

APPENDIX D

ADDITIONAL SUPPORTING DOCUMENTATION



Maryland
Transportation
Authority



Secretary Anthony Foxx
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

December 9, 2016

Dear Secretary Foxx:

We, the Maryland Transportation Authority (MDTA) and the City of Baltimore, respectfully submit this application, **Access I-95: Driving Baltimore City's Growth**, for funding consideration under the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant opportunity as joint applicants. While MDTA and Baltimore City are committed to working in cooperative partnership, MDTA will serve as the lead agency for grant purposes.

The package of proposed infrastructure improvements in Access I-95 adds capacity to ramps and terminal intersections to maintain and enhance freight and vehicular operations on I-95 and other elements of the local and regional transportation system. These improvements will accommodate forecasted increased transportation demand resulting from Port Covington's development and other regional and local growth. This cohesive, coordinated approach will meet the projected traffic density related to the Port Covington redevelopment project, for which **\$660 million in Tax-Increment Financing (TIF) has already been secured.**

FASTLANE grant funds will facilitate economic, mobility, safety, community, and environmental improvements by coordinating necessary Interstate access improvements, which will begin construction within 18 months of funding obligation. In coordination with the proposed project elements, a comprehensive project schedule has accounted for risks and potential delays with appropriate mitigation strategies.

These critical improvements in this economically-significant freight corridor cannot be completed without highly-leveraged federal funds.

Sincerely,

A handwritten signature in blue ink that reads "Milt Chaffee".

Milt Chaffee

Executive Director
Maryland Transportation Authority

A handwritten signature in brown ink that reads "Catherine E. Pugh".

Catherine Pugh

Mayor, City of Baltimore

**MARYLAND TRANSPORTATION
AUTHORITY
RESOLUTION 16-03**

A RESOLUTION SPONSORING THE FASTLANE GRANT APPLICATION AND
DELINEATING OTHER SUPPORT FOR CERTAIN I-95 HIGHWAY RELATED
IMPROVEMENTS WITHIN MDTA JURISDICTION IN SUPPORT OF THE
PORT COVINGTON PROJECT

WHEREAS, the Maryland Transportation Authority, an agency of the State of Maryland (the "MDTA") is authorized and empowered under Section 4-101 through 4-406 of the Transportation Article of the Annotated Code of Maryland (the "Act") to finance, construct, operate, maintain, and repair "transportation facilities projects" (as defined by the Act), to issue revenue bonds for the purpose of financing the cost of transportation facilities projects, and to perform any actions necessary or convenient to carry out the powers granted in the Act; and

WHEREAS, Port Covington Master Developer, LLC ("PCMD") is undertaking the development of the 266 acre Port Covington property located at the tip of the south Baltimore peninsula, bound by Interstate 95 ("I-95) and the Middle Branch of the Patapsco River; and

WHEREAS, the development of the Port Covington property will consist of transforming the property into a mixed-use community anchored by the Under Armour World Headquarters Campus, and including 1,500,000 square feet of destination, attraction, entertainment, and specialty retail, over 7,500 residential units, 500,000 square feet of industrial/light manufacturing space, 200+ hotel rooms, 1,500,000 square feet of office space, and other civic and cultural uses including 40+ acres of public parks ("the Project"); and

WHEREAS, it is estimated that the Project will provide 42,000 jobs and \$3.3 Billion in labor revenue, \$7.6 Billion in economic activity, \$5.5 Billion in construction over 20+ years, \$242 Million in State and local taxes, and \$209 Million in State and local revenues; and

WHEREAS, the Project's proximity to I-95 and major roadways, such as Hanover and McComas Streets, provides the redevelopment opportunity for this property; however, critical infrastructure improvements for I-95 and the connecting roadway system are needed to support the Project; and

WHEREAS, the infrastructure improvements have been broken into two phases: Phase 1 comprises the next six years (2016-2022) and includes improvements to I-95 and the connecting roadway system, and Phase 2 comprises the out years (2017-2027); and

WHEREAS, PCMD, in coordination with MDTA and Baltimore City, began in mid-2016 an alternatives analysis and other activities to support the National Environmental Policy Act ("NEPA") process for all of the necessary roadway and transit improvements needed to support development of the Port Covington property for Phase 1 and Phase 2;

RESOLUTION 16-03

Page 2

WHEREAS, to support the Project funding needs, MDTA will apply for a Fostering Advancement in Shipping and Transportation for Long-term Achievement of National Efficiencies (“FASTLANE”) discretionary grant in the amount of \$78.796 Million to help fund the various Phase 1 project elements needed for the Project, which grant application is due on or before December 15, 2016; and

WHEREAS, PCMD will support the Project funding needs with Tax Increment Financing (“TIF”) in a total amount of \$73.419 Million to support the Project for Phase 1 and Phase 2; and Phase 1 project elements will receive \$66.422 Million of this funding; and

WHEREAS, PCMD is seeking MDTA’s sponsorship of the FASTLANE grant application and is seeking MDTA’s commitment to making and funding the necessary outlined transportation infrastructure improvements to MDTA facilities for the Phase 1 project elements.

