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Symposium on Baltimore’s Port Covington Redevelopment Project

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SYMPOSIUM

BALTIMORE’S PORT COVINGTON REDEVELOPMENT PROJECT

Suraj Vyas

On March 29, 2017, The University of Baltimore Journal of Land and Development held a symposium regarding the City of Baltimore’s Port Covington redevelopment project. The symposium was comprised of two panels. The first was on the topic of affordable housing. The second panel was related to environmental impact from the redevelopment. The Journal was fortunate to have ten distinguished panelists as well as two knowledgeable moderators who lent their time to be instrumental components of the symposium.

The Port Covington redevelopment project is the product of the City of Baltimore working with private real estate company, Sagamore Development, to revitalize the nearly-abandoned Port Covington region of Baltimore. The $5.5 billion project is something that will fundamentally change Baltimore and directly affect the people who live there. However, no change this large is met without scrutiny. Issues about the tax increment financing laws, affordable housing, and the natural and social environment surrounding Port Covington soon became the topic of discussion. People in the community were concerned about their access to the future waterfront

park that would be built, their ability to afford a home in the newer development, and their taxes going towards a project that may not ultimately benefit them.

Choosing the topic of the Port Covington redevelopment project was a natural fit. The Journal publishes articles about the most pressing issues in the land and development realm of the legal sphere, whether they be domestic or international. As a proud product of the University of Baltimore School of Law, located in Baltimore, the Journal would be skirting its’ duty if it did not hold a symposium about a major land and development issue happening in its’ own backyard. This symposium topic was chosen to demonstrate the Journal’s commitment to educate and facilitate discussions between the public and legal experts. The Journal of Land and Development is a conversational journal open to having discussions about topics that affect the community that supports it.
INTRODUCTION TO THE PORT COVINGTON DEVELOPMENT PROJECT AND AFFORDABLE HOUSING

Gillian Rathbone-Webber

The Port Covington development project, led by Sagamore developers, has been lauded as the largest development project the City of Baltimore has ever seen.1 With such an extensive plan, Port Covington seems to present a set of solutions for Baltimore City just as much as it raises issues and questions.2 One of the most contentious issues that surrounds the project has been the approach to affordable housing.3 Community meetings hosted in late summer 2016 became so heated that at least one participant was escorted out for shouting at the developers.4

Sagamore developers worked to find compromises, increasing their original promise of 10 percent of the housing planned for the area “affordable” to 20 percent.5 Housing would be considered affordable if available to “families earning less than 80 percent of the median household income,”6 translating to studio apartment rental rates a little over $1200 per month.7 The Memorandum of Understanding (MOU) between Sagamore and Baltimore City includes this 20 percent promise and a clause that only half the promised affordable housing units be constructed onsite within the

4. Id.
6. Supra note 2, at “Issues.”
7. Id.
266 acres of the Port Covington development.\textsuperscript{8}

Despite the compromise included in the MOU, residents continue to question whether the Port Covington project is good for the city, providing all the benefits it promises.\textsuperscript{9} In a city that boasts a 16 percent housing vacancy rate\textsuperscript{10} and a new administration that has been encouraging the tearing down of vacant housing,\textsuperscript{11} it is curious to think that Sagamore should be building additional units. Yet, the project promises many other boons for Baltimore, with projections about generating jobs and, in the long term, generating tax revenue.\textsuperscript{12}

To address some of these issues and to focus the discussion around why affordable housing is such a hot topic in Baltimore and Port Covington, the University of Baltimore \textit{Journal of Land and Development} put together a group of panelists and asked them some tough questions.\textsuperscript{13} What follows this introduction are two perspectives provided by our panelists, Dr. Lawrence Brown, an Assistant Professor at Morgan State University, and Mr. Patrick Terranova, South Team Director at the Baltimore Development Corporation.
INTRODUCTION

As a non-profit organization serving as the City of Baltimore’s economic development arm, it is the mission of the Baltimore Development Corporation (BDC) to facilitate economic growth and expand the local tax base. There are a number of economic development tools to help achieve this mission. Among these tools is the strategic use of Tax Increment Financing.

WHAT IS TAX INCREMENT FINANCING?

Tax Increment Financing (TIF) uses proceeds from the issuance of bonds to finance the construction of public infrastructure such as parks, streets, roads, sewers and utilities to facilitate catalytic development projects, which would otherwise be too cost-prohibitive for a private developer to undertake, often due to a lack of adequate existing public infrastructure.\(^1\) As development comes on-line, the project’s assessed property values increase beyond their original (“base”) value. This in turn produces incremental real property taxes, which are used to pay back the TIF bonds until they are retired.\(^2\)

TIF is sometimes misunderstood as equating to a tax credit or diverting existing taxpayer dollars. Unlike tax credits, the use of TIF does not discount incremental property taxes. While projects within a TIF district may be able to utilize particular tax credits, TIF does not provide any direct subsidy in terms of taxes developers must pay after completing new construction projects. Additionally, the funding for TIF infrastructure projects is financed by the issuance of bonds that are repaid by new revenues, which avoids the diversion of existing, limited municipal resources to new infrastructure projects and leaves base taxes collected

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2. Id.
from the TIF district unaffected. 3

