

# West Baltimore MARC Station Area Redevelopment Strategy Baltimore, Maryland

City of Baltimore | April 22, 2015



Image: TND Planning Group

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## EXECUTIVE SUMMARY

The West Baltimore MARC station area (“Station Area”) offers a long-term opportunity for regional-serving, transit-oriented development, with multimodal access once the Red Line light rail (“Red Line”) opens and the City of Baltimore (City) can lay the groundwork to position the Station Area for this future opportunity by engaging in neighborhood revitalization efforts today. The station area’s primary strength will be its multimodal transportation access and large future development sites (the MARC parking lots); however, its overwhelming challenge is the lack of a market for any land uses without significant subsidy. The neighborhoods surrounding the West Baltimore MARC station have been the focus of extensive community planning. Achieving the neighborhoods stated vision and development potential will require a phased approach that first creates a market by addressing existing community needs and opportunities, builds on those initial successes and transitions towards mixed-income development, and then aggressively promotes the neighborhood potential and long-term development vision. This suggests three phases of “action” in keeping with long term potential:

1. **Phase 1 (pre-Red Line):** Neighborhood revitalization to “prime” the Station Area for future market-rate development. In this period, new development should pursue four primary goals:
  - a. Serve unmet needs in the existing population (such as fresh food and affordable housing);
  - b. Increase neighborhood activity by adding more residents and primary services, improve pedestrian infrastructure and public space; and
  - c. Build community-level organizations that will take ownership of improvement and change.
  - d. View the City’s lease on the parking lots as a defacto “land bank” of future development sites that should be held until TOD is market-feasible. Keep the surface parking lots at the MARC station free to encourage additional pass-through traffic and visitors to the neighborhood.
2. **Phase 2 (post-Red Line):** Begin to introduce mixed-income residential development and continue to improve the retail and services environment. Reevaluate if free, surface parking at the MARC station continues to be the most appropriate option. Structured parking should also be reevaluated in this time frame. Replacing surface parking with structured parking might be appropriate once market-rate TOD opportunities are closer to becoming feasible for the surface lots.
3. **Long term (20 years+):** Seek highest and best use for sites “land banked” at the West Baltimore station to achieve market-rate, mixed-use TOD.

This action plan lays out the groundwork necessary in the short term to begin to create a market, which starts with changing the neighborhood perception and the factors constraining market opportunities such as physical conditions, security perceptions, poor access, low community engagement, and vacant properties.

In the short term, several sites offer the opportunity for subsidized infill residential development, both in renovating existing structures and potentially constructing new. These sites include affordable for-sale or for-rent housing along North Pulaski Street and for-rent housing along West Saratoga Street. In addition, pop-up and other temporary retail activity along North Smallwood Street can better serve commuters needs and fill gaps in neighborhood services like fresh food and grocery. These short-term sites fill in and help complete the neighborhood surrounding the West Baltimore MARC station, position the MARC station area as a community center, and set the stage for long-term development that can take advantage of higher neighborhood housing occupancy, transit ridership, and public investment in infrastructure such as the Red Line light rail.

This report also identifies long-term development opportunities. Given the time it may take for these sites to mature as well as likely market and economic changes that can be expected, these sites are not underwritten with a development program. These sites include the iconic Ice House building, the existing and new surface parking lots at the MARC station, industrial properties around the MARC station, the Edmondson Avenue commercial corridor, and residential neighborhood to the north of Edmondson Avenue. Although no development programs are provided for these sites, this report explains how both the short-term development sites and improvements in public transportation around the station area can position these long-term sites for eventual development. A long-term action plan is beyond the scope of this analysis.

## INTRODUCTION

### Goals and Objectives

In October of 2013, the City hired RCLCO, LLC, to create a market-based action plan for the West Baltimore MARC station area. RCLCO conducted a high-level market analysis to identify the land uses with the most short-term market potential, met with public officials, local developers, and key stakeholders to discuss the findings, identified key redevelopment sites for land uses that would be attractive to developers, and identified issues and challenges to be addressed to foster development. The result is an action plan that assists the City in aiding the station area's evolution as it grows into a more transit-oriented neighborhood. Sections I-V of the Appendix contain the initial market analysis, with Section VI containing the more detailed analysis conducted for short-term opportunity sites.

The action plan identifies short-term and long-term sites for both residential and commercial development, thereby addressing important community goals of housing, economic development, and transportation, as found in the 2008 West Baltimore MARC station Area Master Plan. It also recognizes key issues and obstacles, and provides a series of strategies and action items to mitigate the issues hindering development. This report also identifies possible funding or subsidy needs for new development, and makes recommendations as to how to raise such funds, if necessary. Finally, this report identifies the actors and organizations, both public sector and community-driven, that will carry out the various steps in this action plan.

### Background

The City of Baltimore, Maryland is making investments in public infrastructure, including the Red Line, a 14.1 mile light rail transit line connecting the Johns Hopkins Bayview Medical Center Campus in the eastern part of the City, to the Centers for Medicare and Medicaid Services in the west. The new Red Line proposes 19 station stops including a stop adjacent to the West Baltimore MARC station. This stop has the potential to increase passenger rail activity around the station area as it will offer local and regional access to a multitude of users. The West Baltimore MARC station in conjunction with existing bus service and the Red Line stop has the potential to support neighborhood revitalization while increasing transit-oriented development. The existing MARC service is a foundation for future TOD, but cannot be the only form of "T" for transit to be the catalyst for revitalization in this location. The multimodal connectivity and improved regional accessibility provided by a Red Line/MARC transfer underpins the potential long-term market opportunity at the West Baltimore station.

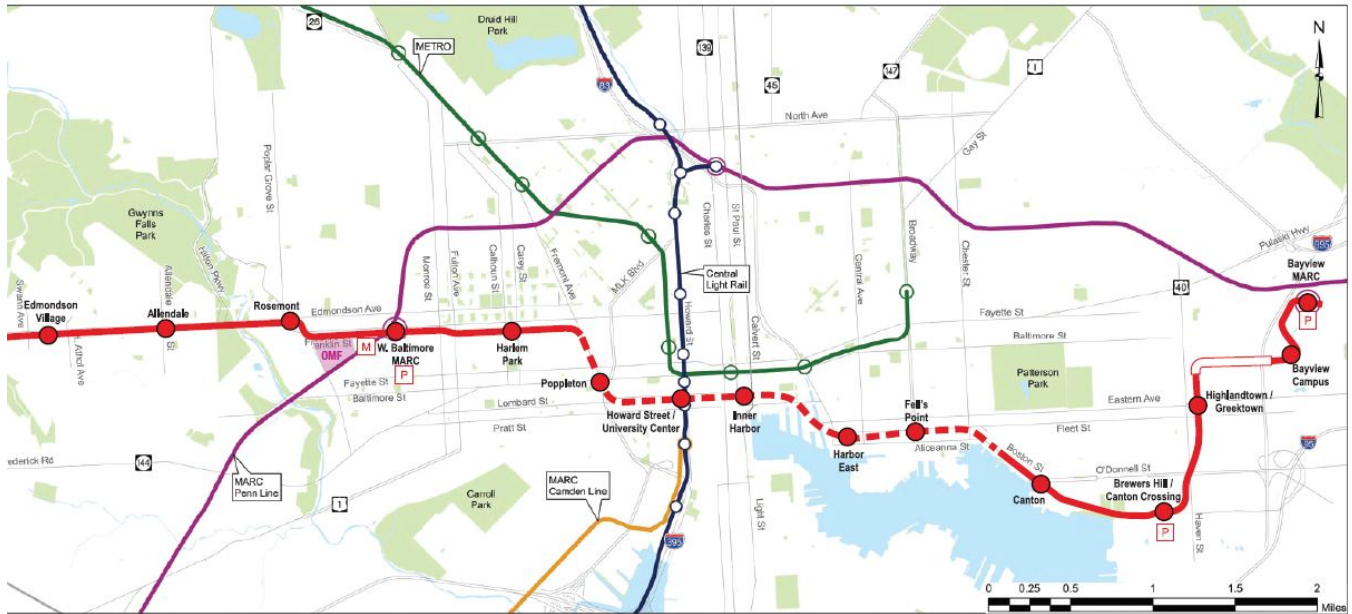
Transit-oriented development (TOD) is development that integrates a mix-of land uses and amenities into a walkable neighborhood that typically extends one-half a mile from public transportation access. By providing commuter rail, light rail, and bus service at one access point, the neighborhood around the existing West Baltimore MARC station can be an advantageous place to live for people who work downtown or throughout the region. With the arrival of new residents living in the neighborhood, there would be an increased demand for commercial and retail businesses. This station would also serve as a transfer point for regional passengers thereby increasing the opportunity for additional business patronage in the area. There has been significant investment in the MARC station to make necessary improvements to the station platform and platform access, partially in anticipation of the Red Line. Additional community infrastructure, such as adequate sidewalks, lighting, and other physical characteristics, are also necessary components to maximize the value of transit access, provide full neighborhood connectivity, and attract development interest.

The proposed Red Line is not due to open until 2022. This does not mean that the City should wait to prep the station area and surrounding neighborhoods for new development until construction on the transit line is complete. To the contrary, the neighborhood surrounding the station area has short-term development opportunities for general in-fill development that will improve the neighborhood's vitality and prime it for future opportunities. The neighborhood already provides residents with elementary schools, parks, a main street retail area (though underserved), a hospital, and a MARC station, within a walkable neighborhood. Infill residential

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development in the short-term, accompanied by pop-up retail and services, can help lay the groundwork for more long-term development that would capitalize on increased transit amenities, a stronger local housing market, or both.

**Figure 1** *Map of Existing Baltimore Light Rail and Proposed Red Line Stations*



But what defines short- and long-term development? What sites and land uses are optimal for short-term development? What are the long-term sites and how can short-term development act as strategic levers to make them more viable? What are the development challenges in this market and how can they be alleviated to allow for development? Who is positioned to help foster this development and implement an action plan to orchestrate these development possibilities in preparation of the Red Line's 2022 operation?

The first section of this report examines the existing market conditions of the station area neighborhood. The second section of this report translates the market analysis into a development strategy for the station area and categorizes potential development sites as short- and long-term opportunities. The final section of this report presents an action plan that identifies steps for the City to undertake to facilitate short-term development opportunities while preparing the station area for long-term development possibilities in conjunction with the 2022 Red Line opening at the West Baltimore MARC station.

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## SUMMARY OF MARKET FINDINGS

### Study Area Existing Conditions

For the purpose of this analysis, the City of Baltimore defined the West Baltimore MARC station area as the area bounded by Harlem Avenue to the north, Fulton Avenue to the east, Hollins Street to the south, and Bentalou Street and the railroad tracks on the west. The station area is approximately two and one-half miles west of downtown Baltimore.

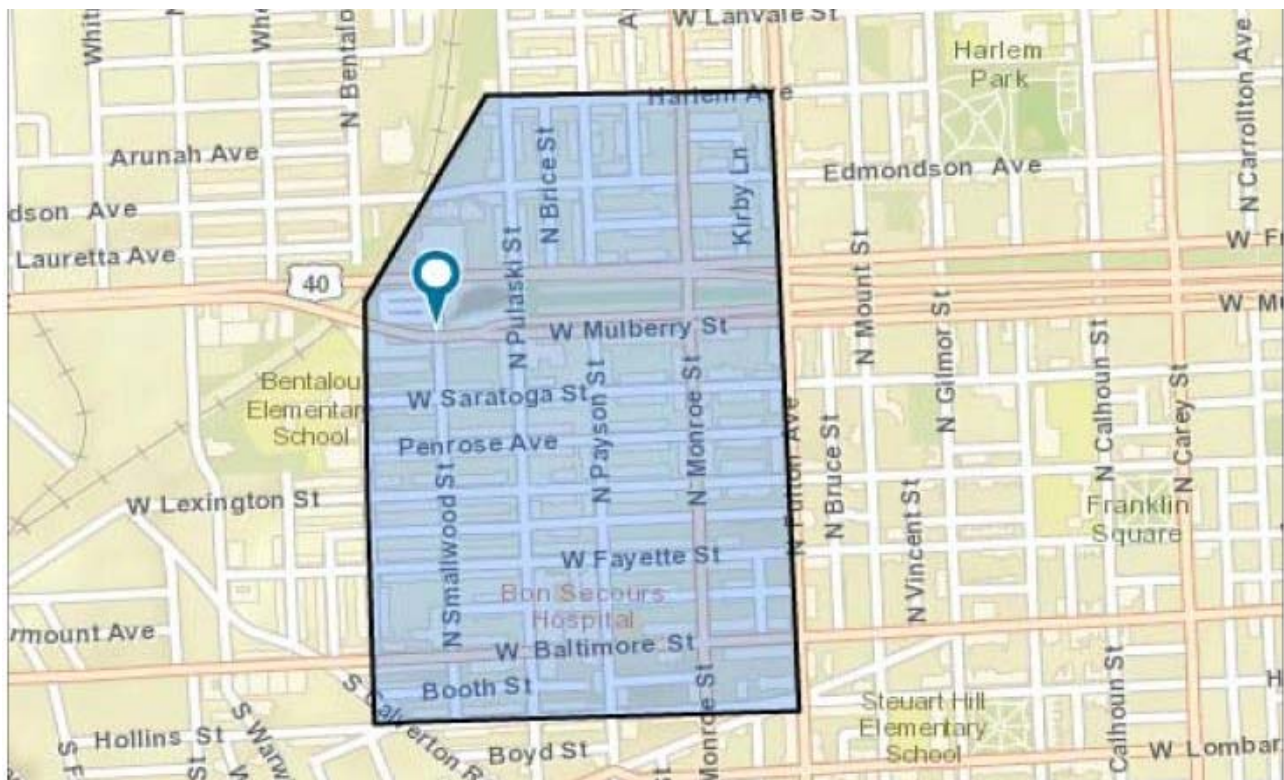
The station area is comprised of a grid of streets creating square and rectangular walkable blocks. About half of the blocks in the station area are serviced by internal alleys. The blocks have a great number of housing units. Many blocks have vacant lots and a number of empty housing units. It is not unusual to see boarded up houses or empty houses with evidence of fire damage. Most of the housing is comprised of rowhomes with a few small apartment buildings.

Commercial buildings line Edmondson Avenue for the entire length of the station area. However, many of these buildings are vacant. Businesses along this corridor are primarily local merchants, many of them selling convenience store items, food, and beauty services. Just south of the MARC station, there are a few active industrial buildings containing enterprises such as a mattress warehouse.

On the north side of the MARC station is the Baltimore American Ice House building, whose exterior façade serves as a defacto community landmark. Operations were abandoned in 2004 after a fire gutted most of the building. The building has iconic appeal for neighborhood redevelopment but it currently suffers from graffiti and broken windows.

Figure 2

Map of West Baltimore Study Area



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Other notable properties in the station area include the Bon Secours Hospital, Lockerman-Bundy Elementary School, Mary Ann Winterling Elementary School, the Roots and Branches Chapter School, the Bentalou Recreation Center, and of course the West Baltimore MARC station. The MARC station is comprised of four surface parking lots and an elevated station accessible only by stairs. The station platform provides minimal lighting and several small shelters that offer protection from the elements.

The City has undertaken a number of actions and efforts in the station area in preparation of the proposed Red Line. In 2008, the City adopted the West Baltimore MARC Station Area Master Plan<sup>1</sup>, that addressed transit-oriented development with the three-fold goals of enhancing housing, economic development and transportation. Maryland's Transit Administration has held public meetings and generated renderings showing the Red Line stops at Franklin and Mulberry Street at the West Baltimore MARC station.<sup>2</sup> Additional MARC surface parking has been constructed adjacent to existing surface parking lots in the median of US Hwy 40. Capital improvements have also been made along Franklin and Mulberry Streets, including sidewalk enhancements, across from the new surface parking lots. Baltimore Housing's Vacant to Value program has identified a block within the station area as a Community Development Cluster.<sup>3</sup>

In spite of much public planning and community participation, the area has not seen significant redevelopment activity or neighborhood revitalization. Walkable neighborhoods with housing options close to commercial uses, public transportation and civic institutions have become quite desirable for young and old Americans.<sup>4</sup> By building upon the community's past planning efforts, this report addresses the what, where, and when certain development may be most strategic and attractive to interested stakeholders and the community.

## Market Analysis

Regional market conditions in the Baltimore MSA demonstrate relative strength in the rental apartment and retail markets, with office and for-sale residential uses stable and improving. Downtown Baltimore and nearby neighborhoods to the north and east such as Harbor East, Fells Point, and Station North, have been the epicenter of recent market-rate residential and retail growth within the City itself, attracting new residents and services, and demonstrating the increasing demand for urban living especially among young professionals moving to Baltimore for jobs and higher education.

Current demand and pricing fundamentals in the local market area suggest that market-rate development will be challenging to support in the near or mid-term in the majority of other neighborhoods to the west of downtown and in the majority of other neighborhoods within the City of Baltimore, including near the West Baltimore MARC station. The character and condition of the building stock is poor, vacancy levels for both housing and commercial property are high, and many of the existing commercial tenants are undesirable neighbors. Demographics in the existing community suggest that affordable and/or subsidized housing presents the primary opportunity. While the station area has a relatively narrow geographic definition, real estate market conditions reflect a broader primary market area (PMA) and competitive market area (CMA) in which demand and supply conditions interact. These areas are likely reflected in the geographic area outlined in the map below.

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<sup>1</sup> <http://westbaltimoremarc.blogspot.com/p/station-area-master-plan.html>

<sup>2</sup> <http://www.baltimorelined.com/library/station-area-advisory-committees/saac-meetings/saac-segment-3-meetings>

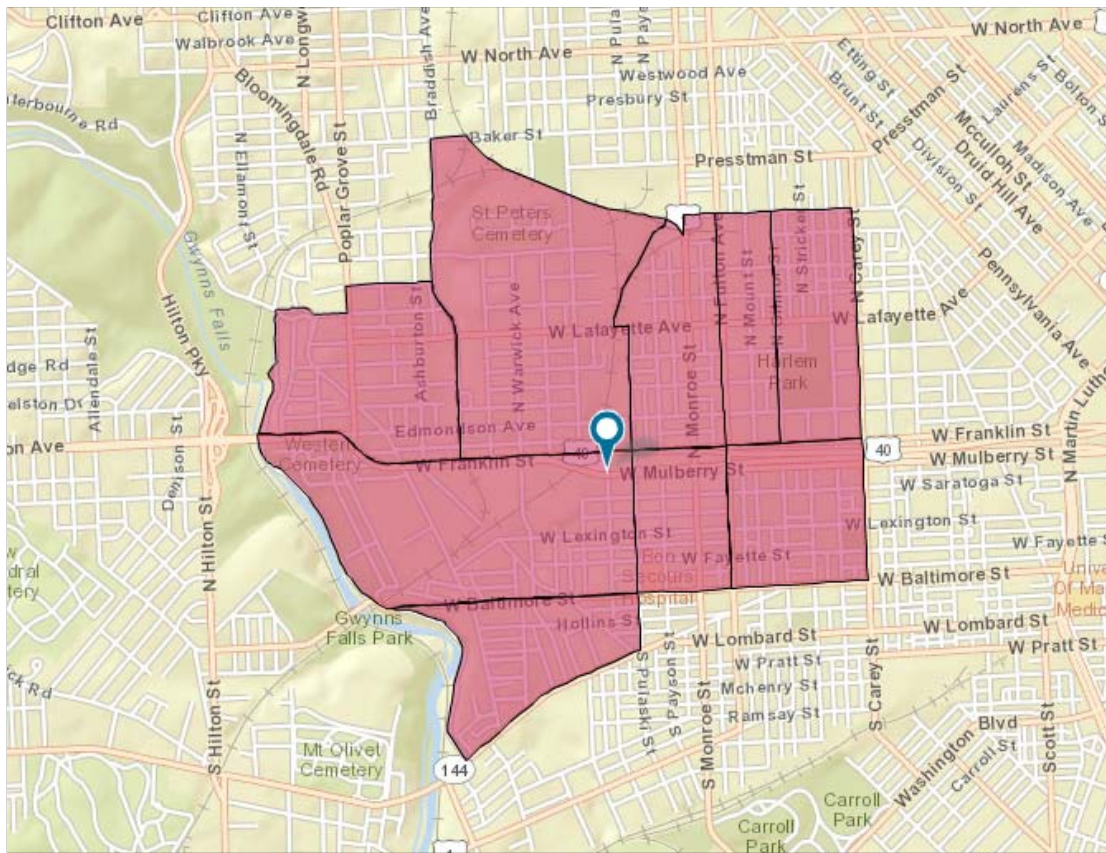
<sup>3</sup> <http://www.vacantstovalue.org/Explore.aspx>

<sup>4</sup> <http://uli.org/press-release/america2013>

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Figure 3

Map of Primary Market Area



The following sections summarize the high-level market analysis findings presented to the City in June 2014. The presentation can be found as Appendix 2 to this document.

## **Residential**

Based on the low prices and high vacancy rate in the local market, the station area is not yet competitive to attract new market-rate residential development. Local demographics and economic feasibility suggest the primary opportunity is for a modest amount of affordable housing, which is most likely realized as single-family rentals in rehabbed rowhomes. A very modest for-sale housing demand may exist at prices points affordable to households with incomes of 30-50% area median income (AMI), though this opportunity is likely too risky for a developer to pursue in the near term. For examples, a 4-person household at 30-50% AMI would have an annual income in the range of \$25,000-\$40,000 per year. A summary of the PMA by household type and income level is shown in Exhibit VI-1.

The specific demand for a given affordable housing project will depend on the prices/rents, any income-level restrictions due to the financing mechanisms for that particular project (e.g. Low Income Housing Tax Credits), and the creditworthiness of the particular household. The deepest market audience in the PMA is the 780 renter households with incomes below 30% AMI and move within the PMA each year, a demographic which will be extremely hard to serve with new development. In the 30-50% and 50-60% AMI categories, which would more likely be the target market for the near-term projects suggested in the action plan, there are about 280 renter households and 13 owner households that move within the PMA each year and might be candidates for the proposed developments. Please see Exhibit VI-2 for additional detail on demand for rental and for-sale housing by income category.



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New market-rate rental apartment development located nearest to the station area has been concentrated east of MLK Blvd and is achieving rents of approximately \$2.00 per square foot (\$1,100 for a studio apartment up to \$2,600 for a two-bedroom unit). In the primary market area, defined as the census tracts within approximately a 1-mile radius of the MARC station, three affordable or subsidized rental housing developments have been built since 2000. These buildings achieve rents of at best \$1.00 per square foot, with rents ranging from \$600 to \$1,000 per month depending on unit size. While there is a deep market audience for new rental units at these relatively affordable price points, the prevailing rent level in the station area does not support new construction without subsidy or the use of specialized financing mechanisms.

For-sale housing in the City of Baltimore primarily consists of rowhomes and multifamily condo units. New rowhomes in neighborhoods near downtown sell for prices in excess of \$300,000. New townhomes at the mixed-income Uplands development near the Edmonson Village Shopping Center are priced in the low \$200,000s. The average sales price of a rowhomes in the station area in 2013 was \$34,000. Vacant homes in need of rehab or in receivership sell for even less.

Over the long term, the La Cite “CenterWest” Development planned in Poppleton may accelerate the viability of market-rate development near the West Baltimore MARC station. However, this project is located over 1 mile away from the station area, and build-out of the large CenterWest site will take many years to create the critical mass to spur broader neighborhood impacts.

## **Retail**

Limited provision of grocery and other food options in a temporary format could be supportable in the near term due to a lack of quality retail or other household services in the neighborhoods surrounding the station area. This retail would need to be positioned to appeal to a broad market audience of both local residents and MARC patrons. Demographics and expenditures in the PMA support approximately 4,500 square feet (SF) of grocery space within a quarter mile of the MARC station—far less than would be necessary to support new development of a grocery-anchored neighborhood shopping center.

Within the broader retail primary market area, retail spaces can be characterized as “main street” and neighborhood in orientation. There are three conventional open-air strip shopping centers comprising approximately 700,000 SF of retail, including Big Box, regional supermarkets and other national and local tenants within two and one-half miles from the MARC station. These centers are identified in Exhibit V-1. Within the station area, there are dozens commercial businesses either along the Edmondson Avenue retail corridor or located in buildings throughout the station area. These businesses are identified in Exhibit V-2.

Retail spaces are relatively well occupied, but attract low rent tenants that discourage higher quality retailers from locating in these shopping centers. The majority of the retail offerings are either food or alcohol. Retail rent asking rates are in the range of \$4-\$6 psf NNN<sup>5</sup>—less than half the average southwest submarket rate (\$12 psf NNN) and almost one-third less the average rate for the City as a whole (\$15 psf NNN). These low rents reflect the low quality of leasable space, low quality of tenants, and lack of demand for higher-quality retail in the station area. Current retail offerings primarily provide convenience retail, fast food, discount merchandise, and beer/wine/liquor stores while fresh food, quality grocery, and restaurants are not available in the community. U.S. Department of Agriculture classifies the area closest to the station area as a food desert.

## **Office**

New office development is a long term proposition for the station area, though community, nonprofit, or health-related users that seek to locate near the populations they serve might find this an attractive location. The office market in downtown Baltimore is the most attractive for regional-serving office users and still has significant vacancies to accommodate new professional, health, and education tenants. It will be at least 10 years before these users may begin to seek out other urban submarkets.

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<sup>5</sup> A Triple Net Lease (“Net, Net, Net,” or “NNN”) makes the tenant responsible for the payment of real estate taxes, property insurance and maintenance, in addition to the stipulated rental rate.

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There are 10 office buildings within a one-mile radius of the MARC station, totaling less than 150,000 SF. The buildings are older, with most built before 1960, and no new office construction since the 1980s. None of the office buildings identified exceed 30,000 square foot gross leasable area; the tenants are local-serving users many of which do not desire conventional office space and likely choose these buildings based on the low cost of occupancy.

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## DEVELOPMENT STRATEGY

In spite of weak demographics and the lack of a market for new development, there are short-term actions that will begin revitalization and prime the neighborhood for future development opportunities. The station area has a well-used MARC station. There are several elementary schools in the neighborhood. Bon Secours Hospital has a strong community presence. And the Ice House continues to be an area landmark for the community and a potential capstone for neighborhood revitalization. The City and other interested parties should prioritize the following five strategies collectively to set the stage for long-term opportunities near the West Baltimore MARC station.

**Strategy 1:** Create a clear delineation between short- and long-term redevelopment sites. Establish a “Project Lead” both internally and externally to streamline information and advocate for these goals and objectives.

**Strategy 2:** Streamline the development process and availability of information to reduce risk of being the “first mover” in an emerging market.

**Strategy 3:** Focus on small-scale, infill residential development within the station area based on pockets of existing strength. Seek development that will be market-feasible and produce attractive returns for developers. Concentrate small-scale sites to magnify visible change in the neighborhood.

**Strategy 4:** “Land bank” the parking lots and other sites closest to the MARC station for future development once the Red Line is closer to opening and the surrounding market matures. Proactively position these sites for future redevelopment opportunities by making necessary capital and infrastructure improvements in the station area in the short term.

**Strategy 5:** Initiate retail programs as pop-up and temporary spaces at the MARC station parking lots in order to provide goods and services to existing MARC patrons and neighborhood residents. Reinforce MARC station, the Ice House, and the proposed Red Line stops as the center of the neighborhood (especially in light of potential future mixed-use redevelopment), create vibrant social space and neighborhood activity.

**Strategy 6:** Pursue community partnerships to engage local residents in neighborhood revitalization and encourage organizations with interests overlapping, but not entirely located within the station area to coordinate their efforts in concert with the goals for the station area.

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Figure 4

Map of Strategic Short-Term Opportunities at Subject Site

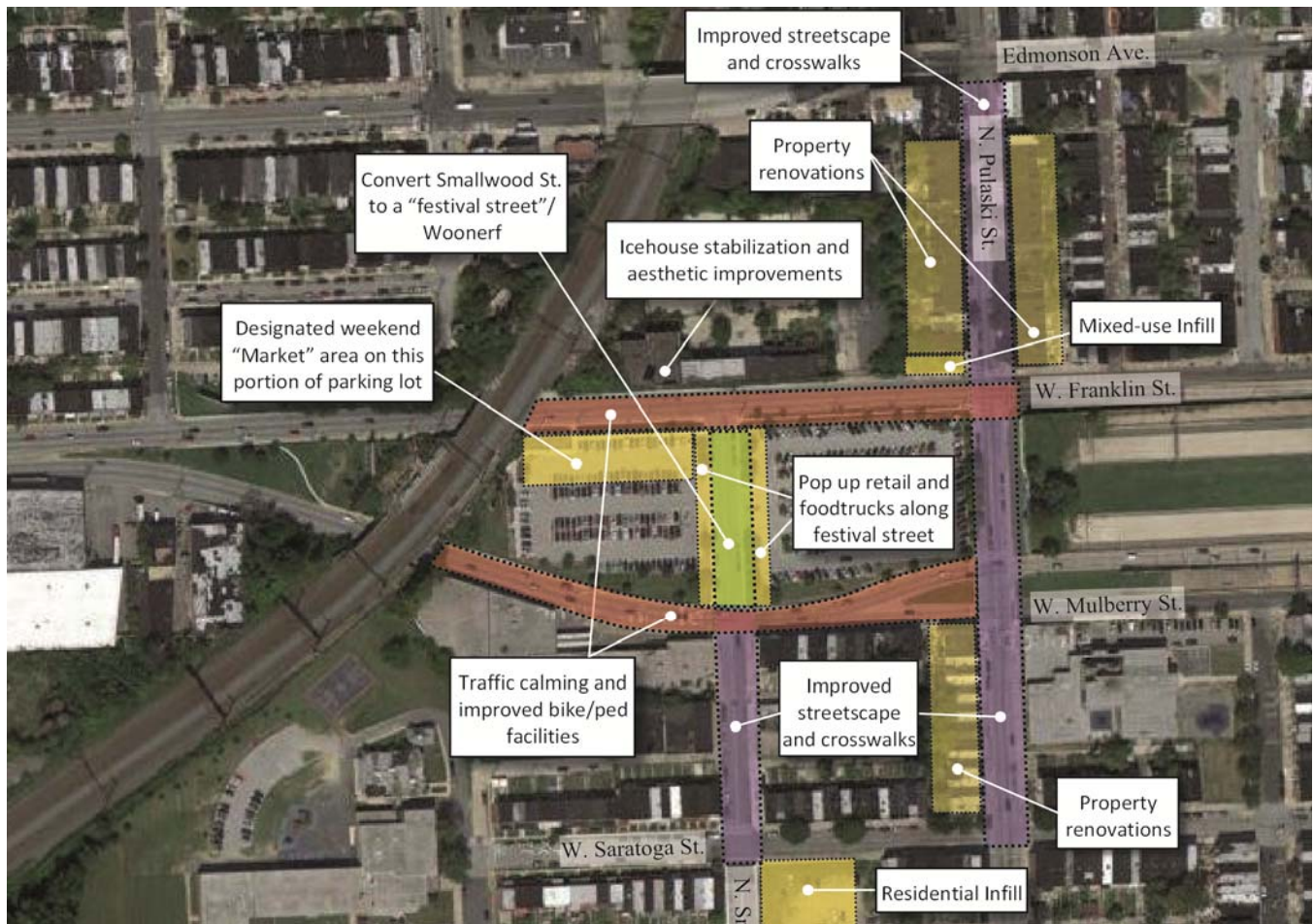


Diagram: TND Planning Group

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## Opportunity Sites

RCLCO identified opportunity sites in the station area, candidate land uses, and likely timing of the opportunity. The short-term sites were selected based on market findings, stakeholder interviews, existing development efforts, ongoing capital improvements around the MARC station area, the proposed Red Line, and other factors that will influence neighborhood revitalization efforts. There is no priority order for pursuing these opportunities; each site is viable today individually and in conjunction with the others recommended below. The assumptions and financial feasibility analysis informing the below sites is shown on Exhibit VI-4 (residential) and VI-5 (retail).

Based on the above criteria, the City project team in conjunction with RCLCO selected the following short-term sites for development program consideration:

- **500 block of North Pulaski Street, from West Franklin Street to Edmonson Avenue:** This block connects the MARC station, the future Red line station, and the main street retail on Edmonson Ave. It also sits within the City's Vacants to Value Community Development Cluster along Pulaski Street. There are 22 existing small rowhomes of approximately 1,500 SF each that are mostly vacant, and a concentrated rehab effort could produce meaningful revitalization on this block. Most likely, a single disposition of city-owned rowhomes on this block to one development entity would be the most effective way to improve and occupy the homes on this block.
  - **Development Program:** RCLCO recommends marketing the properties to an affordable housing developer who would rehab the vacant homes as rental properties affordable to households at 50% AMI. To be feasible, financial models suggest that these homes need to achieve monthly rents of at least \$850 per month, which represents a rent range affordable to households of two or more people with annual income of at least 50% AMI. Based on feedback from the development community, RCLCO estimates that these homes could rent for approximately \$1,050 per month, a rent affordable to households of three or more people with annual income of at least 50% AMI, which would provide a moderately attractive return on cost to a developer. Please see Exhibit VI-3 for household income and rent/price affordability metrics.

Figure 5

500 Block of North Pulaski Street



Image: TND Planning Group

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- **300 block of North Pulaski Street, between West Saratoga Street and West Mulberry Street:** This block of homes presents the opportunity for rehabilitation of vacant homes scattered throughout what is otherwise a well-occupied block. These homes sit across the street from Lockerman-Bundy Elementary School and connect to the most stable residential areas of the study area which are located in the 2100 and 2200 blocks of West Saratoga Street. There are an estimated five vacant homes, which are approximately 1,700 SF each.
  - **Development Program:** RCLCO recommends rehabbing the vacant homes as rental properties affordable to households at 50% AMI. This block would also be a candidate for a for-sale affordable housing programs, or a lease-to-own program, given the smaller number of houses and character of the block; however, the depth of market for for-sale product in this area is very shallow and a developer would likely perceive this as a much riskier option than rentals. As rentals, these homes would achieve similar rents to the homes in the 500 block of North Pulaski, but due to their larger size would produce a more modest return on cost.

Figure 6

300 Block of North Pulaski Street—Affordable Housing



Image: TND Planning Group

- **2123-2147 West Saratoga Street:** 13 adjacent parcels comprising approximately 0.4 acres of City-owned vacant land. This site is located two blocks south of the MARC station and one block east of Mary Ann Winterling Elementary School.
  - **Development Program:** RCLCO recommends pursuing an infill townhouse-style rental apartment development that would serve households at 50% AMI. Initial feasibility calculations suggest that if built at a 2.0 FAR, the site would support a 32-unit building with an average unit size of 1,000 SF and average rent of \$1,000 per month. This rent level represents what would be affordable to a three or four person household at 50% AMI. Whether or not the proposed development would be competitive to receive LIHTC financing has not been analyzed.