NOW, THEREFORE, BE IT RESOLVED BY THE MARYLAND TRANSPORTATION AUTHORITY THAT:

SECTION ONE. MDTA hereby agrees to apply for the federal FASTLANE discretionary grant for the Project in the amount of \$78.796 Million to assist with funding the Phase 1 project elements. Upon receipt of the FASTLANE grant, MDTA agrees to serve as the official grant recipient and be responsible for monitoring the expenditure of all grant funds. PCMD hereby agrees to secure additional necessary non-federal shares, including issuances of the TIF financing in the amount of \$66.4225 Million to assist with funding the Phase 1 project elements.

SECTION TWO. MDTA hereby agrees to continue to support PCMD and the Project in the ongoing NEPA process for the approvals for the Phase 1 and Phase 2 project elements and agrees to support the application and process for the approvals for the Phase 2 project elements. It is anticipated that NEPA approvals for the Phase 1 project elements will occur on or about December 2017. The estimated cost of NEPA for Phase 1 is \$5.074 Million, which cost will be paid by PCMD.

SECTION THREE. Subject to the conditions outlined herein, MDTA commits to designing and constructing the following three Phase 1 project elements: I-95 Southbound Off Ramp to Key Highway, I-95 Southbound Off Ramp to McComas Street, and McComas Street On Ramp to I-95 Southbound. The other Phase 1 project elements include Hanover Street north of McComas, McComas Street between Hanover Street and Key Highway, McComas Street at Key Highway intersection, and CSX Track Relocation. All of these project elements will be designed and constructed by other entities. For the MDTA project elements, it is anticipated that phased construction will begin on or about April 2020 and complete on or about December 2022.

RESOLUTION 16-03

Page 3

SECTION FOUR. The total estimated cost for all of the Phase 1 project elements is \$183.289 Million. Project funds for Phase 1 will come from the FASTLANE grant, TIF, or PCMD. Therefore, MDTA's total estimated funding commitment for the three Phase I project elements is **\$32.9965 Million**. See attached Table "Port Covington Transportation Improvements Budget," which is hereby incorporated by reference.

SECTION FIVE. MDTA commits to funding 50% of the specified Phase 1 project elements at a total estimated not to exceed cost of \$32.9965 Million on the condition that MDTA receives the FASTLANE grant funding in the amount anticipated, that PCMD can utilize TIF financing from Baltimore City in the amount anticipated, and that all other necessary approvals are received including NEPA. In the event that the remaining funding through the FASTLANE grant and TIF is not achievable or necessary approvals are not obtained, MDTA will work with PCMD to try and find other financing alternatives or to obtain the approvals; however, MDTA shall be under no obligation to fund or construct the improvements outlined herein for Phase 1.

SECTION SIX. At this time, the Project also contains certain Phase 2 project elements which include: Russell Street Off Ramp to McComas Street; MD 295 Northbound Off Ramp to McComas Street; I-395 Southbound Off Ramp to McComas Street; I-95 Northbound Off Ramp to Hanover Street (Demolition); I-95 Northbound Off Ramp to McComas Street; Hanover Street On Ramp to I-95 Northbound; McComas Street between MD 295 Off Ramp and Hanover Street. The MDTA commits to working with PCMD to obtain the required NEPA approvals for these project elements; however, MDTA is not committing to designing, constructing, or funding the Phase 2 improvements at this time as part of this Resolution. Such decisions will be made in the future as the Project progresses. See attached Table "Port Covington Transportation Improvements Budget".

SECTION SEVEN. If MDTA decides at some future date to commit to designing, constructing, and funding the Phase 2 improvements, the total estimated cost for all of the Phase 2 project elements is \$263.231 Million. The total cost of the Phase 2 project elements on MDTA's system is \$124.619 Million, which is based on an assumed funding split of 50/50 between MDTA funds and federal sources and TIF.

RESOLUTION 16-03

Page 4

SECTION EIGHT. If MDTA decides at some future date to commit to designing, constructing and funding the Phase 2 improvements, it is anticipated that the phased construction for the MDTA elements of Phase 2 projects will commence on or about May 2020 and complete on or about April 2027.