BALTIMORE’S TIF PROCESS

In the City of Baltimore, TIF requests are typically coordinated by the Baltimore City Department of Housing & Community Development or BDC. 4 Once BDC receives a TIF request, the request is analyzed in consultation with the City’s Finance Department, Law Department, bond counsel, and a third-party financial advisor. The TIF goes through a series of deliberative review processes - including the BDC’s Board of Directors and the Baltimore City Board of Finance - before going before the Baltimore City Council. Critical aspects of this review include the “but-for” test (is the proposed development infeasible but-for the use of TIF?) and the “but-why” test (are there meaningful financial returns to the City?). Once a TIF deal is brought to the City Council, it is reviewed further as a package of three distinct bills:

1. A bill authorizing the issuance of bonds
2. A bill creating a Development District, within which certain public infrastructure projects can be completed using TIF
3. A bill creating a Special Taxing District, which provides for the levying of supplemental property taxes in the event there is ever a gap between incremental taxes collected and revenue needed to pay back TIF bonds

After City Council authorization, the City can pursue the issuance of bonds, but only after the developer meets certain required benchmarks. 5 Each bond issuance is also subject to an additional round of review and approval by the Board of Finance and Board of Estimates.

All TIFs, no matter the size, must go through this process. Additionally, all TIF requests must be associated with a proposal for a development project that can generate the required incremental property taxes in order to underwrite the issuance of bonds.

3. Id.
THE PORT COVINGTON PROJECT

The most recent TIF authorized by the Baltimore City Council is a $660 million TIF for Port Covington, a proposed redevelopment of 260 acres of underutilized, industrial land on the South Baltimore peninsula. Sagamore Development Company, a private real estate development firm started by Kevin Plank, CEO of Under Armour, plans to transform Port Covington into a mixed-use community to be built in phases over 25 years and consisting of the following:

- Approximately 5.5 million SF of office space, including 3.9 million SF for a new Under Armour Global Headquarters campus
- More than 7,500 residential units
- Approximately 1.5 million SF of retail space
- 200+ hotel rooms
- Approximately 500,000 SF of manufacturing and maker space
- Approximately 10,000 parking spaces

In order to support the proposed vertical development of Port Covington, a significant amount of municipal infrastructure is needed. The proposed TIF projects include:

- New and improved public open space totaling over 40 acres, doubling the amount of park land currently on-site
- New public roads and sidewalks encompassing 17 streets and 66 intersections
- New conduit and utilities
- New pedestrian and bike paths with expanded public access to the waterfront
- All improvements paid for with TIF proceeds will remain public property and no part of the TIF will be used to build the Under Armour headquarters.

CITY BENEFITS FROM PORT COVINGTON

Port Covington is one of the largest urban redevelopment projects in

America – a potential $5.5 billion investment that will create tens of thousands of jobs, generating long-term positive economic impact for Baltimore City.9

**Fiscal Impact**

- The project is expected to generate approximately $1.8 billion in net new tax revenues over 41 years (after bond debt service and costs of City services, accounting for inflation).
- The project is expected to average $41.2 million per year in net new revenue to the City after debt service and fees.

**Jobs & Local Hiring**

- The project is expected to generate an estimated 58,968 jobs, including 34,974 permanent and 23,994 construction-related jobs.
- Port Covington will be home to the new 50-acre Under Armour world headquarters campus allowing that major employer to continue to grow in Baltimore City. The new campus is being planned for up to 10,000 Baltimore-based employees.
- Sagamore has committed to local hiring goals that include annual funding for YouthWorks and a local hiring coordinator placed within the Mayor’s Office of Employment Development to ensure job opportunities and access for city residents.

**Economic Inclusion**

- The project will provide new contracting opportunities for minority and women-owned businesses. The developer has entered into a Memorandum of Understanding that outlines an inclusive approach to both reaching the city’s MWBE (Minority and Women Business Enterprises) goals as well as a robust outreach plan to ensure inclusion throughout the life of the project.

**Community**

- Sagamore negotiated a landmark $39 million, 30-year community benefits agreement with the six neighborhoods south of the Hanover Street Bridge (Cherry Hill, Brooklyn, Curtis Bay, Lakeland, Mt. Winans, and Westport). Sagamore has also entered a larger city-wide benefits agreement.

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• The developer has set a goal of having at least 10 percent of the housing created to be on-site affordable housing. The developer will pay a penalty fee to the City if this goal is not achieved.

Parks & Sustainability

• Over 40 acres of new and improved public parks and paths, doubling the amount of existing on-site park land and renewing public access to three miles of shoreline are included in the project.
• Port Covington will be a high quality sustainable redevelopment of underutilized and environmentally contaminated properties.

Profit-Sharing

• Sagamore will be entering a formal profit-sharing agreement with the City of Baltimore. If the Port Covington development reaps an internal rate of return greater than 15 percent, the City will get 25 percent of any additional profits.

ECONOMIC OPPORTUNITY AS A SUPPORT SYSTEM FOR HOUSING

Among the most prominent questions that have been raised about Port Covington is the supply of affordable housing to be provided. While Sagamore is exceeding City requirements in its commitments to funding affordable housing, the ability to finance the construction of subsidized units on-site relies on the availability of increasingly competitive federal resources. This issue is not unique to Port Covington. As such, the ability for development projects to remain financially viable while also supplying subsidized units is subject to forces outside of developers’ and even local municipalities’ control. Moving forward, we must examine new ways of filling funding gaps to help build supply and keep development projects financially feasible.

