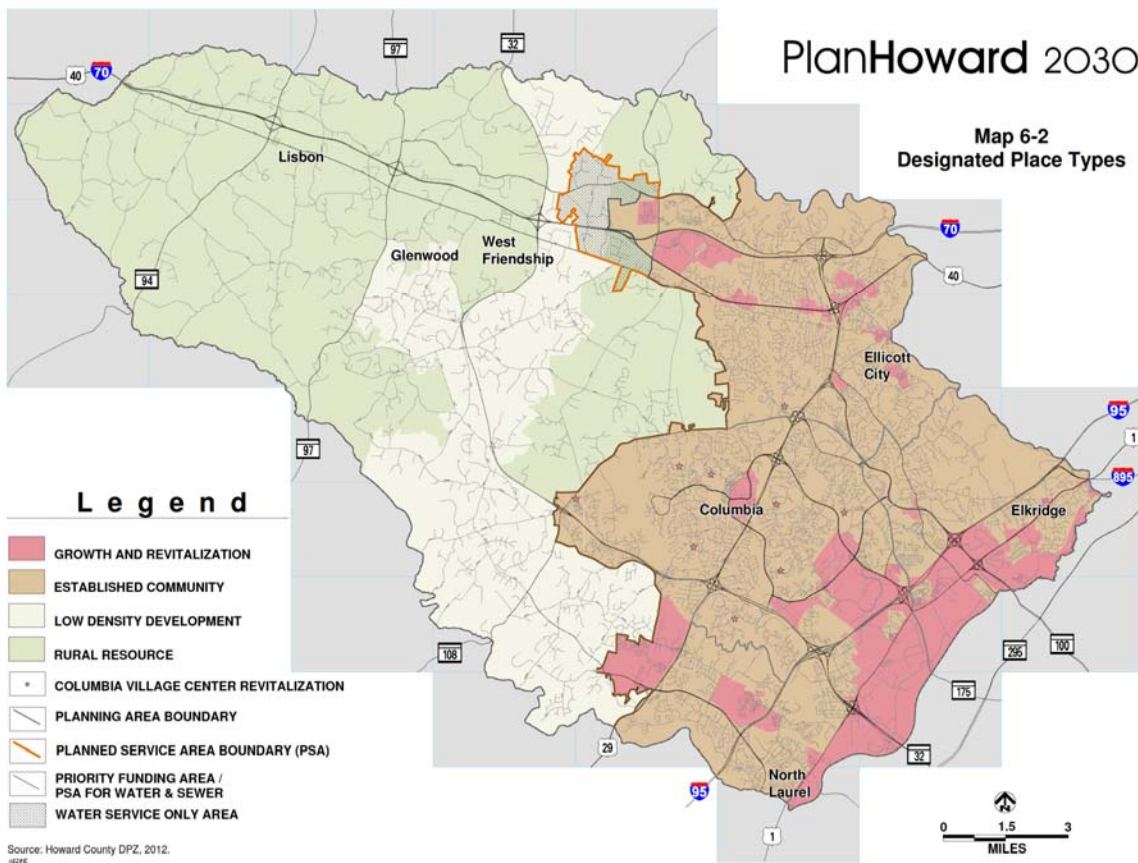


Redevelopment Efforts in Howard County and Columbia

LAI Baltimore Chapter – September, 2016 meeting

On September 21st, Baltimore’s LAI Chapter enjoyed a visit by Messrs. Mark Thompson and Greg Fitchitt, who provided an overview of the robust redevelopment activity within Howard County as a whole, and a deeper dive into the plans to redevelop the County’s largest city, Columbia.

Mark Thompson, VP of Business Development for Howard County, started off with a Big Picture overview of what’s happening from a macro-county perspective. Mark began by reminding his audience that the western portion of Howard County is essentially off limits to any substantive development activity, having been designated a “Rural Resource” area, leaving only the eastern portion of the County open to the possibility of development (see map below). And most of the eastern portion of the County is already developed, leaving “not that much ground to be developed in Howard County”.