Dated as of: 11/21/2016

WITNESS:

MARYLAND TRANSPORTATION AUTHORITY



Milt Chaffee
Executive Director



Pete K. Rahn
Chairman

Approved as to Form and Legal
Sufficiency:



Kimberly A. Millender
Assistant Attorney General



STEPHANIE RAWLINGS-BLAKE

MAYOR

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

November 16, 2015

The Honorable Pete K. Rahn
Secretary, Maryland Department of Transportation
7201 Corporate Center Drive
Hanover, MD 21076

Dear Secretary Rahn:

The City of Baltimore is aware a transformational redevelopment project in the planning stages for Port Covington in south Baltimore will require substantial infrastructure improvements. We are supportive of redevelopment efforts at Port Covington, and would like to amend our transportation priorities letter dated September 28, 2015 to include the following:

Port Covington Multi-Modal Improvements

Port Covington is currently an aging, underutilized industrial area that comprises over two miles of waterfront between Interstate-95 and the Middle Branch of the Patapsco River in Baltimore, Maryland. Sagamore Development Company, LLC, (Sagamore) is planning a major redevelopment of Port Covington to house the new Under Armour world headquarters campus and create a large, diverse mixed-use development on the south Baltimore peninsula. The Port Covington project will transform an area now cut off from Baltimore's downtown neighborhoods by the elevated structure of I-95 and the adjacent CSX rail yard, and will provide extraordinary economic growth and job opportunities for both the City of Baltimore and the greater region.

The multi-modal plan for the redevelopment initiative will include an emphasis on transit, pedestrian, cyclist and vehicular transportation hubs. It will also affirm certain freight corridors in the area and eliminate multiple at-grade rail crossings on vehicular travel lanes and highway access points. The plans will include interstate improvements aimed at improving safety for drivers on the interstate system. The City urges MDOT to include planning, design and construction funds for pedestrian and cycle facilities, light rail, interstate access and safety improvements to I-95, MD-295, I-395, Hanover and McComas Streets in the FY 2016-2021 CTP.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Rawlings-Blake', written in a cursive style.

Stephanie Rawlings-Blake
Mayor
City of Baltimore

cc: The Honorable Catherine Pugh, Chair, Baltimore City Senate Delegation
The Honorable Curt Anderson, Chair, Baltimore City House Delegation
The Honorable Bernard "Jack" C. Young, Baltimore City Council President
William M. Johnson, Director, Baltimore City Department of Transportation
William Cole, President and CEO, Baltimore Development Corporation
Thomas Stosur, Director, Baltimore City Department of Planning
Kaliopé Parthemos, Chief of Staff, Office of the Mayor
Andrew Smullian, Deputy Mayor, Government Relations and Labor
Colin Tarbert, Deputy Mayor, Economic and Neighborhood Development
Khalil Zaied, Deputy Mayor, Operations
Connor Scott, Assistant Deputy Mayor, Operations
Sameer Sidh, Chief of Special Projects and Business Improvement, Baltimore City
Department of Transportation



STEPHANIE RAWLINGS-BLAKE
MAYOR

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

April 7, 2016

Mr. Marc Weller, President
Sagamore Development Company
1000 Key Highway East
Baltimore, Maryland 21230

Dear Mr. Weller:

The City of Baltimore understands the transformative economic impact that the redevelopment plans for Port Covington will create for the City. It is our understanding that new federal highway grant funding will be requested to support Interstate Highway System improvements to accommodate the project. The City of Baltimore will be a co-applicant for this funding application.

We also recognize that Sagamore Development Company has requested Tax Increment Financing (TIF) to support the construction of required public infrastructure associated with Port Covington's redevelopment. If the TIF request is approved by the Mayor and City Council, the City of Baltimore is willing to utilize a portion of the TIF funds on eligible project costs that support the required highway improvements.

Please consider this letter evidence of the City's willingness to leverage TIF funds to match federal funds for the highway infrastructure required to make this project a success for the City, state and region. If you have any questions, please contact Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development by phone at 410-545-6208 or by email at colin.tarbert@baltimorecity.gov.