In addition to the issue of housing supply is other side of the coin - the demand-side. By creating economic opportunities, the demand-side approach can have just as much of an impact on housing needs by lifting workers out of poverty and thus reducing the demand for subsidized units. With successful coordination of local hiring and investment in workforce development, the redevelopment of Port Covington presents a significant opportunity to do just that.
PROTECT WHOSE HOUSE? HOW BALTIMORE LEADERS FAILED TO FURTHER AFFORDABLE AND FAIR HOUSING IN PORT COVINGTON

Lawrence Brown, PhD

“They will try to break you
Time has been a comin
for reckoning
for sobering
for unshackling
for truth”

Kingdoms Redemption, Tariq Toure in Black Seeds

In the days and weeks following the April 27, 2015 Baltimore Uprising, politicians and civil leaders promised that things would change and be different in the wake of the most explosive social and racial upheaval in Baltimore since the 1968 Holy Week Uprising following the assassination of Dr. Martin Luther King Jr. on April 4 that year. As Baltimore Sun reporter Kevin Rector wrote in an article nearly a year after the April 27, 2015 Baltimore Uprising:

Many have promised that things will finally change. Mayoral candidates claim they will be the conduit. City boosters point to an increase in charitable giving and revived community groups in Sandtown-Winchester, where Gray was arrested. Business leaders promise to hire more local residents. State lawmakers in Annapolis approved legislation aimed at police reform and at funding the demolition of vacant buildings in Baltimore, and in investment in the city’s poor communities.1

However, within one calendar year of the 2015 Baltimore Uprising, city leaders had announced that they were deliberating the authorization of $660 million in tax increment financing bonds, commonly known as TIFs. The $660 million in TIF bonds were to be issued for the infrastructure needed for a $5.5 billion redevelopment project in Port Covington led by the real

estate arm of Under Armour CEO Kevin Plank. After a summer of massive and boisterous public hearings and debate over the $660 million Port Covington TIF and $100 million citywide Sagamore MOU, the city council approved and mayor Stephanie Rawlings-Blake signed into law the three ordinances that created the Port Covington TIF district, authorized the use of TIF bonds for its infrastructure, and created the special zoning categories for development on the peninsula on September 26, 2016.2

TIFs are a tax policy tool where a municipality issues bonds on behalf of corporate developers and the proceeds from the purchased bonds are used to pay for the infrastructure of future development. After construction is completed and the development is occupied, new tax revenues are diverted from the general fund and instead go toward the repayment of the TIF—the principal of the bonds plus the accrued interest.

In essence, TIFs are tax diversions then that allow cities and corporate developers to pay for critical infrastructure now and bring in new tax revenues to the general fund later. With large development that will require the building of new public facilities, such as schools, libraries, and fire/police stations, TIFs can also become subsidies as taxpayers who live in pre-existing areas of the city will be paying for the new public facilities (and services) while tax revenues in the new TIF district are diverted to pay off TIF bonds.

The $660 million TIF in Port Covington—the largest in city history by far—represents both a tax diversion and tax subsidy for Sagamore Development Corporation (SDC). SDC is a real estate development company owned by Under Armour CEO Kevin Plank and is under the aegis of Kevin Plank Enterprises. Under Armour is a sports apparel company that took in $4.8 billion in revenues in 2016. The marketing slogan of Under Armour is “Protect This House.” It is clear that Under Armour CEO Kevin Plank would want the best deal for his development company, but whose house did Baltimore’s elected officials protect when they helped draft and sign the SDC Memorandum of Understanding (MOU)? A critical examination of Baltimore’s inclusionary housing law and fair housing practice, Battelle’s Regional Economic and Demographic Market Analysis for Port Covington, the key informants selected by Battelle, the connections of SDC lawyer Jon Laria, and the final Sagamore MOU all reveal how Baltimore’s leaders failed to protect affordable and fair housing in Baltimore.

Baltimore’s Anemic Actions for Inclusionary Housing and Desegregation

In their paper *A Research Note on Black Hypersegregation*, Douglass Massey and Jonathan Tannen (2015) classify Baltimore as a hypersegregated city and metropolitan area, according to 2010 U.S. Census data. Baltimore is in the same category of cities with the most severe racial segregation as metropolitan areas such as Chicago, Flint, Detroit, Cleveland, St. Louis, Milwaukee, and Birmingham. Baltimore City has done very little to address the issue of fair housing and affordable housing.

The city did pass an inclusionary housing ordinance in 2007. However, the existing inclusionary housing ordinance is extremely weak. According to a Baltimore Sun report, just inclusionary units have been built out of more than 9,000 new units have been built since 2010. This amount of units falls below half of 1% of all new units built since the ordinance was passed. Additionally, Baltimore lacks a mandatory inclusionary up zoning policy like other cities do. This would ensure that SDC would have been mandated to build inclusionary units in order to receive its newly created upzoning categories—which allowed mixed use development in a formerly zoned industrial site.

Furthermore, according to the inclusionary housing ordinance, the Commissioner of the Housing and Community Development—at the time Paul Graziano—issued a waiver for SDC according to a clause on page 5 of the regulations of the city’s inclusionary housing ordinance which reads: “…that cost offsets or other incentives available to the project are sufficient to offset fully the financial impact on the developer of providing affordable units.” This waiver was outlined in a memorandum dated April 13, 2016. According to page 4 of the inclusionary housing regulations, the Commissioner could only mandate SDC build inclusionary units if costs were “offset fully” for the developer.

