

SPACE SPAT — Dispute with developer threatens to sink city’s residential parking program

By Stephen Janis, *Investigative Voice*, March 22, 2010

The latest battle over a shortage of residential street parking in a Baltimore neighborhood also may turn out to be a legal deal breaker for the city’s strained but still functional residential parking program.

A brewing conflict between developers of the newly renovated Professional Arts Building in historic Mount Vernon and community leaders there has led to a standoff that has left some tenants without parking permits while community leaders cry foul over promises made during the approval process to provide more off-street parking.

In the end, both sides agree: The conflict could put the program that covers nearly 40 city neighborhoods where parking is scarce to a legal test it may not survive.

“This is a big mess in which nobody wins,” said City Councilman William H. Cole 4th, whose 11th District includes the Professional Arts Building.

The conflict began innocently enough in February when a new tenant from the recently renovated building in the city’s historic Mount Vernon neighborhood project sought a residential permit pass, a sticker issued to residents in designated neighborhoods that allows unlimited street parking, developers say.

MULTIMILLION-DOLLAR INVESTMENT JEOPARDIZED

Unable to reach the city’s Parking Authority — the quasi-public/private agency that administers the city’s Residential Parking Permit Program — the new tenant called the Mount Vernon Belvedere Improvement Association seeking help.

But since that fateful call developers say the Parking Authority, at the urging of MVBA, has refused to issue new residential parking permits to residents of the building at a crucial juncture in the push to attract tenants, jeopardizing a multimillion-dollar investment in a building that was previously empty and cost nearly \$28 million to renovate.

“We have been losing tenants; it’s that simple,” said Ernst Valery, president of Valery Investments, one of several developers who funded the extensive renovation of the building. He said roughly 70 of more than 90 available units have been rented.

“We’ve had tenants not move here because they could not get parking and could not afford to park off-street.”

Worse yet, Valery said, permits issued to the roughly 50 tenants who got them before the cutoff are set to expire in September and will not be renewed, Parking Authority officials have told him.

“I had a tenant at the meeting say she was going to move to Fells Point if she could not get her permit renewed,” Valery said.

“She said, 'I live here, why I can't get a permit?'”

The answer to Valery's tenant's question has as much to do with the limitations of a city constructed around equine transport, not modern automobiles, than the vagaries of city law.

The swath of Mount Vernon surrounding Charles Street is one of nearly 40 residential neighborhoods participating in the Residential Parking Program.

BEST SOLUTION FOR A THORNY PROBLEM

Designed to give residents better access to street parking by limiting the time non-residents can park or even banning cars without residential permits from parking on the streets altogether, the program has been touted as the best solution for a perpetually thorny problem: how to offer adequate parking for residents who live downtown and pay substantial property taxes.

“It's an important quality-of-life issue,” said Cole, whose 11th district in addition to the Professional Arts Building also includes Mount Vernon.

“People want to park in front or at least near their homes.”

Area 38, the RPP that includes the Professional Arts Building, is a good example of how difficult that has proven to be, Cole said.

With only 600 spaces in an area where 1,200 permits have been issued, parking for residents was already tight. That's why during the approval process community leaders supported the renovation, provided the developer provided adequate off-street parking for residents, Cole said.

Thus when the Professional Arts Building residents started lining up for permits, the paucity of available spaces raised tensions within the community.

Tensions came to a head when Mount Vernon Improvement Association President Jason Curtis got into a shouting match with Valery during the organization's monthly meeting, witnesses say — a showdown that Curtis is apparently not keen to discuss, as he did not return several phone calls seeking comment.

Nonetheless, Cole said, he, along with the community, understands what is at stake.

“Everybody in the community wants this to be a success,” Cole said of the apartment building. “But the neighborhood has reached a tipping point where there just isn’t any more space.”

OFF-STREET PARKING AVAILABLE FOR A PRICE

At the root of the problem, Cole said, was what the community believed was an informal agreement by the developers to give residents access to off-street parking, a promise Cole said the company did not stick to.

“It bothers me that the developer made a promise to the community, then did not keep it,” Cole said.

Valery said the company has made arrangements with several nearby commercial lots to offer parking to residents, but that many tenants, particularly students, simply cannot afford to pay fees as high as \$155 per month on top of rent that starts at \$1,200 per month.

The parking lot behind the building, which Valery hoped would provide some space for residents, had been absorbed by a required upgrade to the block’s electrical grid financed solely by the developers.

“We spent \$200,000 upgrading the entire block’s electrical system,” he said, noting that several large transformers now occupy the lot.

To mollify both sides, Cole has tried to broker a compromise that would freeze the number of permits issued to residents at the roughly 37 granted thus far, a proposal that he said has yet to gain traction on either side.

And the developers are not the only party with much to lose. On top of the \$28 million invested in transforming the building that used to house dentists and doctors — back in the day, it was known as the Medical Arts Building — the developers have been granted a 10-year tax abatement by the city.

Parking Authority head Pete Little, who confirmed that his agency had stopped issuing parking permits for residents of the building, said the agency was investigating the issue but declined to elaborate.

THE DEVELOPER HAS CONCERNS

“I know the MVBA has concerns, and I know the developer has concerns,” he said in a telephone interview Friday.

“All I can say at this point is that we’re looking into it.”

Which is why, Councilman Cole said, the issue may come down to litigation.

The city's zoning code, which sets out the parameters for the Residential Permit Parking program, does not preclude residents in the building from applying for a permit. The Professional Arts Building was included in the original RPP plan, a much more palatable situation for the parking space-starved neighborhood when the building was sparsely occupied by a handful of commercial tenants.

Still, Cole admits, the zoning law seems to favor tenants of the buildings, making the permit freeze easy to challenge in court, an assertion that Valery said has been backed up by the city's legal department.

“Someone in the Parking Authority's legal department wrote in email that a strict interpretation of the law would be in favor of the developer,” Valery said.

And while developers would not say definitively that a lawsuit was in the offing, Cole said he was concerned that a legal battle could be a threat to the RPP program, and would provide little help to the residents who need parking spaces or developers seeking to rent apartments.

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