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Figure 7

West Saratoga Street Infill Housing

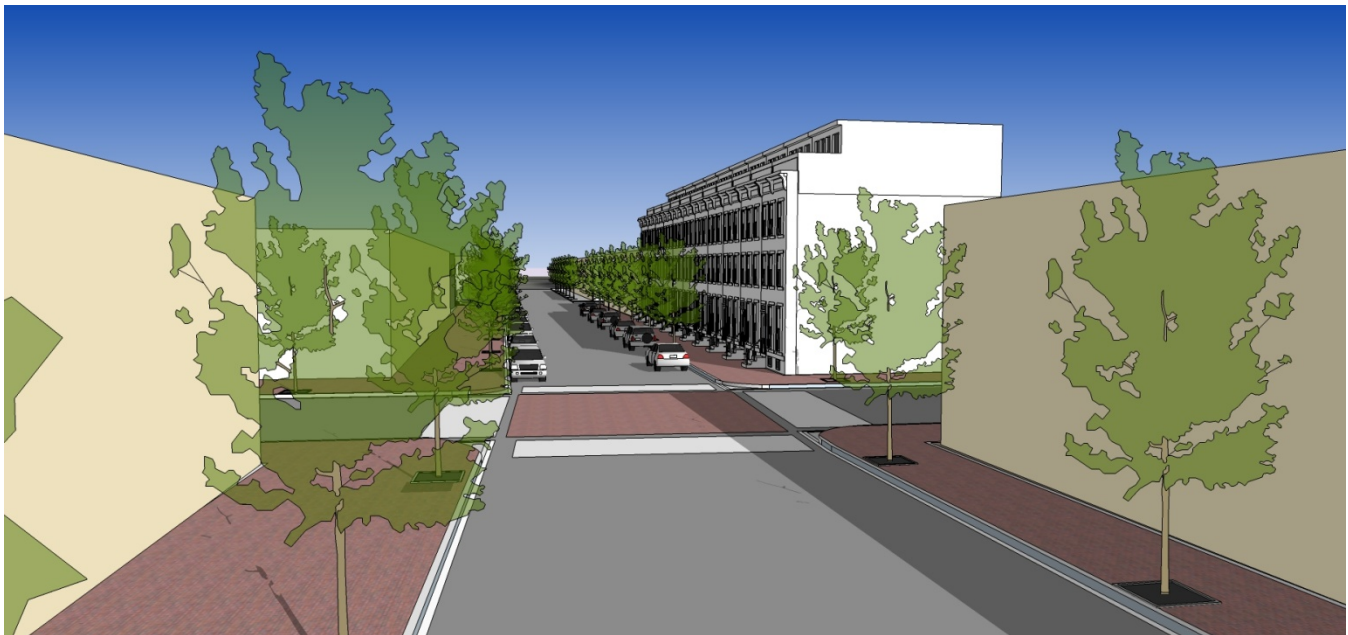


Image: TND Planning Group

- **Unused public space at the MARC station parking lots** at North Smallwood Street and West Mulberry Street. This space is also adjacent to the future Red Line station and suggests the neighborhood's future "center".
  - **Development Program:** RCLCO recommends pursuing a short-term, temporary retail program such as a farmer's market or food trucks that would serve unmet retail needs for both commuters and residents, enhance neighborhood activity, and create active public space at very low cost. A previous weekend farmer's market was successful, but ended when the program funding ended. To expand the customer base, a new temporary retail program would be most successful on weekdays to capture additional spending from MARC customers.
    - Based on preliminary revenue estimates, a weekly market with two to three vendors providing a variety of fresh and prepared foods is likely feasible in the near term and could be expanded to include additional vendors if successful. These revenue estimates should be vetted with an experienced local operator who would likely have additional specific metrics to better quantify the opportunity.

There are additional sites and locations within the station area that would also be candidates for redevelopment; however market factors indicate that regardless of use and programming, they are not likely to be developed in the near term. These longer-term sites should become more appealing as the neighborhood stabilizes and the short term sites identified above are successfully realized. When the coming Red Line becomes a more visible reality in the neighborhood, additional development opportunities may become more viable. Future market feasibility will dictate what ultimately can be built at these longer-term sites; RCLCO has recommended possible uses below based on community aspirations and suitable land uses for each location.

These long-term sites include:

- **Ice House building.** Located next to MARC Station and will be adjacent to the west bound Red Line stop on Franklin Avenue. The building, which is primarily a façade due to previous fire damage, is in poor

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condition but serves as a neighborhood icon and could become a historic site. Redevelopment options could include integration with rail transportation, a community market, housing, retail destination, business accelerator, cultural institution, or mixed-use project.

- **Surface parking lots at the MARC station.** These parking lots represent the largest parcels in the station area and are adjacent to the MARC station and future Red Line stations. In a mature market, these sites would be ideal for large multifamily residential buildings with ground floor retail. As shown in the Red Line station plan, the parking lot closest to the MARC station entrance and platform into a parking plaza with sub-surface parking and park or plaza space at the surface level.
- **Industrial properties around the MARC station.** These large parcels and one-story buildings are home to established businesses and may provide employment. As the neighborhood transitions towards higher-intensity uses, their current warehouse and industrial uses may not continue to be viable in their current locations. As land values rise, redevelopment of these properties may become an attractive opportunity, with the potential for multifamily housing, local office, or retail for properties with good visibility and access.
- **Edmondson Avenue commercial corridor.** This corridor offers a main street commercial program today. As neighborhood housing occupancy improves and the Red Line begins operation, these commercial spaces may begin to transition towards a more diverse array of goods and services. Upper floors of these buildings could provide additional housing or local office space.
- **Residential neighborhood to the north of Edmondson Avenue (Midtown Edmonson).** This neighborhood is a five minute walk to the MARC and future Red Line station. The neighborhood contains larger homes than the blocks of Pulaski identified as short-term opportunities, which today creates an obstacle to rehabilitate these units since market rental rates and resales prices are too low to justify the costs of rehabbing them. As the neighborhood becomes more desirable, this neighborhood will likely see redevelopment interest in conjunction with new tenants in the Edmondson Avenue commercial corridor.

Figure 8

Pop-up Retail at MARC Station Parking Lot



Image: TND Planning Group



## ACTION PLAN

There are several critical steps that should form the basis of the City's approach to neighborhood revitalization during the "Phase 1" Pre-Red Line. This action plan builds on the four development opportunities recommended by RCLCO. Each action step identifies a specific change to achieve the strategic objectives. This identification includes who should carry out the change, when and how long it will take this party to complete, what resources are needed or available for such change, and who should know about these changes. The action steps in this plan address which changes should come before others, which changes are easier to bring about, which changes are most important or key to the strategic objectives, and which changes will inspire and encourage participants and build credibility within the community.

This strategy and action plan emphasizes a collaborative, interagency approach, with one established "Project Lead" as the key internal and external coordinator and communicator of information. If the Mayor's office establishes the proposed TOD Workgroup this organization could also be involved in the coordination of efforts. The State of Maryland has also established a TOD workgroup through MTA to address transit-oriented development issues at the state level. This group could also be an effective partner.

**Strategy 1 – Create a clear delineation between short- and long-term redevelopment sites. Establish a "Project Lead" to communicate both internally and externally, to streamline information, and to advocate for these goals and objectives.**

*Action Step 1.* A "Project Lead" position should be designated to lead the implementation of the Station Area Plan both internally and externally. This lead should emphasize the interagency approach suggested in this action plan and possibly be coordinated with any TOD work group established by the Mayor's office. This role will be exceptionally important to convey the City's proactive steps to encourage development, serve as a resource for property owners and others in the community, and communicate why care and consideration should be given to the station area.

*Action Step 2.* Using RCLCO's market analysis and recommendations, Baltimore City Planning Department ("Planning") will identify sites within the station area that fit short- and long-term profiles for redevelopment, regardless of current ownership. Planning may also coordinate with the Baltimore Development Corporation ("BDC") to utilize their site selection services<sup>6</sup>. The key differentiating factor of the site analysis shall be whether sites can be developed prior to and irrespective of any Red Line activity near the station area and the surrounding neighborhood. This step can begin immediately and should be completed within three months of initiation. The sites should be coded and mapped according to their potential timing for development.

*Action Step 3.* Use EconView to market the sites and provide a one-stop shop for critical information. This step allows public and private stakeholders to better understand the City's focus towards short-term neighborhood revitalization within the station area, and coordinated planning efforts for longer-term development. Planning, Baltimore Housing ("Housing"), BDC, and the "Project Lead" will work together to communicate this tool to local stakeholders. The goal is to communicate the identified opportunities and information about those sites (including current ownership) to the private sector.

**Strategy 2 – Streamline the development process and availability of information to reduce risk of being the "first mover" in an emerging market.**

*Action Step 1.* Planning and Baltimore Housing ("Housing") will assemble critical information about property ownership, existing zoning, and property character in one place for the short-term sites identified by this report. This information will be added to EconView. The intent is to provide easy-to-access information to the City and developers to improve the marketability of the short term parcels. This step can begin at the same time as the step in Strategy 1 and should be completed at the same time as well.

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<sup>6</sup> <http://baltimoredevelopment.com/for-developers/real-estate-development-resources/site-selection-services/>

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Site information should indicate whether their existing zoning matches recommended development profiles or not. Development programs that do not conform to a site's existing zoning should be considered for rezoning. This initiative can be conducted as part of broader City-wide redevelopment efforts.

*Action Step 2.* The Planning office should take steps to rezone those short-term sites that do not conform to the recommended development programs. Starting this process ahead of identifying a development partner will make those sites more attractive and marketable, and will minimize the risk borne by the developer of rezoning sites at their own initiative. This step should begin immediately after the Strategy 1 action step is complete. This initiative can be conducted as part of broader City-wide redevelopment efforts.

*Action Step 3.* Housing and Community Development (DHCD) should also institute an accelerated approval process for all short-term sites within the station area. This process will assist developers in shortening lengthy City processes such as rezoning, especially as they face likely timing issues associated with funding or subsidy programs. This step should begin at the commencement of the Strategy 1 action step. Planning, Housing, and the "Project Lead" should communicate this step to local stakeholders.

- Recent legislation such as the "Unsafe Vacant Structures Bill" that broadens the definition of vacant property to make it easier for the City to enforce and put delinquent properties into receivership is a step in the right direction.
- We suggest that additional improvements to the approvals process address issues such as:
  - Rezoning process: Adopt provisions in TransForm Baltimore addressing conversions from single family dwellings to multi-family dwellings.
  - Parking requirement: Adopt legislation reducing parking requirements for residential developments located within one-quarter mile of transit hubs such as West Baltimore MARC Station.
  - Residential Property Taxes: Consider the abatement of a portion of the increase in residential property taxes when a vacant structure is improved and converted to rental property. This change would improve development feasibility at lower rent levels by reducing the ongoing operating costs of the property once it is renovated or redeveloped. Another option to address this issue would be the use of "PILOT" programs, or payment in lieu of taxes for larger redevelopment sites.
  - Permitting: Remove extraneous steps in permit review by graduating urban renewal plans once TransForm Baltimore is adopted<sup>7</sup>.

*Action Step 4.* Planning should identify infrastructure improvements to make the short-term sites more attractive, while tying necessary investments to the making long term sites more viable and attractive for future redevelopment. This step should be concurrent with Action Step 1.

*Action Step 5.* DOT should make Capital Improvement Project requests to fund and implement the infrastructure/streetscape improvements identified in Action Step 4 above.

All of the steps within Strategy 2 should be communicated throughout their undertaking by Planning, DHCD, BDC, and the "Project Lead" to local stakeholders on their websites and during community outreach efforts.

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<sup>7</sup> See [http://www.baltimorehousing.org/permit\\_procedure](http://www.baltimorehousing.org/permit_procedure) and [http://www.baltimorehousing.org/e\\_plan\\_review](http://www.baltimorehousing.org/e_plan_review).

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Figure 9

Short-Term Infill Development Opportunities in the Station Area



Image: TND Planning Group

**Strategy 3 – Focus on small-scale, infill residential development within the station area based on pockets of existing strength. Seek development that will be market-feasible and produce attractive returns for developers. Concentrate small-scale sites to magnify visible change in the neighborhood.**

*Action Step 1.* DHCD will continue its Vacants to Value effort on the north Pulaski block. The Housing office and the Coordinator will communicate this effort to local community groups. As this is one of the Housing office’s active efforts, this step can continue towards the successful completion of its objectives.

*Action Step 2.* Housing and BDC should co-lead an effort to focus on positioning the lots on West Saratoga Street for redevelopment for a single disposition to one developer. The Planning and Housing offices will create a pallet of existing funding and other subsidy tools that fit the recommended development program for the site.

*Action Step 3.* Using EconView, Housing will identify the vacant properties on the 300 block of North Pulaski that are candidates for redevelopment and acquire these properties through receivership to expedite their redevelopment.

*Action Step 4.* Using information provided by Housing, the Planning office will provide funding information on EconView that associates all potentially available funding sources or subsidies for the recommended development programs associated with the sites. Based on feedback from local developers, two current programs that hold additional promise in spurring redevelopment are homeownership incentives and PILOT (Payment in Lieu of Taxes). While sources such as HOME may not be available today, there are additional programs and incentives available. The LiveBaltimore.com website<sup>8</sup> offers incentives that are available and may benefit the seller (developer) or occupant (homeowner/renter) and should be included upon availability. Developers need to be aware of programs targeted to both subsidize redevelopment and reduce the costs of occupancy to the future owner/tenant, as these both affect the potential financial return and project feasibility.

<sup>8</sup> <http://livebaltimore.com/financial-incentives/>

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*Action Step 5.* Explore the feasibility of giving away the properties on the 500 block of North Pulaski Street to an established and trusted local non-profit developer for redevelopment/rehabilitation. This transaction should be contingent on beginning redevelopment within a set timeframe or the properties return to the City, who would have the opportunity to select a new development partner.

**Strategy 4 – “Land bank” the parking lots and other sites closest to the MARC station for future development once the Red Line is closer to opening and the surrounding market matures. Proactively position these and other nearby sites with TOD potential for future redevelopment by making necessary capital and infrastructure improvements in the station area in the short term.**

*Action Step 1.* Housing, Planning, and BDC will conduct further study of key long term sites, especially the MARC parking lots and industrial sites closest to the MARC and red line stations, to ensure that zoning and incentives align with future redevelopment goals. Planning and BDC will also examine new funding opportunities for these sites and align available incentives, which might include the application of Brownfields tax credits.

*Action Step 2.* Encourage the private property owner to stabilize the Ice House structure for safety today and to help with likely preservation in the future. Although a privately-owned site that is most likely a long-term opportunity, attention to this structure in the near term can help define and brand the West Baltimore MARC station area. It will also have a strong presence with the future Red Line stop. The city can suggest community groups or nonprofits to help the owner with tasks such as landscaping, cleaning/repairing and preventing vandalism to beautify the site in the short term. Steps toward stabilization could include fencing, clean-up/landscaping, fixing broken windows, or marketing signage. For structural and building issues, a group such as the Neighborhood Design Center might be an ideal partner to seek grants and funding for more costly work. These proactive efforts by the property owner could prevent any potential issues that may arise from use of the new Unsafe Vacant Structures Bill.

*Action Step 3.* Allow MARC station area parking to continue at no charge. Revisit in the future. Continuing to operate these parking lots is the equivalent of land banking these sites for future development. Maintaining free parking also provides additional patrons for pop-up retail. MARC patrons are the City’s free “ambassadors” who can observe visible changes in the neighborhood and may naturally share the news about changes and improvements to their friends and neighbors throughout the Baltimore region.

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Figure 10

Parking Lots and Adjacent Sites to be “Land Banked”

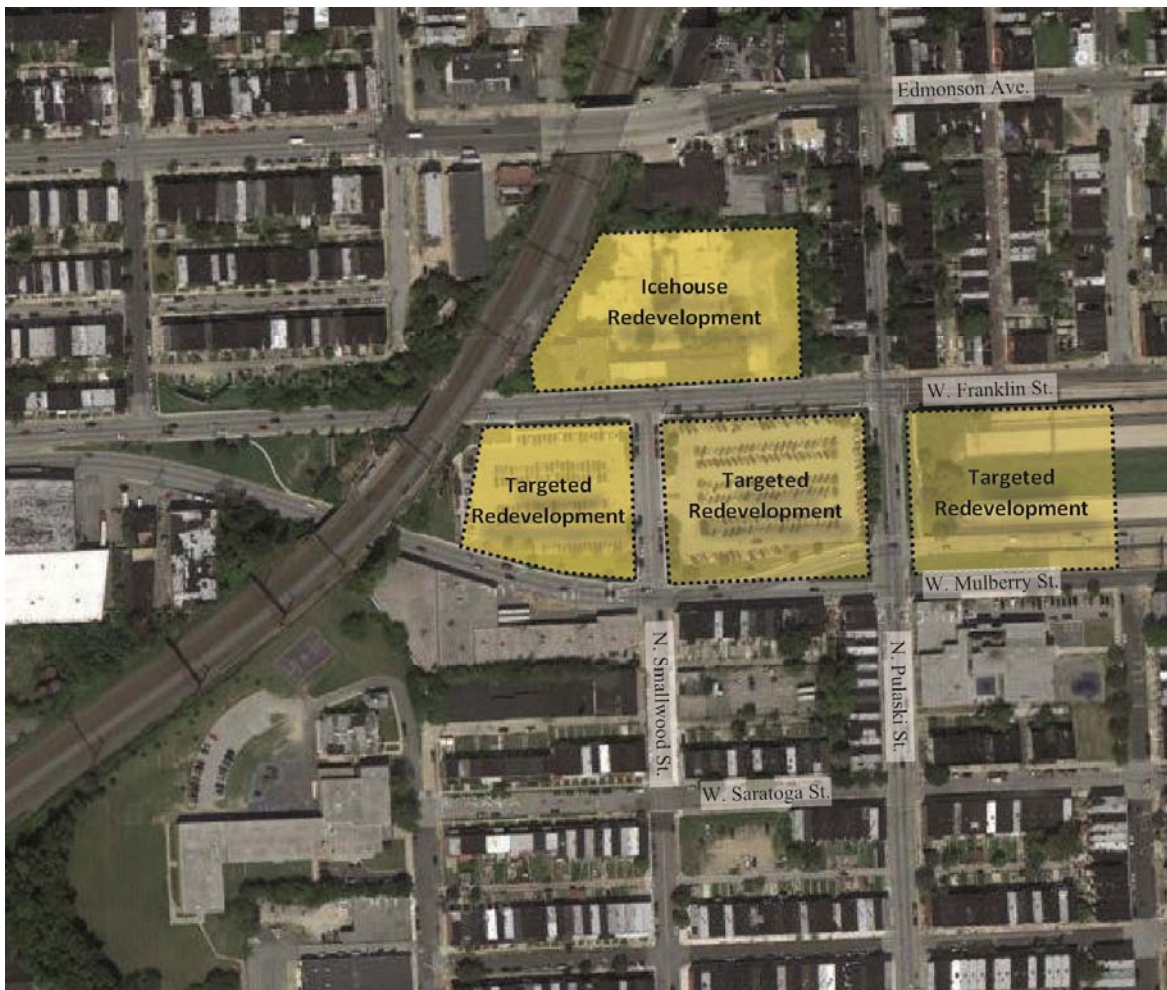


Diagram: TND Planning Group

**Strategy 5 – Initiate retail programs as pop-up and temporary spaces at the MARC station parking lots in order to provide goods and services to existing MARC patrons and neighborhood residents. Reinforce MARC station, the Ice House, and the proposed Red Line stops as the center of the neighborhood (especially in light of potential future mixed-use redevelopment), and create vibrant social space and neighborhood activity.**

*Action Step 1.* Examine how to establish temporary retail programs under the zoning code or pilot program, and whether the City’s lease with MDOT at the parking lot allows for such activity. BDC will lead this effort joined by the Department of Economic and Workforce Development (“Economic Development”), Planning, the “Project Lead”, and MDOT. Other community partners will likely participate with the City regarding implementation of the retail uses, such as the Baltimore Office of Promotion and the Arts and/or a community or business district, if one is formed in the future. Economic Development can assist this effort through the use of their Small Business Resource Center and their Additional Startup Business Resources<sup>9</sup>. BDC, the Planning office, and the Project Lead will work with residents within the station

<sup>9</sup> [http://www.baltimorecountymd.gov/Agencies/economicdev/baltimorecountybusiness/entrepreneurshipandinnovation/edd\\_smallbus.html](http://www.baltimorecountymd.gov/Agencies/economicdev/baltimorecountybusiness/entrepreneurshipandinnovation/edd_smallbus.html)

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area, MARC station patrons and community groups to identify the most-desired goods and services to form a temporary retail programs.

- Temporary retail programs may include daily food trucks, kiosks, and freight container (or other) vendor bays, as well as weekend flea market, farmers market, and entertainment venues. Based on RCLCO's high level revenue estimates as shown in Exhibit VI-5, multiple vendors might be economically-supportable by MARC patrons and local residents.
- Special events can also increase neighborhood activity and visibility by bringing in those outside the community, though they are not a substitute for temporary retail programming that occurs on a reliable basis and schedule.

*Action Step 2.* Identify groups or operators who could realize the opportunity for temporary retail and commercial space at the MARC station parking lot and vet the economic assumptions provided in this analysis and the community's expressed desires for a temporary retail program with an experienced operator to assess site viability. BDC will work with Economic Development<sup>10</sup> on how to establish temporary retail and programs and to identify groups or operators.

## *Community Activities at the MARC Station in front of the Baltimore American Ice House Building*

**Figure 11**



*Image: TND Planning Group*

**Strategy 6 – Pursue community partnerships to engage local residents in neighborhood revitalization and encourage organizations with interests overlapping, but not entirely located within the station area, to coordinate their efforts in concert with the goals for the station area.**

*Action Step 1.* Pursue community partnerships to engage local residents in neighborhood revitalization and strengthen local organizations. There are many groups with interests that overlap with the MARC station area, but few if any organizations that feel ownership over the whole area. This could look something like the Station North Coalition, Southeast CDC in Highlandtown, or the community

<sup>10</sup> Ibid.

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development corporations (CDCs) that have been successful in other Baltimore neighborhoods. Encourage organizations to work together to pursue meaningful change, as local organization and investment has been the key to success in many other neighborhoods throughout Baltimore. These could include, but are not limited to, Bon Secours Hospital, Baltimore Integration Partnership, Baltimore Neighborhood Collaboration, Citizens Planning and Housing Association, Baltimore Community Foundations, St. Ambrose, Baltimore Heritage, Enterprise Community Partners, and other resident-driven community organizations. While this organization would be a stakeholder in the station planning process, its primary role would be community engagement and pursuing grants to improve community services and advance small projects, regardless of the status of the Red Line.

\* \* \* \* \*

This engagement was conducted by Lee Sobel, Principal, and Erin Talkington, Vice President. Architectural renderings were created by Stuart Sirota of TND Planning Group. If you have any questions regarding the conclusions and recommendations included herein, or wish to learn about other RCLCO advisory services, please call (240) 644-1300.

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## CRITICAL ASSUMPTIONS

Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

We assume that the economy and real estate markets will grow at a stable and moderate rate to 2020 and beyond. However, stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when an economic and real estate upturn will end.

With the above in mind, we assume that the long term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not consider the potential impact of future economic shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that the following will occur in accordance with current expectations:

- Economic, employment, and household growth.
- Other forecasts of trends and demographic and economic patterns, including consumer confidence levels.
- The cost of development and construction.
- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth).
- Availability and cost of capital and mortgage financing for real estate developers, owners and buyers.
- Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand.
- Major public works projects occur and are completed as planned.

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).



## GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co., LLC" or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

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## **APPENDIX: SUPPORTING EXHIBITS**

### I. CONTEXT

- Exhibit I-1* Land Use Opportunity Matrix; Market Area and Baltimore Metro; 2014
- Exhibit I-2* Maps of Geographical Analysis Areas; Baltimore, MD Region; January 2014
- Exhibit I-3* Major Education and Health Institutions; Baltimore, MD; 2014

### II. SOCIOECONOMICS

- Exhibit II-1* Age of Householder by Income; Study Area; 2013
- Exhibit II-2* Age of Householder by Income; Primary Market Area; 2013
- Exhibit II-3* Age of Householder by Income; Baltimore City, MD; 2013
- Exhibit II-4* Historical and Projected Household Growth; Baltimore-Towson MSA; 2000-2020
- Exhibit II-5* Median Household Income; Baltimore-Towson MSA; 2000-2030
- Exhibit II-6* Historical and Projected Employment Growth by Sector; Baltimore City, MD; 2001-2020
- Exhibit II-7* Estimated Rent Affordability by Household Income; Study Area; PMA; Baltimore City; 2013
- Exhibit II-8* Total Households by Ability to Afford Recently-Built Market-Rate Rental Units; Study Area; PMA; Baltimore City; 2013
- Exhibit II-9* Estimated For-Sale Affordability by Household Income; Study Area; PMA; Baltimore City; 2013
- Exhibit II-10* Total Households by Ability to Afford For-Sale Homes by Home Price; Study Area; PMA; Baltimore City; 2013

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## III. OFFICE MARKET

- Exhibit III-1* Top Regional Employers by Number of Employees; Baltimore, MD; December 2013
- Exhibit III-2* Office Properties; Primary Market Area; January 2014
- Exhibit III-3* Office Properties; 1 Mile Radius of West Baltimore MARC Station Excluding Study Area; April 2014
- Exhibit III-4* Map of Southwest Office Submarket; Southwest Submarket; Baltimore, MD; 2014
- Exhibit III-5* Historical Office Market Absorption; Southwest Submarket and Baltimore City; 2000-2013
- Exhibit III-6* Historical Office Market Deliveries; Southwest Submarket and Baltimore City; 2000-2013
- Exhibit III-7* Historical Office Market Vacancy; Southwest Submarket and Baltimore City; 2000-2013
- Exhibit III-8* Historical Office Market Inventory; Southwest Submarket and Baltimore City; 2000-2013
- Exhibit III-9* Historical Office Market Average Asking Rent; Southwest Submarket and Baltimore City; 2000-2013
- Exhibit III-10* Historical Office Market Average Asking Rent; Primary Market Area; 2000-2013

## IV. RESIDENTIAL MARKET

- Exhibit IV-1* Annual Residential Building Permits; Baltimore City, MD; 2009-February 2014
- Exhibit IV-2* Housing Market Key Statistics; Study Area; PMA; Baltimore City; 2010-2013
- Exhibit IV-3* Map of Relevant Nearby Apartment Communities; Downtown and Westside of Baltimore; December 2013
- Exhibit IV-4* Planned Residential Developments West of Downtown; Westside; Baltimore; January 2014
- Exhibit IV-5* Rental Units Offered in Informal Rental Market; Near Study Area; West Baltimore; 2013
- Exhibit IV-6* Multifamily Residential Properties Built After 1980; Primary Market Area; January 2014
- Exhibit IV-7* For-Sale Residential Statistics; 21223 Zip Code Area; Study Area; 2013-2014

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*Exhibit IV-8* New Single-Family and Townhome Construction in Proximity to Subject Site; Westside of Baltimore; 2011-2014

## **V. RETAIL**

*Exhibit V-1* Regional Shopping Centers; 1 Mile Radius of West Baltimore MARC Station; 2014

*Exhibit V-2* Retail Tenants; Study Area; 2012

*Exhibit V-3* Grocery and Convenience Retail Properties Outside Study Area; West Baltimore; January 2014

*Exhibit V-4* Retail Leakage by Type; Primary Market Area; 2014

*Exhibit V-5* Map of Southwest Retail Submarket; Southwest Submarket; Baltimore, MD; 2014

*Exhibit V-6* Historical Retail Market Net Absorption; Southwest Submarket and Baltimore City; 2006-2013

*Exhibit V-7* Historical Retail Market Deliveries; Southwest Submarket and Baltimore City; 2006-2013

*Exhibit V-8* Historical Retail Market Vacancy; Southwest Submarket and Baltimore City; 2006-2013

*Exhibit V-9* Historical Retail Market Inventory; Southwest Submarket and Baltimore City; 2006-2013

*Exhibit V-10* Historical Retail Asking Lease Rate; PMA; Southwest Submarket; Baltimore City; 2006-2013

*Exhibit V-11* Historical Retail Market Net Absorption and Vacancy; Primary Market Area; 2006-2013

## **VI. RESIDENTIAL AND RETAIL DEMAND**

*Exhibit VI-1* Distribution of PMA Households by Persons per Household and Household Income (AMI Level); Primary Market Area; 2014

*Exhibit VI-2* Annual Demand for Renter and Owner Units from Existing Households; Primary Market Area; 2014

*Exhibit VI-3* Summary of Demand and Affordability; Primary Market Area; 2014

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*Exhibit VI-4* Development Site High-Level Feasibility; Short-Term Opportunity Sites; 2014

*Exhibit VI-5* Retail Potential Analysis; Market Area; 2014

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## I. CONTEXT

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*Exhibit I-1*

**LAND USE OPPORTUNITY MATRIX  
MARKET AREA AND BALTIMORE METRO  
2014**

		For-Sale Residential (Market Rate)	For-Rent Residential (Market Rate)	Affordable Residential	Retail	Office
<b>Baltimore Metro</b>	Overall Strength	Moderate	High	High	High	Moderate
<b>Subject Site</b>	Overall Strength	Low	Low	Moderate	Moderate	Low
<b>Subject Site</b>	Site Suitability	Low	Low	High	Moderate	Low
	Demand	Low	Moderate	High	Moderate	Low
	Preliminary Economic Feasibility	Low	Low	Moderate	Moderate	Low
	Transit Impact	High	High	High	High	Moderate

Low  
 Moderate  
 High

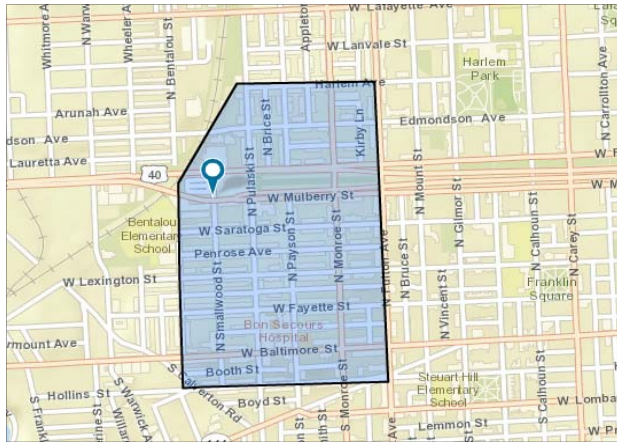
SOURCE: RCLCO



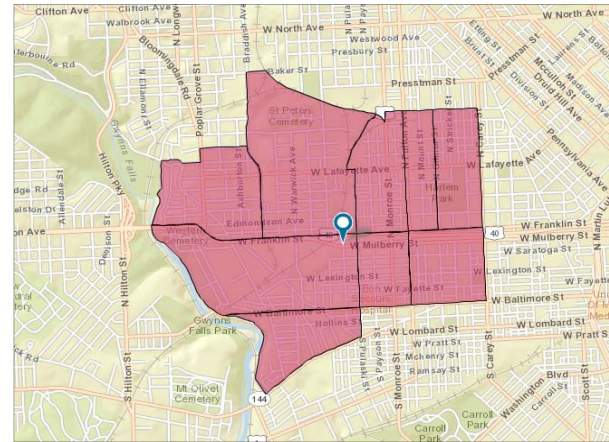
# CITY OF BALTIMORE

## Exhibit I-2

### MAPS OF GEOGRAPHICAL ANALYSIS AREAS BALTIMORE, MD REGION JANUARY 2014



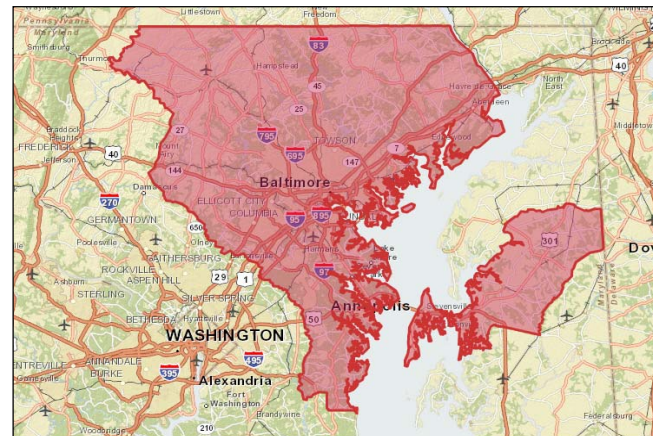
**STUDY AREA**



**PRIMARY MARKET AREA**



**SECONDARY MARKET AREA (BALTIMORE CITY, MD)**



**BALTIMORE-TOWSON MSA**

SOURCE: Esri; RCLCO

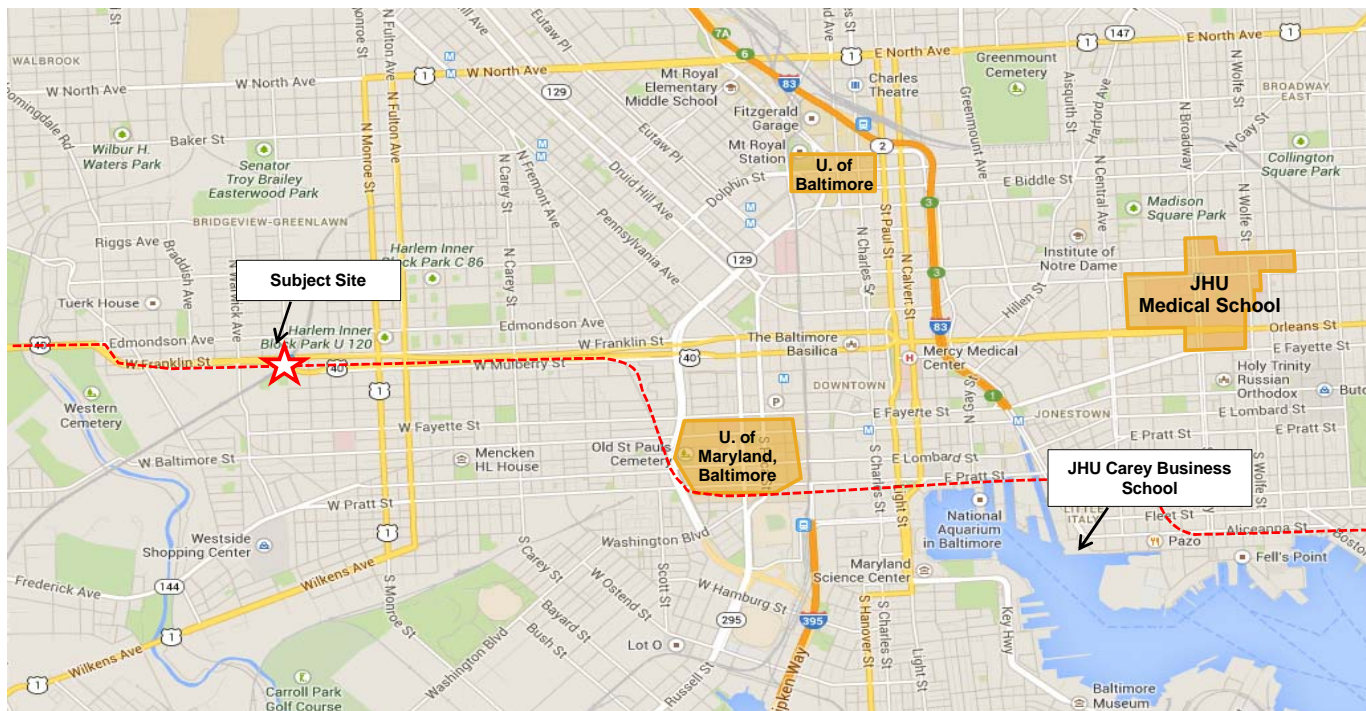
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## Exhibit I-3

