

Exhibit 8

MINUTES

REGULAR MEETING

Sheila Dixon, President
Martin O'Malley, Mayor - **ABSENT**
Joan M. Pratt, Comptroller and Secretary
Thurman W. Zollicoffer, Jr., City Solicitor
Donald Huskey, Deputy City Solicitor
George L. Winfield, Director of Public Works
Shirley A. Williams, Deputy Director of Public Works
Bernice H. Taylor, Deputy Comptroller and Clerk
Cynthia H. Jones, Assistant Clerk

Pursuant to Article VI, Section 1(c) of the revised City Charter effective July 1, 1996, the Honorable Martin O'Malley, Mayor, in his absence during the meeting, designated Ms. Peggy Watson, Director of Finance, to represent the Mayor and exercise his power at this Board meeting.

The meeting was called to order by the President.

BIDS, PROPOSALS AND CONTRACT AWARDS

Prior to the reading of bids received today and the opening of bids scheduled for today, the Clerk announced that the following Bureau had issued an Addendum extending the dates for receipt and opening of bids on the following contract. There were no objections.

Bureau of Purchases

- BP 04115, Steuart Hill
Playground Improvement
BIDS TO BE RECV'D: 02/25/04
BIDS TO BE OPENED: 02/25/04

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Baltimore Development - Agreements for Inner Harbor East,
Corporation Parcel P-1

ACTION REQUESTED OF B/E:

The Board is requested to approve and authorize execution of the following agreements related to Parcel P-1 of the Inner Harbor East Project:

- a) PILOT Agreement with HELP II LLC for the purpose of authorizing an exemption from City real property taxes for the mixed-used development project on Parcel P-1, identified as Ward 3 Section 6, Block 1801, Lot 1, in the Inner Harbor East Urban Renewal Area.
- b) Lender's Right Agreement with the Columbia National Real Estate Finance LLC.

The Board is also requested to authorize the execution of other certificates, affidavits, consents, ancillary or confirming agreements by the Director of Finance, none of which will impose any obligation upon the City.

AMOUNT OF MONEY AND SOURCE:

N/A

BACKGROUND/EXPLANATION:

HELP II LLC (the developer), a joint venture of H&S Properties Development Corporation, Bozzuto Development Company and Ronald Lipscomb, is proposing a \$97,000,000.00 mixed-use development, to be known as Spinnaker Bay. Located at the intersection of President and Aliceanna Streets, between the Baltimore Marriott Waterfront Hotel, the Marriott Courtyard Hotel, and the Sylvan Learning office building, Parcel P-1 is one of three remaining undeveloped parcels at Inner Harbor East; recently used as a surface parking lot.

The proposed project includes 316 apartments, a 431-space above-surface parking garage, 32 for-sale condominiums and 42,250 sq. ft. of retail space.

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BDC - cont'd

BDC is proposing a PILOT for the apartments and the parking garage for twenty (20) years, commencing with the issuance of the Certificate of Completion by the City, whereby the incremental City real property taxes will be rebated as shown in the table below.

	Percentage of the Incremental Taxes Paid under the PILOT	Percentage of the Incremental Taxes Rebated under the PILOT
Years 1 - 2	5%	95%
Years 3 - 8	15%	85%
Years 9 - 12	25%	75%
Years 13 - 15	50%	50%
Years 16 - 20	75%	25%

As required under Section 7-504.3 of the Maryland Annotated Code, the PILOT Agreement will authorize the rebate of only the incremental real property taxes; the Developer will pay all existing City real property taxes for the site. The City Council passed Resolution 02-35 authorizing the PILOT under Section 7-504.3 on October 21, 2002. The proposed development has met the eligibility criteria defined in Section 7-504.3, as shown below:

- The proposed development is located in the Inner Harbor East Urban Renewal Area, one of the designated urban renewal areas under the PILOT Law.
- The parking garage must be at least 250 spaces.
- There must be private capital of at least \$5,000,000.00 and the developer must contribute, at a minimum, ten percent (10%) equity. The development is projected to cost approximately \$97,000,000.00; with developer's equity expected to exceed 27%. The amount of private investment and the equity in the project will be certified by an independent certified public accountant prior to the commencement of the PILOT.

MINUTESBDC - cont'd

Because the PILOT applies only to the incremental City real property taxes resulting from the project, there will be no reduction in the City's general funds as a result of the PILOT. The PILOT will not apply to the retail space or the for-sale condominium units. The PILOT will also terminate if the apartment units are converted to condominiums at any time during the term of the PILOT. In year twenty-one, the PILOT will terminate and the full amount of City real property taxes assessed for the apartments and the parking garage will be due. The Developer has also agreed to a profit sharing agreement with the City whereby the City will receive 25% of the net cash flow from the project (excluding the for sale condominiums) after a fifteen percent (15%) internal rate of return to the Developer.

Benefits to the City

Parcel P, when completed, represents a \$97,000,000.00 development. There is no other housing development in the City, in recent history, of this magnitude. BDC projects the following benefits from the project:

- \$586,000.00 in City taxes collected during construction from piggyback taxes, recordation taxes, permits and other fees.
- 161 retail jobs (113 are City residents), with annual payroll of \$3,300,000.00.
- The number of residents at the housing components is projected at 476 residents, with 63% (300) estimated to be incremental City residents. Annual household income was estimated at \$75,000.00 per resident for the apartments and \$150,000.00 for the condominiums.
- Parcel P-1 will generate \$476,700.00 in incremental City real property taxes at stabilization (Year Three), based on an incremental assessment of \$89,100,000.00, compared to \$19,716.00 in existing real property taxes collected pre-development (July 2002), on an assessment of \$1,200,000.00 for the vacant land.

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BDC - cont'd

MBE/WBE PARTICIPATION:

The Developer has committed to comply with Article 5, Subtitle 28 regarding participation by Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) in the development of the project.

(FILE NO. 54921)

UPON MOTION duly made and seconded, the Board approved and authorized execution of the PILOT agreement with HELP II LLC and the Lender's Right agreement with the Columbia National Real Estate Finance LLC.