

Under Armour wants TIF for HQ expansion

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The Baltimore City Council is expected to consider a request by Under Armour Inc. for tax increment financing bonds to fund a portion of the company's massive expansion at Locust Point's Tide Point complex. City Councilman William H. Cole IV, whose district includes Locust Point, said the TIF expansion request has been met with optimism.

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The sportswear giant would use the TIF bonds to install a public greenway path near the waterfront connecting Locust Point with Fort McHenry as well as to upgrade the pier, bulkhead and promenade at Tide Point to dock large clipper ships for the bicentennial celebration of the War of 1812 next summer, said Shawn King, director of campus development at Under Armour.

The amount of the TIF was still being calculated, King said.

Under Armour was seeking to expand a TIF district established in 2003 by the city's Board of Estimates for \$2.9 million to then-Tide Point owner Struever Bros. Eccles & Rouse, according to King. The financially troubled development company sold Tide Point, and the existing TIF, to Under Armour in July.

The expansion would add a large building into the TIF district at the 7-acre Under Armour campus.

That building, located south of Key Highway near the Hull Street campus, is owned by New Jersey-based Fidelco Realty and was renovated by Under Armour in 2009. It is fully occupied today with Under Armour employees.

King said Under Armour is aiming to capitalize on those building improvements by selling the proposed TIF bonds to private investors.

"It's an opportunity to capture the incremental value in the renovated property," King said. "Under Armour invested a significant amount of money into the property. By expanding the TIF and capturing the assessed value — it has not been reassessed — we can capture the increment and use it for community-based projects."

TIF bonds are a form of public subsidy for private development. They are sold by the city to private investors and repaid with interest through diverted property taxes for a period of time, often up to 30 years.

The city has 12 TIF districts, including East Baltimore Development Inc., Harbor Point, Charles Village, Clipper Mill and Westport.

M.J. “Jay” Brodie, president of the Baltimore Development Corp., the city’s quasi-public development arm, said the agency voted last month to endorse the TIF.

The request will be considered Thursday by the city’s Planning Commission and will be the subject of public hearings this fall before the City Council’s Committee on Taxation, Finance and Economic Development, said Councilman Carl Stokes, chair of the committee.

“The intention of the TIF is not to assist Under Armour, it’s to do good public improvements for Locust Point,” Brodie said.

Under Armour is in the midst of an expansion of up to 400,000 square feet at the Tide Point complex. The growth includes a large retail store and a separate public parking garage and other improvements to the historic former industrial complex. The company has plans to double its Baltimore workforce to 2,400 employees.

A proposal to amend the city’s planned unit development at Locust Point to include the Under Armour growth at Tide Point is also under consideration by the City Council and city planners. That plan is expected to be voted on early next year.

Residents of Locust Point say they welcome the Under Armour presence in their community, but remain wary that it will forever change the character of the quaint peninsula on the harbor.

“This neighborhood is really starting to grow,” said Christopher Ritsch, president of the Locust Point Civic Association. “The main concern is how to handle it.”

Among the chief concern is increased traffic congestion and development density, Ritsch said.

A 250-unit residential rental development, McHenry Row, is nearing completion off of Fort Avenue close to the Under Armour complex, flanked by a 61,000-square-foot Harris Teeter grocery that will open Dec. 7 in a new strip mall close by.

That and the expansion of the Under Armour workforce by 1,200 employees and an addition of a 20,000-square-foot retail store is expected to affect daily life, Ritsch said.

“The community wants to support a company like Under Armour — it is a marquee company in Baltimore,” he said, adding that a task force has been formed by the civic association and Under Armour’s King to help address potential issues. “I’m sure we’re going to come to some kind of conclusion that we’re all happy with.”

City Councilman William H. Cole IV, whose district includes Locust Point, said the TIF expansion request has been met with optimism.

“I’m thrilled they decided to expand in place and remain in the city. It’s a very good signal,” Cole said. “It’s exciting that we’re able to watch a Baltimore-based company grow. These are the types of jobs the city needs — well-paying jobs that attract people to this city.”