


MEMORANDUM

TO: THE HONORABLE PRESIDENT AND MEMBERS OF
THE BOARD OF ESTIMATES

FROM: William H. Cole, President and CEO
Baltimore Development Corporation 

DATE: January 29, 2015

SUBJECT: Payment in Lieu of Taxes Agreement for State
Center Parcel G (Ward 11, Section 7, Block 459,
Lot 3) and Parcel I-2 (Ward 11, Section 4, Block
478, Lot 2)

ACTION REQUESTED BY BOARD OF ESTIMATES:

The Baltimore Development Corporation (BDC) respectfully requests this honorable Board of Estimates (the "Board") approve:

1. Payment in Lieu of Taxes Agreement (PILOT) for State Center Parcel G and Parcel I-2 (Phase 1)

AMOUNT OF MONEY AND SOURCE OF FUNDS:

N/A for this request

BACKGROUND/EXPLANATION:

The State of Maryland ("State") owns and occupies property known as "State Center," roughly bounded by Martin Luther King Jr., Blvd, Madison Ave., Dolphin St., and N Howard St. The State has entered into a master development agreement and related phase ground leases with State Center, LLC (the "Developer"), for the redevelopment of this state-owned property into a mixed-use, transit oriented development that, upon final completion, is expected to include approximately 2.1 Million square feet of office space, 1,500 residential dwelling units with a commitment to affordable housing, 265,000 square feet of retail space, 345,000 square feet of public space, and

5,500 parking spaces. This project represents a substantial investment in the City of Baltimore that will provide a transit-connected anchor for the entire region.

As state-owned and occupied land, The City of Baltimore currently receives \$0 in real property tax revenue.

The first phase ("Phase 1") of the project is on Parcel G (Block 459, Lot 3) and Parcel I-2 (Block 478, Lot 2), and will include approximately 515,000 square feet of office space to be leased by the State of Maryland (including 390,000 square feet to be leased by the Department of Health and Mental Hygiene, 100,000 by the Maryland Transit Administration, and 25,000 by the Maryland Department of Planning), 15,000 square feet of private office space, 200,000 square feet of other commercial space, 20 residential mixed income rental units, a parking garage, and 15,000 square feet of retail. The cost of the first phase is approximately \$215 Million.

The 20-year PILOT applies to the incremental City real property taxes assessed for the state-leased portions of Phase 1 only. The rest of the project, including the remainder of Phase 1 will pay full City taxes. Under the PILOT, the state-leased offices will pay \$2.50 per square foot, and Phase 1 alone is expected to generate approximately \$1.7 Million in annual tax revenue for the City of Baltimore. The PILOT allows the City to participate in profit-sharing if the project were to achieve a return above a specified rate.

The Law Department has reviewed and approved this document for form and legal sufficiency.

MBE/WBE PARTICIPATION:

The Developer has signed the Commitment to Comply with Article 5, Subtitle 28 of the Baltimore City Code (2000 Edition) regarding participation by Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) in its development of this project.

**PAYMENT IN LIEU OF TAXES AGREEMENT
(STATE CENTER)**

THIS PAYMENT IN LIEU OF TAXES AGREEMENT (the "Agreement") dated as of ~~FEB 10 4 2015~~, 2015, is by and between **MAYOR AND CITY COUNCIL OF BALTIMORE**, a body politic and corporate and a political subdivision of the State of Maryland (the "City"), acting by and through the Department of Finance (the "Department"), and **STATE CENTER, LLC**, a limited liability company duly organized and existing under the laws of the State of Maryland (the "Developer").

RECITALS

R-1. Section 7-501 of the Tax Property Article of the Annotated Code of Maryland (the "**Enabling Law**") authorizes the City to exempt from municipal property tax in the City and to accept a negotiated payment in lieu of the taxes ("**PILOT**") on property owned by the State of Maryland (the "**State**") that is leased or otherwise made available to any person or business that is conducted for profit.

R-2. On November 19, 2007, the City enacted Ordinance No. 07-546 (the "**PILOT Law**") authorizing the Board of Estimates of the City to approve a PILOT for a State Related Economic Development Project ("**SREDP**") on land owned by the State and leased or made available to a person or entity who uses the property in connection with a business that is conducted for profit.

R-3. Pursuant to the PILOT Law, an SREDP is a multi-use project that upon completion will include at least 150 units of newly constructed residential housing, a parking structure containing at least 1000 parking spaces, and attendant retail space constructed on land owned by the State.

R-4. On June 3, 2009, the Board of Public Works ("**BPW**") of the State of Maryland approved a Master Development Agreement (as modified by the "**First Amendment**" described below, the "**MDA**") between the State of Maryland ("**State**"), to the use of the Department of General Services ("**DGS**"), Maryland Department of Transportation ("**MDOT**"), and Developer, with acknowledgment from certain other agencies, for the phased redevelopment of approximately 21.8 +/- acres of State property known as "State Center" and located in the City of Baltimore, Maryland, as more specifically described in the MDA (the "**Project**"). The MDA was fully executed by all parties and the BPW and became effective June 15, 2009.

R-5. The MDA designates an Approved Concept Plan that includes, at full development of the Project, more than 1,000 newly constructed residential housing units and more than 5,000 parking spaces, thereby establishing the Project as an SREDP (the "**Minimum Development**").

R-6. Following approval of the MDA, the parties commenced preparation and negotiation of the first phase of redevelopment of the Project ("**First Phase**"). The parties determined that the First Phase would be the redevelopment of "**Parcel G**" and "**Parcel I-2**" as

those parcels are identified in the MDA. Parcel G and Parcel I-2 are the "**First Phase Properties.**" The First Phase Properties are more particularly described on **Exhibit A** attached hereto.

R-7. On July 28, 2010, the BPW approved the First Amendment to Master Development Agreement for Transit Oriented Development (the "**First Amendment**").

R-8. In furtherance of the development of the First Phase by Developer, and in accordance with the First Amendment, DGS has ground leased (a) a portion of Parcel G to MDOT by the Garage Ground Lease Agreement dated September 1, 2010 and approved by the BPW on July 28, 2010 (as amended by an amendment approved by the BPW on December 15, 2010, the "**Garage Ground Lease**"); (b) the balance of Parcel G to State Center Parcel G Master Tenant, LLC ("**SC-G MT**") by the Parcel G Phase Ground Lease dated September 1, 2010 and approved by the BPW on July 28, 2010 (the "**Parcel G PGL**"); and (c) Parcel I-2 to State Center Parcel I-2 Master Tenant, LLC ("**SC-I-2 MT**") by the Parcel I-2 Phase Ground Lease dated September 1, 2010 and approved by the BPW on July 28, 2010 (the "**Parcel I-2 PGL**"). SC-G MT and SC-I-2 MT are both affiliates of Developer. The Parcel G PGL and the Parcel I-2 PGL are together the "**PGLs**" and each is a "**PGL.**" Each PGL contains a requirement for the payment of Additional Rent in the form of State participation in operating income and capital events, which Revenue-Sharing Payment will be part of each Component Ground Lease.

R-9. Each of the PGLs provided for the division of the PGL and the applicable premises into separate component leases (each a "**Component Lease**"). The Parcel G PGL will be modified to split out at least three Component Leases and the Parcel I-2 PGL will be replaced by two Component Leases. This Agreement will be supplemented by separate PILOT agreements with the lessee under the applicable Component Lease that qualifies as a PILOT Project, and approval of this Agreement shall represent approval of two Supplemental PILOT Agreement (each a "**Supplemental PILOT Agreement**"), one for each of the Parcel G PILOT Project and the Parcel I-2 PILOT Project, which shall go into effect upon the final review, and confirmation of material conformance of each Supplemental PILOT Agreement, by the City's Director of Finance in his sole and absolute discretion.

R-10. The PILOT Law requires that (a) a PILOT agreement be for a period of not more than twenty (20) years after its effective date, and (b) the PILOT payments under such an agreement cannot be less than five percent (5%) of the incremental taxes otherwise resulting from the construction of the SREDP. In addition, the PILOT Law requires that each PILOT Project involves at least \$2,500,000 in private capital (the "**Minimum Capital**").

R-11. The City has agreed to provide a PILOT for that portion of the First Phase that is to be occupied by offices, agencies and departments of the State of Maryland (collectively, "**State Agencies**" and individually a "**State Agency**").

R-12. Also in furtherance of the development of the First Phase, the BPW approved space leases with the State to the use of the following State Agencies: (a) on July 28, 2010 with each of (i) the Department of Health and Mental Hygiene, (ii) the Maryland Transit Administration, and (iii) the Department of Planning, and (b) on December 15, 2010 with the Department of Information Technology, as well as supplements to each of the spaces leases approved on July 28, 2010.

R-13. The exemption and the negotiated payment-in-lieu of taxes described herein was approved by the Board of Estimates on the date first set forth above.

AGREEMENT

NOW, THEREFORE, MAYOR AND CITY COUNCIL OF BALTIMORE and STATE CENTER, LLC, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby covenant, agree, represent, and warrant, as follows:

ARTICLE 1 **DEFINITIONS**

1.1. **Recitals.** The Recitals are hereby incorporated and made a part of this Agreement.

1.2. **Definitions.** Certain terms are defined for the purposes of this Agreement in the headings and in the recitals. In addition to those definitions, the following definitions shall apply:

“Affiliate or Affiliated” means, with respect to any Person, any other Person which, directly or indirectly controls or is controlled by, or is under the common control with, the first mentioned Person.

