decision to recommend a PILOT based on the most current information. BDC will submit their recommendation to me before the end of the month. Our goal is mutual – to end further delays and begin this project as soon as possible to create and retain jobs for City residents, support the surrounding neighborhoods, and transform an underutilized site into a vibrant mixed-use community.

I look forward to our continued partnership with the State to help move this project forward. The State Center project will grow Baltimore by expanding employment, housing and retail opportunities along major transit routes. If you have any questions or concerns, please contact Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development at 410-545-6208 or via email at colin.tarbert@baltimorecity.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie Rawlings-Blake". The signature is fluid and cursive, with the first name "Stephanie" written in a larger, more prominent script than the last name "Rawlings-Blake".

Stephanie Rawlings-Blake
Mayor
City of Baltimore

cc: Kalliope Parthemos, Chief of Staff, Office of the Mayor
Colin Tarbert, Deputy Mayor, Office of Economic & Neighborhood Development
Andrew Smullian, Deputy Mayor, Office of Government Relations & Labor
William Cole, President & CEO, Baltimore Development Corporation