On September 12, 2016, the city council had the opportunity to pass an improved inclusionary housing ordinance sponsored by Councilman Bill Henry. However, the city council voted down his ordinance in 4-9 vote with 2 members abstaining. There was also no effort by the city to examine the SDC TIF with relationship to the 1968 Fair Housing Act and to use the Port Covington redevelopment plan as a mechanism to work to

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advance desegregation in spite of activists pushing the City to do so.\footnote{Fern Shen. *Critics: Port Covington deal financially risky, worsens segregation.* July 27, (2016).} Beyond weak inclusionary housing policy, however, why did Baltimore city leaders fail to further affordable and fair housing in Port Covington just one year after the April 27, 2015 Baltimore Uprising? By analyzing the market analysis written for Sagamore, the lobbying efforts of SDC lawyer Jon Laria, and the SDC MOU, we can decipher the narrative put together by Kevin Plank Enterprises and its subsidiary, SDC. This Creative Class narrative of progressed that trumped the call for economic and racial equity.

*Battelle’s Regional Economic and Demographic Market Analysis for Port Covington*

By analyzing the market analysis conducted by Battelle Technology Partnership Practice (hereafter Battelle) for SDC, we can see that the Port Covington project was never meant for Baltimore’s current lower income and predominantly African American population. Port Covington was designed to be a plan for an exclusive population known as the Creative Class. On page 27 of their analysis and assessment, Battelle writes:

In today’s changing real estate environment where workers, especially the younger workers who account for a large and growing share of employment in Creative Class occupations, favor an urban, live-work-play environment, the city can expect to realize a continued inflow of Creative Class workers. Port Covington, with its waterfront location; access to transportation; mix of retail, entertainment, and employment space; and anchored by a leading corporate name is likely to be attractive to Creative Class residents and facilitate the ongoing population growth in the city for younger, creative, Millennial residents.

The language used here points to a specific kind of resident that would live in and be attracted to living in Port Covington. Battelle even went as far as to write that the project would be attractive to “super commuters” on page 34 of their analysis. They wrote:

Port Covington, with its location on I-95 and potential access to light rail can represent a prime residential location for super-commuters. It is well known that Baltimore, with lower housing and living costs, established rail connections, and connected by I-95 has emerged as a residential location for workers commuting to the larger Washington, DC economic and employment center.
Key Informants for Battelle’s Market Analysis for Port Covington

But where did this narrative—one that ignored existing African American city residents—come from? The construction of a super commuting, Creative Class, millennial population that would be attracted to moving to Baltimore and living in Port Covington did not emerge out of thin air. Instead it emerged out of a specific racial context and lens. We can find the basis of this narrative by examining WHO furnished Battelle with information regarding Baltimore. What follows is a list of Battelle’s key informants as listed on pages 107-108 of their market analysis:

City, Regional, and State Key Informants
- Mike Gill, Secretary MD Department of Business & Economic Development
- Bill Cole, President and CEO, Baltimore Development Corporation
- Tom Sadowski, President, Economic Alliance of Greater Baltimore
- Kirby Fowler, President, Downtown Partnership of Baltimore
- Bob Aydukovic, President, Maryland Center for Construction Education

Port Covington/Under Armour Key Informants
- Brad Dickerson, COO/CFO, Under Armour
- Tom Geddes, Managing Partner, Kevin Plank Industries
- Marc Weller, President, Sagamore Development Corporation
- Demian Costa, Sagamore Innovation
- Neil Jurgens, VP of Global Corporate Real Estate & Campus at Under Armour
- Brian E. Miller, Director, Corporate Real Estate, Under Armour

Curiously, the eleven key informants for the market analysis were all White men. And not just any group of White men—but wealthy and/or well-established White men in high and influential corporate, government, or nonprofit positions. Given this hegemonic composition of racial and class monolith, it becomes apparent how the narrative of a super commuting, Creative Class, millennial would emerge. This narrative mirrors the group that created it. By giving the narrative a putatively non-racist sheen, the eleven key informants helped Battelle craft a market analysis that ignored Freddie Gray’s Baltimore and tens of thousands of Black people like him.

But how did this narrative gain a foothold in a predominantly Black city with a Black mayor and a majority Black city council? For this answer, we must turn to the connections of SDC lawyer and Greater Baltimore Committee member Jon Laria.
Jon Laria served as an attorney for Under Armour and SDC throughout the Port Covington TIF and Sagamore MOU debate in 2016. He is also a member of the Greater Baltimore Committee, representing the legal firm Ballard Spahr LLP. In these capacities, he served as an greatly influential point person for the SDC TIF and booster for Baltimore’s economic development. Economist Marc Levine equates the Greater Baltimore Committee as essentially “the Baltimore business establishment.”

But it is in Jon Laria’s role as chairman of the mayor’s Bicycle Advisory Commission where we can make the connection to the super commuter, Creative Class, millennial narrative and how it has become the dominant narrative for city policymakers. In an interview with the Baltimore Business Journal published on April 1, 2015, reporter Kevin Litten lays out the efforts of Jon Laria:

So a few years ago, Laria said he organized a meeting about the city’s bike infrastructure through the Greater Baltimore Committee. No one knew what to expect from the meeting — it wasn’t widely advertised. But “a truly diverse collection” of 100 people showed up, Laria said, because they were so concerned about how the lack of bike infrastructure in Baltimore was affecting the attraction of new residents and workers.

“Our people are telling us we need to be able to bike to work, bike on the weekends and be part of the culture and transportation network of Baltimore,” Laria said. “The community that’s trying to attract professionals to Baltimore is telling us that we need to do better to provide a cycling internet and infrastructure that makes sense.”