### MAJOR EDUCATION AND HEALTH INSTITUTIONS BALTIMORE, MD 2014

	University of Maryland Medical School	Johns Hopkins Medical School	Johns Hopkins Carey Business School	University of Baltimore
Distance from Subject Site	1.6 Miles	3.2 Miles	2.7 Miles	2.1 Miles
Full-time Students	1,302	1,305	745	3,194
Faculty and Staff	6,100	3,800	266	159

----- Future Red Line Corridor (Est Operation: 2022)



SOURCE: University of Maryland Admissions; Johns Hopkins Medical School Admissions; Johns Hopkins Carey Business School Admissions

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## II. SOCIOECONOMICS

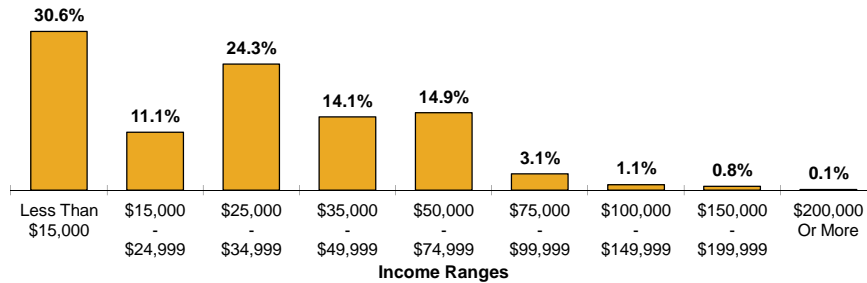
# CITY OF BALTIMORE

## Exhibit II-1

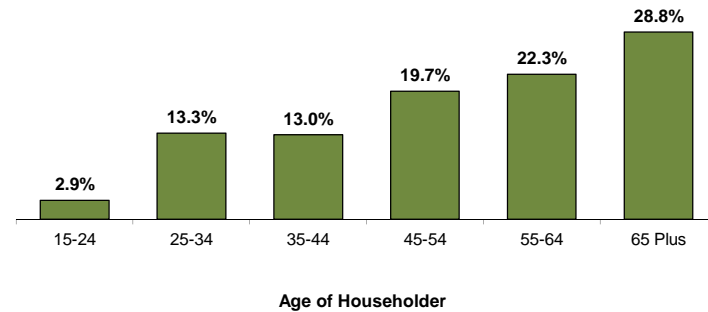
### AGE OF HOUSEHOLDER BY INCOME STUDY AREA 2013

INCOME RANGE	15-24		25-34		35-44		45-54		55-64		65 Plus		TOTAL	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Less Than \$15,000	13	27.7%	53	25.0%	55	26.4%	94	29.8%	124	34.7%	150	32.5%	489	30.6%
\$15,000 - \$24,999	5	10.6%	25	11.8%	21	10.1%	27	8.6%	23	6.4%	77	16.7%	178	11.1%
\$25,000 - \$34,999	14	29.8%	56	26.4%	54	26.0%	83	26.3%	77	21.6%	104	22.6%	388	24.3%
\$35,000 - \$49,999	4	8.5%	30	14.2%	33	15.9%	49	15.6%	52	14.6%	58	12.6%	226	14.1%
\$50,000 - \$74,999	10	21.3%	36	17.0%	32	15.4%	48	15.2%	56	15.7%	56	12.1%	238	14.9%
\$75,000 - \$99,999	0	0.0%	6	2.8%	7	3.4%	10	3.2%	14	3.9%	13	2.8%	50	3.1%
\$100,000 - \$149,999	1	2.1%	5	2.4%	2	1.0%	3	1.0%	4	1.1%	2	0.4%	17	1.1%
\$150,000 - \$199,999	0	0.0%	1	0.5%	3	1.4%	1	0.3%	6	1.7%	1	0.2%	12	0.8%
\$200,000 Or More	0	0.0%	0	0.0%	1	0.5%	0	0.0%	1	0.3%	0	0.0%	2	0.1%
<b>TOTAL</b>	<b>47</b>	<b>100%</b>	<b>212</b>	<b>100%</b>	<b>208</b>	<b>100%</b>	<b>315</b>	<b>100%</b>	<b>357</b>	<b>100%</b>	<b>461</b>	<b>100%</b>	<b>1,600</b>	<b>100%</b>
Percent of Total	3%		13%		13%		20%		22%		29%		100%	

HOUSEHOLD INCOME DISTRIBUTION



DISTRIBUTION BY AGE OF HOUSEHOLDER



SOURCE: Esri

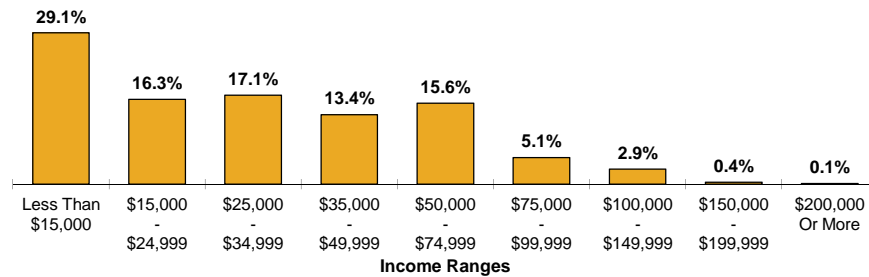
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## Exhibit II-2

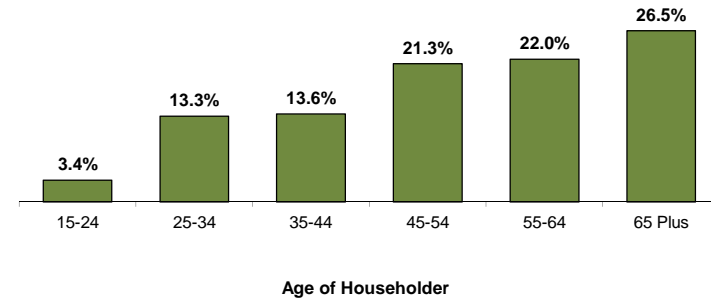
### AGE OF HOUSEHOLDER BY INCOME PRIMARY MARKET AREA 2013

INCOME RANGE	15-24		25-34		35-44		45-54		55-64		65 Plus		TOTAL	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Less Than \$15,000	71	26.0%	255	23.7%	258	23.4%	468	27.0%	579	32.3%	736	34.2%	2,367	29.1%
\$15,000 - \$24,999	45	16.5%	196	18.2%	178	16.1%	246	14.2%	244	13.6%	417	19.4%	1,326	16.3%
\$25,000 - \$34,999	59	21.6%	182	16.9%	194	17.6%	295	17.0%	265	14.8%	394	18.3%	1,389	17.1%
\$35,000 - \$49,999	43	15.8%	146	13.6%	173	15.7%	259	14.9%	228	12.7%	238	11.1%	1,087	13.4%
\$50,000 - \$74,999	46	16.8%	182	16.9%	189	17.1%	302	17.4%	295	16.5%	250	11.6%	1,264	15.6%
\$75,000 - \$99,999	3	1.1%	67	6.2%	62	5.6%	91	5.3%	111	6.2%	83	3.9%	417	5.1%
\$100,000 - \$149,999	6	2.2%	46	4.3%	41	3.7%	62	3.6%	51	2.8%	30	1.4%	236	2.9%
\$150,000 - \$199,999	0	0.0%	3	0.3%	7	0.6%	8	0.5%	13	0.7%	2	0.1%	33	0.4%
\$200,000 Or More	0	0.0%	0	0.0%	1	0.1%	2	0.1%	6	0.3%	0	0.0%	9	0.1%
<b>TOTAL</b>	<b>273</b>	<b>100%</b>	<b>1,077</b>	<b>100%</b>	<b>1,103</b>	<b>100%</b>	<b>1,733</b>	<b>100%</b>	<b>1,792</b>	<b>100%</b>	<b>2,150</b>	<b>100%</b>	<b>8,128</b>	<b>100%</b>
Percent of Total	3%		13%		14%		21%		22%		26%		100%	

HOUSEHOLD INCOME DISTRIBUTION



DISTRIBUTION BY AGE OF HOUSEHOLDER



SOURCE: Esri

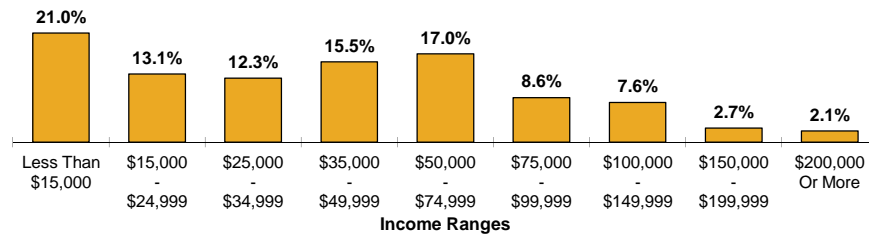
# CITY OF BALTIMORE

## Exhibit II-3

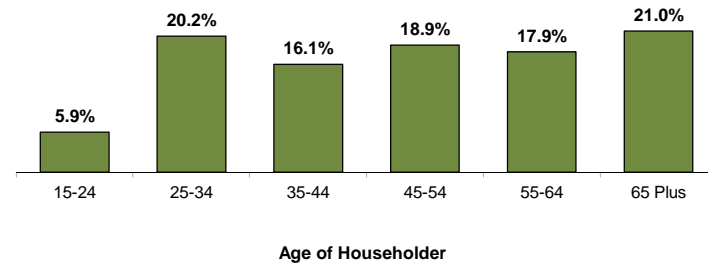
### AGE OF HOUSEHOLDER BY INCOME BALTIMORE CITY, MD 2013

INCOME RANGE	15-24		25-34		35-44		45-54		55-64		65 Plus		TOTAL	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Less Than \$15,000	4,505	30.3%	9,141	18.1%	6,826	17.0%	9,174	19.4%	9,930	22.1%	12,999	24.7%	52,575	21.0%
\$15,000 - \$24,999	1,907	12.8%	6,704	13.2%	4,433	11.0%	5,237	11.1%	5,072	11.3%	9,448	18.0%	32,801	13.1%
\$25,000 - \$34,999	2,031	13.7%	5,940	11.7%	4,963	12.3%	5,724	12.1%	4,844	10.8%	7,369	14.0%	30,871	12.3%
\$35,000 - \$49,999	2,369	15.9%	8,059	15.9%	6,445	16.0%	7,237	15.3%	6,836	15.2%	7,770	14.8%	38,716	15.5%
\$50,000 - \$74,999	2,239	15.1%	9,180	18.1%	7,112	17.7%	8,913	18.8%	7,555	16.8%	7,616	14.5%	42,615	17.0%
\$75,000 - \$99,999	847	5.7%	5,065	10.0%	4,036	10.0%	4,346	9.2%	4,025	9.0%	3,158	6.0%	21,477	8.6%
\$100,000 - \$149,999	671	4.5%	4,486	8.9%	3,909	9.7%	4,111	8.7%	3,559	7.9%	2,371	4.5%	19,107	7.6%
\$150,000 - \$199,999	187	1.3%	1,246	2.5%	1,375	3.4%	1,409	3.0%	1,681	3.7%	954	1.8%	6,852	2.7%
\$200,000 Or More	115	0.8%	804	1.6%	1,110	2.8%	1,142	2.4%	1,337	3.0%	850	1.6%	5,358	2.1%
<b>TOTAL</b>	<b>14,871</b>	<b>100%</b>	<b>50,625</b>	<b>100%</b>	<b>40,209</b>	<b>100%</b>	<b>47,293</b>	<b>100%</b>	<b>44,839</b>	<b>100%</b>	<b>52,535</b>	<b>100%</b>	<b>250,372</b>	<b>100%</b>
Percent of Total	6%		20%		16%		19%		18%		21%		100%	

HOUSEHOLD INCOME DISTRIBUTION



DISTRIBUTION BY AGE OF HOUSEHOLDER

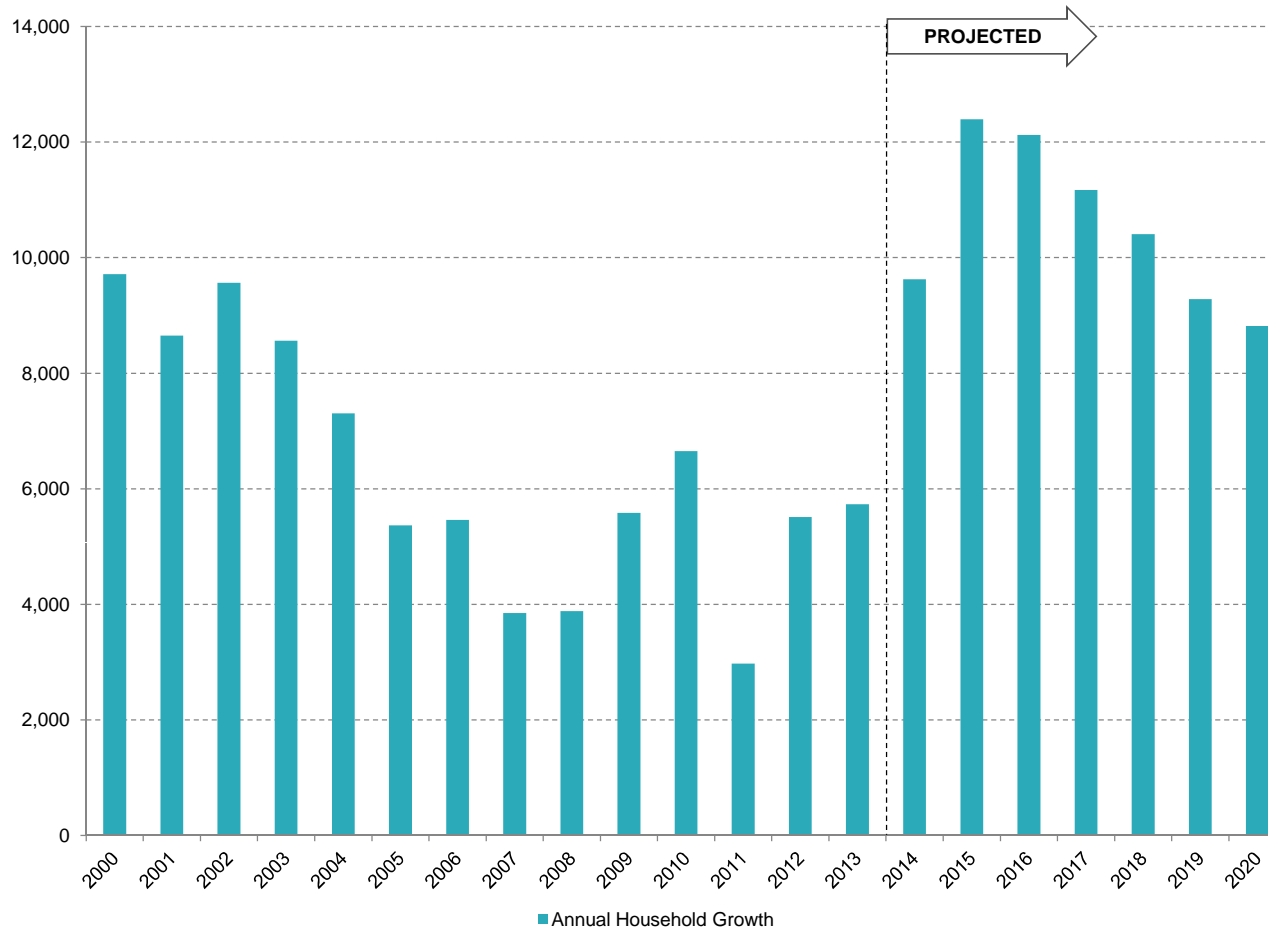


SOURCE: Esri

# CITY OF BALTIMORE

Exhibit II-4

## HISTORICAL AND PROJECTED HOUSEHOLD GROWTH BALTIMORE-TOWSON MSA 2000-2020



Year	Total HHs	CAGR %
2000	975,787	
2001	984,440	0.89%
2002	994,003	0.97%
2003	1,002,563	0.86%
2004	1,009,869	0.73%
2005	1,015,233	0.53%
2006	1,020,692	0.54%
2007	1,024,540	0.38%
2008	1,028,424	0.38%
2009	1,034,004	0.54%
2010	1,040,655	0.64%
2011	1,043,627	0.29%
2012	1,049,139	0.53%
2013	1,054,872	0.55%
2014	1,064,499	0.91%
2015	1,076,893	1.16%
2016	1,089,019	1.13%
2017	1,100,188	1.03%
2018	1,110,593	0.95%
2019	1,119,878	0.84%
2020	1,128,694	0.79%
Avg. Annual Growth		
2000-2010	6,487	
2010-2020	8,804	

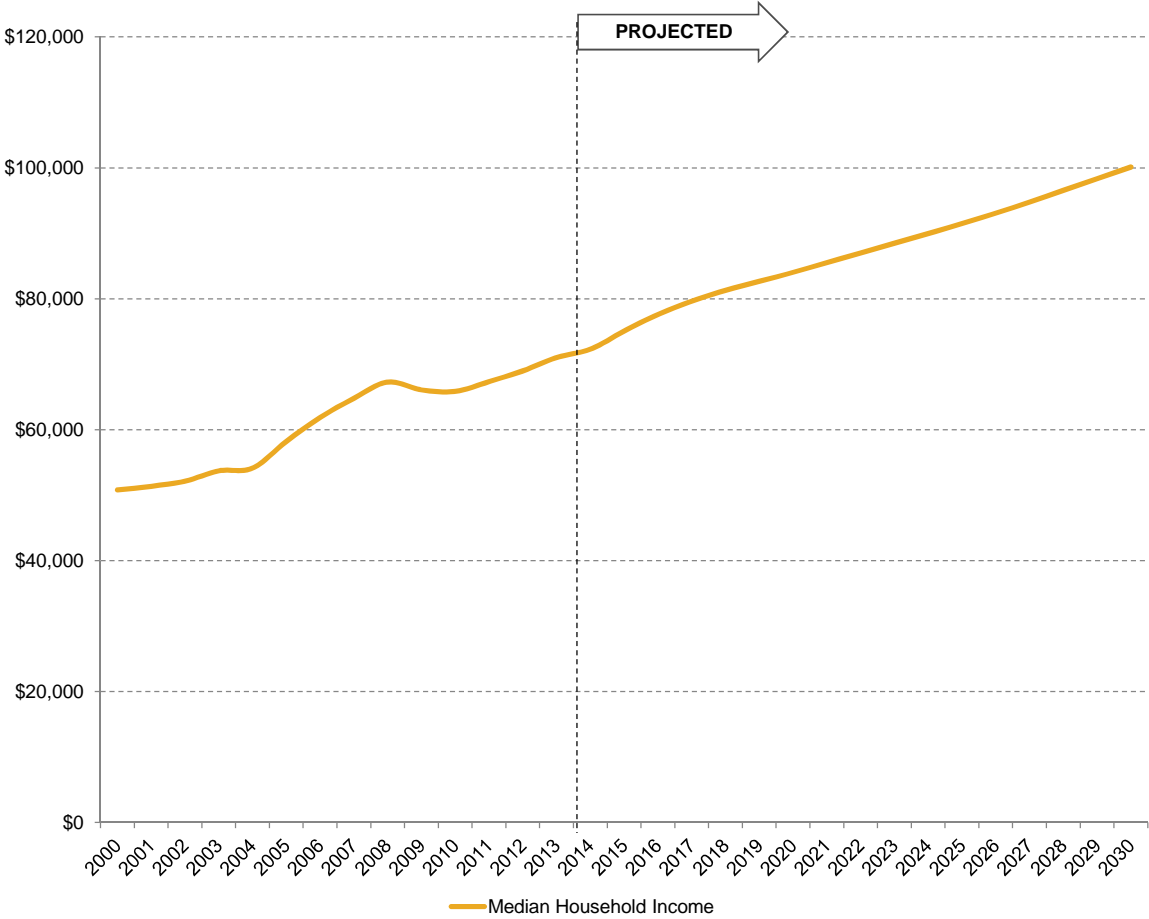
The Baltimore-Towson MSA is projected to add 73,800 households from 2013 through 2020

SOURCE: Moody's Analytics

# CITY OF BALTIMORE

Exhibit II-5

## MEDIAN HOUSEHOLD INCOME BALTIMORE-TOWSON MSA 2000-2030



Year	Median HH Income	CAGR %
2000	\$50,783	
2005	\$58,186	2.76%
2010	\$65,826	2.50%
2015	\$75,037	2.65%
2020	\$83,993	2.28%
2025	\$91,441	1.71%
2030	\$100,100	1.83%
2000-2030		2.29%

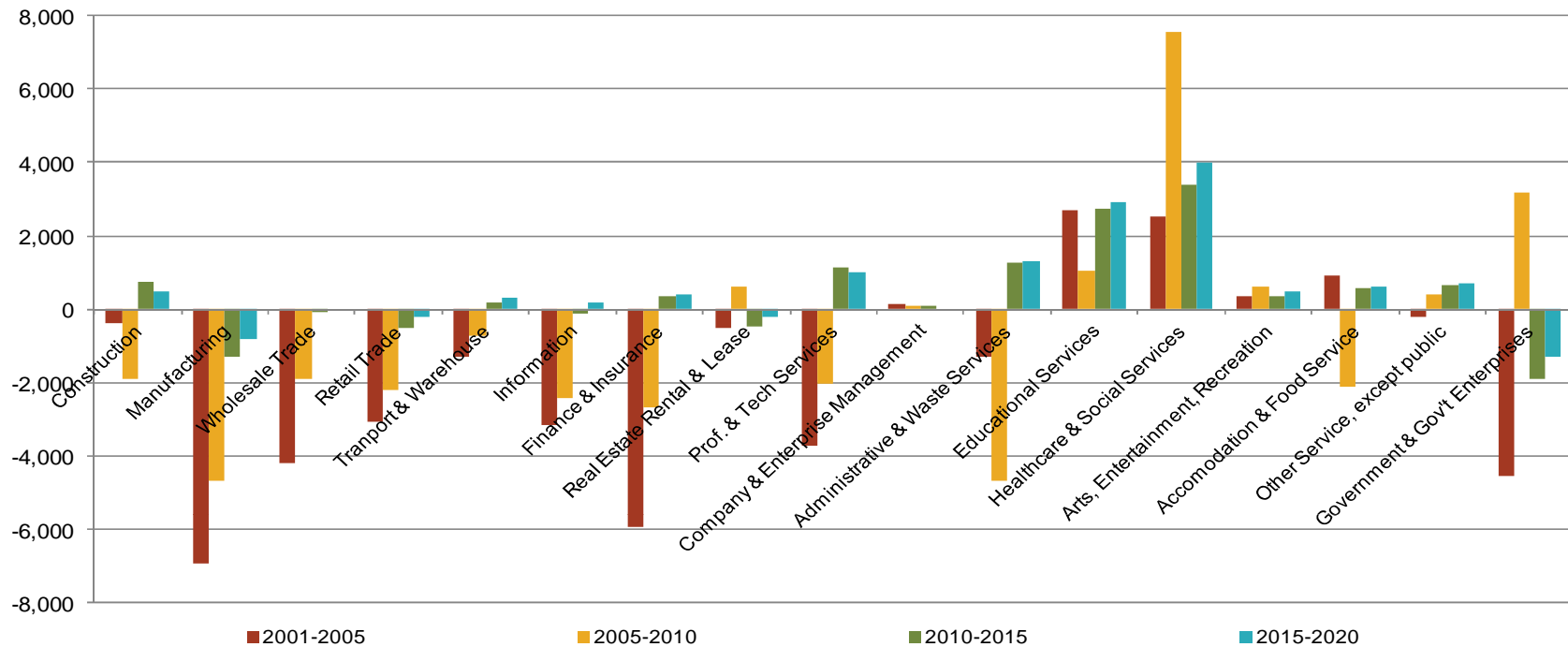
SOURCE: Moody's Analytics



# CITY OF BALTIMORE

Exhibit II-6

## HISTORICAL AND PROJECTED EMPLOYMENT GROWTH BY SECTOR BALTIMORE CITY, MD 2001-2020



SOURCE: Maryland Department of Planning State Data System; US BEA June 2012

# CITY OF BALTIMORE

## Exhibit II-7

### ESTIMATED RENT AFFORDABILITY BY HOUSEHOLD INCOME STUDY AREA; PMA; BALTIMORE CITY 2013

Implied Monthly Rent Affordability by Income Range

	\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000 - \$199,999	\$200,000
25%	\$313	\$313 - \$521	\$521 - \$729	\$729 - \$1,042	\$1,042 - \$1,562	\$1,563 - \$2,083	\$2,083 - \$3,125	\$3,125 - \$4,167	\$4,167
30%	\$375	\$375 - \$625	\$625 - \$875	\$875 - \$1,250	\$1,250 - \$1,875	\$1,875 - \$2,500	\$2,500 - \$3,750	\$3,750 - \$5,000	\$5,000
35%	\$438	\$438 - \$729	\$729 - \$1,021	\$1,021 - \$1,458	\$1,458 - \$2,187	\$2,188 - \$2,917	\$2,917 - \$4,375	\$4,375 - \$5,833	\$5,833
40%	\$500	\$500 - \$833	\$833 - \$1,167	\$1,167 - \$1,667	\$1,667 - \$2,500	\$2,500 - \$3,333	\$3,333 - \$5,000	\$5,000 - \$6,667	\$6,667

Average Implied Monthly Rent Affordability

	\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000 - \$199,999	\$200,000
25%	\$313	\$417	\$625	\$885	\$1,302	\$1,823	\$2,604	\$3,646	\$4,167
30%	\$375	\$500	\$750	\$1,062	\$1,562	\$2,187	\$3,125	\$4,375	\$5,000
35%	\$438	\$583	\$875	\$1,240	\$1,823	\$2,552	\$3,646	\$5,104	\$5,833
40%	\$500	\$667	\$1,000	\$1,417	\$2,083	\$2,917	\$4,167	\$5,833	\$6,667

**KEY**

- Unable to afford \$1,000 monthly rent (minimum market-rate)
- May be able to afford \$1,000 monthly rent (minimum market-rate)
- Able to afford \$1,000 monthly rent (minimum market-rate)

SOURCE: RCLCO; Esri

# CITY OF BALTIMORE

## Exhibit II-8

### TOTAL HOUSEHOLDS BY ABILITY TO AFFORD RECENTLY-BUILT MARKET-RATE RENTAL UNITS STUDY AREA; PMA; BALTIMORE CITY 2013

Study Area					
Income Range	Total HH by Income Range	% of Income Spent on Rent			
		25%	30%	35%	40%
< \$15,000	489	0	0	0	0
\$15,000 - \$24,999	178	0	0	0	0
\$25,000 - \$34,999	388	0	0	0	0
\$35,000 - \$49,999	226	0	226	226	226
\$50,000 - \$74,999	238	238	238	238	238
\$75,000 - \$99,999	50	50	50	50	50
\$100,000 - \$149,999	17	17	17	17	17
\$150,000 - \$199,999	12	12	12	12	12
\$200,000 +	2	2	2	2	2
<b>Total HH</b>	<b>1,600</b>	<b>319</b>	<b>545</b>	<b>545</b>	<b>545</b>
<b>% Income Qualified by Home Price</b>		<b>20%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>

PMA					
Income Range	Total HH by Income Range	% of Income Spent on Rent			
		25%	30%	35%	40%
< \$15,000	2,367	0	0	0	0
\$15,000 - \$24,999	1,326	0	0	0	0
\$25,000 - \$34,999	1,389	0	0	0	0
\$35,000 - \$49,999	1,087	0	1,087	1,087	1,087
\$50,000 - \$74,999	1,264	1,264	1,264	1,264	1,264
\$75,000 - \$99,999	417	417	417	417	417
\$100,000 - \$149,999	236	236	236	236	236
\$150,000 - \$199,999	33	33	33	33	33
\$200,000 +	9	9	9	9	9
<b>Total HH</b>	<b>8,128</b>	<b>1,959</b>	<b>3,046</b>	<b>3,046</b>	<b>3,046</b>
<b>% Income Qualified by Home Price</b>		<b>24%</b>	<b>37%</b>	<b>37%</b>	<b>37%</b>

Baltimore City					
Income Range	Total HH by Income Range	% of Income Spent on Rent			
		25%	30%	35%	40%
< \$15,000	52,575	0	0	0	0
\$15,000 - \$24,999	32,801	0	0	0	0
\$25,000 - \$34,999	30,871	0	0	0	0
\$35,000 - \$49,999	38,716	0	38,716	38,716	38,716
\$50,000 - \$74,999	42,615	42,615	42,615	42,615	42,615
\$75,000 - \$99,999	21,477	21,477	21,477	21,477	21,477
\$100,000 - \$149,999	19,107	19,107	19,107	19,107	19,107
\$150,000 - \$199,999	6,852	6,852	6,852	6,852	6,852
\$200,000 +	5,358	5,358	5,358	5,358	5,358
<b>Total HH</b>	<b>250,372</b>	<b>95,409</b>	<b>134,125</b>	<b>134,125</b>	<b>134,125</b>
<b>% Income Qualified by Home Price</b>		<b>38%</b>	<b>54%</b>	<b>54%</b>	<b>54%</b>

NOTE: A market rate unit is defined as an unsubsidized rental housing unit. RCLCO determined the minimum monthly lease rate of a new market-rate housing unit in the City of Baltimore to be approximately \$1,000 based on rental market research into comparable development.