However, there are quite a few areas that are the focus of substantive redevelopment, including:

Route 40:

- Portions of the Turf Valley Country Club has been redeveloped into residential housing & a Harris Teeter anchored shopping center.

- Several new shopping centers along Rt. 40, including a new Giant grocery store in the Chatham Shopping Center
- “Lots of new restaurants including Smash Burger and Mission BBQ”

Village Centers: Columbia was designed as Villages with residential housing surrounding a series of “Village Centers” back in the 1960’s as Columbia was just beginning to transition from Jim Rouse’s vision into reality. With these Village Centers now passing 50 years of age, the need for refreshing these neighborhoods is essential to maintaining their desirability.

- Wilde Lake, the oldest of these Village Centers, is now being substantially redeveloped by Kimco and Wood Partners with new Class A apartments within easy walking distance to upscale retail & office. The result will be a mixed use, smart growth revitalization.
- Howard County acquired the Long Reach Village Center, which “was going downhill”, so that it could also be redeveloped and reimagined for today’s sensibilities.
- Hickory Ridge Village Center is also being redeveloped by Kimco.

Columbia Gateway: This business park, according to Mark is “an 80’s version of a business park”, and is being studied with an eye toward transitioning it into an “innovation district concept”. The County hopes to evolve it away from the typical suburban, car dependent campus feel, into a “better soup”, with areas which encourage walking and interface between tenants.

Route 1/Jessup: This area of eastern Howard County has been targeted to transition into a mixed use corridor including residential apartments & townhouses near neighborhood shopping and office uses. To date, several successful apartment projects have been built including the Blue Stream and Howard Square developments. And nearby these successful apartment projects, the B-W Logistics Center is currently being redeveloped to include an 835,000 SF warehousing facility by Manekin Development.

Annapolis Junction Town Center: This former lumberyard on the edge of Anne Arundel & Howard Counties is being redeveloped into a mixed use of residential apartments and office.

North Laurel: In this southern most corner of Howard County, next to the Laurel Park Racetrack, two significant sized developments are underway. Laurel Park Station will become a large mixed use, transit oriented development to include rental & owner occupied housing, with significant retail, all within easy walking distance to a new Marc Train Station. And Coastal Sunbelt is developing a massive regional warehousing facility next to Laurel Park Station.

Mark ended his presentation with a brief overview of the redevelopment efforts now underway in old Ellicott City. This quaint little enclave within Howard County experienced devastating flooding recently which tore up large portions of the streets and historic buildings lining Main Street. Mark conveyed that he has “never seen such devastation in my life”. But thanks to dozens of Howard County employees (who became known as the “Gator Gang”), and a host of volunteer disaster specialists from surrounding States, Ellicott City’s Main Street has now reopened to pedestrian and vehicular traffic. Many historic buildings are substantially damaged and efforts are ongoing to attempt to save most of them.

Greg Fitchitt, VP of Development for the Howard Hughes Corporation, next provided an overview of the City of Columbia's massive effort to redevelop itself into a walkable, "21st Century" City. Greg reminded his audience that Jim Rouse's vision of creating a City where its residents feel connected one another, nature and home is at the heart of the City's efforts to improve itself.



Greg was fortunate to be presenting his overview during the same week that Columbia had been named the No. 1 "Best Place to Live" by Money Magazine's 2016 survey (news release linked here: <http://time.com/money/collection/best-places-to-live/50-best-places-to-live/>)

Greg advised that the goal of Columbia's redevelopment efforts is to "create a walkable environment to attract Millennials". This 30 year plan encompasses 400 acres of land, with 13 million new SF, including:

- 5,500 housing units
- 4.3M SF of office space
- 1.25M SF of retail space
- 640 hotel rooms