When Laria refers to the “community that’s trying to attract professionals to Baltimore,” who is the community and who are the professionals they want to attract to Baltimore? The community wanting to attract professionals to Baltimore are people like the monolithic eleven key informants for the Battelle market analysis for Port Covington. The professionals are the Creative Class. Here we see that before the April 27, 2015 Baltimore Uprising, the bike infrastructure of Baltimore was not going to be built for existing Baltimoreans, especially its lower-income African American population.

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American population, but for an incoming Creative Class.

Creative Class is a term coined by urbanist Richard Florida. The term helps elide the racial dynamics at work in the deployment of the term, but communications scholar Melody Hoffmann explains what is at work when the term Creative Class is used. She writes:

Florida has marketed a theory that works to isolate and push out anyone below the raced and classed marker of being a “creative.” This theory is coded and indicates a new form of redlining…. Florida’s approach—or lack thereof—to demographics and cultural variance helps reproduce the whiteness inferentially embedded in his theory. For Florida, race is not a variable in who the creative class is, despite the fact that the industries (e.g., education, graphic design, architecture) and social spaces (e.g., art galleries, cafés, recreational trails) that he sees as desirable to this demographic are overwhelmingly white spaces.10

Therefore, it is clear that the Creative Class seeks to redline urban spaces and reproduce whiteness. But as to why a putatively Black-run city might go along with this, we should turn to Audrey McFarlane’s concept of being operatively white. As she explains:

Education, accent, diction, material wealth, and material possessions are all proxies entitling one to some of the privileges and deference formerly reserved exclusively for Whites. …to the extent a black individual can manifest certain signifiers, she steps into some of the privileges of Whiteness sometimes, in some places. She can be operatively white.

Although the city was led by Black leaders during the debate for the Port Covington TIF and SDC MOU, there was very little effort extended to procure affordable housing and advance fair housing. Instead a narrative of building a new mini-city for an incoming super commuter, Creative Class, millennials was utilized by Black city leaders—perhaps functioning as operatively white—to pass a project that will promote increased levels of economic and racial segregation for a majority of Baltimore’s existing residents.

*The Final Sagamore Memorandum of Understanding*

The final SDC MOU enshrines economic and racial segregation into law with a combination of buyout and offsite provisions, a clause blunting the impact for residents who are at 30% annual median income (AMI), and exclusionary conditionalities involving Low Income Housing Tax Credit (LIHTC) and Housing Choice Vouchers (HCVs). As the chart developed by Monisha Cherayil of the Public Justice Center shows, the multiple

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iterations of the SDC MOU did not secure affordable nor fair housing for Baltimore City residents.

Buyout and offside provisions mean that SDC only has to build 12% of the reported 20% inclusionary units on site. A clause reading “...so long as housing vouchers or similar assistance is available to SDC, SDC will also seek low-income housing tax credits to develop units affordable to households at or below 60% AMI,” allows SDC to escape providing inclusionary housing for many existing Baltimore residents. Hence, if SDC does not obtain LIHTC tax subsidies (which are awarded competitively) then it is not even required to provide or create inclusionary housing for people at 60% AMI. Additionally, SDC is only required to provide housing to people at 30% AMI if they receive project-based vouchers or HCVs from the Housing Authority of Baltimore City (HABC). Otherwise, only a paltry 1-2% of the units must be affordable at 30% AMI.

Other problems with the MOU include the lack of protections for Baltimore’s public schools. There is currently a three-year temporary fix in place to protect Baltimore’s public schools from losing funding according to the state funding formula for education which is predicated on assessed property values. If the future state’s Thornton funding formula does not adjust for TIF's tax diversions, then the SDC TIF could result in a massive loss of school funds. Finally, the Trump administration’s preliminary budget documents reveal a crippling level of budget cuts to the federal Department of Housing and Urban Development (HUD). This means that funding for project-based vouchers and HCVs will not be available for HABC and so for the duration of the Trump administration (and similar minded ones), SDC will not receive vouchers from the city nor HABC.

By making inclusionary housing dependent upon the reception of federal housing vouchers, Baltimore leaders in 2016 created a situation where only 1-2% of all units would be affordable at 30% AMI and the remaining 18-19% would be affordable at 80% AMI. In practical terms, this means that hundreds of existing Baltimore families earning below 80% AMI will be excluded from living in Port Covington.

There was a viable alternative to fund inclusionary and fair housing in Port Covington. SDC’s TIF application included $139.8 million for parks on the peninsula—an amount roughly three times the budget for the entire city’s parks and recreation budget in FY2017. HABC Commissioner Paul Graziano and city leaders could have told SDC that they would have to pay for their own parks and that instead the $139.8 million for Port Covington parks would be used to subsidize inclusionary and fair housing. Then

HABC could have identified $40 or so more million—perhaps via reductions in BPD overtime pay in FY2018—in order to cover the full amount needed for funding inclusionary and fair housing. But the dominant narrative of a super commuting, Creative Class, millennial would emerge as triumphant and coded form of discursive redlining among politicians who were operatively white.

_The White L vs. the Black Butterfly and the Fire Next Time_

During the spring and summer of 2016, economic and racial equity activists organized and fought to make the MOU more equitable—for greater amounts of inclusionary and fair housing. There is growing recognition of Baltimore Apartheid—the way by which our city government structurally advantages White L neighborhoods while structurally disadvantaging the Black Butterfly. This is one of the fundamental root causes of Baltimore’s explosion of frustration and anger on April 27, 2015. It was one of the causes of the Holy Week Uprising in the aftermath of the assassination of Dr. Martin Luther King Jr.