SOURCE: RCLCO; Esri

# CITY OF BALTIMORE

## Exhibit II-9

### ESTIMATED FOR-SALE AFFORDABILITY BY HOUSEHOLD INCOME STUDY AREA; PMA; BALTIMORE CITY 2013

Total Purchase Price	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
Principal*	\$95,000	\$142,500	\$190,000	\$237,500	\$285,000	\$332,500	\$380,000
Monthly Mortgage Payment*	\$481	\$722	\$963	\$1,203	\$1,444	\$1,685	\$1,925
Affordable Monthly Mortgage Payment (30% of Income**)	< \$15,000	\$375	\$375	\$375	\$375	\$375	\$375
	\$15,000 - \$24,999	\$500	\$500	\$500	\$500	\$500	\$500
	\$25,000 - \$34,999	\$750	\$750	\$750	\$750	\$750	\$750
	\$35,000 - \$49,999	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062
	\$50,000 - \$74,999	\$1,562	\$1,562	\$1,562	\$1,562	\$1,562	\$1,562
	\$75,000 - \$99,999	\$2,187	\$2,187	\$2,187	\$2,187	\$2,187	\$2,187
	\$100,000 - \$149,999	\$3,125	\$3,125	\$3,125	\$3,125	\$3,125	\$3,125
	\$150,000 - \$199,999	\$4,375	\$4,375	\$4,375	\$4,375	\$4,375	\$4,375
\$200,000 +	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	

- Affordable mortgage payment is less than market rate
- Affordable mortgage payment is greater than market rate

\*Assuming 5% down and interest rate of 4.5% on 30 year fixed-rate mortgage

\*\*Monthly mortgage payment based on average across income bands (i.e. households with incomes \$50,000 to \$74,999 can afford on average \$1,562/month)

SOURCE: RCLCO; Esri

# CITY OF BALTIMORE

## Exhibit II-10

### TOTAL HOUSEHOLDS BY ABILITY TO AFFORD FOR-SALE HOMES BY HOME PRICE STUDY AREA; PMA; BALTIMORE CITY 2013

Study Area								
Income Range	Total HH by Income	Home Price						
		\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
< \$15,000	489	0	0	0	0	0	0	0
\$15,000 - \$24,999	178	178	0	0	0	0	0	0
\$25,000 - \$34,999	388	388	388	0	0	0	0	0
\$35,000 - \$49,999	226	226	226	226	0	0	0	0
\$50,000 - \$74,999	238	238	238	238	238	238	0	0
\$75,000 - \$99,999	50	50	50	50	50	50	50	50
\$100,000 - \$149,999	17	17	17	17	17	17	17	17
\$150,000 - \$199,999	12	12	12	12	12	12	12	12
\$200,000 +	2	2	2	2	2	2	2	2
<b>Total HH</b>	<b>1,600</b>	<b>1,111</b>	<b>933</b>	<b>545</b>	<b>319</b>	<b>319</b>	<b>81</b>	<b>81</b>
<b>% Income Qualified by Home Price</b>		<b>69%</b>	<b>58%</b>	<b>34%</b>	<b>20%</b>	<b>20%</b>	<b>5%</b>	<b>5%</b>

PMA								
Income Range	Total HH by Income	Home Price						
		\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
< \$15,000	2,367	0	0	0	0	0	0	0
\$15,000 - \$24,999	1,326	1,326	0	0	0	0	0	0
\$25,000 - \$34,999	1,389	1,389	1,389	0	0	0	0	0
\$35,000 - \$49,999	1,087	1,087	1,087	1,087	0	0	0	0
\$50,000 - \$74,999	1,264	1,264	1,264	1,264	1,264	1,264	0	0
\$75,000 - \$99,999	417	417	417	417	417	417	417	417
\$100,000 - \$149,999	236	236	236	236	236	236	236	236
\$150,000 - \$199,999	33	33	33	33	33	33	33	33
\$200,000 +	9	9	9	9	9	9	9	9
<b>Total HH</b>	<b>8,128</b>	<b>5,761</b>	<b>4,435</b>	<b>3,046</b>	<b>1,959</b>	<b>1,959</b>	<b>695</b>	<b>695</b>
<b>% Income Qualified by Home Price</b>		<b>71%</b>	<b>55%</b>	<b>37%</b>	<b>24%</b>	<b>24%</b>	<b>9%</b>	<b>9%</b>

Baltimore City								
Income Range	Total HH by Income	Home Price						
		\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
< \$15,000	52,575	0	0	0	0	0	0	0
\$15,000 - \$24,999	32,801	32,801	0	0	0	0	0	0
\$25,000 - \$34,999	30,871	30,871	30,871	0	0	0	0	0
\$35,000 - \$49,999	38,716	38,716	38,716	38,716	0	0	0	0
\$50,000 - \$74,999	42,615	42,615	42,615	42,615	42,615	42,615	0	0
\$75,000 - \$99,999	21,477	21,477	21,477	21,477	21,477	21,477	21,477	21,477
\$100,000 - \$149,999	19,107	19,107	19,107	19,107	19,107	19,107	19,107	19,107
\$150,000 - \$199,999	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852
\$200,000 +	5,358	5,358	5,358	5,358	5,358	5,358	5,358	5,358
<b>Total HH</b>	<b>250,372</b>	<b>197,797</b>	<b>164,996</b>	<b>134,125</b>	<b>95,409</b>	<b>95,409</b>	<b>52,794</b>	<b>52,794</b>
<b>% Income Qualified by Home Price</b>		<b>79%</b>	<b>66%</b>	<b>54%</b>	<b>38%</b>	<b>38%</b>	<b>21%</b>	<b>21%</b>

\*Assuming 5% down and interest rate of 4.5% on 30 year fixed-rate mortgage  
SOURCE: RCLCO; Esri

# CITY OF BALTIMORE

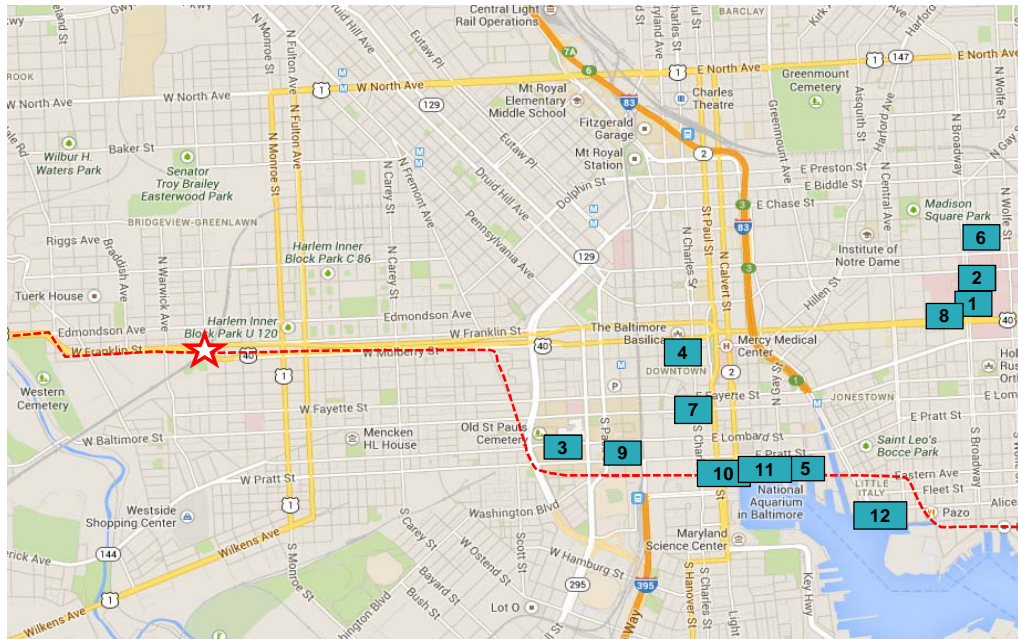
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## III. OFFICE MARKET

# CITY OF BALTIMORE

## Exhibit III-1

### TOP BALTIMORE CITY EMPLOYERS BY NUMBER OF EMPLOYEES BALTIMORE, MD DECEMBER 2013



MAP KEY	NAME	TOTAL EMPLOYEES
1	Johns Hopkins University	22,000
2	Johns Hopkins Hospital	16,500
3	University of Maryland Medical System	8,900
4	Mercy Health Services	3,300
5	Constellation Energy	3,300
6	Kennedy Krieger Institute	2,400
7	Veterans Health Administration	2,000
8	Broadway Services	1,400
9	U.S. Army Corps of Engineers	1,200
10	T. Rowe Price Group	1,180
11	M&T Bank	1,140
12	Under Armour	1,100

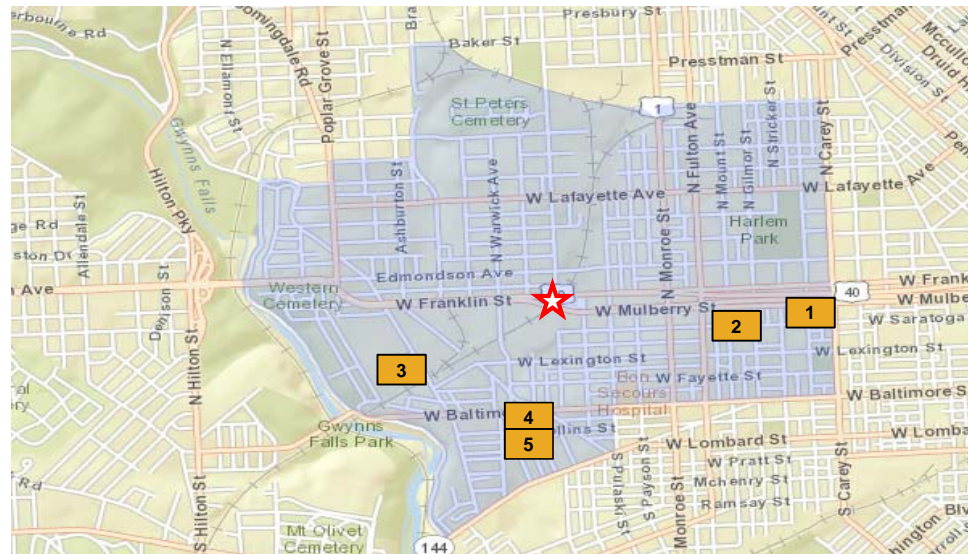
★ Subject Site  
- - - Future Red Line Corridor (Est Operation: 2022)

SOURCE: RCLCO; Baltimore Economic Development

# CITY OF BALTIMORE

## Exhibit III-2

### OFFICE PROPERTIES PMA JANUARY 2014



MAP KEY	ADDRESS	CLASS	TENANT	YEAR BUILT	RBA (SF)	OCCUPANCY
1	234-238 N Carey St	C	Community Medical Rehabilitation Center	1920	10,700	100%
2	1501 W Saratoga St	C	Total Health Care	1989	29,000	100%
3	220 N Franklinton Rd	C	Calmi Electrical Co	1960	3,502	100%
4	14 S Calverton Rd	C	-	1940	4,930	100%
5	16 S Calverton Rd	C	-	1920	1,323	100%
<b>TOTAL CLASS B/C</b>					<b>49,455</b>	

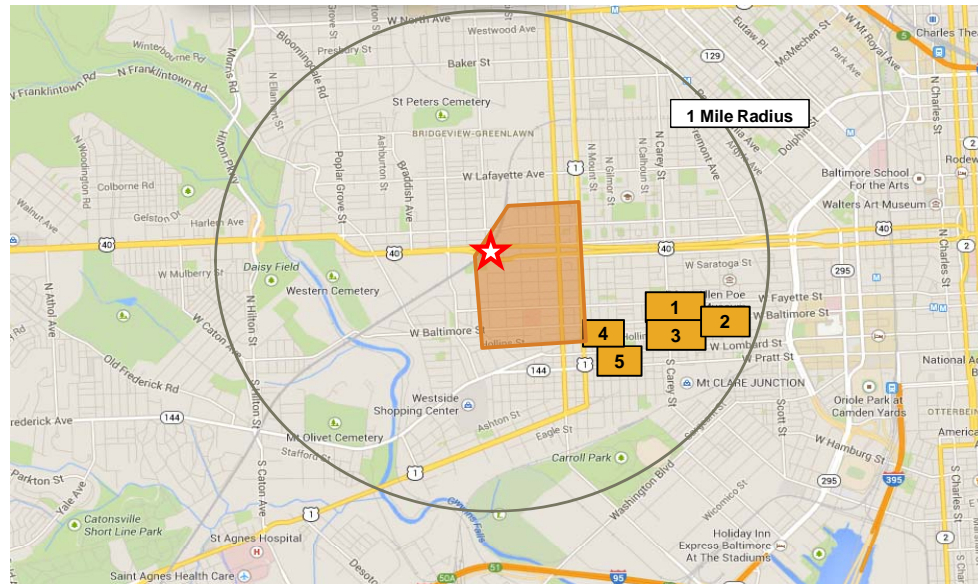
SOURCE: CoStar



# CITY OF BALTIMORE

## Exhibit III-3

### OFFICE PROPERTIES 1 MILE RADIUS OF WEST BALTIMORE MARC STATION EXCLUDING STUDY AREA APRIL 2014



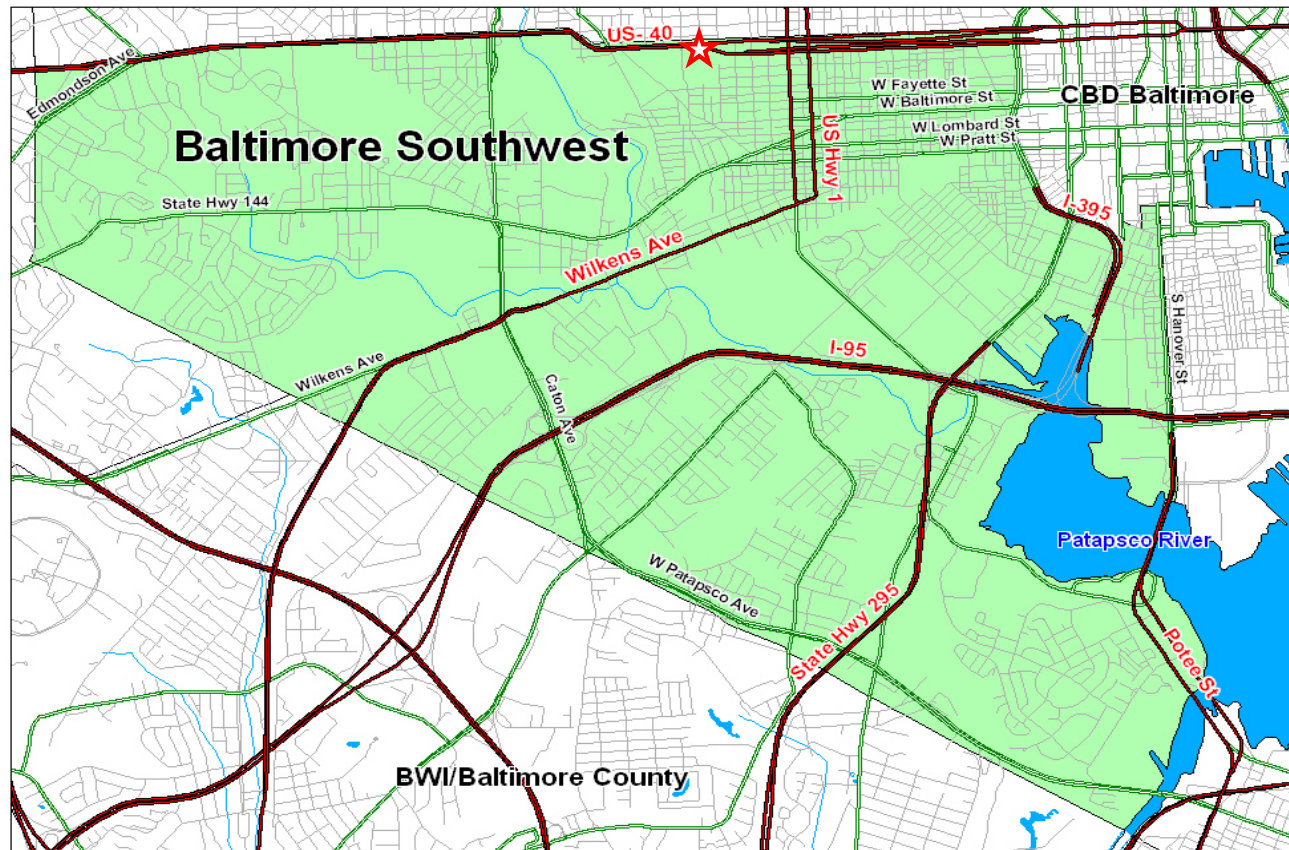
MAP KEY	ADDRESS	CLASS	TENANT	YEAR BUILT	RBA (SF)	OCCUPANCY
1	1200 W Baltimore St	B	The Learning Bank	1950	27,000	100%
2	1 N Carey St	B	-	1880	20,000	44%
3	1201 W Baltimore St	C	-	1940	20,342	100%
4	1601 W Baltimore St	C	Salvation Army	1916	10,648	100%
5	200 S Calhoun St	F	-	1883	24,000	100%

NOTE: Excludes properties with less than 10,000SF  
SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit III-4

MAP OF SOUTHWEST OFFICE SUBMARKET  
SOUTHWEST SUBMARKET; BALTIMORE, MD  
2014

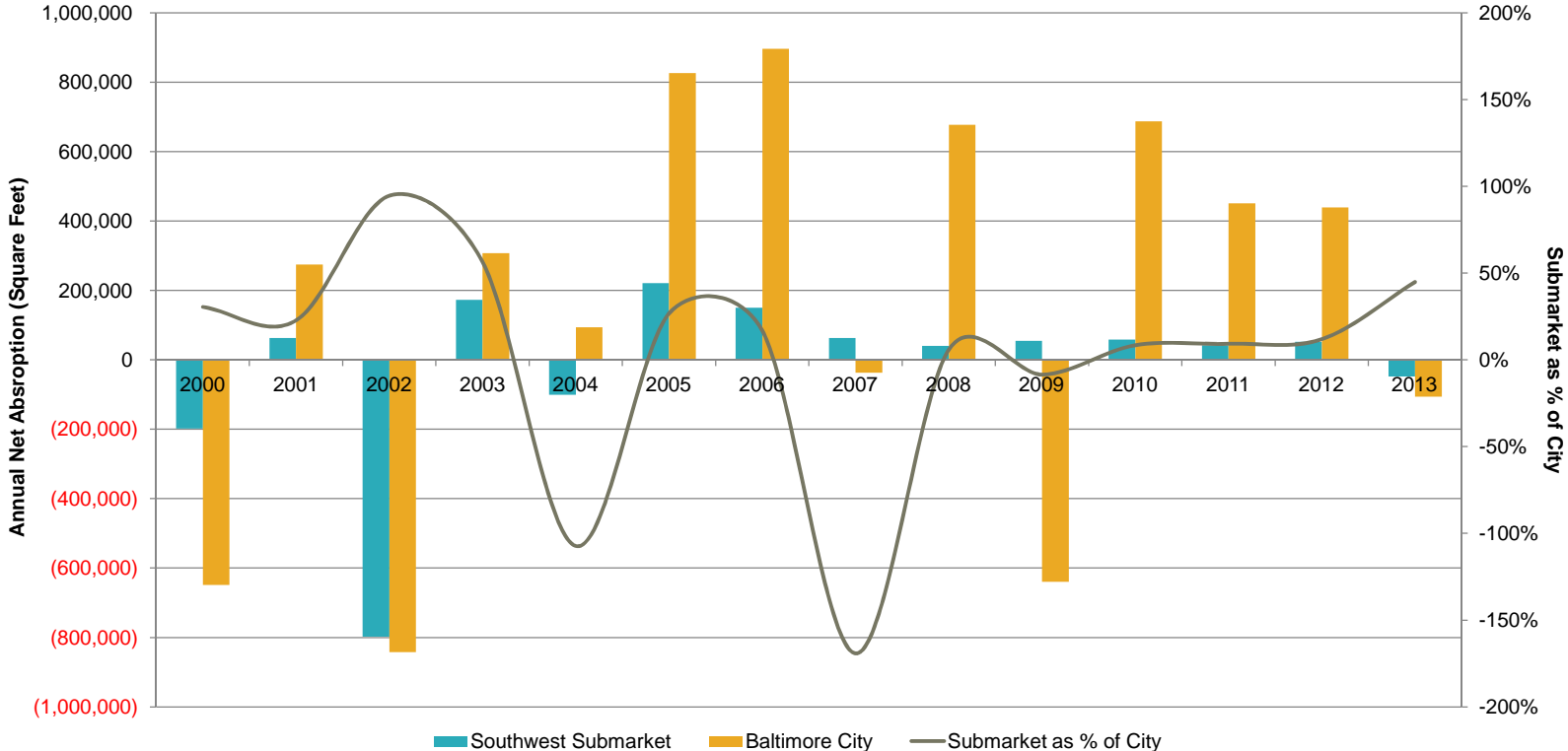


SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit III-5

## HISTORICAL OFFICE MARKET NET ABSORPTION SOUTHWEST SUBMARKET AND BALTIMORE CITY 2000-2013



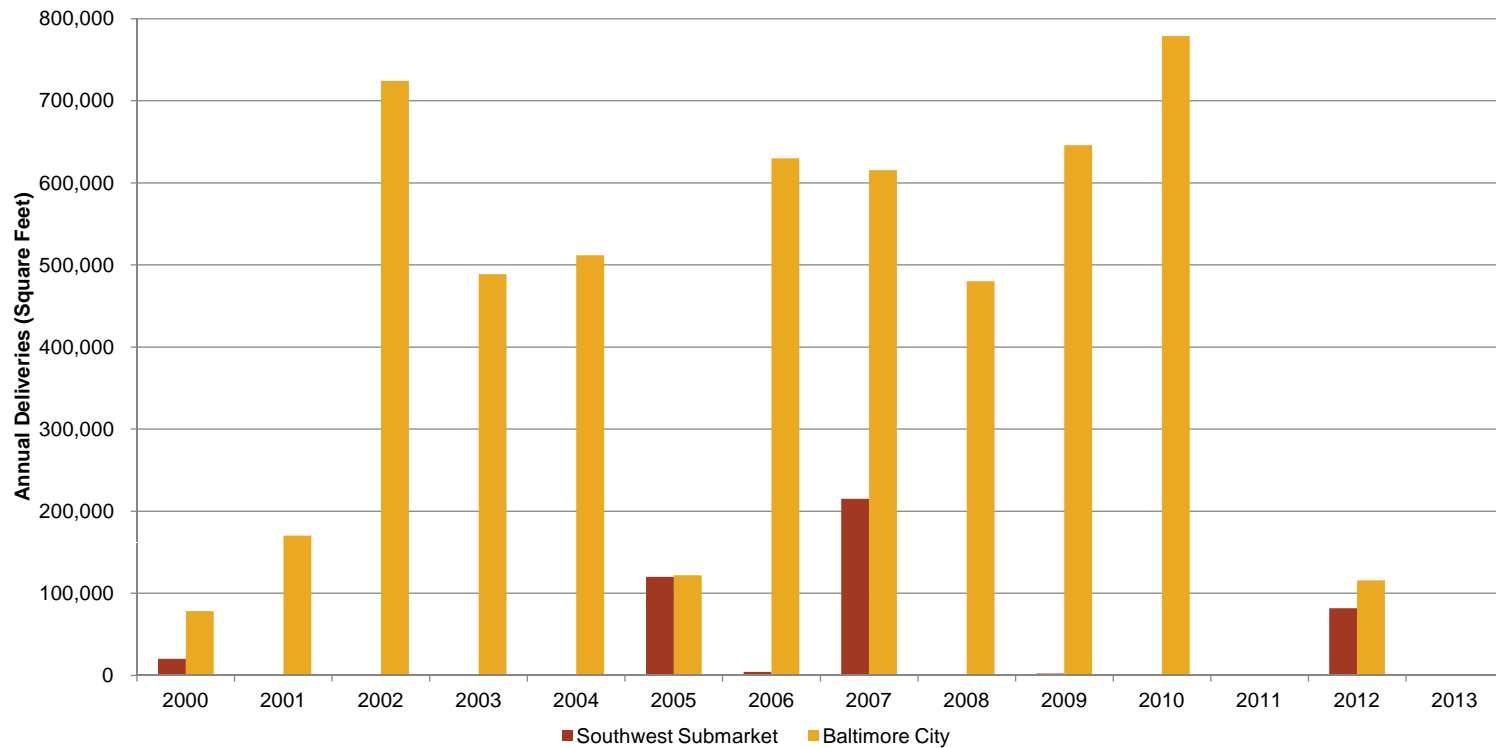
	2000-2013 Avg. Annual Office Net Absorption (SF)	2000-2013 Total Office Net Absorption (SF)
Southwest Submarket	(16,208)	(226,912)
Baltimore City	169,767	2,376,733
Submarket as % of City	-10%	-10%

SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit III-6

## HISTORICAL OFFICE MARKET DELIVERIES SOUTHWEST SUBMARKET AND BALTIMORE CITY 2000-2013



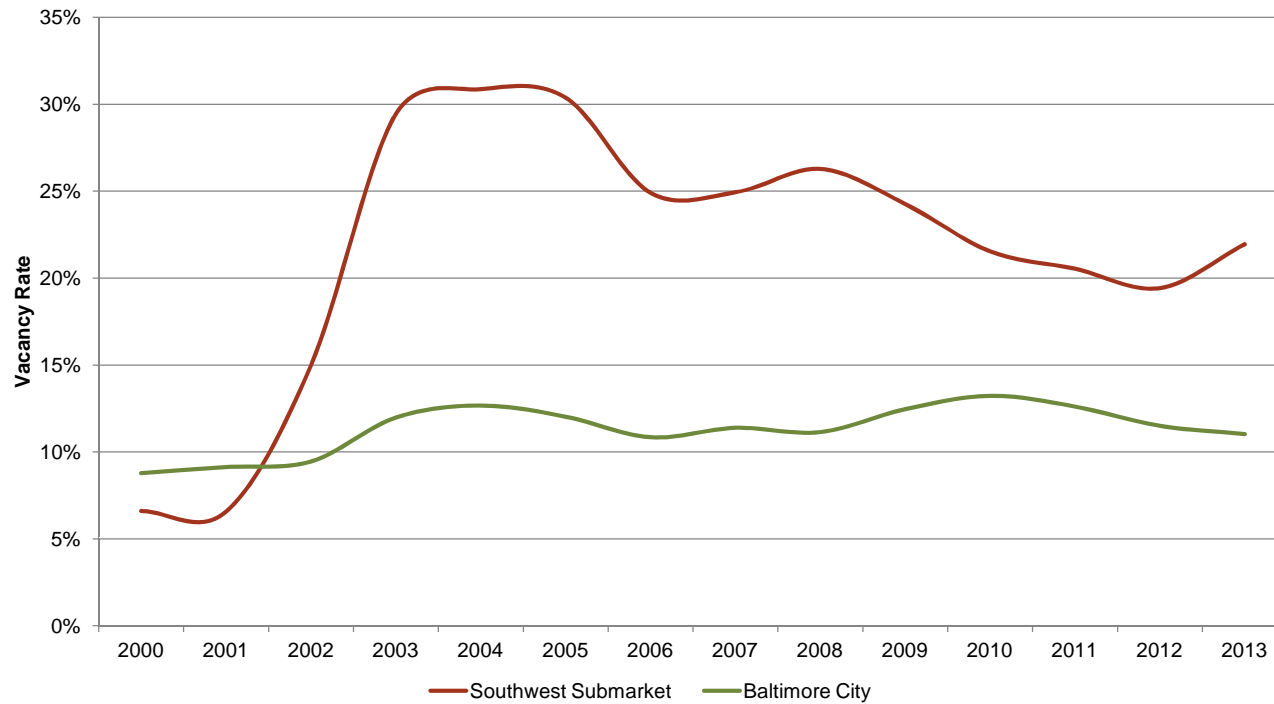
	2000-2013 Avg. Annual Office Deliveries (SF)	2000-2013 Total Office Deliveries (SF)
Southwest Submarket	31,622	442,709
Baltimore City	382,883	5,360,366
Submarket as % of City	8%	8%

SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit III-7

## HISTORICAL OFFICE MARKET VACANCY SOUTHWEST SUBMARKET AND BALTIMORE CITY 2000-2013

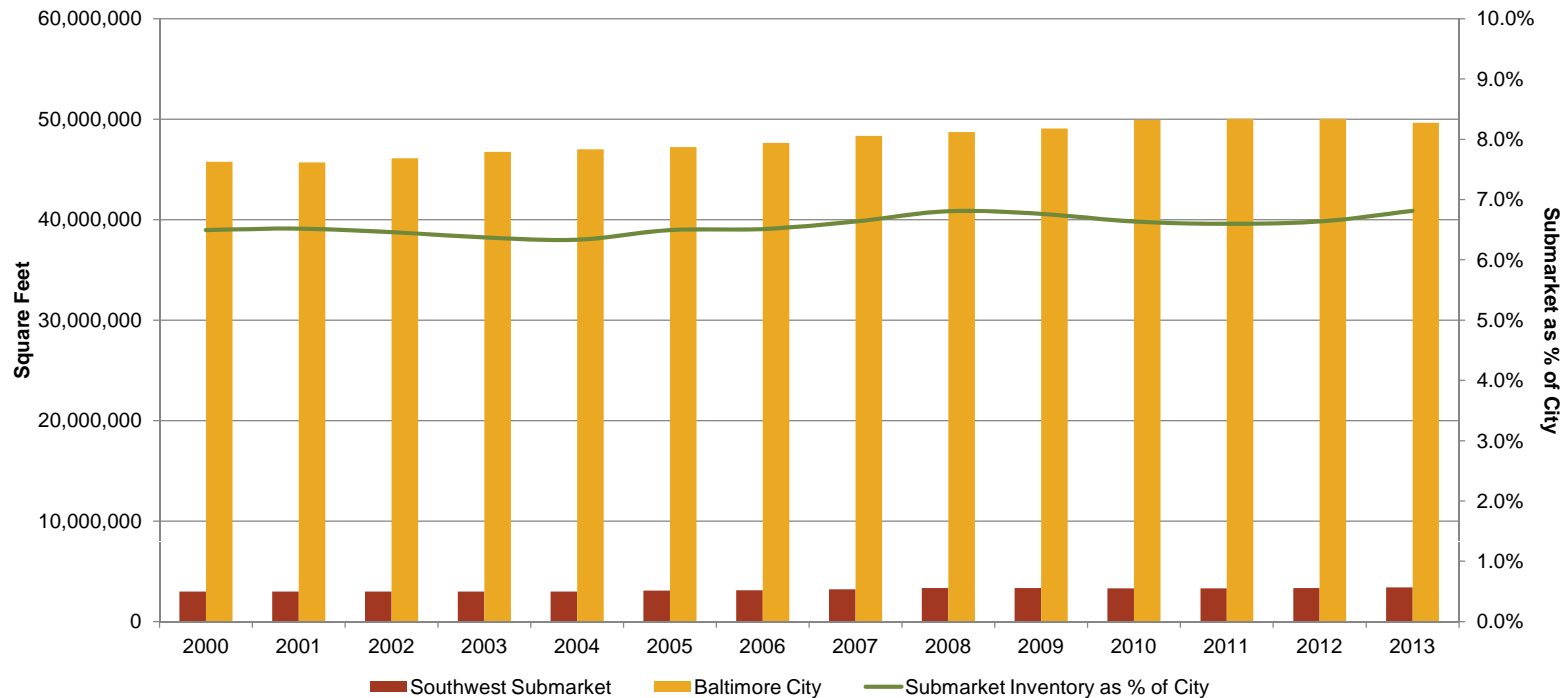


SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit III-8

## HISTORICAL OFFICE MARKET INVENTORY SOUTHWEST SUBMARKET AND BALTIMORE CITY 2000-2013



	2000-2013 Total Change in Inventory (SF)	2000-2013 Total Office Deliveries (SF)
Southwest Submarket	409,397	442,709
Baltimore City	3,874,167	5,360,366
Submarket as % of City	11%	8%

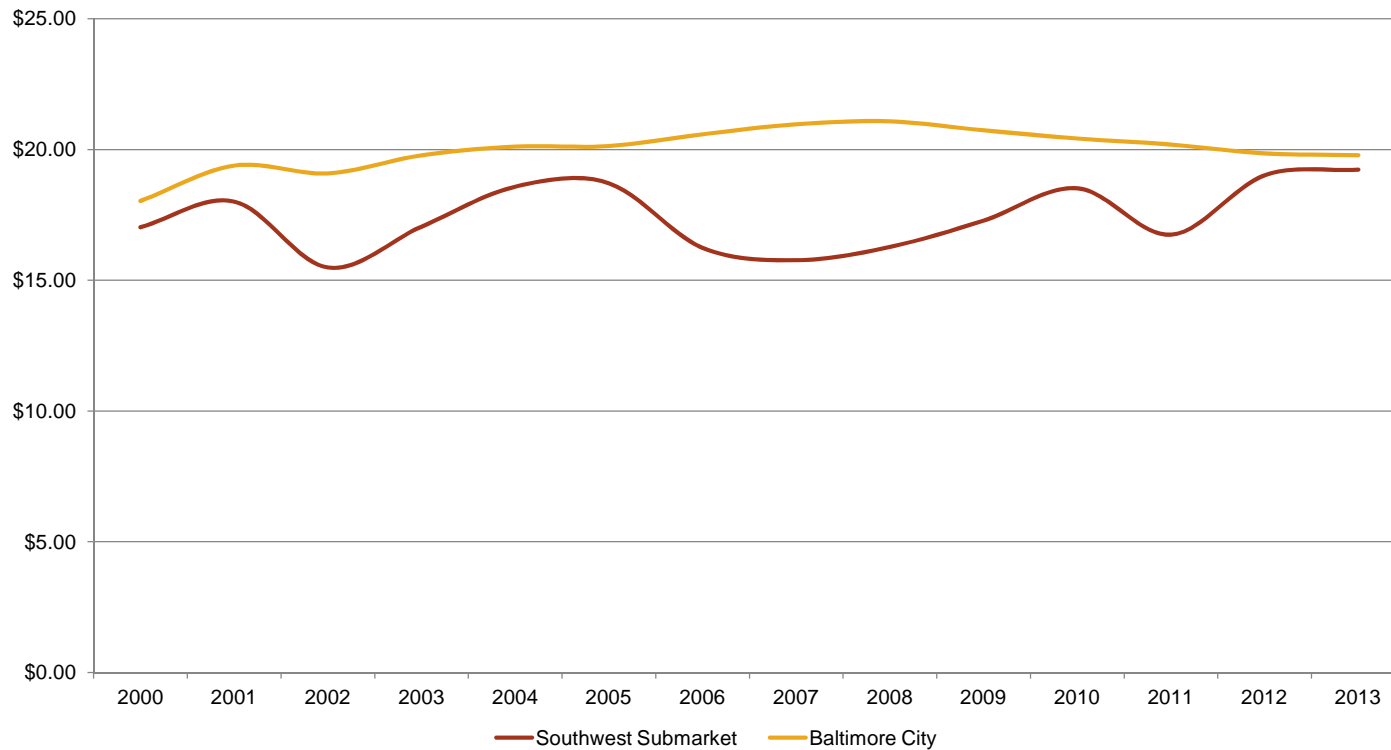
NOTE: Change in inventory is comprised of deliveries, conversions, and demolitions. Data indicates that the submarket delivered 443,000SF of new office space but lost 33,000SF through demolition or conversion to other uses.

SOURCE: CoStar

# CITY OF BALTIMORE

*Exhibit III-9*

## HISTORICAL OFFICE MARKET AVERAGE ASKING RENT SOUTHWEST SUBMARKET AND BALTIMORE CITY 2000-2013



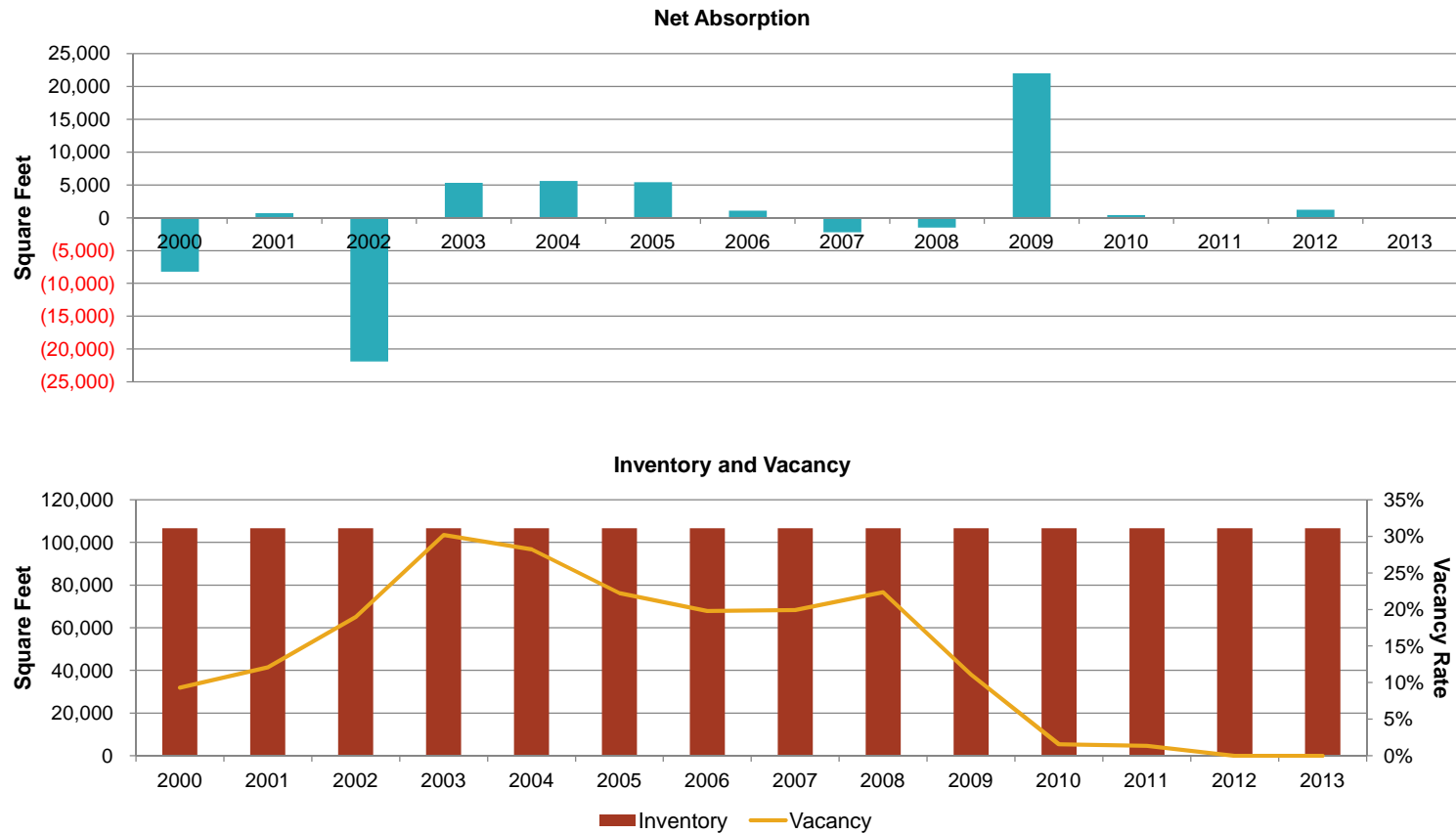
2000-2013 Avg. Annual Asking Rent	
Southwest Submarket	\$17.43
Baltimore City	\$20.01

SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit III-10

## HISTORICAL OFFICE NET ABSORPTION, INVENTORY, AND VACANCY PRIMARY MARKET AREA 2000-2013



NOTE: No office space has been delivered between 2000 and 2013

NOTE: Bon Secours Hospital (2000 W. Baltimore St.) is listed by CoStar's as 53,000SF of Class A office space. RCLCO has excluded it from the list of competitive office properties as it is currently a medical building. Due to lack of accurate data on historical leasing activity, the property is included in the market activity data.