“Certificate of Completion” shall mean a certificate of completion issued by the City confirming, using its reasonable right of review, the Developer’s (or its Affiliate’s) satisfactory completion of construction as to the PILOT Project, which shall be issued promptly after delivery of a certificate from Developer’s architect satisfactory to the City verifying that substantial completion of the applicable PILOT Project has taken place.

“Change in Control” shall mean (i) the Sale of the PILOT Project, (ii) a Sale that results in a change in the ownership of the counterparty to a PILOT Agreement which in turn results in a change in control, either through a majority ownership of interests or through contractual rights, or (iii) entering into any long-term management agreement that effectively eliminates Developer’s (or its Affiliate’s) participation in profits in the entity that owns the PILOT Project.

“Completion Date” shall mean the obligation of the Developer to complete construction of (i) the Parcel G PILOT Project within three (3) years of the completion of the garage to be built pursuant to the Garage Ground Lease, and (ii) the Parcel I-2 PILOT Project within three (3) years of the start of construction of the Parcel I-2 PILOT Project, but in any event no later than eight (8) years after the approval of this Agreement by the Board of Estimates.

“Developer” shall mean, with respect to each PILOT Project, the entity that owns the Parcel G PILOT Project and the entity that owns the Parcel I-2 PILOT Project.

“Event of Default” shall have the meaning set forth in Section 6.1.

“Fiscal Year” means each twelve (12) month period beginning on the July 1st falling within the PILOT Term, except that the first Fiscal Year shall commence on the PILOT Commencement Date and end on the June 30th next following the PILOT Commencement Date.

“Person” means a natural person, a trustee, a corporation, a partnership, a limited liability company or another form of legal entity.

“PILOT Agreement” shall mean this Agreement, or if the context so requires, the Supplemental PILOT Agreement that reflects the specific agreement between the City and the lessee under the applicable Component Lease. The parties contemplate that there will be a Supplemental PILOT Agreement (a) for the Parcel G PILOT Project, and (b) for the Parcel I-2 PILOT Project. At the election of Developer of an Affiliate, this PILOT Agreement and its supplement as to a particular PILOT Project may be restated so as to constitute a single document, applicable just to the single PILOT Project upon the prior approval of the Board of Estimates. In the absence of any material and substantive changes from this Agreement to the Supplemental PILOT Agreement for each PILOT Project, the Director of Finance in his sole and absolute discretion is hereby authorized to execute and deliver, on behalf of the City, the Supplemental PILOT Agreement for each PILOT Project without the need to secure a further approval from the Board of Estimates.

“PILOT Commencement Date” shall mean the date a State Agency begins to pay rent on space within the PILOT Project.

“PILOT Project” shall mean that portion of each building within the First Phase that is leased to a State Agency. Initially, there will be two PILOT Projects: (a) that portion of a building to be constructed on Parcel G that will be leased to one or more State Agencies (the **“Parcel G PILOT Project”**), and (b) that portion of a building to be constructed on Parcel I-2 that will be leased to one or more State Agencies (the **“Parcel I-2 PILOT Project”**). In the event that the amount of space leased by a State Agency increases or decreases, the scope of the applicable PILOT Project shall accordingly change, and (a) any space no longer leased by a State Agency shall be excluded from the application of the applicable PILOT Agreement, and (b) any space added to the space under lease to the State Agency shall be subject to the terms of the PILOT Agreement. Each Developer shall provide written notice to the City of any change in the RSF (as defined below) under lease to a State Agency and subject to a PILOT Agreement within thirty (30) days after such change becomes effective.

“PILOT Term” shall mean the period from the PILOT Commencement Date through the twentieth (20th) anniversary thereof (the **“PILOT Termination Date”**).

“PILOT Year” shall mean (i) as to the first PILOT Year, the period from the PILOT Commencement Date through the end of the first full Fiscal Year thereafter, (ii) as to any subsequent PILOT Year, other than the Fiscal Year which includes the PILOT Termination Date, each applicable Fiscal Year, and (iii) as to the Fiscal Year which includes the PILOT Termination Date, the period from the start of such Fiscal Year until the PILOT Termination Date.

“RSF” shall mean rentable square feet measured in accordance with ANSI/BOMA Z65.1-1996 Standard Method for Measuring Floor Areas in Office Buildings.

"Sale" shall mean as to the PILOT Project, a sale, lease, assignment, grant, conveyance, or transfer of all or substantially all of the PILOT Project to any Person (a "Transferee").

1.3. Miscellaneous Definitions. Words of any gender shall be deemed and construed to include correlative words of each other gender. Unless the context shall otherwise indicate, words importing the singular number include the plural number and vice versa, and words importing persons include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

ARTICLE 2

UNDERTAKINGS BY THE DEVELOPER

2.1. Construction of the Project. The Developer will cause construction of the Parcel G PILOT Project and the Parcel I-2 PILOT Project each to be commenced by one or more Affiliates within twenty-four (24) months of the date this Agreement was approved by the Board of Estimates of the City, and to be completed in accordance with the MDA and on or before the Completion Date. The Developer shall, prior to commencing construction, provide satisfactory evidence to the City relating to the financing for the construction of the First Phase PILOT Projects, provided that State acceptance of such evidence shall be conclusive for purposes of this Agreement.

2.2. Minority Business Enterprise and Women' Business Enterprise Utilization.

2.2.1. In consideration of receiving the benefits of this Agreement, the Developer covenants and agrees to comply with the provisions of Article 5, Subtitle 28 of the Baltimore City Code (2000 Edition) for each PILOT Project, with participation percentages by Minority Business Enterprises (“MBE”) and Women’s Business Enterprises (“WBE”) which equal or exceed those percentages specified on Exhibit D. Such requirements shall apply to entities contracting to provide goods and services to the Developer (or the Affiliate of Developer that is the owner of the applicable PILOT Project) and be reflected in the bids submitted by said entities.

2.2.2. Prior to the commencement of construction of the First Phase, Developer shall submit to the City written documentation, including executed contracts or services agreements which shall identify the particular minority and women’s business enterprises and other subcontractors (i) contracting directly with the Developer, or (ii) in the case of prime contracts involving subcontractors, executed contracts or services agreements with the said subcontractors, in the development of the PILOT Project, specifying for each the dollar value of the participation, the type of work to be performed and such other information as may reasonably be required by the City.

2.2.3. In the event that after use of reasonable, good faith efforts to meet the MBE and WBE requirements, Developer is able to demonstrate to the satisfaction of the City that sufficient qualified MBE’s and WBE’s capable of providing labor, services, materials and supplies are unavailable in the market area of the PILOT Project, then in such circumstances, the Developer

may request a waiver or reduction of the requirements to the extent deemed necessary. The City's Minority and Women's Business Opportunity Office (MWBOO) or its successor is designated to administer the provisions of this section on behalf of the City. The Developer shall comply with the rules and regulations of the MWBOO or its successors in meeting the requirements of this section.

2.2.4. The City agrees that an MBE or WBE certified by the State of Maryland will qualify for purposes of satisfying the requirements of Exhibit D. However, Developer shall use good faith efforts to insure that at least 50% of the requirements are met by City certified contractors qualified to perform the applicable contract services, the reasonableness of such efforts to be determined by the Chief of MWBOO in his/her sole but reasonable discretion.

ARTICLE 3

EXEMPTION FROM MUNICIPAL REAL PROPERTY TAXES

AND PAYMENTS IN LIEU THEREOF

3.1. Exemption From Municipal Real Property Taxes - Project. During each PILOT Term, the PILOT Project that is under lease to one or more State Agencies shall be exempt from the ordinary municipal portion of real property taxes. This exemption shall not apply to the Developer's obligation to pay (a) the State of Maryland portion of real property taxes on the Improvements including any interest and penalty accruing thereon, (b) any special or other real property taxes including special-benefit taxes, and any interest and penalty accruing thereon, all of which shall be subject to payment in the regular course, and (c) all applicable real property taxes on all portions of the Project that are not the subject of a PILOT Agreement. Specifically, unless and until any change in applicable law, the taxes required by (a) through (c) above (and, if required by Section 3.2 and Exhibit B, any ordinary municipal portion of real property taxes), which customarily are billed on or about July 1st of each year, shall be paid on or before the date when by law interest and penalty would begin to accrue.

3.2. Payment in Lieu of Taxes – PILOT Project. The Developer, or the applicable Affiliate, shall pay to the City upon the PILOT Commencement Date for each PILOT Project, and on or before the date when interest and penalty would begin to accrue, adjusted *pro rata* for any year which is less than a full real property tax year, in lieu of the ordinary municipal portion of real property taxes that are exempted by Section 3.1, a payment in lieu of taxes in the amounts set forth on Exhibit B attached hereto and made a part hereof on each PILOT Project. In addition, the Developer, or the applicable Affiliate, shall pay to the City, at the times and subject to the terms set forth on Exhibit C attached hereto, the Profit-Sharing Payments.

3.3. Conditions to Continued Exemption and PILOT Arrangement. The exemption and the payment to be made in lieu of taxes, for which Sections 3.1 and 3.2 provide, made available to Developer shall be in effect so long as: (a) the Developer provides the financial statements, certificates and legal opinion in accordance with Article 5; (b) the Developer continues to comply with applicable provisions of the PILOT Law, and (c) the Developer complies with all of its other obligations under this Agreement. Notwithstanding the above, any termination of the payment-in-lieu of taxes or of any PILOT Agreement will only be effective as to such PILOT Agreement and only after notice, expiration of applicable cure periods and exercise of the applicable remedy by the City in accordance with Article 6.