Sincerely,

Stephanie Rawlings-Blake

Mayor

City of Baltimore

cc: Colin Tarbert, Deputy Mayor, Economic & Neighborhood Development
Khalil Zaied, Deputy Mayor, Operations
William Cole, President, Baltimore Development Corporation
William Johnson, Director, Department of Transportation
Caroline Paff, Vice President, Sagamore Development



CATHERINE E. PUGH
MAYOR

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

December 10, 2016

Mr. Donald J. Trump
President-elect
725 Fifth Avenue
New York, NY 10022

Dear President elect-Trump:

Thank you for your insight that investment in urban America is critical to improving our nation's economy as well as providing better lives and opportunities for the majority of Americans. You have so rightly spoken at length on the need for both urban renewal and sizable infrastructure investment. You have consistently observed that infrastructure investment is a "golden opportunity for accelerated economic growth and more rapid productivity gains." I am writing to urge you to use the power of your office to support robust investment in urban infrastructure that will generate thousands of jobs and leverage billions in private sector investment. I offer Baltimore City as the perfect place to target this investment.

Baltimore represents the glory of America's past and the potential of America's future greatness. Baltimore is leading the way in transforming urban blight into vibrant neighborhoods, innovation districts and job hubs, but we cannot do it alone. I am committed to forging state and federal partnerships that bring investment to grow businesses, increase job opportunities, and improve the lives of our citizens. Specifically, I am seeking a partnership with your administration on transportation, water, and broadband infrastructure.

Transportation Infrastructure

There are two transformational projects requiring federal Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grants: Port Covington I-95 Access and reconstruction of the Howard Street rail tunnel.

Port Covington

The Port Covington project is a \$7 billion economic development project which will be home to Under Armour's global headquarters campus, 15 million square feet of additional mixed-use development, and will create nearly 60,000 new jobs. Simply put, Port Covington is one of the largest redevelopment projects in the country. However, to realize the full potential of the 260-acre site, integrated infrastructure improvements to Interstate 95 (I-95) and the connecting roadway system to the Port Covington peninsula are required. The proposed first phase of the improvements (the "Access I-95 project") will also mitigate existing congestion and allow for increased projected traffic volumes associated with the project.

Howard Street Tunnel

The Howard Street tunnel is a critical link through which thousands of cargo containers are transported from the Port of Baltimore to many parts of the United States via rail. The tunnel was built in the 1890s making it over 115 years old. The tunnel is at the point of functional obsolescence due to its low clearance height which precludes the double-stacking of shipping containers.

The ability to double-stack cargo will vastly expand the Port of Baltimore's capacity and allow it to fully benefit from the deep-water berth, which serves the larger ships now able to use the recently widened Panama Canal. Baltimore's port is one of only two ports on the east coast that can accommodate the larger ships. It is estimated the Howard Street Tunnel project would create 500 construction jobs and up to 3,000 additional permanent jobs. The state and private sector have pledged \$270 million toward the project and are requesting \$155 million in FASTLANE funding. This project will lead to reduced cost and time in shipping goods needed to keep the country's economy growing.

Water Infrastructure

Baltimore has aging water and sewer systems built upon century-old foundations in dire need of investment, as shown by recent sinkholes in one of our most historic areas of Baltimore and water main breaks that have impeded businesses and disrupted water service to our customers throughout the city. We must spend just under \$1 billion for our treatment plants to protect our waterways and the Chesapeake Bay. We have more than \$1 billion in drinking water investment scheduled over the next 6 years as well. Without the help of federally funded State Revolving Loan funds, tax exempt revenue bonds, public-private partnerships, and innovative projects, we will not succeed in saving this critical infrastructure. Our additional challenge is balancing all of these investments against the need to annually increase the rates our customers must pay. We are in need of federal funds to match our local investment.

The good news is that investment in water infrastructure produces a great rate of return for the economy. For every \$1 million spent on water infrastructure, high paying and skilled jobs are created and nearly \$3 million will be generated in economic output in our economy.

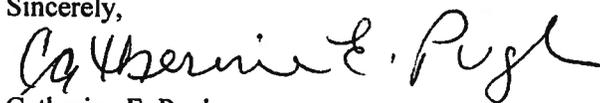
Broadband Infrastructure

Last year, Baltimore City released its Smarter City report – a blueprint for building broadband infrastructure to enable economic and community investment. We are first working to install new fiber to all public schools using the federal E-rate program. Baltimore City Public Schools will be applying for approximately \$8 million in E-rate funds in 2017. This new fiber will also utilize the City's recently installed fiber ring by connecting every school to data centers and internet carrier hotels.

The plan will strategically utilize the E-rate program to both enhance the City's educational capabilities, while also leveraging private and City funds, to lay additional fiber to spur economic development, job creation and more robust internet access. A cost-effective fiber network will lead to competition, lower broadband costs and more connectivity for Baltimore residents and businesses. The City is eager to apply for additional federal grant opportunities similar to the \$2 million received from the Broadband Technology Opportunities Program (BTOP), led by the Department of Commerce's National Telecommunications and Information Administration (NTIA) to help Baltimore realize its goal of having the most robust broadband infrastructure possible.