SOURCE: CoStar



# CITY OF BALTIMORE

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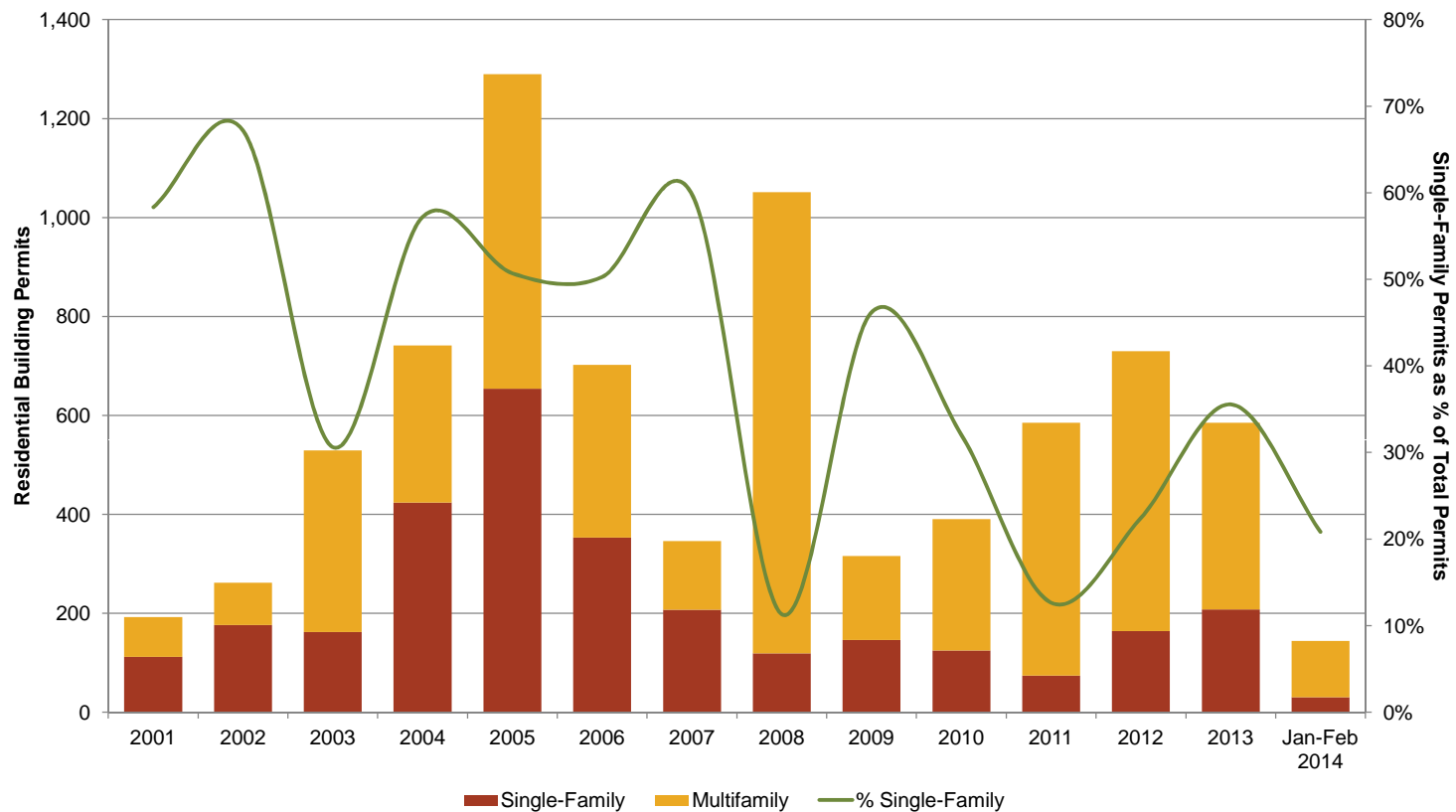
## IV. RESIDENTIAL MARKET

# CITY OF BALTIMORE

Exhibit IV-1

## ANNUAL RESIDENTIAL BUILDING PERMITS BALTIMORE CITY, MD 2001-FEBRUARY 2014

2001-2013 Avg. Annual Total Permits	594
% Multifamily	62%
% Single-Family	38%



SOURCE: SOCDS

# CITY OF BALTIMORE

## Exhibit IV-2

### HOUSING MARKET KEY STATISTICS STUDY AREA; PMA; BALTIMORE CITY 2010-2013

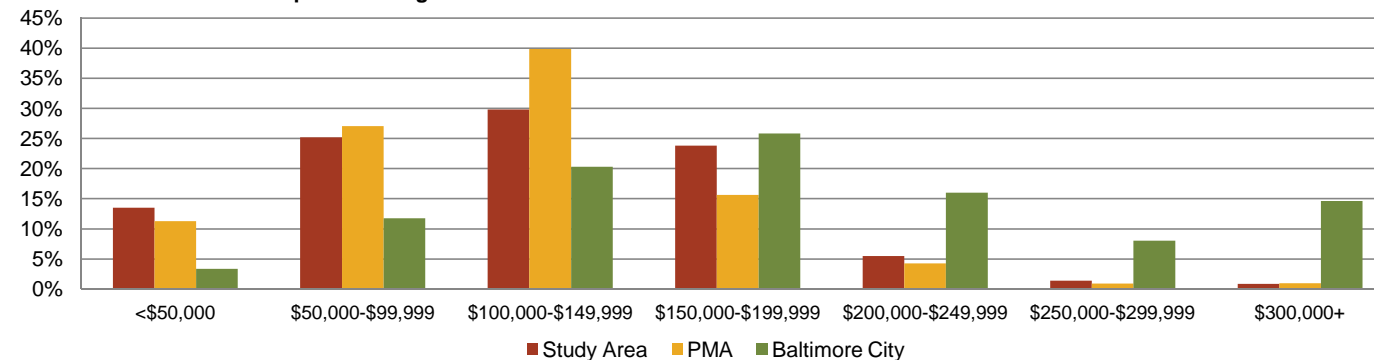
#### Housing Market - 2013

	Study Area	PMA	Baltimore City
Total Housing Units	2,640	12,176	300,755
Occupied Housing Units	1,600	8,128	250,969
<b>% Occupied</b>	<b>61%</b>	<b>67%</b>	<b>83%</b>
% Renter	65%	59%	53%
% Owner	35%	41%	47%

#### Owner-Occupied Housing Units by Value - 2010

	Study Area		PMA		Baltimore City	
	Number of Units	% of Total	Number of Units	% of Total	Number of Units	% of Total
<\$50,000	76	13%	373	11%	3,941	3%
\$50,000-\$99,999	142	25%	895	27%	13,864	12%
\$100,000-\$149,999	168	30%	1,318	40%	23,924	20%
\$150,000-\$199,999	134	24%	516	16%	30,429	26%
\$200,000-\$249,999	31	6%	141	4%	18,839	16%
\$250,000-\$299,999	8	1%	31	1%	9,455	8%
\$300,000+	5	1%	32	1%	17,242	15%
Median Value	\$118,791		\$114,605		\$178,128	

#### Distribution of Owner-Occupied Housing Unit Values

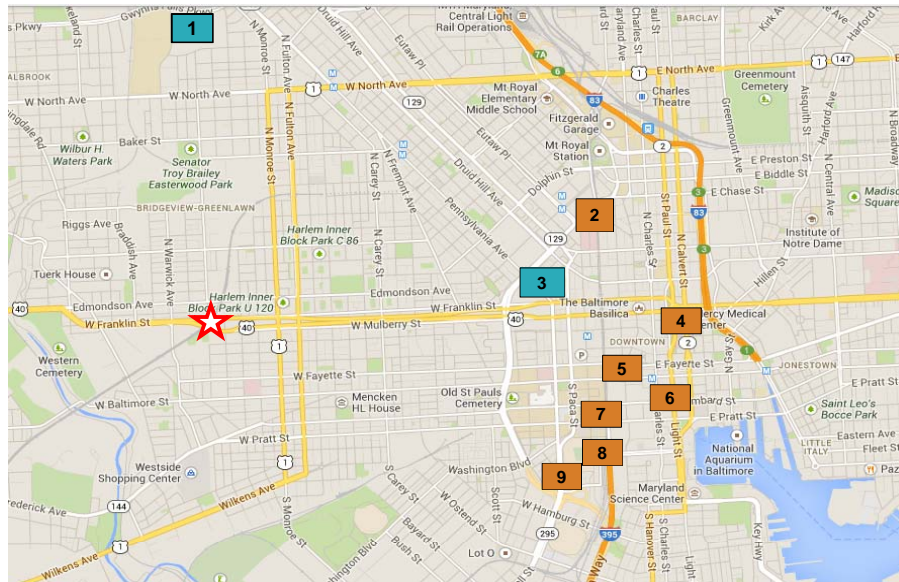



SOURCE: Esri

# CITY OF BALTIMORE

## Exhibit IV-3

### MAP OF RELEVANT NEARBY APARTMENT COMMUNITIES DOWNTOWN AND WESTSIDE OF BALTIMORE CITY DECEMBER 2013



MAP KEY	COMMUNITY	YEAR BUILT	UNITS	TYPE	RENT RANGE
1	North Avenue Gateway	2013	64	Subsidized	\$500 - \$680
2	Symphony Center	2005	135	Market Rate	\$1,875 - \$4,550
3	The M on Madison	2012	74	Subsidized	\$350+ (low-income), \$650 - \$950 (workforce)
4	The Standard	2002	198	Market Rate	\$1,050 - \$2,200
5	Charles Towers	2004	43	Market Rate	\$1,110 - \$1,929
6	The Munsey	2002	146	Market Rate	\$1,385 - \$2,710
7	Avalon Centerpoint	2005	392	Market Rate	\$1,028 - \$1,481
8	Camden Court Apartments	2005	221	Market Rate	\$1,170 - \$2,600
9	The Zenith Apartments	2007	191	Market Rate	\$1,295 - \$3,900
<b>Total Units</b>			<b>1,464</b>		
 <b>Subject Site</b>					

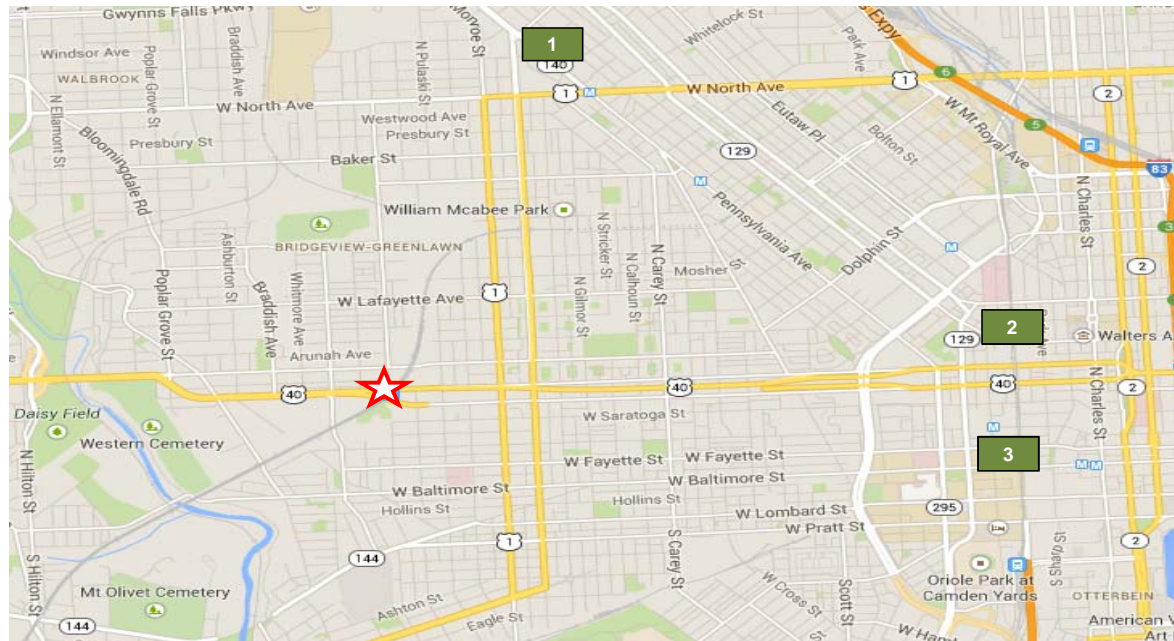
 Market Rate  
 Subsidized

SOURCE: Reis; RCLCO; Baltimore Sun

# CITY OF BALTIMORE

## Exhibit IV-4

### PLANNED RESIDENTIAL DEVELOPMENT WEST OF DOWNTOWN WESTSIDE; BALTIMORE JANUARY 2014



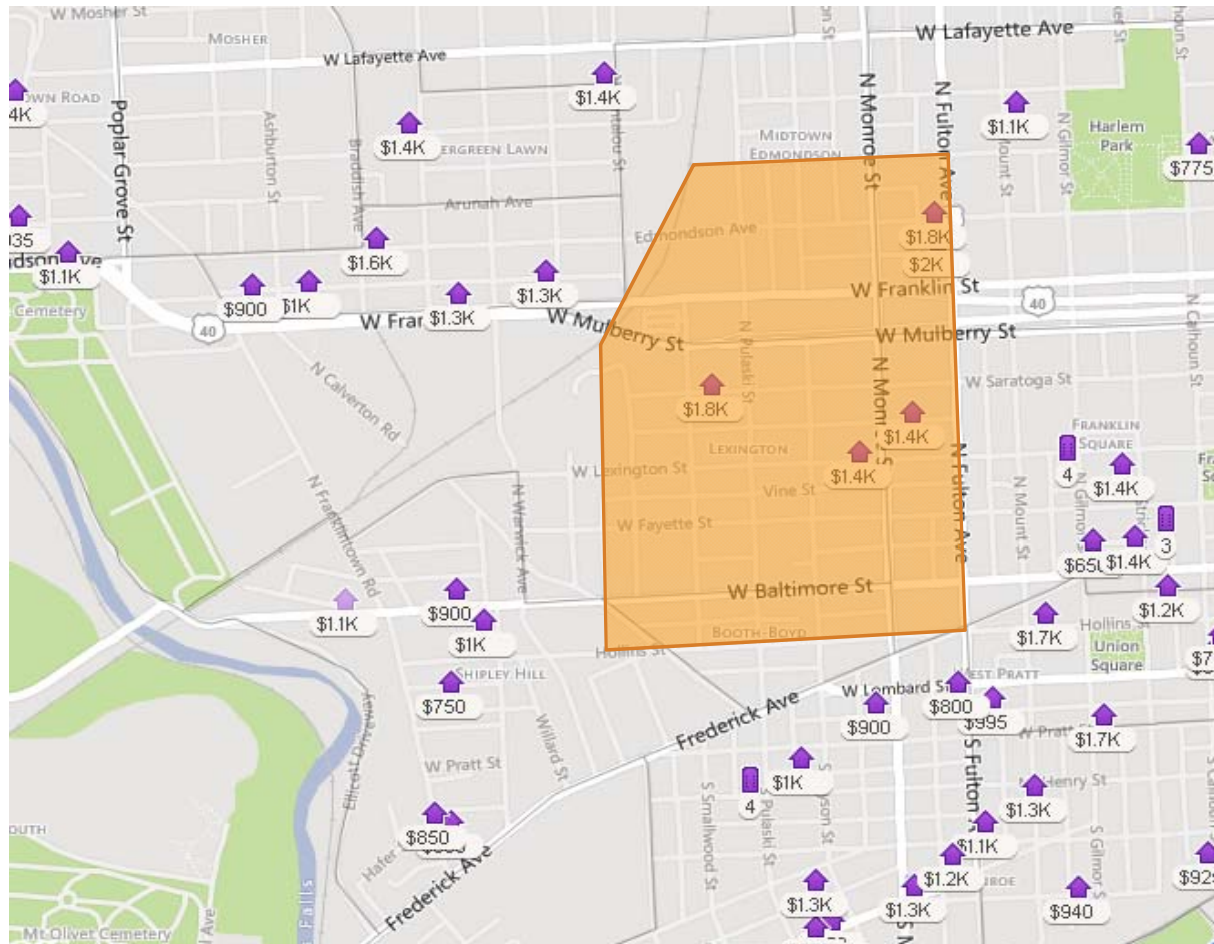
MAP KEY	NAME	SIZE (UNITS)	TYPE	STATUS
1	Penn Square II	60	Market Rate	Planned
2	Hochschild Kohn Apartments	171	Market Rate	Under Construction
3	311 W. Baltimore St.	20	Market Rate	Planned

SOURCE: Reis

# CITY OF BALTIMORE

Exhibit IV-5

## RENTAL UNITS OFFERED IN INFORMAL RENTAL MARKET NEAR STUDY AREA; WEST BALTIMORE 2014



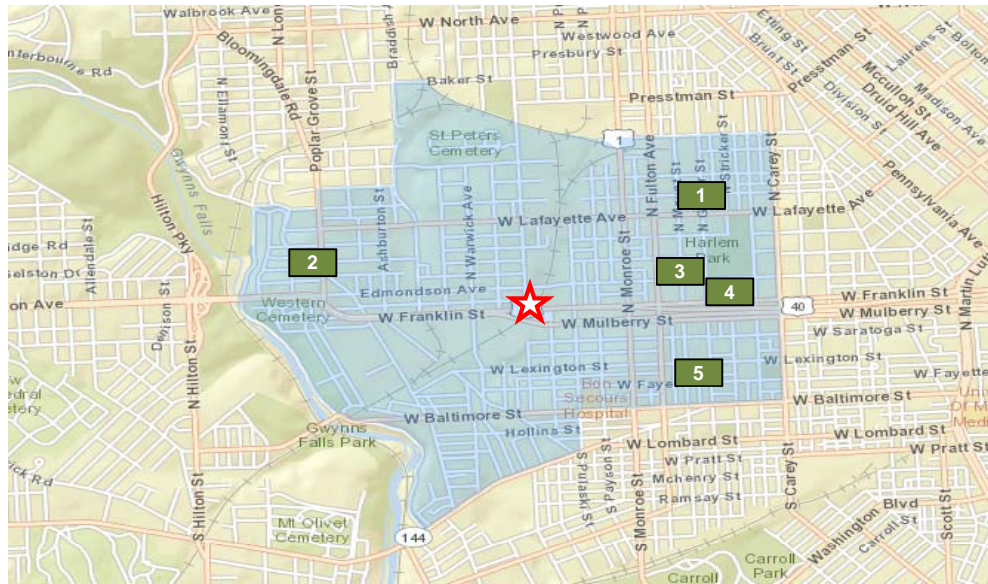
UNIT TYPE	AVERAGE RENT
Room Share	\$400
1 BR	\$800
2 BR	\$850
3 BR	\$1,100
4 BR	\$1,350
5+ BR	\$1,800

SOURCE: Craigslist; Zillow

# CITY OF BALTIMORE

## Exhibit IV-6

### MULTIFAMILY RESIDENTIAL PROPERTIES BUILT AFTER 1980 PRIMARY MARKET AREA JANUARY 2014



MAP KEY	NAME	YEAR BUILT	UNITS	TYPE	RENT
1	Harvey Johnson Towers	1984	119	Subsidized	Studio: \$739 One-Bedroom: \$874
2	Rosemont Tower	1983	203	Subsidized	N/A
3	Harlem Gardens Apartments	2002	94	Subsidized, Age-Restricted (62+)	One-Bedroom: \$591 - \$617 Two-Bedroom: \$839
4	Edmonson Commons	2006	74	Affordable	N/A
5	Union Rowe Apartments	2003	48	Affordable	One-Bedroom: \$763 Two-Bedroom: \$955 Three-Bedroom: \$1,220

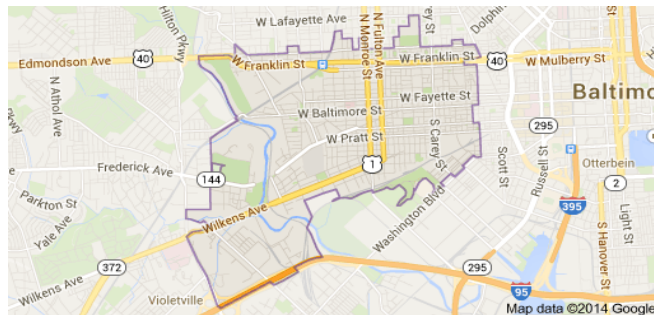
SOURCE: CoStar; RCLCO; HUD; Property Websites

# CITY OF BALTIMORE

## Exhibit IV-7

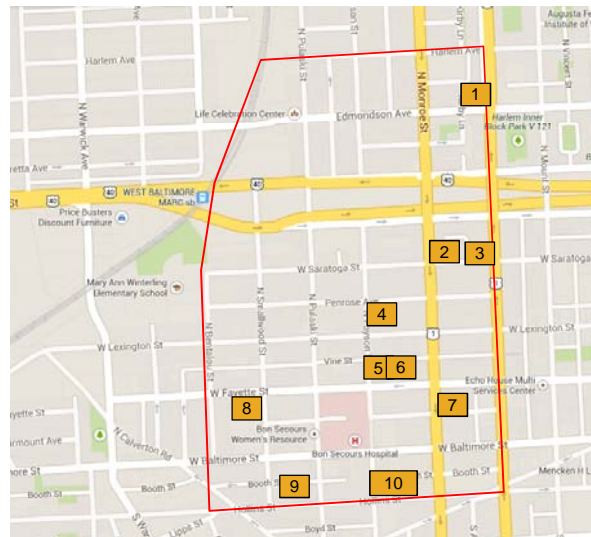
### FOR-SALE RESIDENTIAL STATISTICS 21223 ZIP CODE AREA; STUDY AREA 2013-2014

21223 Zip Code



QUARTER	AVG. SFA SOLD PRICE	AVG. SFD SOLD PRICE	ATTACHED UNITS SOLD	DETACHED UNITS SOLD	TOTAL UNITS SOLD
4Q 2013	\$25,233	\$66,000	60	3	63
3Q 2013	\$38,536	-	58	0	58
2Q 2013	\$40,835	\$72,700	51	2	53
1Q 2013	\$29,329	-	55	0	55

Study Area



Homes Sold Between 01/01/2014 and 04/17/2014

MAP KEY	ADDRESS	SOLD PRICE	SOLD DATE
1	602 N Fulton Ave	\$43,000	1/7/2014
2	1821 W Saratoga St.	\$35,000	3/18/2014
3	244 Fulton Ave N	\$58,750	1/31/2014
4	1940 Lexington St.	\$17,000	1/27/2014
5	1950 W Fayette St	\$38,000	3/11/2014
6	1938 W Fayette St	\$5,000	2/19/2014
7	1836 W Fairmount Ave.	\$9,000	3/31/2014
8	2211 W Fayette St	\$21,000	3/18/2014
9	18 S Pulaski St	\$9,000	3/27/2014
10	23 W Payson St.	\$130,000	3/6/2014
<b>Average</b>		<b>\$36,575</b>	

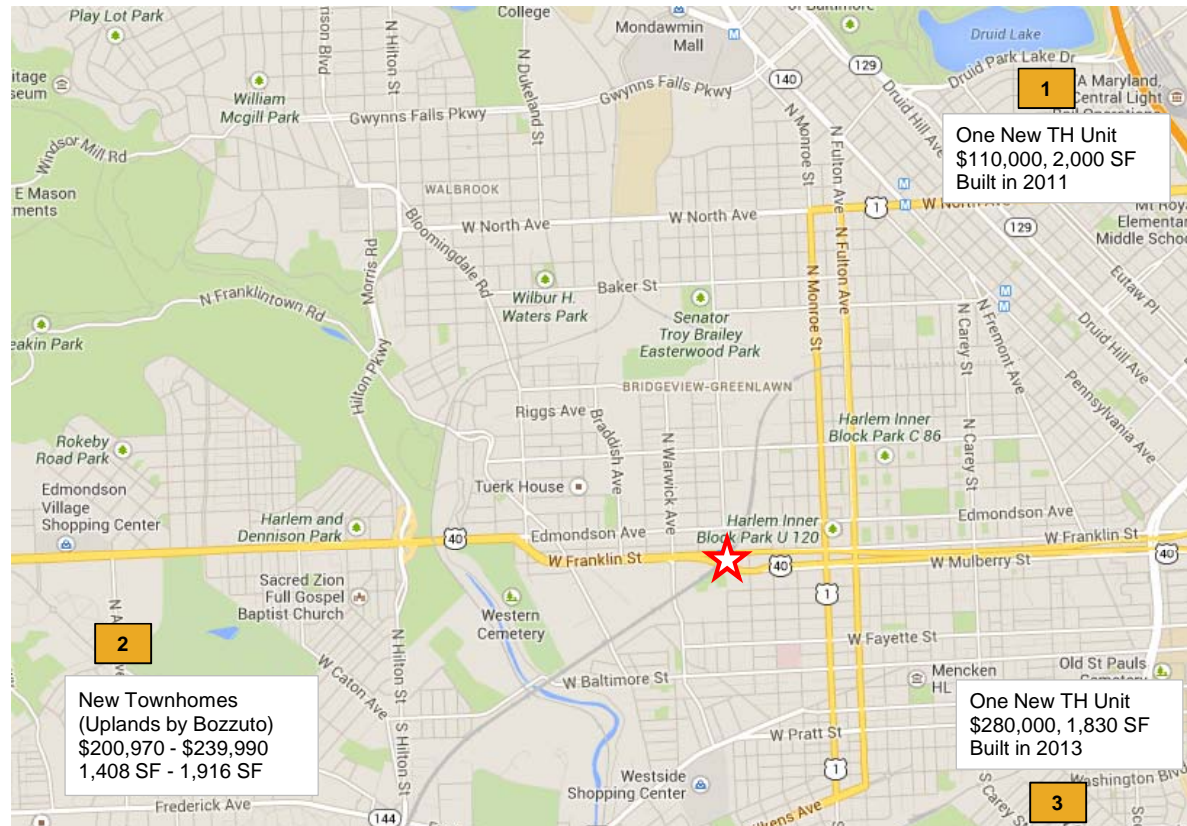
SOURCE: RealEstate Business Intelligence; Zillow



# CITY OF BALTIMORE

## Exhibit IV-8

### NEW SINGLE-FAMILY AND TOWNHOME CONSTRUCTION IN PROXIMITY TO SUBJECT SITE WESTSIDE OF BALTIMORE 2011-2014



★ Subject Site

SOURCE: Zillow; Google

# CITY OF BALTIMORE

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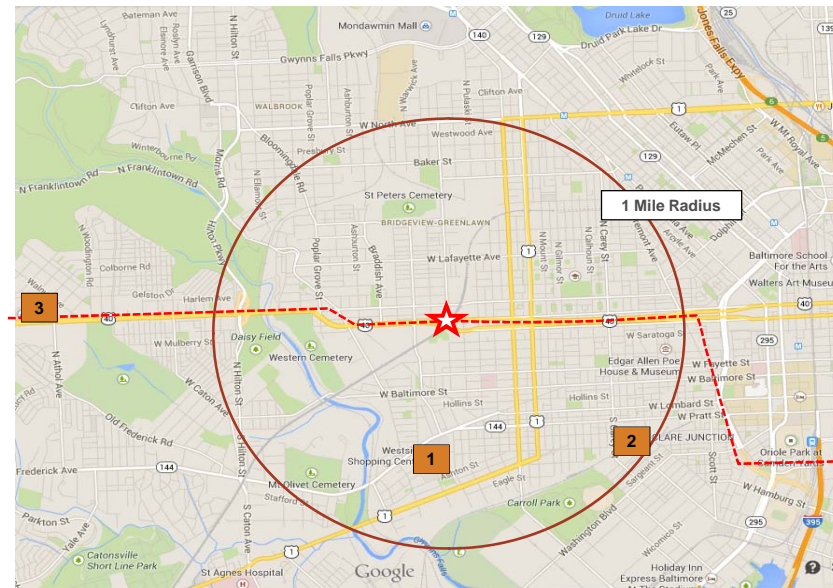
## V. RETAIL

# CITY OF BALTIMORE

## Exhibit V-1

### REGIONAL SHOPPING CENTERS 1 MILE RADIUS OF WEST BALTIMORE MARC STATION 2014

MAP KEY	PROPERTY NAME	TENANTS	SIZE (SF)	YEAR BUILT/RENOVATED	VACANCY RATE (%)
1	Westside Shopping Center	Rite Aid, Food Depot, Family Dollar Store, Subway, Shoe City	311,926	1989-1990	0%
2	Mount Clare Junction	Family Dollar Store, H&R Block, Rent A Center, Subway, Simply Fashions, Vizzini's Pizza, Wachovia	236,480	1992	14%
3	Edmondson Village Shopping Center	Subway, Family Dollar, Dollar General, Boost Mobile, Murry's, Laundromat, Kimmy's Buffet, Dental Dreams, UniversityCare (one of three University of Maryland Medical Centers in West Baltimore)	137,000	1947	0%



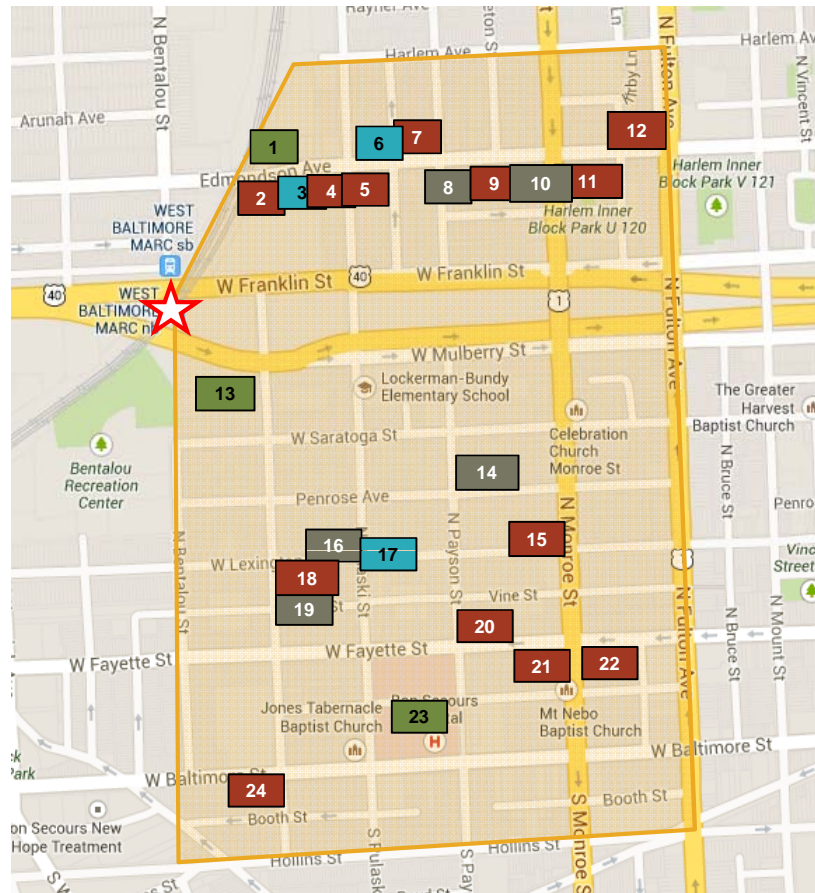
-  Subject Site
-  Future Red Line Corridor

SOURCE: CoStar

# CITY OF BALTIMORE

## Exhibit V-2

### RETAIL TENANTS STUDY AREA 2012



MAP KEY	NAME
1	Best Used Appliances
2	Babb Homestyle Cooking & Carryout
3	Tresur' Hair Spa
4	Soul Source Restaurant
5	West Fried Chicken
6	Fall & Company Barbershop
7	Edmonson Food Mart
8	The New Dynasty Lounge
9	China Taste
10	Uptowne Bar Liquors
11	Carry West Out
12	Lee's Mini Market
13	Beds to Go
14	Penrose Liquors & Grocery Inc
15	Mariquita Deli Grocery
16	Doc's Liquors
17	Andy's Auto Shop
18	Gomez City Grocery Store
19	Jackson Lounge
20	New Fayette Street Market and Deli
21	Monfay Carryout
22	Christy's Market
23	Le Bon Boutique
24	Melvin's Food Mart

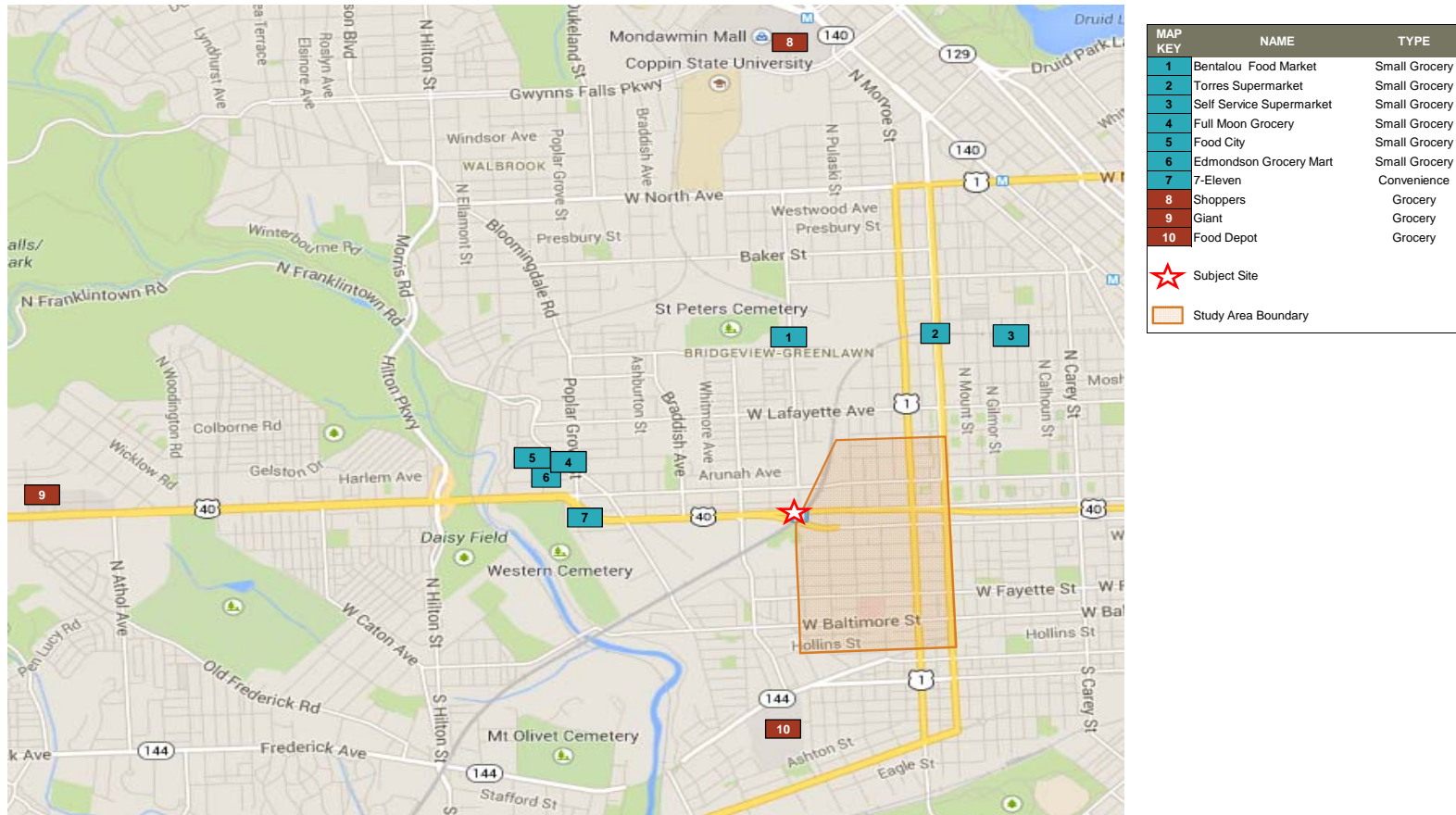
CATEGORY	
Green	General Merchandise
Red	Food
Grey	Alcohol
Blue	Service