3.4. Transfers; Change of Control.

3.4.1. Duration: Each PILOT Agreement shall remain in effect for the applicable PILOT Term, provided that each Developer complies with the terms hereof, notwithstanding any Sale or Change in Control. Each Transferee of the PILOT Property shall be subject to the terms of this PILOT Agreement and shall thereafter be deemed the "Developer" for purposes of this PILOT Agreement, or if applicable, and for the purposes set forth on Exhibit C, the "Successor Developer."

3.4.2. Transfers. Subject to the terms of Section 3.4.3, the Developer shall have the right during the PILOT Term to consummate any Sale without limiting the continued effectiveness of this PILOT Agreement.

3.4.3. Notice of Change in Control. The Developer, and any successors or assigns that become subject to this PILOT Agreement, shall provide the City with written notice ten (10) business days after any Change in Control, which notice shall contain a statement by the Developer as to the name of the assignee. In connection with any Change in Control, each Successor Developer, shall assume in writing the on-going obligations of the Developer under the applicable PILOT Agreement.

ARTICLE 4 **REPRESENTATIONS**

4.1. Representations by the Developer. The named Developer makes the following affirmative representations as the basis for the undertakings on the City's part herein contained:

4.1.1. Organization and Authority. The Developer (i) is a limited liability company duly formed under the laws of the State of Maryland and is authorized to engage in business in the State of Maryland; (ii) has the legal capacity to construct the First Phase and has all necessary right and authority to enter into this Agreement for the full term hereof; and (iii) has been duly authorized by all proper and necessary action of each member thereof whose action is required, to execute and deliver this Agreement.

4.1.2. Enforceability. This Agreement, when executed and delivered on behalf of the Developer, will constitute the legal, valid, and binding obligation of the Developer enforceable in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights, or, to the extent that certain remedies hereunder require or may require enforcement by a court of equity, such principles of equity as the court having jurisdiction may apply.

4.1.3. No Litigation. There are no actions, suits, or proceedings pending against Developer or, to the knowledge of Developer, threatened against Developer before or by any court, governmental body or agency, or other tribunal or authority which could, if adversely determined, have a materially adverse effect on the authority or ability of Developer to perform its obligations under this Agreement, or which question the legality, validity, or enforceability hereof or thereof.

4.1.4. No Bankruptcy. Developer is not a party or, to Developer's knowledge, a potential party to any pending, threatened, or, to Developer's knowledge, contemplated bankruptcy

or similar proceeding under any law which has resulted or may result in alteration of or grant of relief from claims of creditors against Developer.

4.2. Legal Opinion. As of the execution and delivery of this Agreement, the Developer shall provide to the City an opinion from the Developer's legal counsel as to such of the representations and warranties set forth in Section Section 4.1.1 through Section 4.1.4 as are customarily the subject of opinions of legal counsel and that Developer is eligible for the benefits available under the PILOT Law.

4.3. Change-in-Control. Upon a Change in Control, the Transferee shall execute a certificate to the City containing representations and covenants similar to those in Sections 4.1.1 through 4.1.4 above which the City may require.

ARTICLE 5

FINANCIAL COVENANTS OF THE DEVELOPER

5.1. Financial Information. Upon completion of the PILOT Project or earlier, the Developer shall provide evidence, certified by an independent certified public accountant, that the Minimum Capital has been invested in the PILOT Project, no later than ninety (90) days after the PILOT Commencement Date. On an annual basis, the Developer shall provide to the City such documentation as may be reasonably required to confirm compliance by Developer with the payment obligations of Article 3, including the specific reporting requirements set forth on Exhibit C.

5.2. Additional Developer Submissions. The Developer shall also submit to the City (per the notice requirements of Section 7.5) the following items, upon the prior written request of the City:

5.2.1. Certificate of Developer. A Certificate of the Developer that the PILOT Project continues to be operated in accordance with the terms of this Agreement and there has been no Event of Default that remains uncured as of the date of such Certificate.

5.2.2. Legal Opinion. If requested by the City, an opinion from the Developer's legal counsel addressed to the City, as to the matters within the scope of Sections 4.1.1 through 4.1.4, and that Developer remains eligible for the benefits available under the PILOT Law, but only to the extent a new or renewed opinion is reasonably determined to be necessary by the City.

ARTICLE 6

EVENTS OF DEFAULT AND REMEDIES

6.1. Events of Default. The following shall be "Events of Default" under each PILOT Agreement entered into pursuant to this Agreement, and the term "**Event of Default**" shall mean, whenever used in this Agreement, any one or more of the following events (provided that there shall be no cross-defaults between and among the PILOT Agreements for each PILOT Project:

- (a) failure by the Developer within twenty-four (24) months of entering this Agreement to have commenced construction of the initial PILOT Project; or

- (b) failure of the Developer to complete construction of each PILOT Project within the time limit set forth in Article 2; or
- (c) failure of the Developer to present a plan to the State for the next phase of the Project within five (5) years of entering into this Agreement; or
- (d) failure of the Developer to complete construction of the Minimum Development within eight (8) years of entering into this Agreement; or
- (e) failure by the Developer to pay when due the payments required to be paid under Section 3.1 and Section 3.2 of this Agreement and such default is not rectified within thirty (30) days after written notice thereof from the City to the Developer; provided however, should any dispute arise between the City and the Developer as to any amount due to the City hereunder, so long as such dispute is raised in good faith by either party, the pendency of such dispute shall extend the period for performance as to any disputed items until after resolution of such dispute; or
- (f) failure by the Developer to perform, observe, or comply with any other of the terms, covenants, conditions, or provisions contained in this Agreement, which failure shall continue for a period of thirty (30) days after written notice thereof shall have been given to the Developer by the City; provided, however, that if Developer shall proceed to take any curative action that, if begun and prosecuted with due diligence, is reasonably expected to effect a cure but cannot reasonably be completed within a period of thirty (30) days in the ordinary course of business, then such period shall be increased to such extent as shall be necessary to enable Developer to complete such curative action through the exercise of due diligence, but in no event more than one hundred eighty (180) days; or
- (g) abandonment of the PILOT Project by Developer and the continuance of such abandonment for a period of thirty (30) consecutive days after written notice thereof from the City, or the destruction of the PILOT Project by fire or other casualty and the failure by Developer to commence to reconstruct the PILOT Project within a commercial reasonable time, but not to exceed eighteen (18) months, after resolution of pending causality, liability or insurance issues.

In the event the City provides Developer with any notice of default or notice of opportunity to cure, the City shall provide a copy of such notice in accordance with the provisions of Article 7.5 to any Person that has made a loan to Developer secured by a mortgage or deed of trust encumbering any part of the PILOT Project (a “**Project Lender**”), subject to Developer giving the City a notice address for the Project Lender. The City, during any applicable cure period, will accept cure from any Project Lender.

6.2. Remedies. If an Event of Default occurs:

6.2.1. the City may terminate this Agreement by written notice thereof to the Developer. All outstanding sums due prior to or after the date of termination shall be treated as municipal taxes and collected in the manner provided for by law for collection of taxes by the City. From the date of termination, the PILOT Project shall be fully taxable, and the City shall have no further obligation to the Developer hereunder; and

6.2.2. in addition to or in lieu of its rights described above, the City shall be entitled to the benefit of any other remedies available to it in law or in equity on account of the Event of Default, including suit for specific performance, injunctive relief, or damages, with or without terminating this Agreement.

6.3. Remedies Cumulative. All rights remedies, powers, and privileges herein given or granted to the City are cumulative, non-exclusive, and in addition to any and all rights, remedies, powers, and privileges that the City may have or be given by reason of any law, statute, ordinance, or otherwise, at law or in equity.

6.4. Force Majeure. For the purpose of any of the provisions of this Agreement, neither the City, nor Developer, as the case may be, nor any successor in interest, shall be considered in breach of or default in any of its obligations, including, but not limited to, the beginning and completion of construction, or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to causes beyond its control, including but not restricted to, strikes, lockouts, actions of labor unions, riots, storms, floods, explosions, acts of God or of the public enemy, litigation adversely impacting the progress of the PILOT Project, acts of government (including bad faith action or inaction on the part of the State to carry out its duties in connection with the completion of the PILOT Project), insurrection, mob violence, civil commotion, sabotage, malicious mischief, vandalism, inability (notwithstanding good faith and diligent efforts) to procure, or general shortage of, labor, equipment, facilities, materials, or supplies in the open market, defaults of independent contractors or subcontractors (provided that remedies are being diligently pursued against the same), failures of transportation, fires, other casualties, epidemics, quarantine restrictions, freight embargoes, severe weather, inability (notwithstanding good faith and diligent efforts) to obtain governmental permits or approval, or delays of subcontractors due to such causes, it being the purpose and intent of this Section 6.4 that in the event of the occurrence of any such enforced delays, the time or times for the performance of the covenants, provisions, and agreements of this Agreement shall be extended for the period of the enforced delay (including any time reasonably required to recommence performance due to such enforced delay); provided, however, that the party seeking the benefit of the provisions of this section shall, within ten (10) days after such party was aware or should have been aware of any such enforced delay, give notice to the other party thereof of the cause or causes thereof. The affected party shall use reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; and provided further, that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the affected party, and the affected party shall not be required to make settlement of strikes, lockouts, and other industrial disturbances by acceding to the demands of the opposing party or parties when such cause is, in the judgment of the affected party, unfavorable to the affected party. Notwithstanding the above, (a) Developer may not

rely on its own acts or omissions as grounds for delay in its performance, and (b) the absence of immediately available funds shall not be grounds for delay.

In the case where the Force Majeure event relates to the bad faith action or inaction of the State to carry out its duties in connection with the completion of the PILOT Project, if upon resolution of such event, the State and Developer materially alter the terms of a Component Lease in a manner which affects the amount payable or that is available for payment to the City, the City shall have the right to renegotiate the payment due under the PILOT Agreement.