The existing low-income Black population of Baltimore are continuously ignored and shunned by its leaders. One reason I coined the phrase “Black Butterfly” to describe the pattern of spatial demographics in the city by race is that Black neighborhoods have beauty in them and are worthy of investment without displacement of the people that currently live there. However, the city keeps pursuing a path of racial segregation along with forcibly displacing Black residents and neighborhoods. We are placing the city in a devastating feedback loop where people in disinvested, redlined Black neighborhoods will strike back by any means at their disposal against the forces of actual and operative whiteness.

The false narrative of Port Covington progress and the inability of city leaders to secure economic and racial equity only ensures that the Baltimore will have future racial conflicts, civil unrest, and unnerving uprisings. Equity is the only way to avoid the coming catastrophe. The time is coming. Either we heal the Black Butterfly or we will once again watch the city burn.
ENVIRONMENTAL IMPACT PANEL- PORT COVINGTON

Thomas Prevas, Esq. & Alexandra Athans

INTRODUCTION

On March 29, 2017, the University of Baltimore School of Law Journal of Land and Development held a symposium focusing on the Port Covington Redevelopment Project. Sagamore Development Company (“Sagamore”), a private real estate firm owned by Under Armour CEO Kevin Plank plans to redevelop the approximately 260 acre parcel into a mixed use “mini-city” located in a mostly industrial waterfront area in South Baltimore.¹ The peninsula site is located on the Middle Branch of the Patapsco River, consisting of approximately three miles of shoreline, where the northwestern section is a designated Habitat Protection Area.² This huge project has stimulated stakeholders and activists to take strong stances regarding both affordable housing and environmental concerns.

Tom Prevas, a lawyer in Saul Ewing’s Environmental and Natural Resources and Litigation Practices, moderated the Environmental Impact Panel, which provided background information on brownfields redevelopment and engaged in a conversation with the audience regarding whether the $500 million Tax Increment Financing (TIF) deal between Baltimore City and Sagamore went far enough to address environmental concerns. The panel included Barbara Brown, the head brownfield regulator for the Maryland Department of the Environment, Christopher Croft, Vice Chair of the Sierra Club’s Greater Baltimore Group, Dana Cooper, former general counsel to the Baltimore City Bureau of Solid Waste, and Anthony Williams, a community activist voicing concerns on behalf of low income and homeless individuals living in and around the Port Covington area.

At the heart of the discussion was whether cities that issue hundreds of

million dollars in TIFs to develop brownfield properties should use their leverage to require more environmental remediation than is minimally required under Maryland’s Voluntary Cleanup Program (VCP). Barbara Brown has extensive knowledge of the program, having worked in the VCP for 11 years under the Maryland Department of the Environment. She explained the VCP program in relation to the Port Covington project.

Currently, the Port Covington site has 266 acres enrolled in the VCP relating to contaminants found from previous uses of the property such as a rail yard. Both supporters of the project and the U.S. Environmental Protection Agency agree that cleanup and reinvestment in brownfield properties protects the environment, reduces blight, and takes development pressures off greenspaces and working lands. A guest in the audience asked Ms. Brown whether Sagamore’s $445 million dollar Brownfield rehabilitation cost was a typical representation of comparable brownfield cleanup costs, to which Ms. Brown explained there is not necessarily a “typical” cost because projects are different sizes and there are differing and more stringent cleanup standards depending on whether the land will be used for residential, commercial, or other uses, highlighting that residential uses must meet the most stringent standards.

Dana Cooper, former general counsel to the Baltimore City Bureau of Solid Waste spoke about water runoff and explained how Baltimore City is in a very unique and sometimes difficult position due to their stormwater and wastewater pipes being two separate pipes running under the city. She explained how any water or trash in the city’s streets go through the city’s

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3. “Brownfield Site” means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Brownfield Overview and Definition, ENVTL. PROTECTION AGENCY, https://www.epa.gov/brownfields/brownfield- overview-and-definition (last updated Apr. 28, 2017).


8. Id.
stormwater drains and flow directly into the harbor and closest rivers.9 Due to the high level of trash in the harbor, the Maryland Department of Environment issued a “pollution diet” for the City to remove 100% of the trash in the Harbor and surrounding waterways.10

Ms. Cooper recognized the opportunity for “end of pipe” solutions like the Baltimore trash wheels, which capture trash before it enters the Baltimore harbor. She stressed that end of pipe solutions are more feasible if they are implemented in early construction phases, as opposed to attempting to retrofit something that was already built. She pointed out that Port Covington is located right on the Patapsco River, which is included in the Patapsco River Watershed.11 The Patapsco River Watershed spans four counties, flows to the Baltimore Harbor, and ultimately into the Chesapeake Bay.12 Some worry a development the size of Port Covington could have serious implications on the surrounding environment and inevitably the Chesapeake Bay if environmental concerns are not adequately considered.