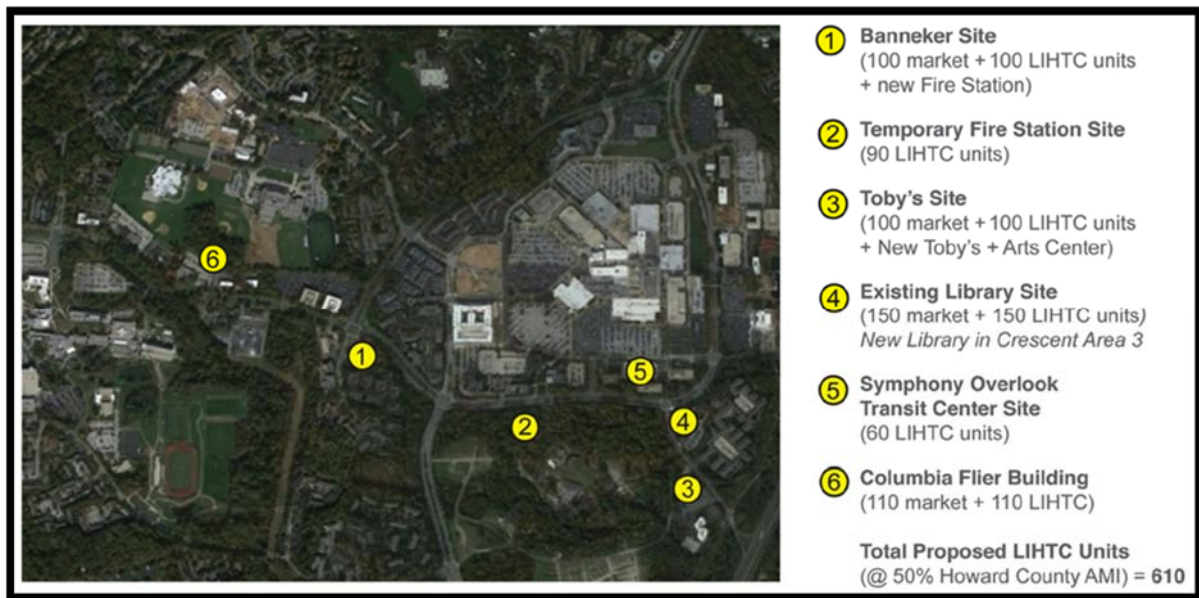
This ambitious plan to create a "more compact, vertical development scheme for Downtown Columbia" is being substantially financed by Tax Increment Financing ("TIF"), and a Special Taxing District. The initial TIF legislation, which Greg advised has "just passed" will include funding for:

- 2,500 parking spaces serving Merriweather Post Pavilion, as well as new office and retail shops
- A \$30M elementary school
- A \$30M fire station
- A \$40M library

Future planned TIF authorizations will enable the funding of an Arts Center, a Transit Center and approx. \$75M in transportation improvements. These TIF's will take the form of General Obligation Bonds

issued by Howard County with repayment coming from the RE taxes ensuing from newly constructed buildings including residential, office and retail. The projected fiscal impact of the TIF bond issuances is substantially positive for the County, starting off at a modest \$3 to \$5M in the first few years after initial issuance and rising to the \$30M to \$40M range in approx. 30 years after issuance.

The inclusion of affordable housing is a major component of Columbia’s redevelopment efforts. The City’s goal is to utilize both inclusionary zoning as well as LIHTC mixed income projects to deliver 900 units of affordable housing in conjunction with its redevelopment efforts. These affordable units will encompass the full spectrum of income levels from 0% to 80% of AMI. Below is a map of some of the planned affordable LIHTC housing projects:



Greg and Mark’s presentations covered an almost mind-blowing scope of redevelopment activity currently taking place within Howard County and the City of Columbia. With its status of one of the best places to live in the U.S., its renowned school system, and its advantageous location between Washington DC and Baltimore, Howard County has the strong potential to remain a magnet for people looking for a favorable environment to live & work. And with the myriad efforts to improve/redevelop both the suburban & urban environments within the County, it appears likely to remain a perpetual component of Money Magazine’s “Best Places” list. Jim Rouse would be pleased.