ARTICLE 7 **MISCELLANEOUS**

7.1. **Third Party Beneficiary.** Nothing contained in this Agreement shall be construed to confer upon any other Person the rights of a third party beneficiary.

7.2. **Disclaimer of Partnership Status.** Nothing in the provisions of this Agreement shall be deemed in any way to create between the Developer and the City any relationship of partnership, joint venture, or association and the parties to this Agreement hereby disclaim the existence of any such relationship.

7.3. **Conflicts of Interest.** No member, official, representative, or employee of the City, the Department, or the City of Baltimore Development Corporation (“BDC”) shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, representative, or employee participate in any decision relating to this Agreement which affects his personal interest or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested.

7.4. **Recording This Agreement.** The party choosing to record this Agreement shall be responsible to pay any costs associated with said recordation.

7.5. **Giving of Notice.** Except as otherwise provided herein, all notices required to be given or authorized to be given pursuant to this Agreement shall be in writing and shall be delivered or sent by registered or certified mail, postage prepaid, or by commercial messenger to:

If to the City: Mayor and City Council of Baltimore
100 North Holliday Street, 4th Floor
Baltimore, Maryland 21202
Attn: Department of Finance

with copies to: President
City of Baltimore Development Corporation
36 South Charles Street, 16th Floor
Baltimore, Maryland 21202

and to: City Solicitor
City Hall, Room 101
100 North Holliday Street
Baltimore, Maryland 21202

If to the Developer: State Center, LLC
c/o Ekistics LLC
916 North Charles Street, Suite 200
Baltimore Maryland 21201
Attn: Caroline Moore

with copies to: Ballard Spahr LLP
300 E. Lombard Street
Baltimore, Maryland 21202
Attn: Mark Pollak, Esquire

Copies of all financial statements and other submissions required by Article 5 shall also be provided to the Department of Housing and Community Development, 417 East Fayette, 13th Floor, Baltimore, Maryland 21202, Attention: Commissioner and to the Department of Audits, 3rd Fl. City hall, Baltimore, Maryland 21202, Attention: City Auditor. The City and the Developer, by notice given hereunder, may designate any further or different persons or addresses to which subsequent notices shall be sent.

7.6. Representatives Not Individually Liable. No member, official, representative, or employee of the City, the Department, or BDC shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or the Department for any amount which may become due to Developer or successor or on any obligations under the terms of the Agreement.

7.7. Amendment of Agreement. Any amendment to this Agreement must be by the mutual written agreement of the City and the Developer, with the same formality as this Agreement, and only with the approval of the Board of Estimates of the City, provided that consents, estoppel certificates, waivers and modifications of a non-substantive nature, including confirmation of the appropriate description of the Property, may be negotiated and granted by action of the Director of Finance. Similarly, any restatement or supplement to this Agreement, or modification intended to document a change in the amount of space under lease to a State Agency, shall only require the approval of and execution by the Director of Finance.

7.8. Payment or Performance on Saturday, Sunday, or Holiday. Whenever the provisions of this Agreement call for any payment or the performance of any act on, or by a date that is not a business day, including the expiration date of any cure periods provided herein, then such payment or such performance shall be required on or by the immediately succeeding business day.

7.9. Section and Paragraph Headings. The section and paragraph headings have been prepared for convenience only and are not part of this Agreement and shall not be taken as an interpretation of any provision of this Agreement.

7.10. Severability. If any clause provision or section of this Agreement be held illegal or invalid by any court, the invalidity of such clause, provision, or section shall not affect any of the remaining clauses, provisions, or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision, or section had not been contained herein. If any agreement or obligation contained in this Agreement be held to be in violation of law, then such agreement or obligation shall be determined to be the agreement or obligation of the City or the Developer, as the case may be, to the full extent of the law.

7.11. Maryland Law. The laws of the State of Maryland shall govern the construction of this Agreement.

7.12. Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the Developer and any assignee, successor, or transferee of the Developer's interest in all or part of the First Phase. The City and Developer acknowledge that this Agreement will be supplemented, as to the First Phase, by at least two Supplementary PILOT Agreements, that will apply specifically to portions of the First Phase Properties. Developer shall cause any Transferee at the time of the transfer of the PILOT Project to covenant to be bound by the terms of this Agreement.

7.13. Estoppel Certificate. Each party, within thirty (30) days after request from the other, shall execute, acknowledge, and deliver to the party that has requested the same or to any prospective assignee of this Agreement or lender of the Developer a certificate stating that: (a) this Agreement is in full force and effect and has not been modified, supplemented, or amended in any way, or, if there have been modifications, the certificate shall so state such change; (b) this Agreement as modified represents the entire agreement between the parties as to the subject matter hereof, or, if it does not, the certificate shall state what additional documents or agreements (written or oral) are a part of this Agreement; (c) all conditions under this Agreement that are to be performed by the Developer have been satisfied and, as of the date of such certificate, there are no existing defenses or offsets that the City or the Developer has against the enforcement of this Agreement by the other party, or, if such conditions have not been satisfied or if there are any defenses or offsets, the certificate shall so state; and (d) there are no outstanding defaults under this Agreement, or if there are defaults, then specifying such defaults and the date that notice thereof was given (if any). The Director of Finance is authorized to execute such certificate.

7.14. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereunder and supersedes any other prior agreements or understanding, written or oral, between the parties with respect to the subject matter of this Agreement and its impact on the PILOT Project.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Mayor and City Council of Baltimore and State Center, LLC have caused this Payment in Lieu of Taxes Agreement to be duly executed, sealed, and delivered as of the date set forth above.

ATTEST:

MAYOR AND CITY COUNCIL OF BALTIMORE

Janella Rogers
Custodian of the City Seal

By: H. Raymond
Henry Raymond, Director of Finance

APPROVED AS TO FORM AND LEGAL SUFFICIENCY
THIS 8 DAY OF January, 2015

C. Laurence Jenkins, Jr.
C. Laurence Jenkins, Jr., Esq.
Chief Solicitor

APPROVED BY THE BOARD OF ESTIMATES
THIS _____ DAY OF _____, 2015

Bernice D. Taylor
Clerk

FEB 04 2015
Date

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 28th day of January, 2015, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared Henry Raymond, Director of Finance of the Mayor and the City Council of Baltimore, a body politic and corporate of the State of Maryland, and political subdivision organized and existing under and by virtue of the Constitution and laws of the State of Maryland and on behalf of such City acknowledged the foregoing Payment in Lieu of Taxes Agreement to be the act and deed of Mayor and City Council of Baltimore.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal
day of January, 2015.


Janella A. Rogers
Notary Public
My Commission Expires: April 25, 2016



WITNESS:

STATE CENTER, LLC,
a Maryland limited liability company

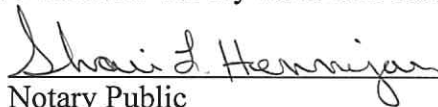


By: 
Name: Caroline G. Moore
Title: Authorized Person
Date: Jan 28, 2015

STATE OF Maryland, CITY/COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 28 day of January, 2015, before the subscriber, a Notary Public in and for the State of MD, personally appeared Caroline G. Moore, an authorized signatory of State Center, LLC, and on behalf of such entity acknowledged the foregoing Payment in Lieu of Taxes Agreement to be the act and deed of said entity.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 28 day of January, 2015.


Notary Public
My Commission Expires:

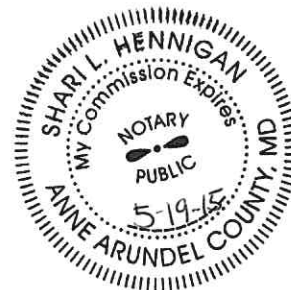


EXHIBIT A

Property Description

Parcel G is the approximately 2.74 acre parcel located on the block in Baltimore City surrounded by Madison Avenue, Preston Street, North Eutaw Street and Martin Luther King Boulevard, having a tax identification of Block 459, Lot 3.

Parcel I-2 is an approximately 0.78 acre portion of the parcel known as 201 West Preston Street, Baltimore, Maryland, having a tax identification of Block 478, Lot 2.

EXHIBIT B

Payment in Lieu of Taxes

A. Payment of Base Taxes. The payments required pursuant to Section 3.2 for PILOT Years One through Twenty shall include the Developer's pro rata share of the base taxes on the First Phase Properties ("**Base Taxes**"), which shall mean the existing Baltimore City real estate taxes on the land and buildings based on the assessment as of July 1, 2015 (the "**Base Assessment**"). The payment of Base Taxes shall be separate and apart from the payment of any taxes required under Section 3.1(a) through (c).

1. For purposes of determining the Base Taxes on Parcel G, the parties agree that: (a) the portion of Parcel G subject to the Garage Ground Lease constitutes 50% of the Base Assessment of Parcel G; (b) the portion of Parcel G subject to Component Ground Lease for the Parcel G PILOT Project constitutes 42.5% of the Base Assessment of Parcel G; (c) the portion of Parcel G subject to all other Component Ground Leases for the First Phase constitutes 5% of the Base Assessment of Parcel G; and (d) the portion of Parcel G remaining subject to the Parcel G PGL constitutes 2.5% of the Base Assessment of Parcel G.

2. For purposes of determining the Base Taxes on Parcel I-2, the parties agree that: (a) the portion of Parcel I-2 subject to Component Ground Lease for the Parcel I-2 PILOT Project constitutes 90% of the Base Assessment of Parcel I-2; and (b) the portion of Parcel I-2 subject to all other Component Ground Leases for the First Phase constitutes 10% of the Base Assessment of Parcel I-2.