In conclusion, as a native of New York City, you know the value of America's cities and understand the challenges that cities face in funding increasingly expensive infrastructure improvements. Baltimore is a prime location for new and innovative federal investment that will surely provide a return in terms of economic development and job creation and which can be adapted to serve similar cities. I know Baltimore's best days are before us and I am certain you and your Administration will work hard to ensure Baltimore City has a great future. I look forward to working with you and your Administration on these important matters.

Sincerely,



Catherine E. Pugh
Mayor
City of Baltimore

Community Benefits Process and Key Benefits

Prior to the introduction of the Port Covington Tax Increment Financing (TIF) legislation in the Baltimore City Council, the site developer, Sagamore Development Company (SDC), embarked upon an extensive community engagement process with local community stakeholder groups throughout the City of Baltimore. Through almost daily meetings with faith leaders, workforce development entities, educational institutions, local neighborhood community leaders, philanthropic partners and government officials, SDC acquired an understanding of the challenges faced by a diverse cross-section of Baltimore city residents, as well as how the benefits of the Port Covington redevelopment could extend throughout Baltimore to address some of the City's most challenging issues.

Following SDC's initial engagement with community stakeholder groups, it became evident that some of the neighboring south Baltimore communities closest to Port Covington felt disconnected, shut-out, and cut-off from much of the redevelopment that has occurred throughout the City over time. In response, the SDC community outreach team intensified its dialogues with leaders from six south Baltimore communities (i.e. Cherry Hill, Brooklyn, Curtis Bay, Lakeland, Mt. Winans, and Westport), who ultimately formed a coalition, the "South Baltimore Six Coalition," or SB6.

Over several months, the SB6 Coalition, SDC, City leaders, and over 90 other groups negotiated and ratified a Community Benefits Agreement and Memorandum of Understanding to ensure that as Port Covington is re-developed, the SB6 communities as well as the City as a whole will share in the growth and opportunity arising from it. This is a historic, unprecedented investment partnership agreement between a developer and Baltimore communities.

While the SB6 Coalition identified several themes, **access to opportunities for job creation and ladders of opportunities** emerged at the forefront as an ardent desire of residents. The SB6 CBA and the Port Covington redevelopment project offers a vehicle whereby residents can be reconnected to opportunities that will improve the economic and social outcomes for residents. SDC embraced this opportunity to change the paradigm of community engagement – rather than doing something *to or for* a community, but rather to do something *with* communities for the greater good.

Assuming authorization and issuance of TIF for the Port Covington redevelopment, the total City-wide Benefits Commitment by SDC will be **over \$100,000,000**. Key points are outlined below:

- **Transportation subsidies and/or jobsite shuttles to improve connectivity and mobility** between opportunities in Port Covington and traditionally disconnected communities
- \$25 million committed to a **workforce development training center focused on workforce education, job training, retention, and recruitment for Port Covington**, with \$800,000 dedicated to fund a local hiring coordinator
- \$1.5 million dedicated to funding **100 jobs for local youths per year for 10 years**
- Discounted retail and **office space for Small Business Enterprises (SBEs)** and community meeting rooms and athletic facilities/programs for use by local communities
- At least two-thirds of revenues generated through annual fees and surcharges will be devoted to funding the priorities of the SB6 Coalition communities. This is expected to generate more than \$15 million over the first 20 years of the development. The remaining balance will fund other city-wide **initiatives and programs focused on education, workforce development, and youth empowerment**.
- SDC will advocate for SB6 Communities for city services, business and cultural attractions, and funding from public and private entities; provide technical assistance on a variety of housing and economic development issues; and assist in funding of revitalization of the Communities.

- \$39,000,000 in direct benefits to the SB6 communities;
- \$55,000,000 in other direct city-wide benefits including **workforce development initiatives, education programs, college scholarships, recreation facilities and youth summer jobs**
- \$6,500,000 in incremental costs for prevailing wages agreed to by Sagamore.
- 30% of all on-site infrastructure work will be performed by Baltimore City residents.
- SDC has agreed it will work to exceed a goal of **30% permanent job hours performed by City residents**.
- Income-restricted residential units equal to 20% of all residential units at Port Covington, including units for very-low income households with incomes at or below 30% of area median income. At least 60% of these units must be provided on-site, while the balance may be developed off-site to address affordable housing needs in other City neighborhoods.

The Interstate access improvements proposed in *Access I-95* ensure that the Port Covington redevelopment provides the full capacity of benefits to these impoverished communities and ladders of opportunity throughout the region.