SOURCE: Esri; Google Maps

# CITY OF BALTIMORE

## Exhibit V-3

### GROCERY AND CONVENIENCE RETAIL PROPERTIES OUTSIDE STUDY AREA WEST BALTIMORE JANUARY 2014

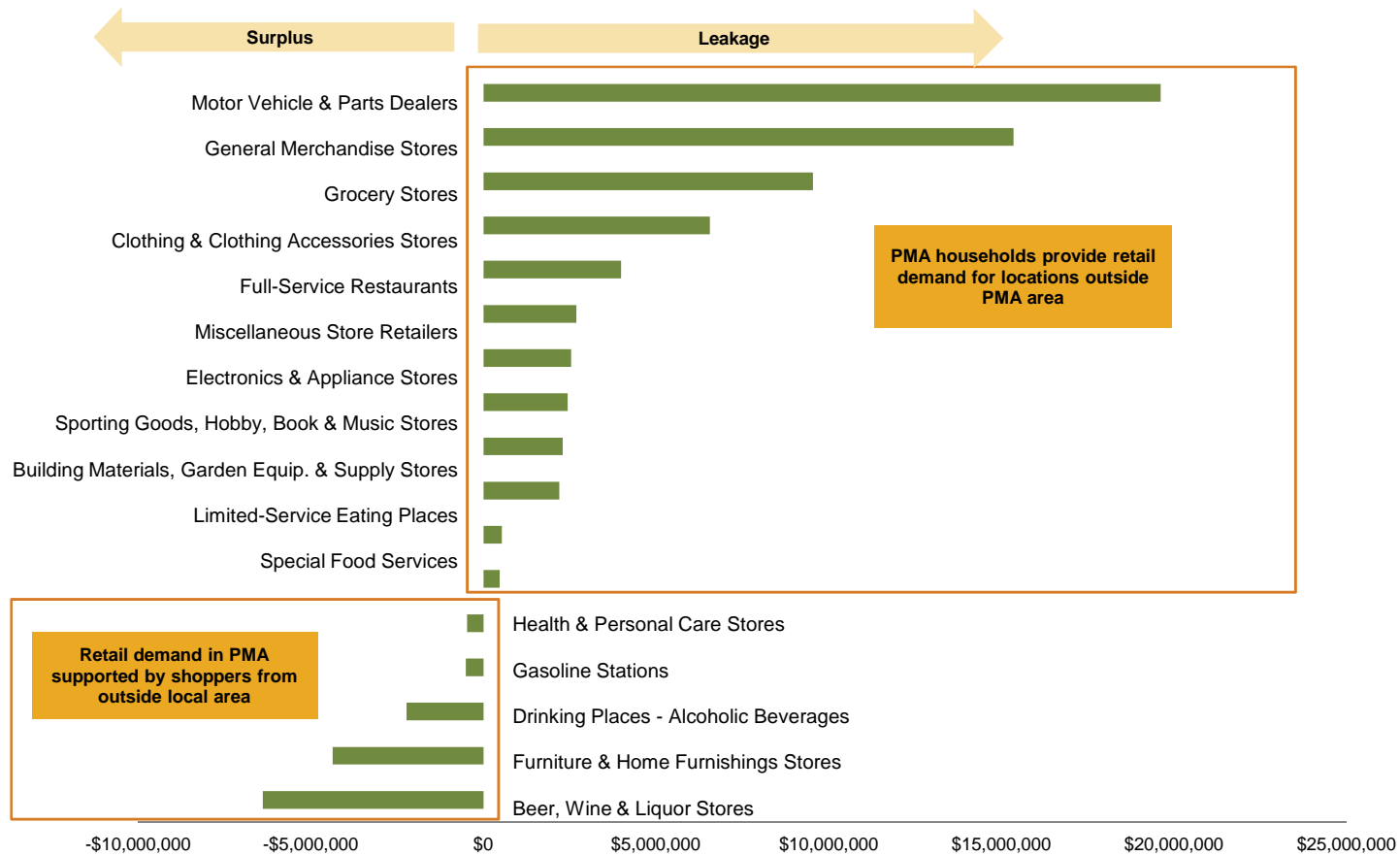


SOURCE: RCLCO; Google

# CITY OF BALTIMORE

Exhibit V-4

## RETAIL LEAKAGE BY TYPE PRIMARY MARKET AREA 2014

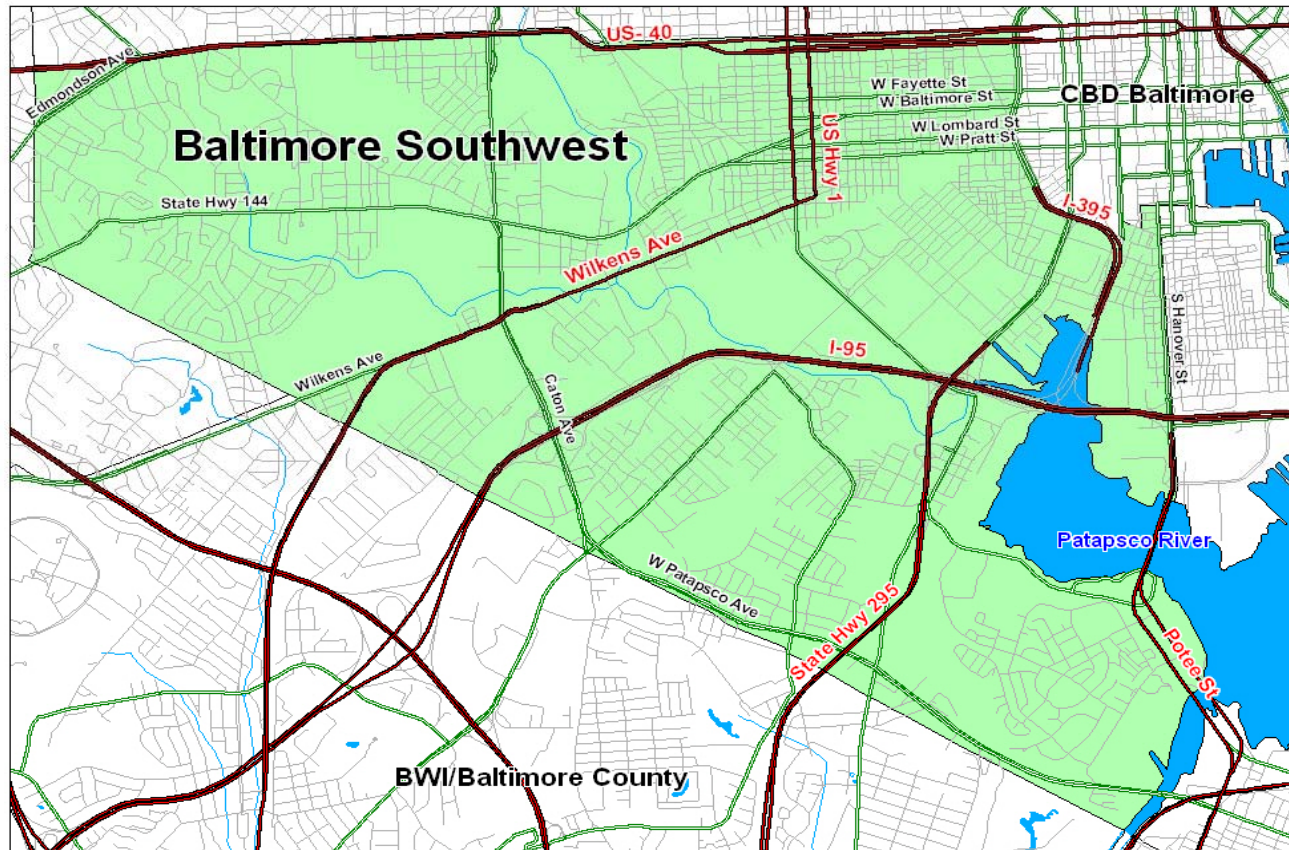


SOURCE: Esri

# CITY OF BALTIMORE

## Exhibit V-5

### MAP OF SOUTHWEST RETAIL SUBMARKET SOUTHWEST SUBMARKET; BALTIMORE, MD 2014

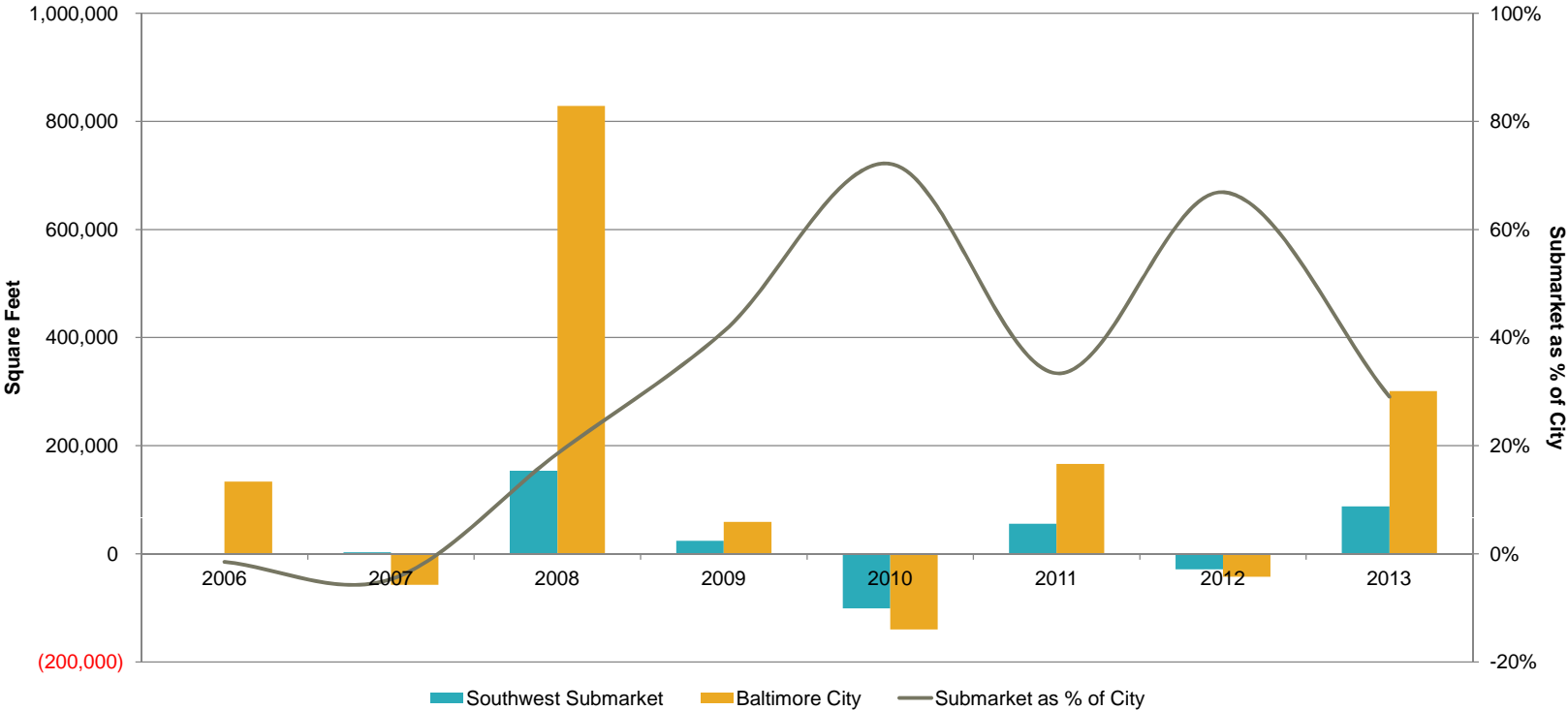


SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit V-6

## HISTORICAL RETAIL MARKET NET ABSORPTION SOUTHWEST SUBMARKET AND BALTIMORE CITY 2006-2013



	2006-2013 Avg. Annual Net Absorption (SF)	2006-2013 Total Net Absorption (SF)
Southwest Submarket	(23,961)	191,686
Baltimore City	1,247,895	1,247,895
Submarket as % of City	-2%	15%

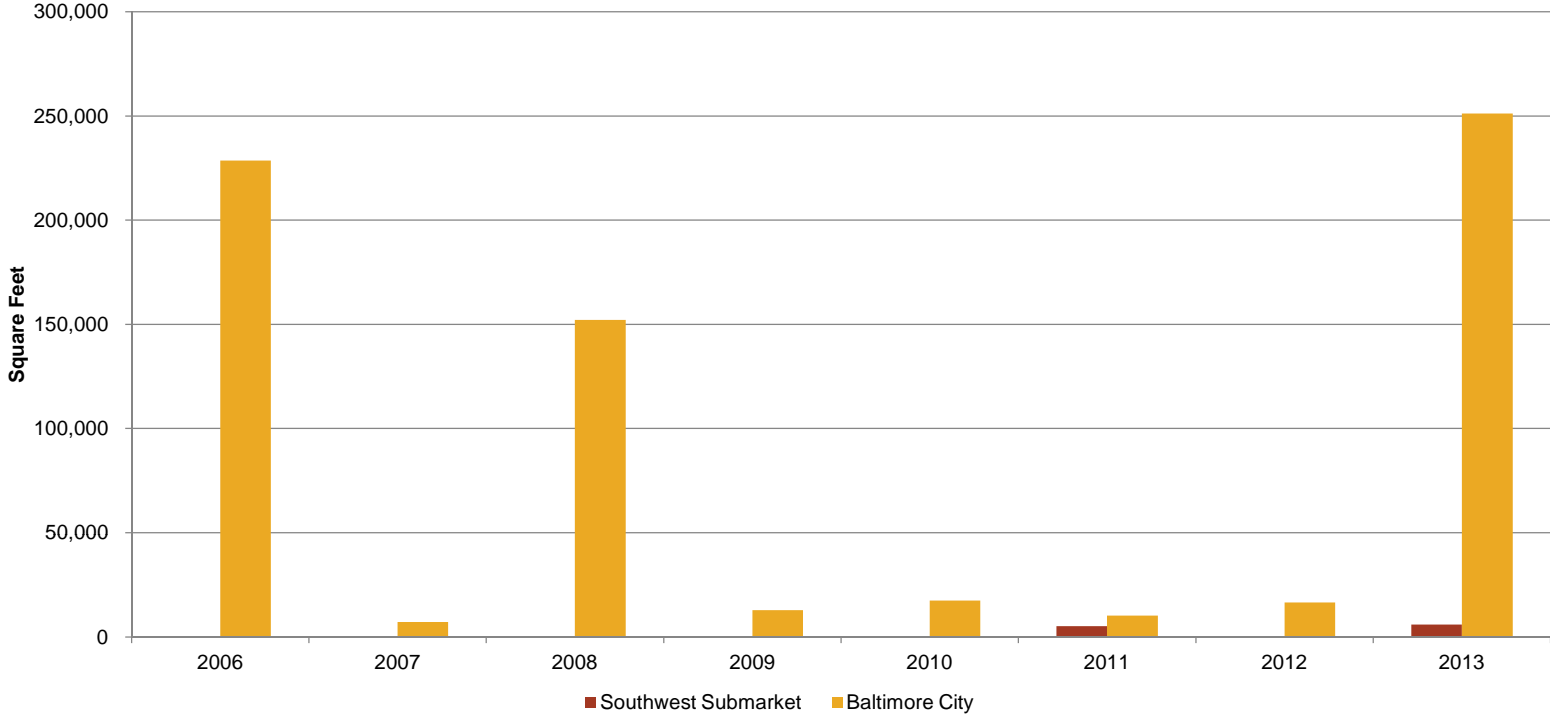
SOURCE: CoStar



# CITY OF BALTIMORE

Exhibit V-7

## HISTORICAL RETAIL MARKET DELIVERIES SOUTHWEST SUBMARKET AND BALTIMORE CITY 2006-2013



	2006-2013 Avg. Annual Deliveries (SF)	2006-2013 Total Deliveries (SF)
Southwest Submarket	1,386	11,089
Baltimore City	87,026	696,205
Submarket as % of City	2%	2%

SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit V-8

HISTORICAL RETAIL MARKET VACANCY  
SOUTHWEST SUBMARKET AND BALTIMORE CITY  
2006-2013

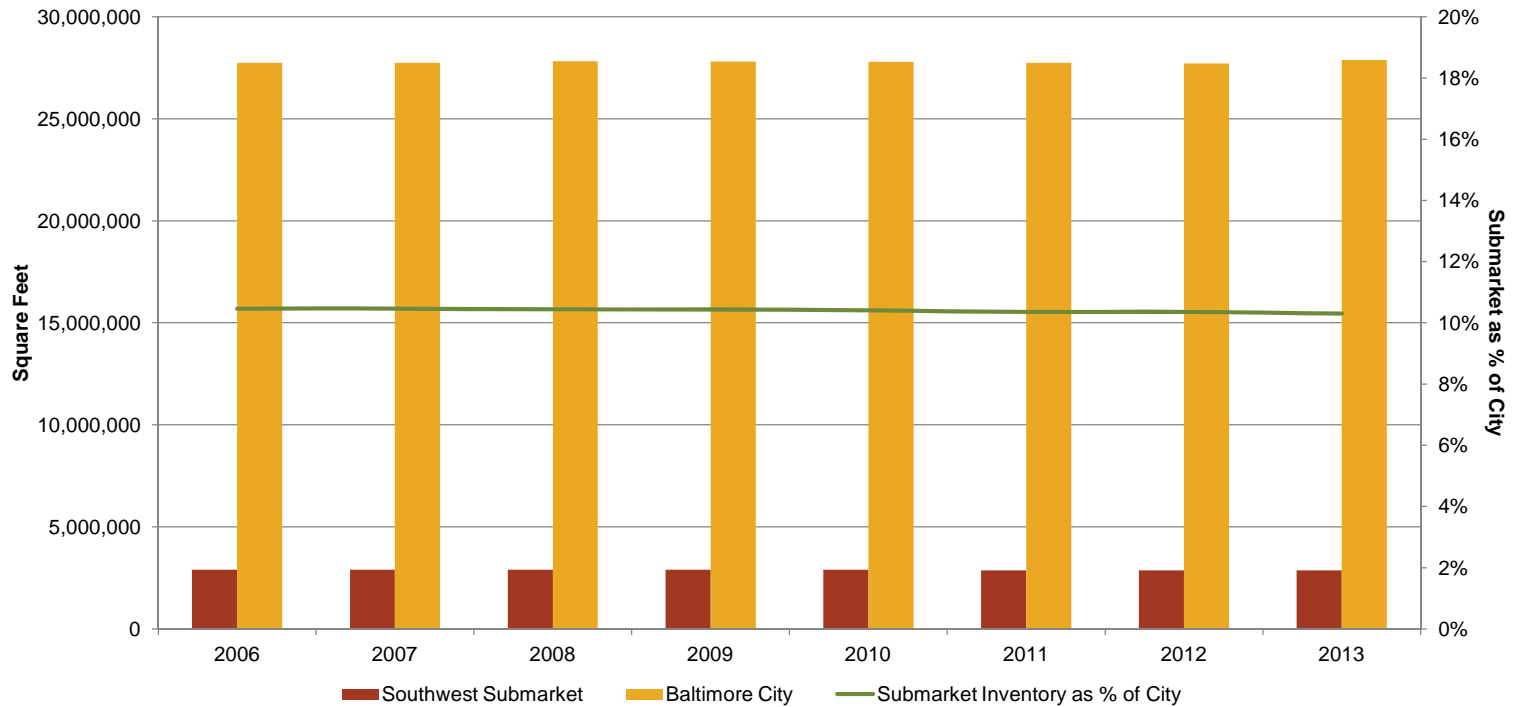


SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit V-9

## HISTORICAL RETAIL MARKET INVENTORY SOUTHWEST SUBMARKET AND BALTIMORE CITY 2006-2013



	2006-2013 Total Change in Inventory (SF)	2006-2013 Total Deliveries (SF)
Southwest Submarket	(30,595)	11,089
Baltimore City	142,613	696,205
Submarket as % of City	-21%	2%

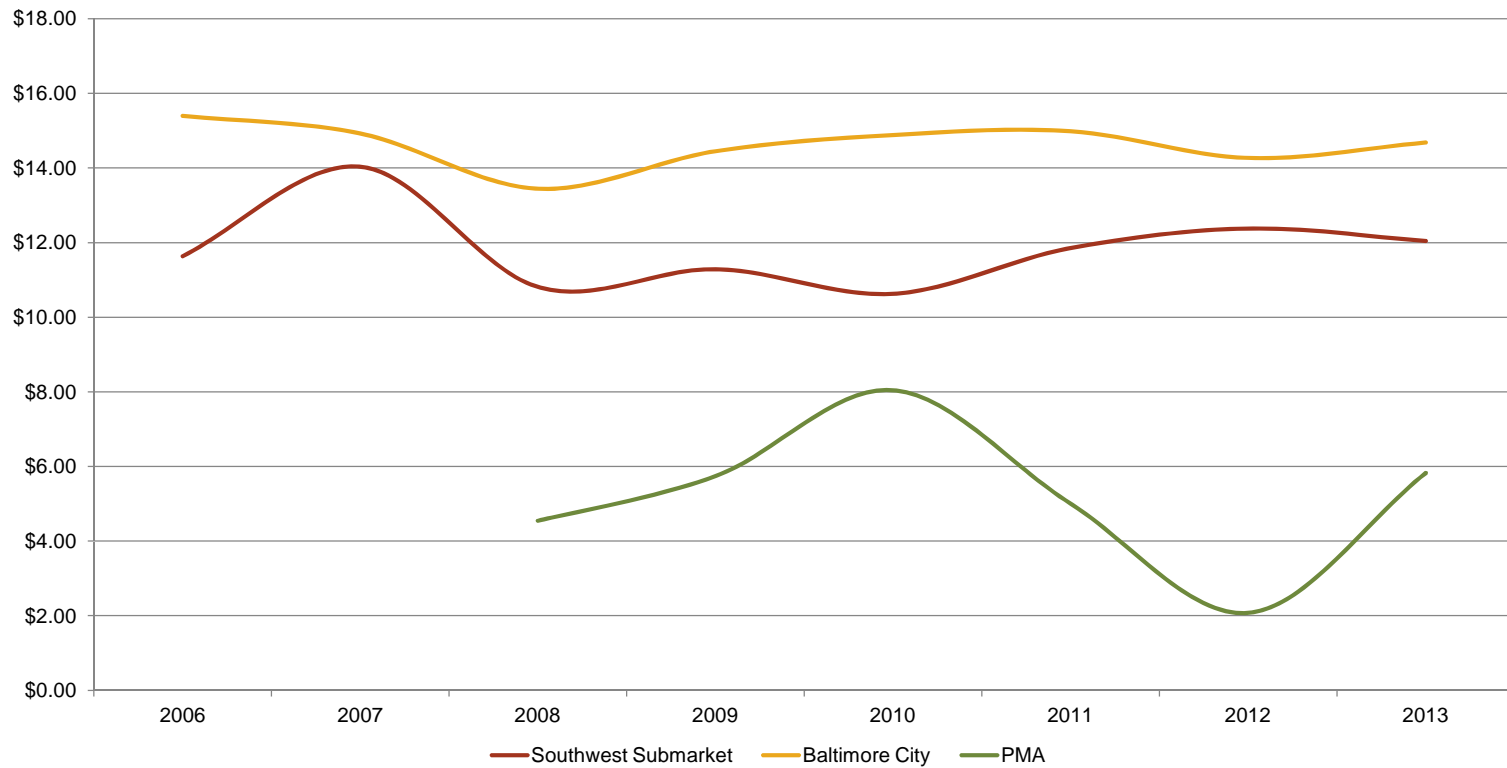
NOTE: Change in inventory is comprised of deliveries, conversions, and demolitions. Data indicates that the submarket delivered 11,000 SF of new retail space but lost 42,000 SF through demolition or conversion to other uses.

SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit V-10

## HISTORICAL RETAIL ASKING LEASE RATE PMA; SOUTHWEST SUBMARKET; BALTIMORE CITY 2006-2013



2006-2013 Avg. Annual Asking Lease Rate	
PMA*	\$5.20
Southwest Submarket	\$11.83
Baltimore City	\$14.63

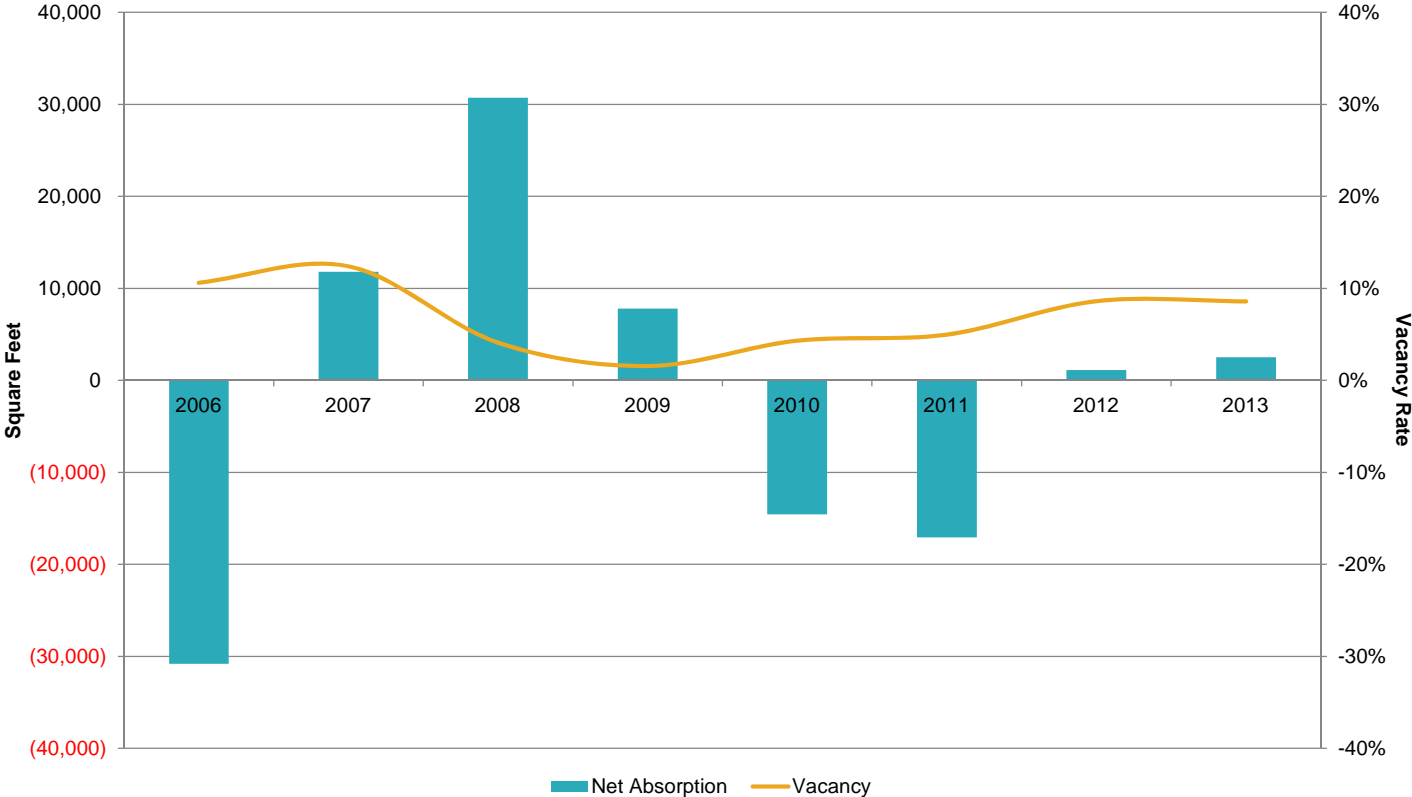
\*2008 - 2013 Avg. Annual Asking Lease Rate

SOURCE: CoStar

# CITY OF BALTIMORE

Exhibit V-11

## HISTORICAL RETAIL MARKET NET ABSORPTION AND VACANCY PRIMARY MARKET AREA 2006-2013



	2006-2013 Average Annual Net Absorption	2006-2013 Total Net Absorption
PMA	(1,065)	(8,517)

SOURCE: CoStar

# CITY OF BALTIMORE

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## VI. RESIDENTIAL AND RETAIL DEMAND

# CITY OF BALTIMORE

## Exhibit VI-1

### DISTRIBUTION OF PMA HOUSEHOLDS BY PERSONS PER HOUSEHOLD AND HOUSEHOLD INCOME (AMI LEVEL) PRIMARY MARKET AREA 2014

PMA HOUSEHOLDS BY COMPOSITION AND HOUSEHOLD INCOME							
HH TYPE AND AMI %	HH INCOME RANGE	INCOME DISTRIBUTION	PMA HOUSEHOLDS	HH TYPE AND AMI %	HH INCOME RANGE	INCOME DISTRIBUTION	PMA HOUSEHOLDS
<b>Total Households</b>				<b>8,126</b>			
<b>1-person</b>				<b>3,635</b>			
Under 30% AMI	UNDER \$17,550	45%	1,935	5-person	UNDER \$27,100	4%	347
30% - 50% AMI	\$17,550 - \$29,250	53%	768	Under 30% AMI	\$27,100 - \$45,100	50%	172
50% - 60% AMI	\$29,250 - \$35,100	21%	164	30% - 50% AMI	\$45,100 - \$54,120	18%	62
60% - 80% AMI	\$35,100 - \$44,750	5%	182	50% - 60% AMI	\$54,120 - \$69,050	7%	24
Not Qualified	\$44,750 AND ABOVE	16%	586	60% - 80% AMI	\$69,050 AND ABOVE	10%	36
				Not Qualified		16%	54
<b>2-person</b>				<b>1,800</b>			
Under 30% AMI	UNDER \$20,050	22%	641	6-person	UNDER \$29,100	2%	140
30% - 50% AMI	\$20,050 - \$33,400	36%	269	Under 30% AMI	\$29,100 - \$48,450	72%	101
50% - 60% AMI	\$33,400 - \$40,080	15%	141	30% - 50% AMI	\$48,450 - \$58,140	4%	6
60% - 80% AMI	\$40,080 - \$51,150	8%	118	50% - 60% AMI	\$58,140 - \$74,150	13%	18
Not Qualified	\$51,150 AND ABOVE	7%	630	60% - 80% AMI	\$74,150 AND ABOVE	5%	8
		35%		Not Qualified		6%	8
<b>3-person</b>				<b>1,248</b>			
Under 30% AMI	UNDER \$22,550	15%	460	7-person	UNDER \$31,100	1%	102
30% - 50% AMI	\$22,550 - \$37,600	37%	216	Under 30% AMI	\$31,100 - \$51,800	12%	12
50% - 60% AMI	\$37,600 - \$45,120	17%	77	30% - 50% AMI	\$51,800 - \$62,124	36%	37
60% - 80% AMI	\$45,120 - \$57,550	6%	124	50% - 60% AMI	\$62,124 - \$79,250	13%	14
Not Qualified	\$57,550 AND ABOVE	10%	370	60% - 80% AMI	\$79,250 AND ABOVE	0%	0
		30%		Not Qualified		38%	39
<b>4-person</b>				<b>776</b>			
Under 30% AMI	UNDER \$25,050	10%	370	8-person	UNDER \$33,100	1%	77
30% - 50% AMI	\$25,050 - \$41,750	48%	113	Under 30% AMI	\$33,100 - \$55,150	47%	36
50% - 60% AMI	\$41,750 - \$50,100	15%	67	30% - 50% AMI	\$55,150 - \$66,132	24%	19
60% - 80% AMI	\$50,100 - \$63,900	9%	53	50% - 60% AMI	\$66,132 - \$84,350	0%	0
Not Qualified	\$63,900 AND ABOVE	7%	174	60% - 80% AMI	\$84,350 AND ABOVE	0%	0
		22%		Not Qualified		29%	23

SUMMARY OF HOUSEHOLD TYPE AND AMI LEVEL						
	EXTREMELY LOW INCOME	VERY LOW INCOME	LIHTC FINANCING	LOW INCOME	TOTAL QUALIFYING HHs	NON-QUALIFYING HHs
	Under 30% AMI	30% - 50% AMI	50% - 60% AMI	60% - 80% AMI		Above 80% AMI
1-person household	1,935	768	164	182	3,049	586
2-person household	641	269	141	118	1,170	630
3-person household	460	216	77	124	878	370
4-person household	370	113	67	53	602	174
5-person household	172	62	24	36	293	54
6-person household	101	6	18	8	132	8
7-person household	12	37	14	0	63	39
8-person household	36	19	0	0	55	23
<b>TOTAL QUALIFYING HOUSEHOLDS</b>	<b>3,727</b>	<b>1,489</b>	<b>505</b>	<b>521</b>	<b>6,242</b>	<b>1,884</b>

# CITY OF BALTIMORE

## Exhibit VI-2

### ANNUAL DEMAND FOR RENTER AND OWNER UNITS FROM EXISTING HOUSEHOLDS PRIMARY MARKET AREA 2014

INCOME CATEGORY	EXISTING RENTERS DEMAND POTENTIAL					EXISTING OWNERS DEMAND POTENTIAL				TOTAL POTENTIAL DEMAND
	PMA HH	% RENTERS	RENTER HH	% RENTERS IN TURNOVER	TOTAL DEMAND FROM RENTERS	% OWNERS	OWNER HH	% OWNERS IN TURNOVER	TOTAL DEMAND FROM OWNERS	
<b>Total Households</b>	<b>8,126</b>		<b>5,204</b>		<b>1,275</b>		<b>2,763</b>			<b>1,310</b>
Under 30% AMI	3,727	84%	3,116	25%	789	14%	528	2%	12	800
30% - 50% AMI	1,489	66%	977	22%	214	34%	499	3%	15	229
50% - 60% AMI	505	62%	315	25%	80	36%	182	0.5%	1	81
60% - 80% AMI	521	37%	195	27%	53	61%	319	0.5%	2	55
Not Qualified	1,884	32%	602	23%	138	66%	1,234	0.5%	6	145
<b>Total Qualified HH</b>	<b>6,242</b>		<b>4,602</b>		<b>1,136</b>		<b>1,529</b>		<b>29</b>	<b>1,165</b>