3. The current Base Taxes being paid on the First Phase Properties is zero dollars (\$0.00).

B. Payment of Increased Taxes Based on Construction of the Project. The payments required pursuant to Section 3.2 for PILOT Years One through Twenty of each PILOT Term shall also include, as required by the PILOT Law, an amount equal to the greater of: (a) five percent (5%) of the taxes that would otherwise be due each fiscal year based on the incremental assessment of a completed PILOT Project, including any increase in the value of the land (the "**Increased Taxes**") absent this Agreement as such may be assessed from time to time, or (b) an amount equal to \$2.50 per RSF in the applicable PILOT Project less any amounts payable for the applicable PILOT Project under paragraph A above.

C. Profit-Sharing. In addition to the payments required under paragraph A and paragraph B above, each Developer of each PILOT Project shall be responsible for Profit-Sharing Payments in respect of such PILOT Project in accordance with Exhibit C attached hereto.

D. Eligibility for Other Tax Credits. Notwithstanding any other provisions in this Agreement, the Project, the First Phase Properties and the PILOT Projects shall each and all be eligible for such other property tax credits allowable under applicable law, including, without limitation, (1) enterprise zone property tax credits under Tax Property Article Section 9-103 of the Maryland Code, (2) brownfields property tax credits under Tax Property Article Section 9-229 of the Maryland Code, (3) historic renovation property tax credits under Article 28, Section 10-8 of the Baltimore City Code, (4) the rental property tax credit under Article 28, Section 10-18 of the Baltimore City Code, and (5) any other property tax credits now in effect or hereafter implemented as to which such properties may qualify for. Notwithstanding anything in this paragraph D to the

contrary, (i) the payments of Base Taxes required by paragraph A above, and (ii) the payment required by paragraph B above, as to each PILOT Project shall be paid to the City and cannot be reduced by any credit available to the PILOT Project under this paragraph D. However, prior to the PILOT Commencement Date, the First Phase Properties shall be eligible for any applicable Non-Discretionary Property Tax Credits.

EXHIBIT C

Profit-Sharing Payment

The Profit-Sharing Payment shall be calculated and paid according to the provisions of this Exhibit C. The capitalized terms used in this Exhibit C are defined in Part C below.

A. Profit-Sharing Payment.

1. Calculation of Profit-Sharing Payment on the Remaining Net Income of the PILOT Project. The Profit-Sharing Payment from the Remaining Net Income of the PILOT Project shall be paid, to the extent funds are available, as follows:

- (a) First, until the City has received all Abated City Taxes through the applicable Date of Calculation, (i) twenty percent (20%) to the City, and (ii) eighty percent (80%) to Developer;
- (b) Second, thereafter, the balance to the Developer.

2. Calculation of Profit-Sharing Payment on the Sale of the PILOT Project. The Profit-Sharing Payment from the Sale of the PILOT Project shall be paid from the Remaining Sale Proceeds resulting from such Sale, to the extent funds are available after making the payments described below, as follows:

- (a) First, until the City has received all Abated City Taxes through the applicable Date of Calculation, (i) twenty percent (20%) to the City, and (ii) eighty percent (80%) to Developer;
- (b) Second, thereafter, the balance to the Developer.

3. Calculation of Profit-Sharing Payment on the Refinancing of the PILOT Project. The Profit-Sharing Payment from the Refinancing of the PILOT Project shall be paid from the Remaining Refinancing Proceeds resulting from such Refinancing, to the extent funds are available after making the payments described below, as follows:

- (a) First, until the City has received all Abated City Taxes through the applicable Date of Calculation, (i) twenty percent (20%) to the City, and (ii) eighty percent (80%) to Developer;
- (b) Second, thereafter, the balance to the Developer.

4. Payment of Profit-Sharing Payment-Remaining Net Income. Developer, within one hundred twenty (120) days after the end of each PILOT Year, shall provide to the City financial statements, certified by Developer's chief financial office (or equivalent), documenting Annual Revenues, Annual Expenditures, Net Operating Income, if any, and Remaining Net Income, if any. In conjunction with the delivery of such statements, Developer shall pay to the City any Profit-Sharing Payments due from Remaining Net Income.

5. Payment of Profit-Sharing Payment-Sale or Refinancing. Not more than forty-five (45) business days following the closing on any applicable Sale or Refinancing, the Developer shall provide to the City for its information the settlement sheet together with all documentation as may be reasonably required by the City to confirm (a) the calculation of Remaining Sales Proceeds or Remaining Refinancing Proceeds, as applicable, and to the extent required thereby, and (b) any Profit-Sharing Payment due to the City, and shall pay such Profit-Sharing Payment, if any, with such report.

6. Developer to Maintain Books. Developer will keep and maintain books, records and other documents directly relating to the calculation of the Profit-Sharing Payments for at least three (3) years after delivery of the related financial statements to the City, and duly authorized representatives of the City will

have access, on reasonable prior written notice, to such records (which shall be maintained in the Baltimore metropolitan area) for the purpose of inspection, copying, audit and examination, solely at the City's expense, but only during such three (3) year period. The City may not audit the Developer's records more than once in any year.

(a) If any audit discloses an underpayment to the City, (x) the underpayment shall be paid to the City within sixty (60) days of the completion of the audit and delivery of the results to the Developer, and (y) the Developer will pay interest at the rate of 6% per annum, calculated from the date such payment was first due.

(b) In the event Developer chooses to challenge an audited result, notice of such challenge must be provided within thirty (30) days of delivery of the audit results, and any claimed underpayment will be suspended pending resolution of the challenge. The initial approach to a challenge is for the parties to meet and attempt to resolve such differences. If no resolution is achieved within thirty (30) days after delivery of the Developer's notice of challenge, the matter shall be resolved in accordance with subparagraph (c).

(c) Upon a failure to resolve a dispute under subparagraph (b), the City and the Developer shall jointly choose an independent certified public accountant whose determination shall be binding upon the parties. If no agreement is reached on a selection, the City and the Developer will each choose an independent certified public accountant, who will then jointly select the third accountant whose decision will be final. If the City prevails on the resolution of the challenge (meaning that the Developer has been found to have underpaid in any amount), the Developer will bear all costs of the audit and of the independent accountant. If the Developer prevails (meaning that the Developer has been found not to have underpaid in any amount), the City will assume the costs of the independent accountant. Amounts payable as a result of such final determination, including costs, must be paid within sixty (60) days of delivery of the final determination.

B. Supplemental PILOT Agreements

1. Supplemental PILOT Agreements. There will be a separate Supplemental PILOT Agreement for each of the Parcel G PILOT Project and the Parcel I-2 PILOT Project. So long as each Supplemental PILOT Agreement is consistent with the terms of this Agreement, the Board of Estimates hereby authorizes the Director of Finance in his sole and absolute discretion to approve and deliver such Supplemental PILOT Agreement for each PILOT Project without further action by or from the Board of Estimates.

2. No Cross-Default. Each PILOT Agreement will be separate and independent from the other PILOT Agreement. The calculation of Profit-Sharing shall occur separately for each PILOT Project. Failure to recover the Abated City Taxes on one PILOT Project shall not result in a claim under the other PILOT Project. Each PILOT Project shall be subject to a Profit-Sharing based on the Abated City Taxes for such PILOT Project alone.

3. Maximum Amount Payable. In no event will a Developer of each PILOT Project or other Person be responsible for more than the Maximum Profit-Sharing Payment, which is the Abated City Taxes as of the applicable Date of Calculation; any Abated City Taxes not collected for a PILOT Year or by the end of the PILOT Term shall be forever abated. No Developer or other Person shall be responsible for Abated City Taxes upon the expiration of the PILOT Term, except as to any PILOT Payments owed, but not paid, for the last year of the PILOT Term.

4. Triggering Event. No Profit-Sharing Payment will be payable on a PILOT Project until the applicable Developer is responsible for making a Revenue-Sharing Payment to DGS under the applicable Component Ground Lease. Any financial reports provided to the City by the Developer under such

circumstances shall be for informational purposes only and shall not be subject to audit. No Profit-Sharing Payment shall be due, and no calculation of Net Proceeds shall be required until after the PILOT Commencement Date.

5. Partial Years. In the event that the PILOT Commencement Date is not the first day of a Fiscal Year, and the first and last PILOT Years are not full Fiscal Years, the calculations for Annual Nominal Tax, PILOT Payments and other applicable amounts shall be pro-rated over the applicable PILOT Year.

6. Subordination. The parties agree that Profit-Sharing Payments are expressly subordinate to any PILOT Project Debt, and that (a) no Profit-Sharing Payment out of Remaining Net Income shall be due prior to the payment of all amounts then payable on PILOT Project Debt, (b) no Profit-Sharing Payment out of Remaining Sales Proceeds or Remaining Refinancing Proceeds shall be due prior to repayment of all PILOT Project Debt, and (c) no Profit-Sharing Payment shall be payable in the event of a foreclosure or deed in lieu of foreclosure or similar lender action, until the applicable PILOT Project Debt is paid in full.

C. Interpretation and Defined Terms.

1. General:

Any capitalized terms used in this Exhibit C and not otherwise defined herein will have the meaning provided to them by the text of this Agreement. The following terms can be found in the provisions indicated:

- “Affiliate” – Section 1.3
- “Component Lease” – Recital R-9
- “DGS” – Recital R-4
- “First Phase” – Recital R-6
- “Parcel G PGL” – Recital R-8
- “Parcel G PILOT Project” – Section 1.3
- “Parcel I-2 PGL” – Recital R-8
- “Parcel I-2 PILOT Project” – Section 1.3
- “PILOT Term” – Section 1.3
- “State Agencies” – Recital R-11

2. Specific Defined Terms.

“**Abated City Taxes**” means, for each PILOT Project, the difference between Nominal Tax and Cumulative PILOT Payments as of a Date of Calculation.