Questions of social, economic, and environmental justice were debated on the panel as well. Community activist Anthony Williams spoke passionately about gentrification and the effect it has on the surrounding environment, especially the community members. He strongly voiced his concerns that a development deal between the City and private developers should have included and closely considered concerns of community members and stakeholders. He mainly explained his concern over the removal of homeless individuals from the Port Covington site.13

11. Supra note 7.
12. ENVIRONMENTAL PROTECTION AGENCY, PATAPSCO WATERSHED/BALTIMORE REGION (MARYLAND), https://www.epa.gov/urbanwaterspartners/patapsco-watershedbaltimore-region-maryland. Maryland Governor Larry Hogan spoke about the Chesapeake Bay, stating, “The Chesapeake Bay is our greatest and most important natural asset, and a national treasure that needs our continued attention and focus.” See, Ethan McLeod, Gov. Hogan’s office provides $23 million to fight runoff pollution, FOX45 NEWS (June 15, 2016), http://foxbaltimore.com/news/local/gov-hogans-office-provides-23-million-to-fight-runoff-pollution.
13. Supra note 7.
The environmental impact panel shed light on the numerous concerns, apprehensions, and implications of the Port Covington development. Each panel member brought their own distinct, diverse knowledge to the panel, leading to a successful, stimulating discussion of the issues.
Social justice advocates have worked passionately to address the inequities of reallocating wealth through the Port Covington Tax Incremental Financing (TIF) from the many in the public sector to the few (the one percent) in the private sector. They have made progress, but it is not enough.

The Sierra Club sees a strong correlation between many social injustices and environmental injustices. It is the poorest among us, here in Baltimore, that suffer the highest rates of asthma, lead poisoning, malnutrition, metabolic syndrome, and mental illnesses, including anxiety and depression. In the increasingly complex world we live in, this correlation will only deepen and broaden and for this reason we are committed to address many social injustice issues along with environmental issues.

Global Climate Disruption

Maryland is considered one of the “most vulnerable” states in the country in terms of rising sea-levels. With the vast majority of atmospheric and climate scientists predicting rising sea levels, what does the future look like for low-lying Baltimore areas, including Port Covington?

“Maryland, with 3,100 miles of tidal shore along the Atlantic Ocean and Chesapeake Bay, is one of several states, including Virginia, Delaware, Louisiana and Florida, most vulnerable to sea-level rise pushed in part by global warming that has caused glaciers to melt and oceans to expand.”

Q. What precautions is Baltimore City putting together regarding the Port Covington Project (PCP) to address Global Climate disruption and seawater rising?

Q. Which Baltimore will be rescued?

Clean Water - Sewage Treatment & Storm Water Management in Baltimore

In late 2015 the nonprofit, Environmental Integrity Project released the results of their investigation entitled, “Stopping the Flood Beneath Baltimore’s Streets.” What they uncovered was that Baltimore City was intentionally sending tens of millions of gallons of raw sewage and rain water into the Inner Harbor years after federal authorities ordered the practice be stopped. The result was that the Department of Justice and the Environmental Protection agency began work to alter the original Baltimore City sewage cleanup consent decree.

Q. Will the PCP effect funding and implementation of this consent decree? If so, how?

Q. Would it be best to issue a TIF to update Baltimore’s existing infrastructure rather than PCP’s?

Clean Air

Baltimore inner city residents have some of the highest incidents of respiratory disease of any city in the nation. “Maryland families suffer from some of the worst air quality on the Atlantic Coast. More than 85 percent of Marylanders live in areas that are classified as failing to meet the nation’s safe air standards. Baltimore in particular has the highest rates of both childhood and adult asthma in the state, surpassing national averages with more than a quarter of high school students having been diagnosed with asthma at some point.”

In 2016 the residents of South Baltimore joined forces and served notice of intent to sue the developer of a toxic trash-burning incinerator with plans...
for Curtis Bay. This effort was thwarted by a coalition consisting of activists, nonprofit organizations such as United Workers, and young people like Destiny Watford, a Goldman Prize winning student activist. The result was that the developer eventually dropped plans and the site is now being considered for a renewable energy solar farm that the community will participate in owning, managing, and possibly sharing in the revenues.7

To cut down on respiratory diseases of Baltimore’s residents, including future inhabitants of the PCP campus, there must be a conscious effort made to lessen the combustion of greenhouse gases in local energy production. The result will be cleaner air. To accomplish this goal, we need to phase out and close the Baltimore Refuse Energy Systems Company, commonly known as BRESCO. We also need to incentivize a phase out and ban of the of polystyrene and plastic in Baltimore City and surrounding counties, otherwise trash will build up in landfills and gather in streets and waterways.

Are there plans to work with the City of Baltimore on phase-out and close the toxic, trash burning BRESCO Incinerator?

Are there plans to upcycle or at least recycle waste to cut down on the production of toxic trash and create green local recycling job opportunities in our communities?

Green Buildings

The construction of Leadership in Energy and Environmental Design (LEED) certified buildings in Port Covington would also be an important ingredient of success. “LEED-certified buildings are resource efficient. They use less water and energy and reduce greenhouse gas emissions. As a bonus, they save money…”8

Green roofs include natural organic matter and plant life capable of absorbing water and utilizing it to grow food and generate oxygen through the photosynthetic process. This is an excellent way to prevent storm water runoff from buildings and manmade surfaces such as streets that flood and overwhelm Baltimore’s aged and decrepit sewer system.

When I am asked how can we do the right thing socially and ecologically and be economical (profitable) as well I point out that it is already being done, all around the world. Required reading for my Sustainable Communities Class at UB is the book “Cradle to Cradle” by designer/architect William McDonough and chemist Michael Braungart

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In order create a better world we must first envision it. This book points the way to a socially, economically, and ecologically sustainable world in harmony with nature and higher consciousness. Mr. Plank, the leadership at Under Armour, Sagamour, and those involved with planning Port Covington would do well to make it a requirement to team up with Mr. McDonough in designing the PCP. See what has been in the works for parts of China: (https://www.youtube.com/watch?v=eY4o3WzCfmM).