RENTER DEMAND							
INCOME CATEGORY	TOTAL DEMAND FROM RENTERS	% RENTERS REMAINING RENTERS	RENTAL DEMAND FROM EXISTING RENTERS	TOTAL DEMAND FROM OWNERS	% OWNERS BECOMING RENTERS	RENTAL DEMAND FROM EXISTING OWNERS	TOTAL RENTER DEMAND FROM EXISTING HHS
<b>Total Households</b>	<b>1,275</b>		<b>1,190</b>	<b>35</b>		<b>22</b>	<b>1,212</b>
Under 30% AMI	789	99%	781	12	75%	9	790
30% - 50% AMI	214	95%	204	15	75%	11	215
50% - 60% AMI	80	95%	76	1	50%	0	76
60% - 80% AMI	53	75%	40	2	40%	1	41
Not Qualified	138	65%	90	6	10%	1	91
<b>Total Qualified HH</b>	<b>1,136</b>		<b>1,100</b>	<b>29</b>		<b>21</b>	<b>1,121</b>

OWNER DEMAND							
INCOME CATEGORY	TOTAL DEMAND FROM RENTERS	% RENTERS BECOMING OWNERS	OWNER DEMAND FROM EXISTING RENTERS	TOTAL DEMAND FROM OWNERS	% OWNERS REMAINING OWNERS	OWNER DEMAND FROM EXISTING OWNERS	TOTAL OWNER DEMAND FROM EXISTING HHS
<b>Total Households</b>	<b>1,275</b>		<b>84</b>	<b>35</b>		<b>14</b>	<b>98</b>
Under 30% AMI	789	1%	8	12	25%	3	11
30% - 50% AMI	214	5%	11	15	25%	4	14
50% - 60% AMI	80	5%	4	1	50%	0	4
60% - 80% AMI	53	25%	13	2	60%	1	14
Not Qualified	138	35%	48	6	90%	6	54
<b>Total Qualified HH</b>	<b>1,136</b>		<b>36</b>	<b>8</b>		<b>8</b>	<b>44</b>



# CITY OF BALTIMORE

## Exhibit VI-3

### SUMMARY OF DEMAND AND AFFORDABILITY PRIMARY MARKET AREA 2014

#### HOMEBUYER AFFORDABILITY

##### Qualifications For Assistance:

- HH income cannot exceed 80% AMI
- Mortgage principal and interest, real estate taxes, utilities, maintenance, will not exceed 35% of homeowners adjusted income

##### For-Sale Housing Expenses:

Real Estate Taxes	\$2.360	for every \$100 assessed property value (Total)
City	\$2.248	for every \$100 assessed property value
State	\$0.112	for every \$100 assessed property value
Utilities	\$100	per month
Maintenance	\$50	per month
Max % of Income	35%	

INCOME BRACKET	FOR-SALE HOME AFFORDABILITY	DEMAND POTENTIAL	DEMAND @ 25% CREDIT QUALIFIED
Under 30% AMI	\$47,159 - \$73,801	11	3
30% - 50% AMI	\$79,799 - \$124,016	14	4
50% - 60% AMI	\$96,119 - \$149,179	4	1
60% - 80% AMI	\$123,040 - \$190,830	14	4
<b>TOTAL</b>		<b>44</b>	<b>11</b>

(1-person) (5-person)

#### RENTER AFFORDABILITY

##### Qualifications For Assistance:

- Section 8 Housing Choice Voucher requires 50% AMI or less
- LIHTC requires 60% AMI or less or 50% AMI or less
- Must pay 30% of income as rent

##### Under 50% AMI

UNIT SIZE	MONTHLY RENT AFFORDABILITY	HOUSEHOLD SIZE	DEMAND POTENTIAL
Efficiency	\$439 - \$731	1 person	526
1-BR	\$501 - \$835	2 person	177
2-BR	\$564 - \$1,044	3-4 person	179
3-BR	\$626 - \$1,128	4-5 person	70
4-BR	\$678 - \$1,295	5-7 person	53
<b>TOTAL</b>			<b>1,004</b>

##### 50%-60% AMI

UNIT SIZE	MONTHLY RENT AFFORDABILITY	HOUSEHOLD SIZE	DEMAND POTENTIAL
Efficiency	\$731 - \$878	1 person	24
1-BR	\$835 - \$1,002	2 person	21
2-BR	\$940 - \$1,253	3-4 person	16
3-BR	\$1,044 - \$1,353	4-5 person	8
4-BR	\$1,128 - \$1,553	5-7 person	6
<b>TOTAL</b>			<b>76</b>

SOURCE: HUD

# CITY OF BALTIMORE

## Exhibit VI-4

### DEVELOPMENT SITE HIGH-LEVEL FEASIBILITY SHORT-TERM OPPORTUNITY SITES 2014

#### PROPERTY ASSUMPTIONS

North Townhomes:			South Townhomes:			Lot at Smallwood and Saratoga:		
Size (Sq. Ft.)	1,500		Size (Sq. Ft.)	1,700		Land Area (100' x 175')	17,500 SF	
						FAR	2.0	35,000 GSF
						Building Efficiency	0.9	31,500
						Average Unit Size (GSF)	1,000	32
<b>Revenue Assumptions</b>			<b>Revenue Assumptions</b>			<b>Revenue Assumptions</b>		
Average Purchase Price (@30% AMI)	\$60,480		Average Purchase Price	\$60,480		Monthly Rent (3-4 person @ 30% AMI)		\$595
Average Purchase Price (@50% AMI)	\$101,908		Average Purchase Price	\$101,908		Rent Per GSF		\$0.54
Value PSF (For-Sale) @ 30% AMI	\$40		Value PSF (For-Sale) @ 30% AMI	\$36		OpEx		35%
Value PSF (For-Sale) @ 50% AMI	\$68		Value PSF (For-Sale) @ 50% AMI	\$60		NOI per GSF (Annual)		\$0.35
Monthly Rent (3-4 person @ 50% AMI)	\$1,044		Monthly Rent (3-4 person @ 50% AMI)	\$1,044		Monthly Rent (3-4 person @ 50% AMI)		\$992
Rent PSF	\$0.70		Rent PSF	\$0.61		Rent PSF		\$0.99
OpEx	35%		OpEx	35%		OpEx		35%
NOI per GSF (Monthly)	\$0.45		NOI per GSF (Annual)	\$0.40		NOI per GSF (Annual)		\$0.64
<b>Cost Assumptions</b>			<b>Cost Assumptions</b>			<b>Cost Assumptions</b>		
<b>For-Sale</b>			<b>For-Sale</b>			<b>For-Rent</b>		
Purchase Price	\$7 psf	\$10,000	Purchase Price	\$6 psf	\$10,000	Purchase Price	\$4 psf	\$10,000
Cost to Rehab	\$40 psf	\$60,000	Cost to Rehab	\$40 psf	\$68,000	Cost to Construct	\$90 psf	
Unlevered Cost (For Sale)	\$47 psf	\$70,000	Unlevered Cost (For Sale)	\$46 psf	\$78,000	Unlevered Cost (For Rent)	\$94 psf	
Construction Loan	50%	3-year term	Construction Loan	50%	3-year term	Loan-to-Cost	70%	
Monthly Debt Service	\$0.08	No prepayment	Monthly Debt Service	\$0.08	No prepayment	Monthly Debt Service	\$0.35 psf	
Levered Cost/Equity (For-Sale)	\$26		Levered Cost (For-Sale)	\$26		Levered Cost (For Rent)	\$28 psf	
<b>Unlevered Return on Cost (@50% AMI)</b>	<b>46%</b>		<b>Unlevered Return on Cost (@50% AMI)</b>	<b>31%</b>		<b>Unlevered Return on Cost (@50% AMI)</b>	<b>8.3%</b>	
<b>Levered Return on Cost (@30% AMI)</b>	<b>-46%</b>		<b>Levered Return on Cost (@30% AMI)</b>	<b>-62%</b>		<b>Levered Return on Cost (@50% AMI)</b>	<b>12.5%</b>	
<b>Levered Return on Cost (@50% AMI)</b>	<b>60%</b>		<b>Levered Return on Cost (@50% AMI)</b>	<b>33%</b>				
<b>For-Rent</b>			<b>For-Rent</b>			<b>For-Rent (with 9% Tax Credit)</b>		
Unlevered Cost (For Rent)	\$47 psf		Unlevered Cost (For Rent)	\$46 psf		Loan-to-Cost (With 9% Tax Credit)	70%	
Loan-to-Cost	70%		Loan-to-Cost	70%		Tax Credit 9%	9%	
Levered Cost (For Rent)	\$14 psf		Levered Cost (For Rent)	\$14 psf		Levered Cost (With 9% Tax Credit)	\$20	
Monthly Debt Service	\$0.25 psf		Monthly Debt Service	\$0.25 psf		Monthly Debt Service	\$0.35 psf	
<b>Unlevered Return on Cost (@50% AMI)</b>	<b>11.6%</b>		<b>Unlevered Return on Cost (@50% AMI)</b>	<b>10.4%</b>		<b>Unlevered Return on Cost (@50% AMI)</b>	<b>8.3%</b>	
<b>Levered Return on Cost (@50% AMI)</b>	<b>17.3%</b>		<b>Levered Return on Cost (@50% AMI)</b>	<b>13.3%</b>		<b>Levered Return on Cost (@50% AMI)</b>	<b>17.8%</b>	
<b>Feasibility Threshold</b>			<b>Feasibility Threshold</b>			<b>Feasibility Threshold</b>		
10%			10%			8%		
Feasible For-Rent	Yes		Feasible For-Rent	Yes		Feasible For-Rent at 50% AMI	Yes	
Feasible For-Sale @ 30% AMI	No		Feasible For-Sale @ 30% AMI	No		Feasible For-Rent at 50% AMI (with Tax Credit)	Yes	
Feasible For-Sale @ 50% AMI	Yes		Feasible For-Sale @ 50% AMI	Yes				

# CITY OF BALTIMORE

## Exhibit VI-5

### RETAIL POTENTIAL ANALYSIS MARKET AREA 2014

Potential Revenue from Residents in a 1/4th Mile Radius					
		Average Spent at Farmers Markets in One Week			
		\$6.23	\$8.31	\$10.39	\$12.46
% Households Attending Farmers Market	10%	\$518	\$690	\$863	\$1,036
	20%	\$1,036	\$1,381	\$1,726	\$2,071
	30%	\$1,554	\$2,071	\$2,589	\$3,107
	40%	\$2,071	\$2,762	\$3,452	\$4,143

Potential Revenue from Commuters					
		Average Spent at Farmers Markets in One Week			
		\$6.01	\$9.02	\$12.02	\$18.03
% of Commuters Purchasing 1 time/week	10%	\$192	\$288	\$385	\$577
	20%	\$385	\$577	\$769	\$1,154
	30%	\$577	\$865	\$1,154	\$1,731
	40%	\$769	\$1,154	\$1,539	\$2,308

Households (1/4 mile)	831	Commuters <sup>1</sup>	320
Average Weekly Grocery Spend	\$42	Average Weekly Grocery Spending	\$120
15% at farmers market	\$6.23 Low	5.0% at farmers market	\$6.01 Low
20% at farmers market	\$8.31 Moderate	7.5% at farmers market	\$9.02 Moderate
25% at farmers market	\$10.39 High	10.0% at farmers market	\$12.02 High
30% at farmers market	\$12.46 Aggressive	15.0% at farmers market	\$18.03 Aggressive

Total Potential Revenue from Residents and Commuters					
		Average Spent at Farmers Markets in One Week			
		Low	Moderate	High	Aggressive
% Capture	10%	\$710	\$979	\$1,248	\$1,613
	20%	\$1,420	\$1,958	\$2,496	\$3,225
	30%	\$2,131	\$2,937	\$3,743	\$4,838
	40%	\$2,841	\$3,916	\$4,991	\$6,451

Supportable Vendors assuming \$1,000 sales threshold					
		Average Spent at Farmers Markets in One Week			
		Low	Moderate	High	Aggressive
% Capture	10%	0.7	1.0	1.2	1.6
	20%	1.4	2.0	2.5	3.2
	30%	2.1	2.9	3.7	4.8
	40%	2.8	3.9	5.0	6.5

Vendor avg. weekly revenue **\$1,000**

# CITY OF BALTIMORE

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## **APPENDIX: PRESENTATION TO CITY – JUNE 2014**



RCLCO



West Baltimore  
MARC Station  
Area

City of Baltimore

**June 2014**

Lee Sobel, Principal, and Erin Talkington, Vice President

1. Process Check
2. Market Overview
3. Implications
4. Outstanding Questions
5. Opportunity Sites (TND Planning Group)
6. Next Steps

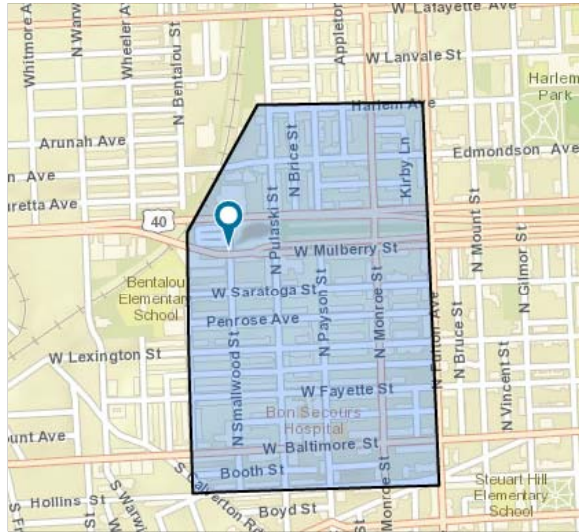
- ✓ Kickoff Meeting
- ✓ Preliminary Market Analysis
- ✓ Site Visit
  - Identify land uses for further study
- Community Meeting #1 (stakeholder interviews) – June 19 or 24
- Refined Market Analysis
  - Development programs for 2 sites
  - Test financial feasibility
- Action Plan Development
- Community Meeting #2 (stakeholder follow-up)

# REGIONAL MARKET STRENGTH

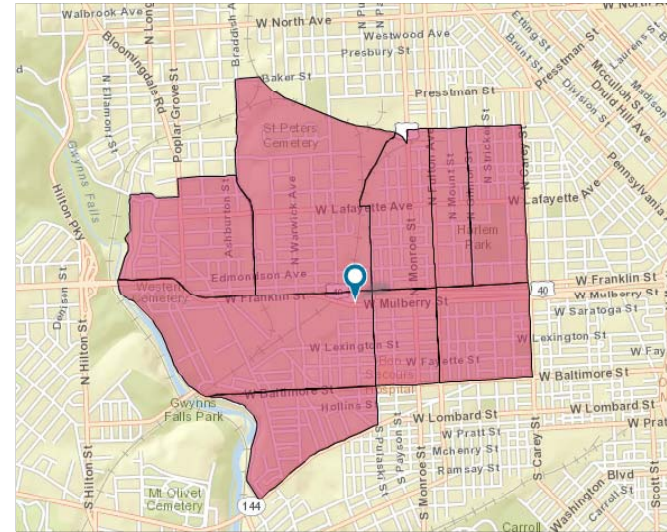
		For-Sale Residential (Market Rate)	For-Rent Residential (Market Rate)	Affordable Residential	Retail	Office
<b>Baltimore Metro</b>	Overall Strength	Yellow	Green	Green	Green	Yellow
<b>Subject Site</b>	Overall Strength	Red	Red	Yellow	Yellow	Red
<b>Subject Site</b>	Site Suitability	Red	Red	Green	Yellow	Red
	Demand	Red	Yellow	Green	Yellow	Red
	Preliminary Economic Feasibility	Red	Red	Yellow	Yellow	Red
	Transit Impact	Green	Green	Green	Green	Yellow



## Study Area



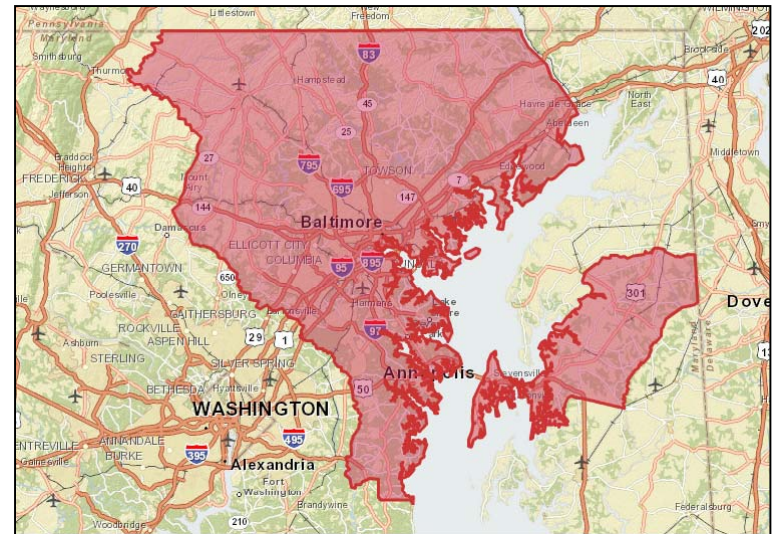
## Primary Market Area (PMA)



## City of Baltimore

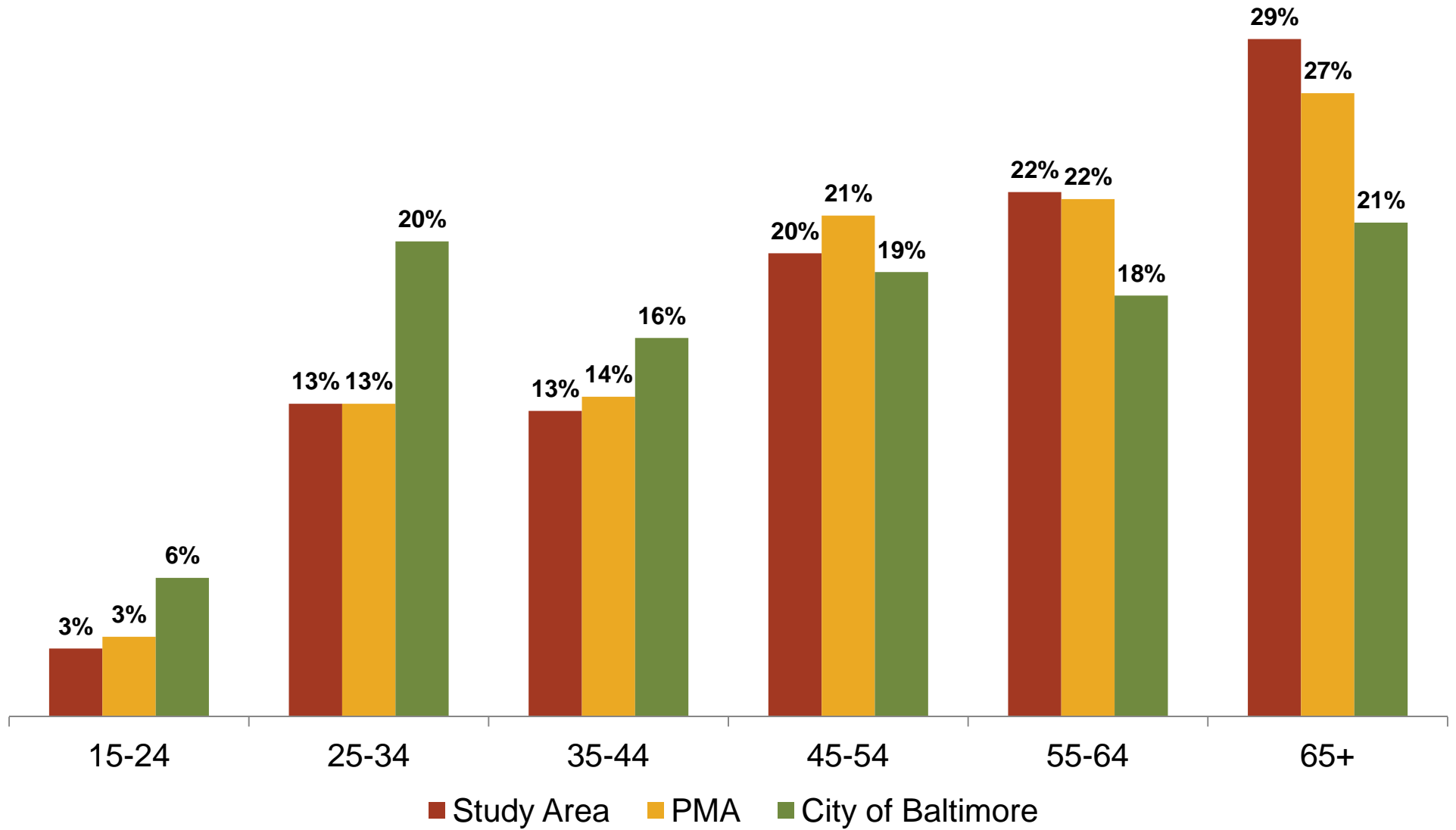


## Baltimore-Towson MSA



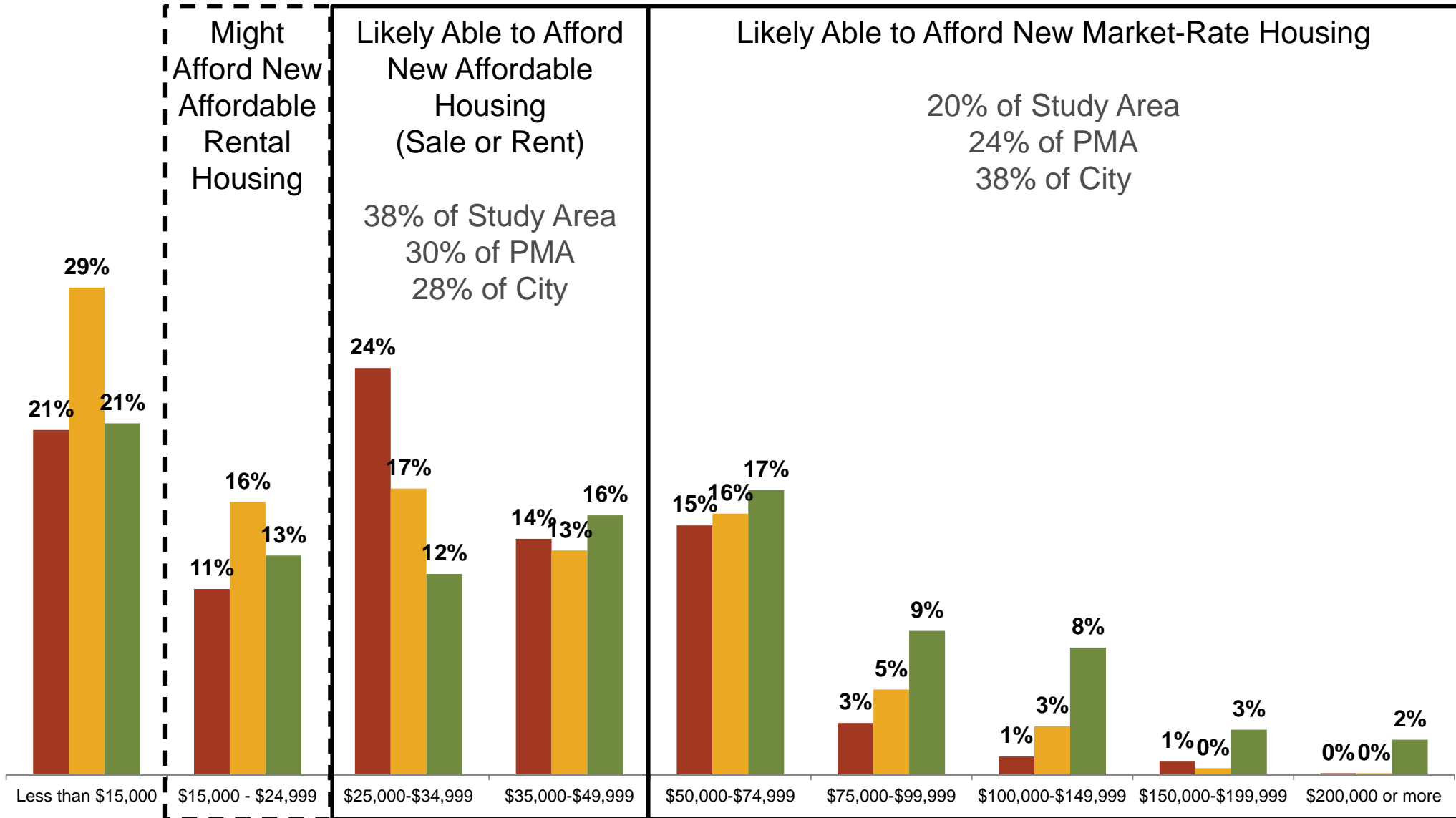
SOURCE: ESRI

# DEMOGRAPHIC COMPARISON – HOUSEHOLD AGE



SOURCE: ESRI

# DEMOGRAPHIC COMPARISON



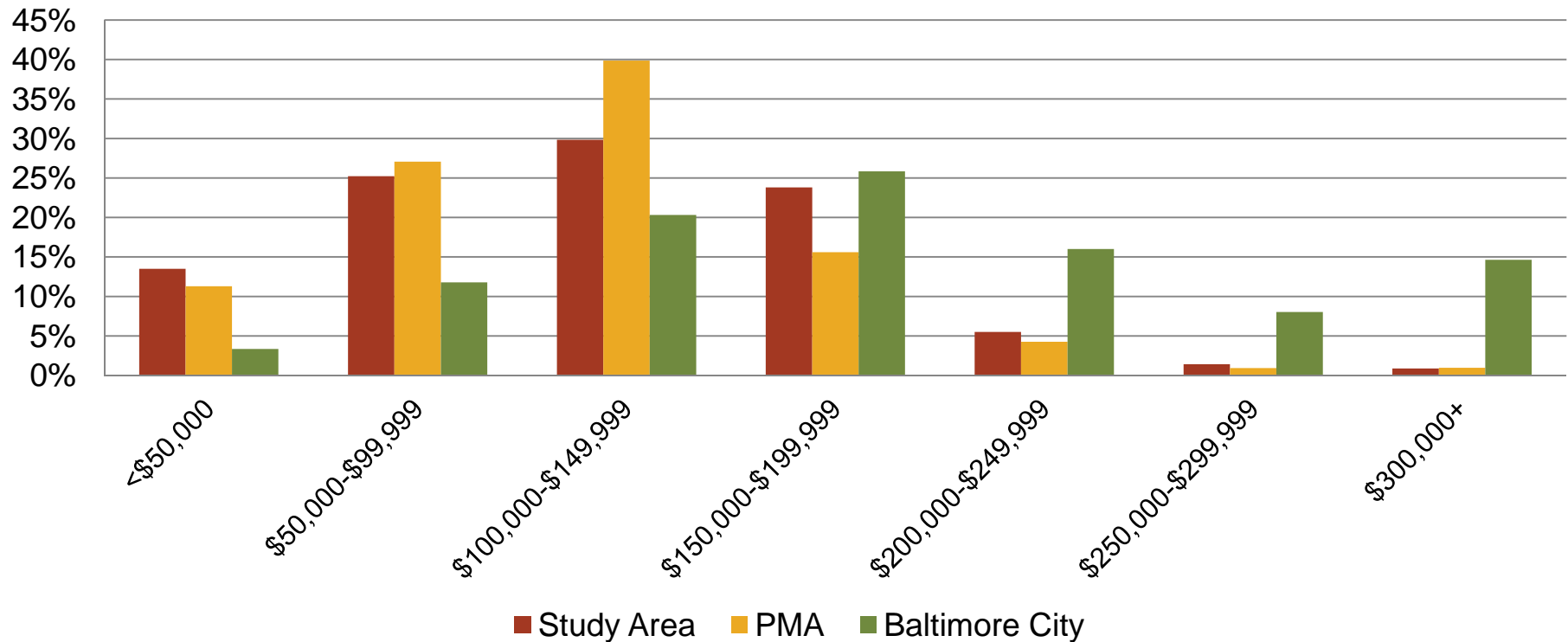
SOURCE: ESRI

■ Study Area ■ PMA ■ City of Baltimore

# HOUSING MARKET OVERVIEW

	Study Area	PMA	Baltimore City
Total Housing Units	2,640	12,176	300,755
Occupied Housing Units	1,600	8,128	250,969
<b>% Occupied</b>	<b>61%</b>	<b>67%</b>	<b>83%</b>
% Renter	65%	59%	53%
% Owner	35%	41%	47%

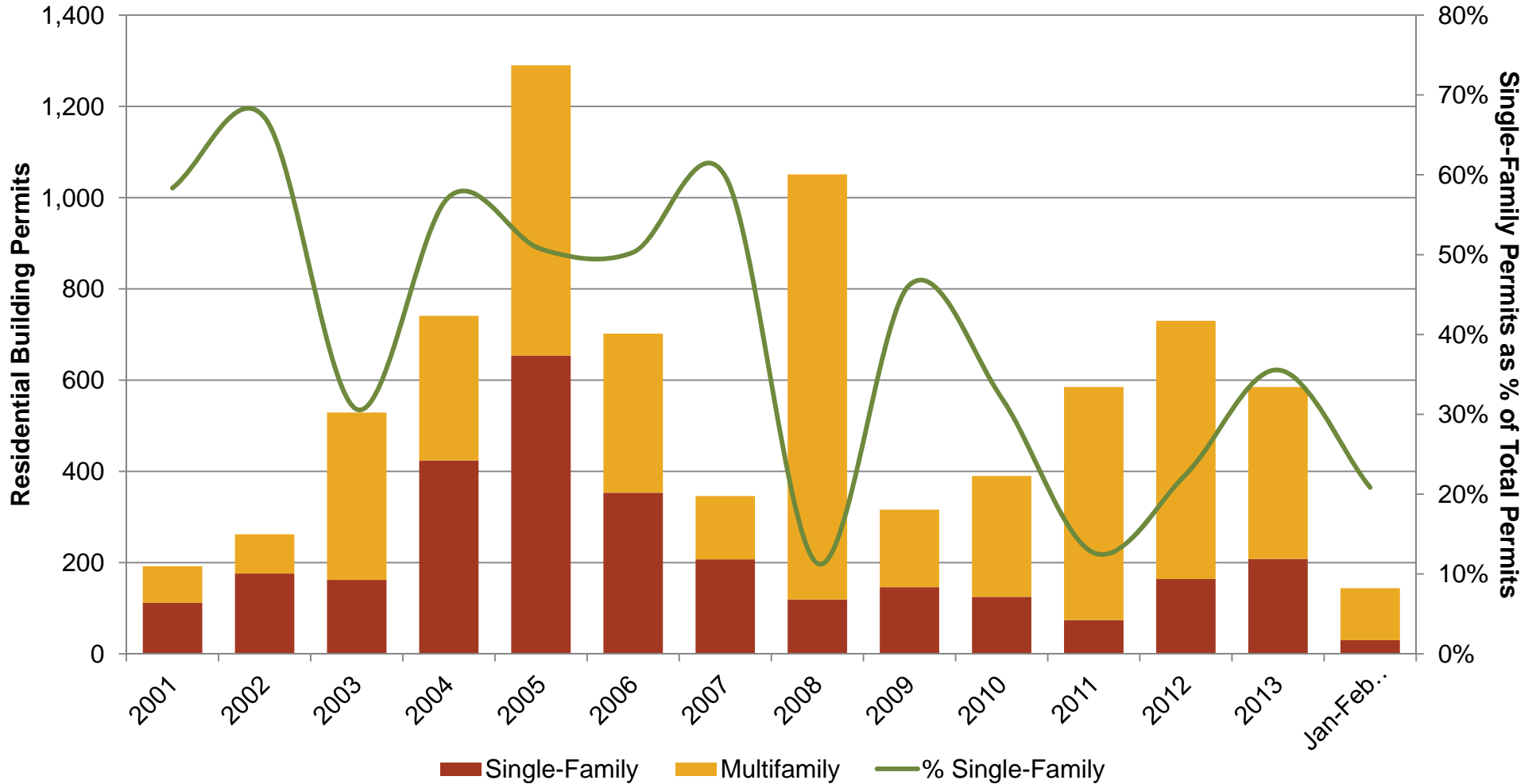
Distribution of Owner-Occupied Housing Unit Values



SOURCE: ESRI

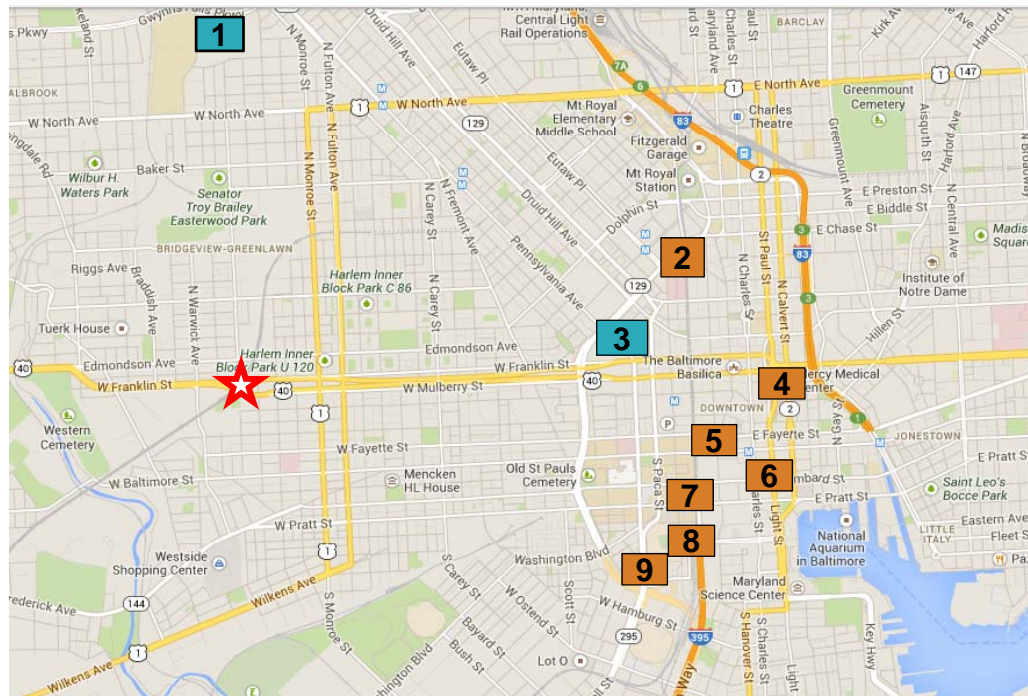
# BUILDING PERMIT ACTIVITY

<b>2001-2013 Avg. Annual Total Permits</b>	<b>594</b>
% Multifamily	62%
% Single-Family	38%