“**Annual Deficits**” means the amount by which, for any operating year of the PILOT Project, Annual Expenditures exceed Annual Revenues, provided that such amounts are not funded out of some other source so as to create a double accounting (for example, and without limitation, if operating deficits are funded by Developer’s equity contribution or by short-term borrowing that constitutes PILOT Project Debt as defined herein, then such amounts shall not also constitute Annual Deficits).

“**Annual Expenditures**” means all bona-fide, reasonable and customary expenditures incurred by Developer for the PILOT Project in a PILOT Year, amounts deposited into reasonable reserves for capital and operating needs of the PILOT Project, and including PILOT Payments made pursuant to paragraphs A and B of Exhibit B, but excluding Revenue Sharing Payments to DGS.

Annual Expenditures include, without limitation, (i) cleaning, janitorial, maintenance, repair and utility expenses paid by the Developer; (ii) salaries and benefits of and for on-site personnel; (iii) maintenance of an office, telephone, computers or other communication devices on-site; (iv) grand opening expenses to the extent that they are not capitalized in the development budget; (v) collection costs or legal fees directly related to the applicable Developer's interest in such PILOT Project; (vi) accounting expenses; (vii) advertising and marketing costs and expenses; (viii) Minor Capital Expenditures up to \$250,000; (ix) insurance premiums; (x) brokerage fees or commissions to the extent that they are not capitalized according to GAAP; (xi) license or permit fees; (xii) real estate taxes (including special tax payments) or other taxes except for income taxes; (xiii) all debt service payments on PILOT Project Debt; (xiv) amounts paid into reserves for capital improvements; (xv) property management and asset management fees whether paid to third parties or related entities; and (xvi) commercial and/or residential condominium or association fees and assessments, applicable to the PILOT Project. Any expenditure in excess of customary and reasonable amounts shall be reduced, for the purposes of this Agreement, to customary and reasonable amounts.

Annual Expenditures shall specifically exclude: (a) any allocation for corporate overhead or expenditures paid to the Developer or any equity partners or related entities thereof except for commercially reasonable property management or asset management fees; (b) any Post-Construction Capital Expenditures except for Minor Capital Expenditures not exceeding \$250,000; and (c) all non-cash expense deductions, such as depreciation, amortization, and reserves for bad debt or uncollected accounts (but specifically excluding reserves for capital improvements and other reserves appropriate under GAAP).

"Annual Maximum Tax" means for each Fiscal Year during the PILOT Term, and for each PILOT Project, the product of the Assessed Value of the PILOT Project multiplied by the City Tax Rate. Should the method of imposing property taxes be modified, such amount shall be calculated in such manner as would most closely approximate the intent of this Agreement.

"Annual Nominal Tax" means for each Fiscal Year during the PILOT Term, and for each PILOT Project, the Annual Maximum Tax reduced by all Non-Discretionary Property Tax Credits received by the PILOT Project.

"Annual Revenues" means all revenues generated by the PILOT Project during a PILOT Year.

"Assessed Value" means the value established by the Maryland State Department of Assessments and Taxation (or any public agency acting in a similar capacity should that agency's function be assumed by another public agency) on the PILOT Project for purposes of determining the Annual Maximum Tax.

"Brownfields Credit" means the property tax credit authorized under Section 9-229 of the Tax-Property Article of the Maryland Code.

"City Tax Rate" means for the applicable Fiscal Year, the property tax rate imposed by the City on the Assessed Value of real property. If there are varying City Tax Rates based on the nature of the real property, the City Tax Rate will be the rate imposed on real property most comparable in use to the PILOT Project.

"Component Ground Lease" means (a) as to the Parcel G PILOT Project, the Component Lease between DGS and PSP Phase 1 Parcel G State Office, LLC, and all successors and assigns thereto, (b) as to the Parcel I-2 PILOT Project, the Component Lease between DGS and PSP Phase 1 Parcel I-2 State

Office, LLC, and all successors and assigns thereto, and (c) as to each Component Ground Lease, all supplements and modifications thereto.

“Cumulative PILOT Payments” means the sum of all PILOT Payments made by the Developer of the applicable PILOT Project during the PILOT Year through the Date of Calculation.

“Date of Calculation” means (a) as to Remaining Net Income, the last day of the Fiscal Year for which such calculation is being made, and (b) as to Remaining Sales Proceeds or Remaining Refinancing Proceeds, the date on which the applicable Sale or Refinancing closes.

“Developer” unless otherwise qualified or limited, includes Successor Developer(s).

“Developer Capital” means the amount, to be determined from time to time, equal to all equity (as fairly and accurately shown on the Developer’s financial statements) contributed to the development of the applicable PILOT Project from time to time by any person or entity in connection with the acquisition, development, management, operation, upkeep, repair, maintenance and restoration of such PILOT Project, including, but not be limited to PILOT Project Cost and Post-Construction Capital Expenditures, whether contributed as, (i) cash, (ii) the value of any property contributed by the Developer or others, as determined by a property appraisal obtained by the Developer or its lender, (iii) any commercially fair and reasonable development fee payable to the Developer that is contributed to such PILOT Project, as reflected in the applicable Developer’s *pro forma*, and (iv) costs associated with the placement of any State or Federal tax credits relating to the acquisition, development, construction or operation of such PILOT Project, including equity derived from mezzanine, preferred equity or other similar forms of equity investment in the PILOT Project.

Upon Substantial Completion of each PILOT Project, the Developer shall submit to the City a certification that contains the amount of Developer Capital contributed to such PILOT Project as of the date of such certification.

With regard to any Sale of the PILOT Project, Developer Capital shall also include the cash portion of the purchase price (and related acquisition costs) paid by the Successor Developer upon first acquiring the PILOT Project, but shall not include any Developer Capital applicable to such Successor Developer’s predecessor, and PILOT Project Debt shall initially be the debt portion of the purchase price (and related acquisition costs).

“Developer Capital Recovery” means the payment to Developer from (i) Net Operating Income of the PILOT Project, or (ii) Net Refinancing Proceeds of any Refinancing of PILOT Project Debt, or (iii) Net Sales Proceeds from any Sale of the PILOT Project, in each case of an amount equal to the Developer Capital as of the Date of Calculation, or so much thereof as is available from such proceeds, calculated on a cumulative basis from each source.

“DGS” means the State of Maryland for the benefit of the Maryland Department of General Services.

“Enterprise Zone Credit” means the property tax credit authorized under Section 9-103 of the Tax-Property Article of the Maryland Code

“Fiscal Year” means the fiscal year of the City, which is currently July 1 of each calendar year through the succeeding June 30.

"GAAP" means Generally Accepted Accounting Principles, where applicable. The parties agree that all revenue and expense calculations hereunder shall be reported in accordance with income tax basis accounting, consistently applied.

"Internal Rate of Return" or "IRR" means the internal rate of return calculated on the timing and amount of all Developer Capital contributed with respect to a PILOT Project or to a Developer by its owners and Remaining Net Income, Remaining Sales Proceeds and Remaining Refinancing Proceeds, retained and/or distributed by such Developer to its owners. The Internal Rate of Return is a discount rate that makes the net present value of these cash flows or payments equal to zero. In determining the Internal Rate of Return, the following shall apply:

1. the Internal Rate of Return shall be calculated using the XIRR function of the Microsoft Excel program (or its functional equivalent);
2. all cash flows, inclusive of all Developer Capital contributions and distributions, shall be treated as having occurred on the day on which the Developer Capital contributions and distributions actually occurred; and
3. for the sake of clarity, the parties agree that a Developer shall be treated as having received an applicable Internal Rate of Return only after such Developer or its owners have distributed and/or retained Remaining Net Income, Remaining Sales Proceeds and Remaining Refinancing Proceeds equal to all Developer Capital contributions made to such Developer or its owners plus the applicable return thereon.

"Maximum Profit-Sharing Payment" means such amount which when added to the Cumulative PILOT Payments, equals the Nominal Tax.

"Minor Capital Expenditure" means a Post-Construction Capital Expenditure not exceeding Twenty-Five Thousand Dollars (\$25,000).

"Net Refinancing Proceeds" means the proceeds realized by Developer from the Refinancing of all of the PILOT Project Debt after payment to or allowance for any costs or expenses paid or payable in connection with the refinancing transaction, which are reasonable, necessary and related to the refinancing, including all transaction costs such as brokerage, legal, accounting and other fees and expenses.

"Net Operating Income" means, for each PILOT Year and each PILOT Project, the lesser of (a) Annual Revenues less the sum of (i) Annual Expenditures and (ii) Revenue Sharing Payments to DGS, or (b) using the calculations required under the applicable Component Ground Lease, the amount determined to be subject to Revenue-Sharing Payments, less the amount actually paid to DGS as Revenue-Sharing Payment.

"Net Proceeds" means, when used by itself, Net Operating Income, Net Refinancing Proceeds and Net Sales Proceeds, collectively.

"Net Sales Proceeds" means the proceeds realized by Developer from the Sale of the PILOT Project after payment to or allowance for any costs or expenses paid or payable in connection with the sales transaction, which are reasonable, necessary and related to the sale, including all transaction costs such as brokerage, legal, accounting and other fees and expenses.

"Nominal Tax" means the Annual Nominal Tax from the start of a PILOT Year through the Date of Calculation.