The creation of truly renewable and clean energy through PCP-wide commitment to solar would also go a long way to clean the city’s air. In fact, if planned properly many of the rooftops can be used to help secure the success of “community solar” projects dedicated to benefiting low-to-moderate income Baltimore residents. This will not only clean up the air in the city, but it can provide less expensive (clean, renewable) energy for residents who can pay up to 30% of their annual income toward energy expenses.9

Q. Are there plans for any of the proposed PCP buildings to be LEED Certified?

Q. Will green roofs and solar panels with allocations toward a community solar project also been included?

Q. Are there requirements to create green roofs on buildings to lessen adverse impacts of increased impermeable surface area from the large project?

Green Transportation

It is rumored that the PCP will be a walkable/bike-able community, which would be very good, if true. Can we be more certain? A commitment to use some of the TIF funding for creation of a light-rail transit spur to Port Covington makes economic, environmental, and social justice sense for the city’s immediate and long term needs. Such a spur will offer connections and benefits for all Baltimore’s residents by creating easy access to local and regional rail lines, downtown Baltimore, DC, and BWI-Marshall Airport, etc. An ex-Baltimore planning official, Robert Neily writes, a new light-rail line from such a promise will also link “…to the west side of downtown, which urgently needs the spin-off benefits promised by the Port Covington development.”10 Such infrastructure improvements would benefit the city long into the future at large and not

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just the PCP. This seems like a very reasonable use of public funds.

Q. Will truly green transportation be included?

Q. Will the PCP incentivize the use of low-emission electric vehicles and mass transit in and around the Baltimore?

Q. Will special accommodations be made for electric vehicle charging stations with solar-voltaic capabilities?

Q. Can Baltimore do as Austin, Texas, and create a more egalitarian business climate through policy to build local wealth in the taxi business instead of allowing wealth extraction from an Uber multinational corporation?

Q. Can Baltimore policy makers and business leaders help incentivize a community owned Uber-like (locally owned and operated) taxi business to capture wealth for our communities, especially for those most deserving within the inner city? (See Economic Justice section below)

Social & Economic Justice

Local businesses tend to be both greener and more equitable in terms of pay and wealth distribution than non-local corporations. The reasons, local owners care about their communities and short term profit is not the single overriding force. The triple bottom line, or the three P’s (People, Planet, and Profits) harmonize into more of a guiding resonance which influences the management behavior of smaller, local businesses.

During the unrest in the spring of 2015, Baltimore’s news media called for strategies to address the root causes of poverty and hopelessness among the city’s residents, especially our youth. Building on long-established practices used by our immigrant forefathers—cooperation and supporting one’s community through local buying patterns—my students at the University of Baltimore (UB) recommended unique ways of confronting the social-economic foundation of Baltimore’s biggest challenge: rapidly growing economic inequality due to the lack of jobs. To revitalize Baltimore’s urban economy from the ground up, students enrolled in my Sustainable Communities classes at UB identified several urban revitalization business opportunities.

The students initially proposed incentivizing employee or worker-owned businesses in four sectors to create and anchor community wealth in Baltimore. The first sector is in Information Technologies, known as “Intelligent Communities;” second, Local Food Distribution Centers to help counter so called “food deserts;” third, through procurement practices at anchor institutions such as hospitals and universities “Meds & Eds;” and fourth, through the creation of more local public banking.

Such businesses will not only democratize the workplace management, ownership, and responsibilities, but it will more fairly share the business rewards and wealth. Incentivizing these opportunities would provide a real
economic multiplier effect instead of a fabled “trickle down” made popular by President Ronald Reagan. These processes could create and finance genuine employee owned businesses; thereby, democratizing not only the workplace and anchoring jobs, but democratizing profits within our most neglected neighborhoods.

It is critical to economically empower those struggling the most through worker-owned and operated community businesses. This is equivalent to teaching someone to fish rather than give a fish through charity. One person’s expense is another’s income. When more disposable income is circulated, and spent within local communities because of community owned businesses, it creates more opportunities for everyone.

Conservatives, and liberals alike recognized the wisdom of employee ownership. In fact, building healthy communities cannot occur without first coming to grips with wealth allocation through the ownership of property and businesses. Our vision is “To reconfigure Baltimore’s supply chains to foster environmentally sustainable businesses that create and grow local opportunities through community participation” Reads my student’s vision statement.

The time of waiting for the private sector to come to Baltimore, create jobs, and generate prosperity is over. Charm City needs a green, local wealth-sustaining business climate. These potential ventures can serve as a catalyst for a unique role performed by urban universities, which include partnerships and collaborations with other Baltimore campuses, including the PCP campus.

Q. Can the students’ recommendations about incentivizing employee owned businesses be pursued in the context of PCP?

Q. Will Kevin Plank and Under Armour, Baltimore City, and the State of Maryland get behind incubating employee ownership in Baltimore and throughout Maryland; thereby, more fairly creating and sharing wealth so that opportunities exist for all our children?

Q. Can we transition Baltimore into “Intelligent Communities” by breaking the Comcast and Verizon monopolies and make internet technologies widely available to all residents, as in other cities such as Riverside, CA and Chattanooga, TN?

Q. Can we utilize our own home grown intellectual capital to create Baltimore City employee owned IT clouds to build wealth while servicing our universities throughout Maryland and surrounding communities, instead of contracting with Microsoft and Google, Apple, etc. which extract wealth over the long term?

Q. Can we even establish a living minimum wage in Baltimore and Maryland?

I think it is these kinds of activities that will create greener jobs in Baltimore and Maryland and lead to a more equitable and brighter future for our children.