SOURCE: US Census; HUD SOCDs

## RECENT MARKET ACTIVITY NEARBY- RENTAL APARTMENTS



Market Rate  
Subsidized

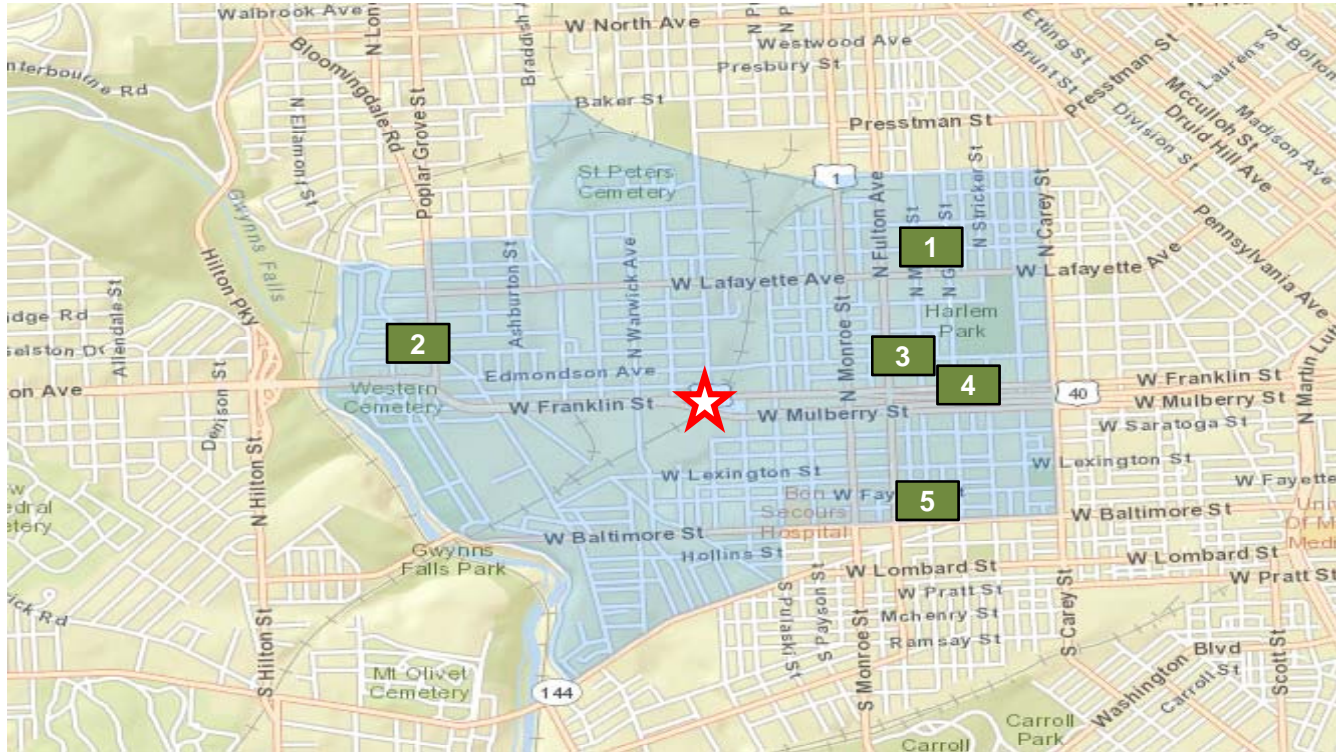
MAP KEY	COMMUNITY	YEAR BUILT	UNITS	TYPE	RENT RANGE
1	North Avenue Gateway	2013	64	Subsidized	\$500 - \$680
2	Symphony Center	2005	135	Market Rate	\$1,875 - \$4,550
3	The M on Madison	2012	74	Subsidized	\$350+ (low-income), \$650 - \$950 (workforce)
4	The Standard	2002	198	Market Rate	\$1,050 - \$2,200
5	Charles Towers	2004	43	Market Rate	\$1,110 - \$1,929
6	The Munsey	2002	146	Market Rate	\$1,385 - \$2,710
7	Avalon Centerpoint	2005	392	Market Rate	\$1,028 - \$1,481
8	Camden Court Apartments	2005	221	Market Rate	\$1,170 - \$2,600
9	The Zenith Apartments	2007	191	Market Rate	\$1,295 - \$3,900



**MARC STATION**

SOURCE: Reis; RCLCO

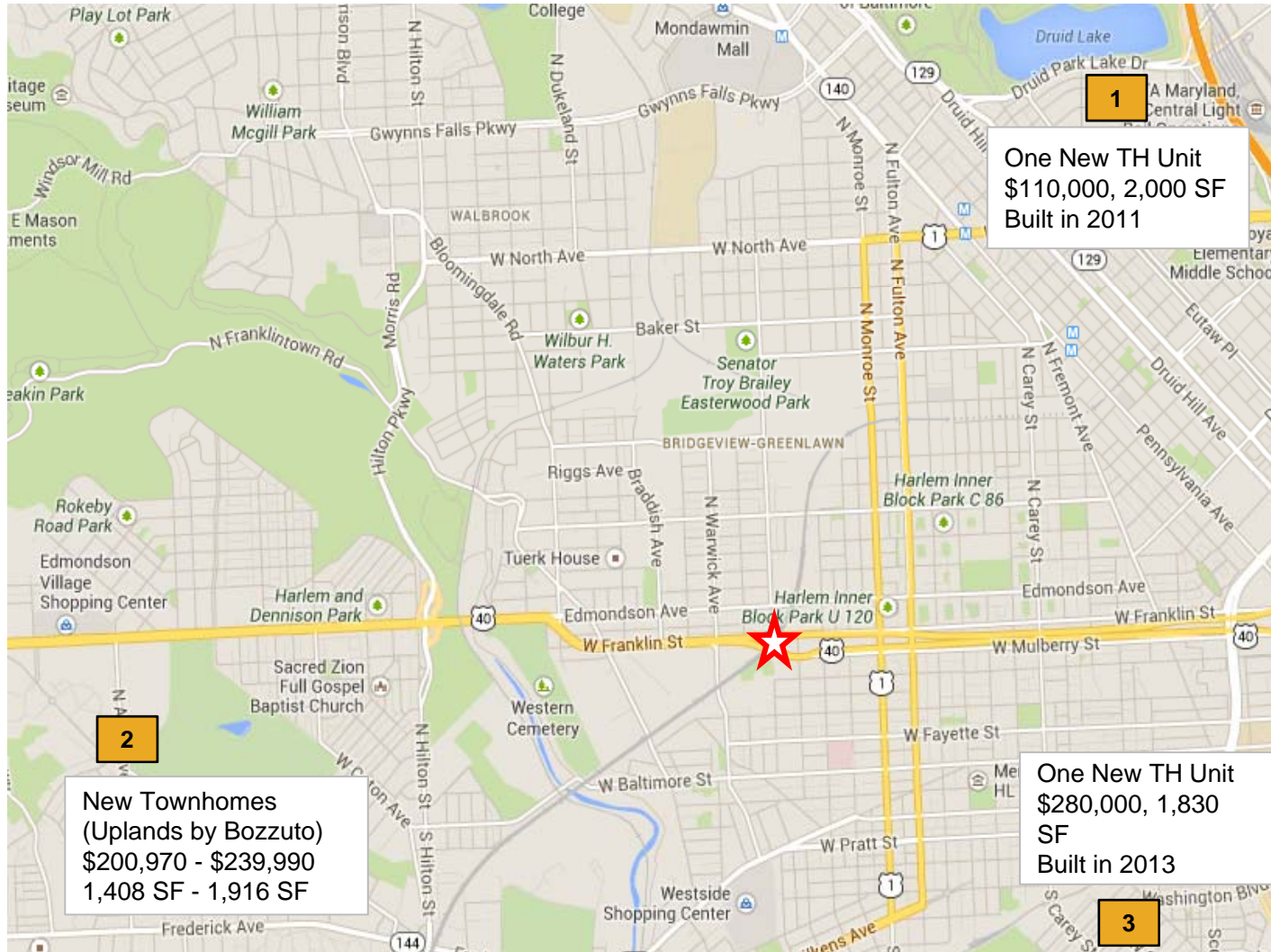
# MULTIFAMILY RENTAL BUILDINGS BUILT IN PMA SINCE 1980



MAP KEY	NAME	YEAR BUILT	UNITS	TYPE	RENT
1	Harvey Johnson Towers	1984	119	Subsidized	Studio: \$739 One-Bedroom: \$874
2	Rosemont Tower	1983	203	Subsidized	N/A
3	Harlem Gardens Apartments	2002	94	Subsidized, Age-Restricted (62+)	One-Bedroom: \$591 - \$617 Two-Bedroom: \$839
4	Edmonson Commons	2006	74	Affordable	N/A
5	Union Rowe Apartments	2003	48	Affordable	One-Bedroom: \$763 Two-Bedroom: \$955 Three-Bedroom: \$1,220

SOURCE: Reis; RCLCO

# NEW FOR-SALE HOUSING

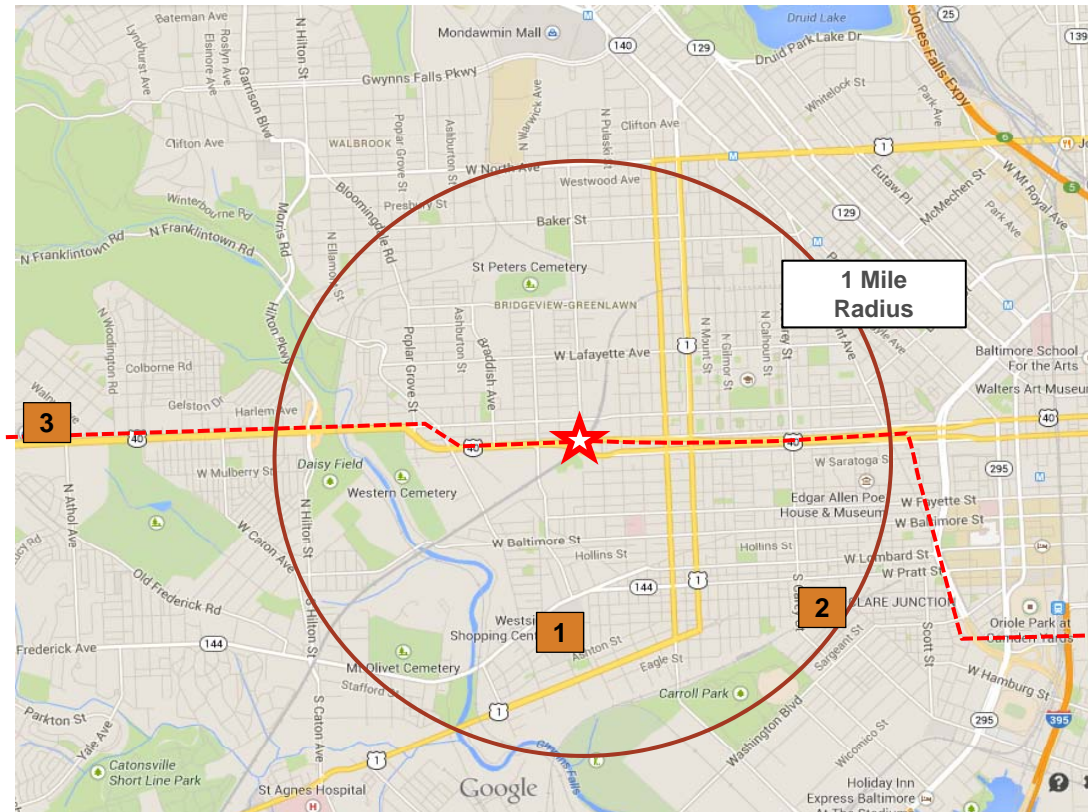


Average Townhome  
Sales Price in Study  
Area in 2013:  
**\$34,470**

SOURCE: Zillow; RCLCO



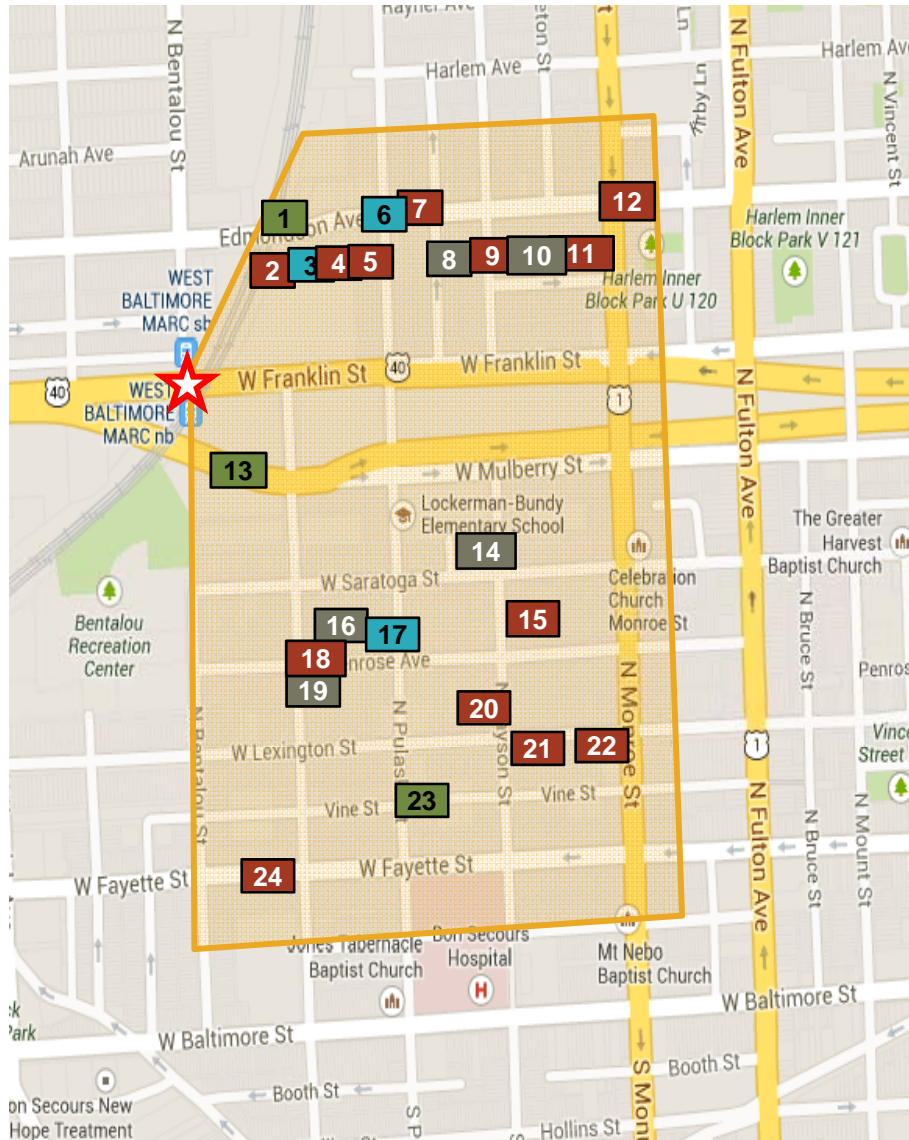
# NEIGHBORHOOD AND COMMUNITY RETAIL NEAR SITE



MAP KEY	PROPERTY NAME	TENANTS	SIZE (SF)	YEAR BUILT/ RENOVATED	VACANCY RATE (%)
1	Westside Shopping Center	Rite Aid, Food Depot, Family Dollar Store, Subway, Shoe City	311,926	1989-1990	0%
2	Mount Clare Junction	Family Dollar Store, H&R Block, Rent A Center, Subway, Simply Fashions, Vizzini's Pizza, Wachovia	236,480	1992	14%
3	Edmondson Village Shopping Center	Subway, Family Dollar, Dollar General, Boost Mobile, Murry's, Laundromat, Kimmy's Buffet, Dental Dreams, UniversityCare (one of three University of Maryland Medical Centers in West Baltimore)	137,000	1947	0%

SOURCE: Costar

## STUDY AREA RETAIL TENANTS

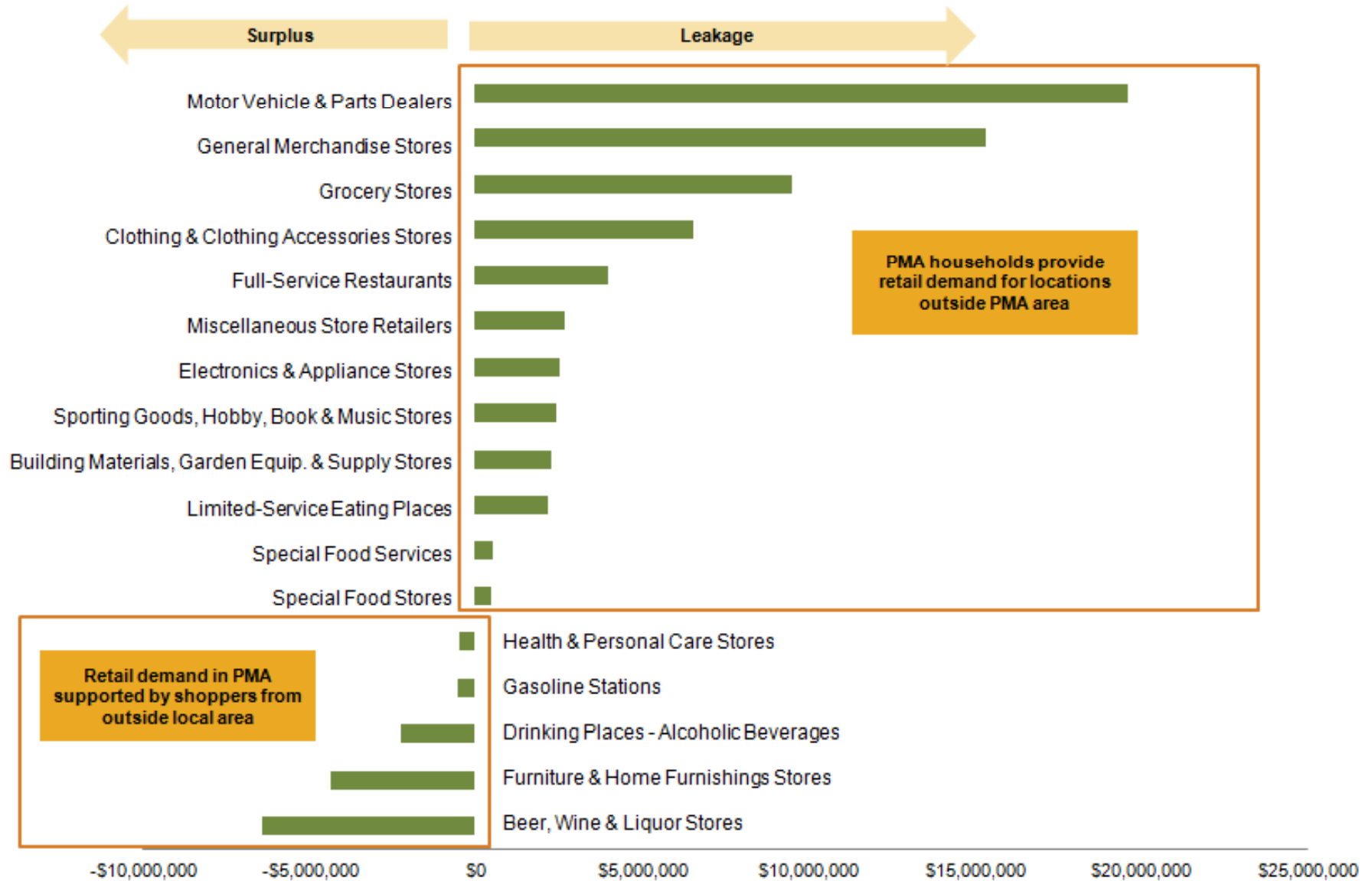


MAP KEY	NAME
1	Best Used Appliances
2	Babb Homestyle Cooking & Carryout
3	Tresur' Hair Spa
4	Soul Source Restaurant
5	West Fried Chicken
6	Fall & Company Barbershop
7	Edmonson Food Mart
8	The New Dynasty Lounge
9	China Taste
10	Uptowne Bar Liquors
11	Carry West Out
12	Lee's Mini Market
13	Beds to Go
14	Penrose Liquors & Grocery Inc
15	Mariquita Deli Grocery
16	Doc's Liquors
17	Andy's Auto Shop
18	Gomez City Grocery Store
19	Jackson Lounge
20	New Fayette Street Market and Deli
21	Monfay Carryout
22	Christy's Market
23	Le Bon Boutique
24	Melvin's Food Mart

CATEGORY	
Green	General Merchandise
Red	Food
Grey	Alcohol
Blue	Service

SOURCE: ESRI

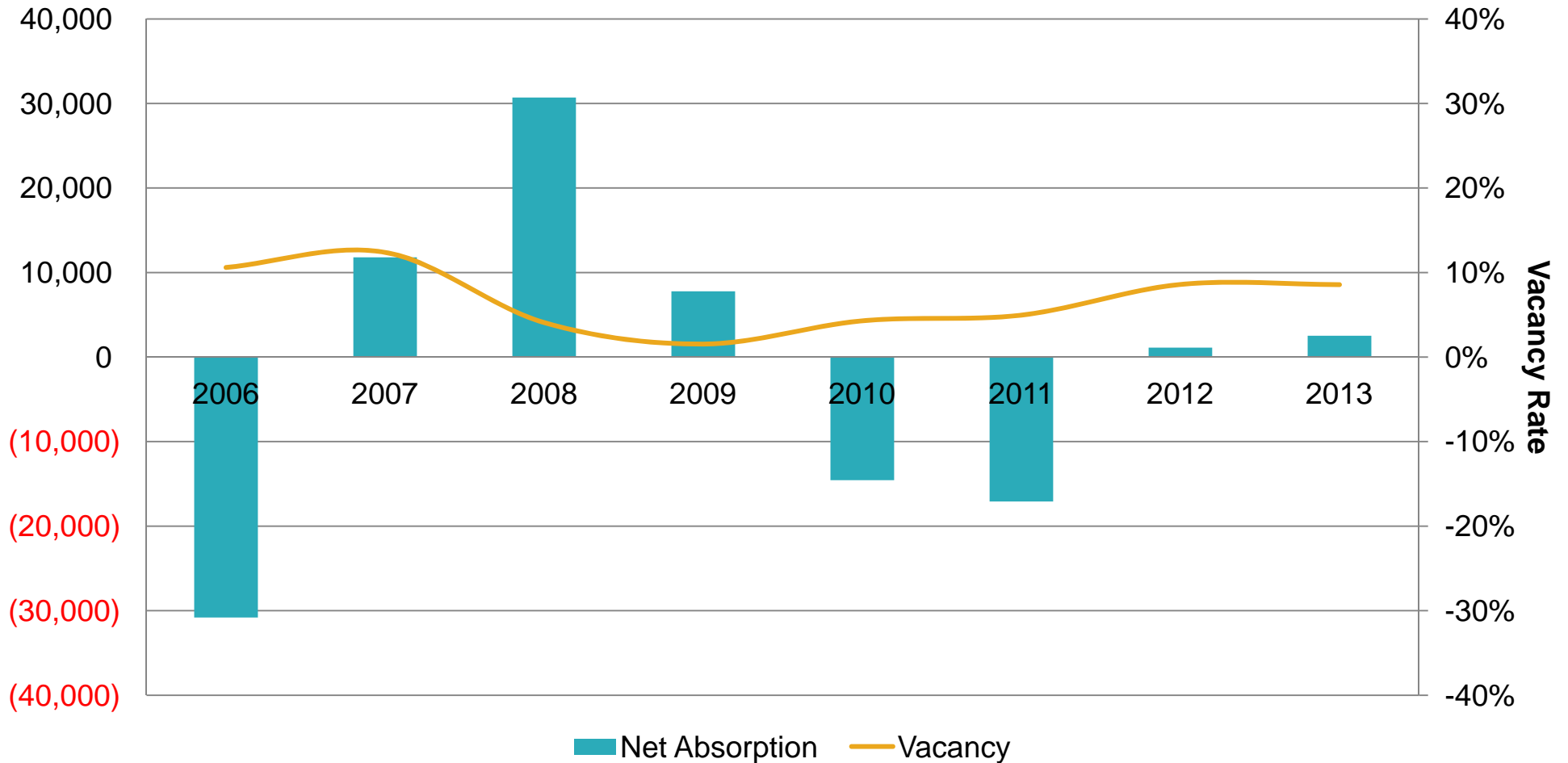
# PRIMARY MARKET AREA RETAIL LEAKAGE



SOURCE: ESRI

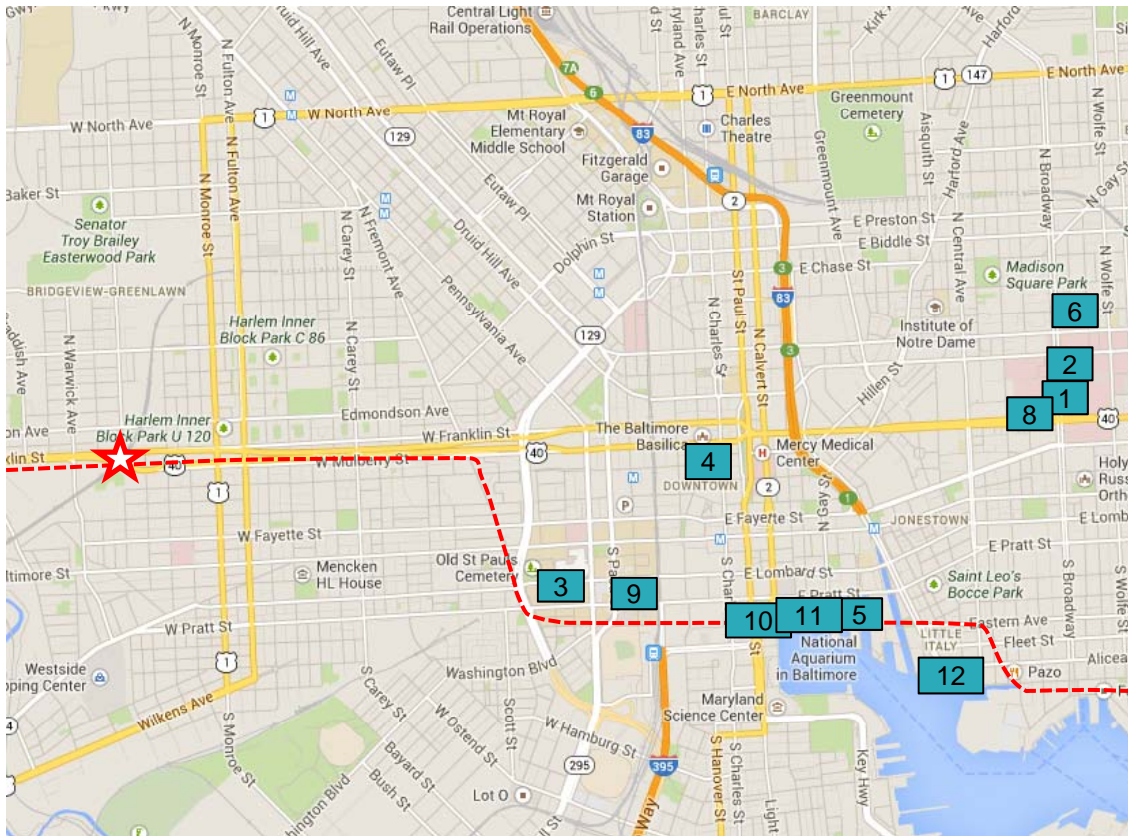
Total Inventory 2013: 365,400 SF

### Annual Net Absorption and Vacancy Rate



SOURCE: Costar

## TOP CITY EMPLOYERS

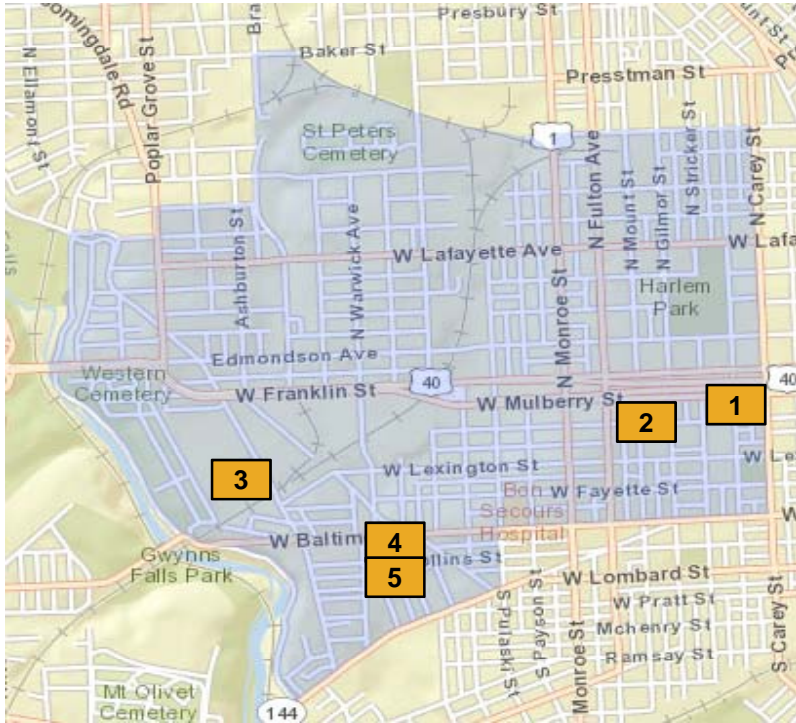


MAP KEY	NAME	TOTAL EMPLOYEES
1	Johns Hopkins University	22,000
2	Johns Hopkins Hospital	16,500
3	University of Maryland Medical System	8,900
4	Mercy Health Services	3,300
5	Constellation Energy	3,300
6	Kennedy Krieger Institute	2,400
7	Veterans Health Administration	2,000
8	Broadway Services	1,400
9	U.S. Army Corps of Engineers	1,200
10	T. Rowe Price Group	1,180
11	M&T Bank	1,140
12	Under Armour	1,100
★	Subject Site	
---	Future Red Line Corridor (Est Operation: 2022)	

SOURCE: City of Baltimore Economic Development

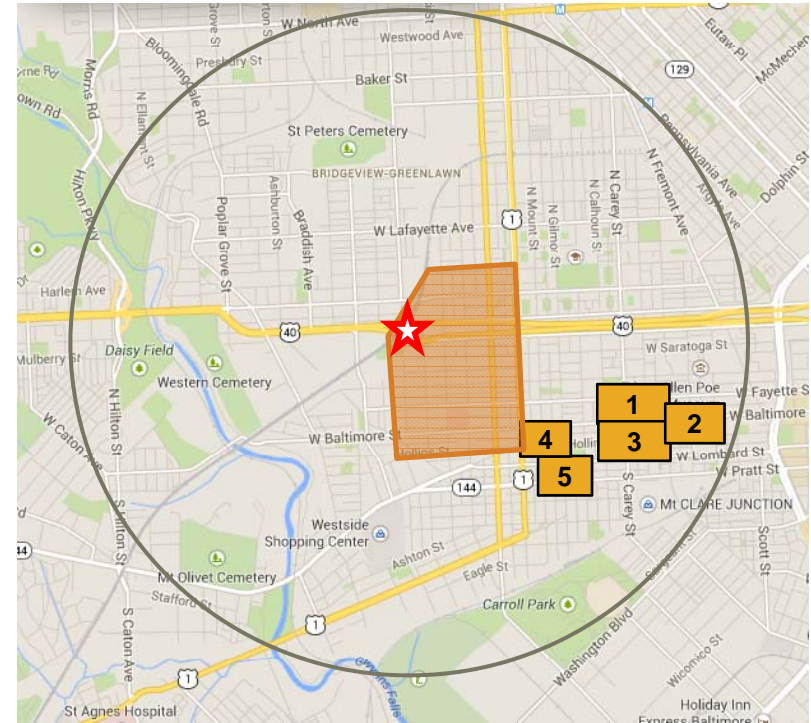
## LOCAL OFFICE PROPERTIES

### Office Properties in PMA



MAP KEY	ADDRESS	TENANT	YEAR BUILT	RBA (SF)	OCC.
1	234-238 N Carey St	Community Medical Rehabilitation	1920	10,700	100%
2	1501 W Saratoga St	Total Health Care	1989	29,000	100%
3	220 N Franklinton	Calmi Electrical Co	1960	3,502	100%
4	14 S Calverton Rd	-	1940	4,930	100%
5	16 S Calverton Rd	-	1920	1,323	100%

### Office Properties in 1-mile radius



MAP KEY	ADDRESS	TENANT	YEAR BUILT	RBA (SF)	OCC.
1	1200 W Baltimore St	The Learning Bank	1950	27,000	100%
2	1 N Carey St	-	1880	20,000	44%
3	1201 W Baltimore St	-	1940	20,342	100%
4	1601 W Baltimore St	Salvation Army	1916	10,648	100%
5	200 S Calhoun St	-	1883	24,000	100%

SOURCE: Costar

- Local market needs to be stronger to be a candidate for any type of market-rate development
- Affordable residential, both rental and for-sale, might be possible
  - Need strategy to deal with vacancies
  - Could also build new on small infill sites
- To have brick and mortar retail, need more households
  - Temporary retail could be feasible in short term
- Office is unlikely, but small community organizations could find space appealing

## Phase 1: MARC – Prime the Neighborhood for Future Development

- “Quick Successes”
  - Temporary retail/market space
  - Pedestrianize Smallwood Street
  - MARC station improvements (as planned)
- Neighborhood Revitalization
  - Vacants to Value Program
- 1-2 established affordable housing developers providing both rental and for-sale
  - Rehab existing homes
  - Infill on key small sites
- Hold MARC parking lots and larger opportunity sites for future development
- Activation of Ice House (as possible)



## Phase 2: Red Line – Infill to Knit Neighborhoods Together and Create a “There” for broader West Baltimore

- Higher density residential and retail on MARC parking lots
  - Pursue neighborhood retail hub to provide services in accessible location
  - High quality, appropriately-scaled public space
  - Higher-density housing possible, maybe market-rate (3-4 stories over retail)
- Activation and/or redevelopment of Ice House (as possible)
- Continued neighborhood revitalization and affordable housing

## Long Term: Red Line and beyond

- Pursue regional retail hub to provide services in accessible location – the Columbia Heights story
- Redevelopment of Ice House (as possible)
- Market-based infill and redevelopment



- Which opportunity sites to analyze further?
  - Which land uses?
- Do affordable housing developers see potential in this location?
- Is city willing to subsidize/incentivize?
- What is the schedule for closing Smallwood Street and converting parking to public space?
- What is timeline of station improvements for MARC?
- What is City's interest to protect and preserve the Ice House?
- What is longevity of 2 neighborhood elementary schools?
- Is there a health/medical user that might be looking for an additional site?
- When will we get GIS data access?

# POSSIBLE OPPORTUNITY SITES





**LEGEND**


**Future Transit Improvements**

**Potential Short Term Projects**

Investigation in progress to determine potential for short term change



- 1 MARC platform extension
- 2 MTA Red Line Light Rail
- 3 Enhanced MARC station entry
- 4 Additional station access point
- 5 New plaza/public space
- 6 New development
- 7 Streetscape improvements
- 8 Bentalou school and commercial property
- 9 Ice House
- 10 Lockerman-Bundy school

SOURCE: TND Planning Group

- Refined market analysis
  - Up to 2 sites and 2 land uses for further study
  - Create development program for each and test financial feasibility
  - Identify key issues and obstacles
  
- Action Plan Development

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