“Non-Discretionary Property Tax Credits” shall mean property tax credits that Developer has applied for and been approved, and which are automatically applied to the potential tax liability of a property without the need for discretionary approvals by the Board of Estimates or the City Council. As of the date hereof, the Non-Discretionary Property Tax Credits potentially applicable to properties such as the PILOT Projects are the Enterprise Zone Credit and the Brownfields Credit.

“PILOT Payments” means the sum of all payments made pursuant to Section 3.2 of this Agreement, including (a) Base Taxes payable under paragraph 1 of Exhibit B, (b) payments payable under paragraph 2 of Exhibit B, and (c) Profit-Sharing Payments.

“PILOT Project Costs” means all costs of implementing the PILOT Project, including Post-Construction Capital Expenditures, whether incurred prior to financing, during development or after completion of the PILOT Project, including but not limited to: (i) all costs of acquiring, planning, designing, engineering, surveying, subdividing, constructing, completing, fitting out space for use by the State Agencies, marketing, leasing, managing, operating or financing the PILOT Project, whether hard or soft, and including reasonable and customary fees relating to the PILOT Project, (ii) liabilities or obligations resulting from funds drawn down on any letter of credit or similar or related arrangement securing the performance of an obligation of Developer, (iii) all costs of implementing the First Phase of the Project, including allocable sharing of amounts invested in First Phase infrastructure, landscaping, public improvements and costs of the garage under Parcel G, (iv) as to the Parcel I-2 PILOT Project, all costs of implementing and constructing the First Phase on Parcel I-2, including elements of the improvements subject to separate Component Leases, (v) as to the Parcel G PILOT Project, all costs of implementing and constructing the First Phase on Parcel G, including elements of the improvements subject to separate Component Leases, and (vi) payments into reasonable reserves. Pre-development costs, whether incurred by Developer (or an Affiliate) described in (x) the Parcel G PGL will be included as PILOT Project Costs for the Parcel G PILOT Project, and (y) the Parcel I-2 PGL will be included as PILOT Project Costs for the Parcel I-2 PILOT Project, and (z) both the Parcel G PGL and the Parcel I-2 PGL and not otherwise assigned to either, will be reasonably allocated by Developer.

“PILOT Project Debt” means any senior debt incurred to fund or refinance bona fide and reasonable PILOT Project Costs and/or Annual Deficits, including any accrued and unpaid interest, penalties, premiums and costs, and in connection with any Sale of the PILOT Project, any debt incurred to pay the purchase price and related costs thereof.

“Post-Construction Capital Expenditures” means, with respect to each PILOT Project, capital expenditures (as determined by GAAP) by the Developer thereof made after the issuance of any certificate of occupancy.

“Preferred Developer Return” means the payment to Developer of an amount equal to a cumulative Internal Rate of Return of 18%.

“Profit-Sharing Payments” are payments made by each Developer pursuant to Part A of this Exhibit C.

“Refinancing” mean the refinancing of all of the PILOT Project Debt.

“Remaining Net Income” means the amounts available after application of Net Operating Income to the following, in the priority set forth hereafter, with no payment being made for the next category until after the prior category has been fully accounted for: (i) any required payments for the applicable PILOT Year of principal, interest, penalties or costs under PILOT Project Debt then outstanding, to the

extent not calculated and applied in determining Net Operating Income, (ii) Developer Capital Recovery, and (iii) Preferred Developer Return.

“Remaining Refinancing Proceeds” means the amounts available after application of Net Refinancing Proceeds to the following, in the priority set forth hereafter, with no payment being made for the next category until after the prior category has been fully accounted for: (i) any PILOT Project Debt then outstanding, (ii) remaining Pre-development costs payable to DGS, (iii) Revenue Sharing Payments to DGS, (iv) Developer Capital Recovery, and (v) Preferred Developer Return.

“Remaining Sales Proceeds” means the amounts available after application of Net Sales Proceeds to the following, in the priority set forth hereafter, with no payment being made for the next category until after the prior category has been fully accounted for: (i) any PILOT Project Debt then outstanding or assumed by the buyer, (ii) remaining Pre-development costs payable to DGS, (iii) Revenue Sharing Payments to DGS, (iv) Developer Capital Recovery, and (v) Preferred Developer Return.

“Revenue-Sharing Payment” means the amount payable to DGS under each Component Ground Lease pursuant to paragraph 2 of Part II of Exhibit F thereof, or any comparable payment under a modification to the applicable Component Ground Lease.

“Sale” means the sale of all of Developer’s interest in the PILOT Project after the issuance of a Certificate of Completion thereon, or if so structured, the sale of 100% of the ownership interests in Developer, as an alternative to a sale of the PILOT Project, or the exercise of remedies by a third-party arm’s length lender so as to result in a foreclosure or deed in lieu of foreclosure on the PILOT Project. A sale or issuance of ownership interests in Developer to secure equity or capital from investors shall not be treated as a Sale, even if resulting in a change of 99% of the ownership interest, so long as Developer or an Affiliate remains as the Person responsible for day-to-day management of the PILOT Project.

“Successor Developer” means the purchaser of the applicable PILOT Project at the first Sale of the PILOT Project and any subsequent Sale of the PILOT Project.

D. Examples.

1. Annual Maximum Tax vs. Annual Nominal Tax: If the Assessed Value of the PILOT Project is \$100 million, and the City’s Tax Rate is 2.2%, the Annual Maximum Tax would be \$2,200,000. However, if the PILOT Project has applied for and been granted an Enterprise Zone Credit of 80%, the Annual Nominal Tax would be \$440,000.

2. Abated City Taxes: If the Nominal Tax is \$3 million, and the sum of PILOT Payments made is \$1 million, as of the Date of Calculation, the Abated City Taxes are \$2 million, and any Profit-Sharing Payments made on that Date of Calculation cannot exceed \$2 million.

3. Developer Capital After a Sale: On a Sale of a PILOT Project, the Developer Capital for the Successor Developer will not include any of the Developer Capital of the prior Developer. Instead the Developer Capital for the Successor Developer will be the portion of the purchase price and related costs for acquiring the PILOT Project, less any PILOT Project Debt incurred in connection with the Sale.

EXHIBIT D

COMMITMENT TO COMPLY
WITH THE
MINORITY AND WOMEN'S BUSINESS ENTERPRISE PROGRAM
OF THE CITY OF BALTIMORE

In consideration for receiving fiscal assistance from or through the City of Baltimore, the Developer covenants and agrees to comply with Article 5, Subtitle 28 of the Baltimore City Code (2007 Edition) regarding participation by Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) in its development of the project known as the "State Center". Developer covenants and agrees to use all reasonable good faith efforts to meet the following MBE and WBE participation goals for each PILOT Project:

MBE GOAL 27%

WBE GOAL 10%

Prior to the commencement of construction, Developer agrees to submit to the City written documentation, including executed contracts, service agreements, or utilization commitment forms which shall identify the particular minority and women's business enterprises (i) contracting directly with the Developer, or (ii) subcontracting with prime contractors who have contracted directly with the Developer. The executed contracts, service agreements, or utilization commitment forms submitted to the City shall specify the dollar value of the participation, the type of work to be performed, and such other information as may be reasonably required by the City.

In the event that after reasonable and good faith efforts to meet the goals, Developer is able to demonstrate to the satisfaction of the City that sufficient qualified and willing MBE's and WBE's are unavailable in the market area of the project as defined by City law, then the Developer may request a waiver or reduction of the MBE and/or WBE goals.

The City's Minority and Women's Business Opportunity Office (MWBOO), or its successor, is designated to administer the provisions of the law on behalf of the City. Developer shall comply with the rules and regulations of the MWBOO or its successor in meeting the requirements of the law.

THE UNDERSIGNED DO SOLEMNLY DECLARE AND AFFIRM THAT THEY ARE AUTHORIZED TO MAKE THIS COMMITMENT.


FOR: State Center LLC

BY: 
Carline G. Moore, Authorized Person

BY: _____

DATE: Jan 28, 2015


Chief, Minority and Women's Business Opportunity Office

FROM	NAME & TITLE	Karen Sitnick, Director <i>KS</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Mayor's Office of Employment Development 417 E. Fayette Street, Suite 468		
	SUBJECT	Revised Employ Baltimore Executive Order		

TO

DATE:

The Honorable President and Members of the Board of Estimates

December 10, 2013

Dear Mr. President and Members:

ACTION REQUEST OF BOARD OF ESTIMATES:

To approve the revised Employ Baltimore Executive Order relating to all city awarded contracts of \$ 50,000.01 to \$ 300,000.00, except for professional services and emergency services contracts. This revised Executive Order supersedes the Resolution of the Board of Estimates for the Employ Baltimore Executive Order that was signed by the Mayor on June 9, 2011.

AMOUNT OF MONEY AND SOURCE OF FUNDS:

N/A

*MDS
12/10/13*

BACKGROUND/EXPLANATION:

This revision will align the Employ Baltimore Executive Order with the Local Hiring Law which becomes effective on December 23, 2013, and relates to all city awarded contracts over \$ 300,000.00 except for professional services and emergency services contracts. The purpose of Employ Baltimore is to expand employment opportunities for Baltimore City residents by encouraging businesses that are awarded municipal contracts to utilize the city's local workforce delivery system to recruit qualified city residents to fill their open jobs. It is designed to maximize the impact of public spending by increasing the labor market participation of Baltimore citizens and stimulating the local economy.

APPROVED BY BOARD OF ESTIMATES

DEC 18 2013

Date

Bernice H. Taylor

Clerk

Veobia Akilo (410) 396-1910

EXECUTIVE ORDER

WHEREAS, the Mayor and City Council of Baltimore ("City") wishes to encourage all contractors awarded City contracts to agree to employ skilled and qualified Baltimore City residents to meet the contractor's employment needs created as a result of the award of a City contract; and

WHEREAS, the Mayor's Office of Employment Development ("MOED") has established the EMPLOY BALTIMORE program designed to create opportunities for businesses that receive City contracts to meet their workforce needs; to access qualified City job seekers; and to ensure that City dollars contribute to the local economy; and

WHEREAS, MOED has a roster of Baltimore City residents, who are skilled and qualified for immediate employment by City contractors; and

WHEREAS, MOED wishes to establish and maintain an ongoing relationship with City contractors in an effort to address current and future employment and/or training needs; and

WHEREAS, increasing employment participation of City residents is good business and a means to improve Baltimore City's employment rate.

NOW, THEREFORE, I, Stephanie Rawlings-Blake, Mayor of the City of Baltimore, by virtue of the authority vested in me by the Charter of Baltimore City, do hereby promulgate the following **EXECUTIVE ORDER**:

1. This Executive Order shall apply to contracts awarded by the City that are in the amounts of \$50,000.01 to \$300,000.00, except for professional service contracts and emergency contracts.
2. Bidders on all contracts awarded by the City in the amounts of \$50,000.01 to \$300,000.00, except for professional service contracts and emergency contracts, shall complete the **Employ Baltimore Certification Statement** contained in the Bid Document and submit it with their bids.
3. Within two (2) weeks of receiving the award of a City contract, the contractor shall schedule a meeting with MOED to: (a) assess its employment needs, and (b) discuss other services provided by MOED. If applicable, MOED will then tailor specific hiring and/or training programs to benefit the contractor. The contractor will not receive its first progress payment under the contract, unless and until the said meeting has been scheduled.
4. Should the contractor's workforce plan indicate a need to fill new jobs, the contractor must agree to post these positions through MOED and its One Stop Career Center Network for a period of seven (7) days prior to publicly advertising the openings. This will enable MOED to identify and refer qualified City residents to the contractor as candidates for these job opportunities.

5. Each contractor shall submit an **Employ Baltimore** Employment Report to MOED on June 30th and December 31st during each and every year of its contract, and at the end of the contract, indicating the number of City residents on its payroll. The submission of the Employments Reports as required shall be a condition precedent to the City's release of a final payment or any and all retainage held by the City, pursuant to the contract.

6. A copy of this **Executive Order** shall be included in all bids, requests for proposals and/or contracts.

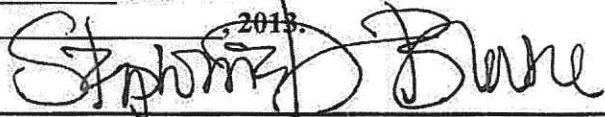
7. This **Executive Order** applies to all applicable City contracts entered into on or after December 23, 2013.

8. This **Executive Order** supersedes the Resolution of the Board of Estimates for the Employ Baltimore Executive Order signed by the Mayor on June 9, 2011, and shall take effect immediately.

IN WITNESS WHEREOF, I HAVE HEREUNTO
PLACED MY HAND AND THE GREAT SEAL
OF THE CITY OF BALTIMORE THIS

DAY OF

2013.




STEPHANIE RAWLINGS-BLAKE, MAYOR

Approved As To Form and Legal
Sufficiency By The Law Department
Of Baltimore City:


Michael Schrock
Chief Solicitor

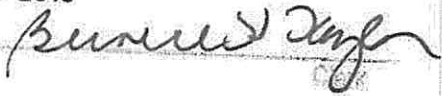
ATTEST:


Custodian of City Seal

Alternate

APPROVED BY THE BOARD OF ESTIMATES:
DEC 18 2013

Date



Employ Baltimore

Requirements

1. Complete the *Employ Baltimore* "Certification Statement" contained in the bid document and submit it with your bid package.
2. Contact the Mayor's Office of Employment Development (MOED) within two (2) weeks of receiving the contract award to schedule a meeting. At this meeting MOED will review your workforce/employment plan; explain the employment report requirements and discuss other workforce services available. You will not receive your first payment from the contract until MOED verifies with the contracting city agency that the meeting has been scheduled.
3. Should the workforce plan indicate a need to fill new jobs, the company will agree to post these positions through MOED and its One Stop Career Center network for a period of seven (7) days prior to publicly advertising the openings. This will enable MOED to identify and refer qualified city residents as candidates for these job opportunities.
4. Complete the "Employment Reports" as required on June 30th and December 31st during each year of the contract and at contract completion. Submit "Employment Reports" to:

**Employ Baltimore
Mayor's Office of Employment
Development
3001 E. Madison Street
Baltimore, Maryland 21205**

- or -

employbaltimore@oedworks.com

The City will not release a final payment or any retainage held by the City until MOED verifies that the Employment Reports have been submitted.

5. Businesses awarded construction contracts that fully participate in the Employ Baltimore program and comply with the conditions listed in the certification statement may receive an early release or reduction in the retainage fee assigned to the contract.

To Schedule Your Meeting with MOED Please Contact:

**Rosalind Howard or Susan Tagliaferro
Employ Baltimore
Mayor's Office of Employment Development
3001 East Madison Street
Baltimore, Maryland 21205
Phone 443-984-3014 • Fax 410-361-9648
rhoward@oedworks.com stagliaferro@oedworks.com**

-or-

employbaltimore@oedworks.com

Employ Baltimore
CERTIFICATION STATEMENT

Contracting City Agency	Bid Number	Bid Due Date

To promote the commitment to utilize **Employ Baltimore** to meet employment needs, all businesses awarded contracts, franchises and development opportunities with the City of Baltimore, shall comply with the terms of the Executive Order as described in the bid specification. Under this agreement, contract awardees will complete and submit this certification statement with the bid package.

This Executive Order shall apply to contracts awarded by the City that are in the amounts of \$50,000.01 to \$300,000.00, except for professional service contracts and emergency contracts.

Additionally, companies awarded construction contracts that fully participate in the **Employ Baltimore** program and submit and comply with the certification statement, may receive an early release of or reduction in the retainage fee assigned to the contract.

CERTIFICATION STATEMENT

As a representative of State Center LLC, I, Caroline Moore, Authorized Person
(NAME OF COMPANY) (PRINT NAME and TITLE)

Certify that a company representative will schedule a meeting with the Mayor's Office of Employment Development within two weeks of contract award to review the workforce plan required for this contract.

If there is a need for additional employees, I agree to post the new job openings with MOED's One Stop Career Center Network for seven (7) days prior to publicly advertising these openings. I agree to interview qualified Baltimore City residents referred from MOED. I agree to submit an Employment Report on June 30th and December 31st identifying the total number of workers on this project and total number of Baltimore City residents on payroll during each year of the contract and at the contract completion as a condition of release of the final payment or any retainage due.

Name: Alph Telephone: 443 453-5101

Company Address 916 N. Charles St. Email: caroline@ekisticsllc.com

Send to: Rosalind Howard or Susan Tagliaferro
Employ Baltimore/ Mayor's Office of Employment Development
3001 East Madison Street
Baltimore, Maryland 21205
Phone 443-984-3014. • Fax 410-361-9648
employbaltimore@oedworks.com

Employ Baltimore
EMPLOYMENT REPORT

Contracting City Agency	Bid/Contract Number & Name
Contract Start Date	Contract End Date

To promote the commitment to utilize the *Employ Baltimore Executive Order* and to meet workforce needs, all businesses awarded contracts, franchises and development opportunities with the City of Baltimore, shall comply with the terms of the Executive Order as described in the bid package. Under this Executive Order, contract awardees will complete and submit this Employment Report on June 30th and December 31st during each year of the contract and at contract completion. You must identify the number of total workers and the number of Baltimore City residents on payroll for this contract. Also, please indicate any new positions created as a result of the award and filled by Baltimore City residents. Employment Reports should be sent to:

Employ Baltimore
Mayor's Office of Employment Development
3001 E. Madison Street
Baltimore, Maryland 21205

- or email -

employbaltimore@oedworks.com

The Employment Report below is hereby submitted by the undersigned for the period:
(please check one)

___ December 31, 20___ ___ June 30, 20___ ___ End of Contract- Date ___

No. of total workers on payroll for this contract	
No. of Baltimore City residents on payroll for this contract	
No. of new positions filled by Baltimore City residents	

Name: _____ Signature: _____

Title: _____ Date: _____



The Mayor's Office of Employment Development provides businesses with a pipeline of qualified, skilled job candidates and supports businesses in retaining and developing their employees. We offer customized workforce solutions including outreach and recruitment, applicant prescreening, assessment and testing services, tax credit information, human resources support and training funds for new or existing employees. Training funds are available through several strategies.

Hiring new employees?

Customized Training is a business-driven strategy that helps companies train and hire people to fit their job-specific needs. MOED Business Services staff recruit and pre-screen applicants based on the company requirements. Your business saves on recruitment costs and could receive up to 50% reimbursement on costs associated with the required training. The positions must be full-time and meet minimum salary requirements. The training can be employer-based, on-the-job, or offered by qualified vendors. Companies awarded Customized Training grants must agree to hire successful trainees. Many companies have used this strategy to increase their workforce and reduce their hiring budget.

Want to improve and increase the skills of your current staff?

Incumbent Worker training

MOED works closely with other local, state and federal agencies to promote the link between the city's workforce and economic development initiatives.

For Further Information Contact:

Rosalind Howard or Susan Tagliaferro
Employ Baltimore
Mayor's Office of Employment Development
3001 East Madison Street
Baltimore, Maryland 21205
Phone 443-984-3014. • Fax 410-361-9648
rhoward@oedworks.com stagliaferro@oedworks.com
employbaltimore@oedworks.com