

TOPIC: University of Maryland, Baltimore: Approval to Sell 715–717, 719–721 and 727–729 W. Pratt Street (including 728 Dover Street), Baltimore, MD

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: March 30, 2017

SUMMARY: The University of Maryland, Baltimore seeks approval to sell three University-owned properties to Zahlco Holdings, LLC, or an affiliate ("Buyer"). The site totals approximately 10,865 SF (0.25 acres) although the properties are not contiguous. The subject properties are depicted on Attachment A.

The properties were acquired by the University in 2000 and 2002 with the intent of acquiring the remaining properties along the south side of the 700 block of W. Pratt Street for future development. However, the other acquisitions did not occur. The structure at 715–717 W. Pratt Street has only 3 perimeter walls and is in poor condition. The building at 719–721 W. Pratt Street is improved with a one-story storage building that is in fair to poor condition. The 727–729 W. Pratt Street (including 728 Dover Street) site is an unimproved lot. The properties border the historic Ridgely's Delight residential neighborhood and have been a source of concern to the residents because of their deteriorating condition.

The University of Maryland Medical System has agreed to sell its four story, unoccupied building at 723-725 W. Pratt Street to the Buyer so that it can be consolidated with the University's adjacent properties. The Buyer intends to develop the consolidated site into market rate apartments which will complement Ridgely's Delight, improve the University community's southern border, and provide more housing opportunities for UMB students, faculty, and staff. The Maryland Historical Trust has determined that these properties have no historic value and can be demolished or sold.

APPRAISALS:

Valbridge Property Advisors	10/12/2016	\$499,400
Jones Realty Advisors	11/18/2016	\$555,000

SALE PRICE: \$540,000

PURCHASER/DEVELOPER: Zahlco Holdings, LLC, or affiliate, Baltimore, Maryland: Yonah Zahler, CEO

ALTERNATIVE(S): One alternative to the proposed sale is for the University to retain ownership of the properties for some future undefined need. The two structures would continue to deteriorate and contribute to the neighborhood blight. The University believes the proposed sale and the subsequent development of the properties represents an opportunity that will benefit both the University and the neighboring Ridgely's Delight community.

FISCAL IMPACT: The University will receive \$540,000 as a result of the sale of the properties. Additionally, the University will be relieved of the annual expenses for maintaining the buildings and site.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the sale of the properties to Zahlco Holdings, LLC (or an affiliate) and delegate to the Chancellor the authority to execute all required documentation after appropriate legal review and consistent with the University System of Maryland Policy and Procedures on the Acquisition and Disposition of Real Property. The University shall continue to work with the University System of Maryland Office of the COO/Vice Chancellor for Administration and Finance and the Office of the Attorney General throughout the sale process.

COMMITTEE RECOMMENDATION:

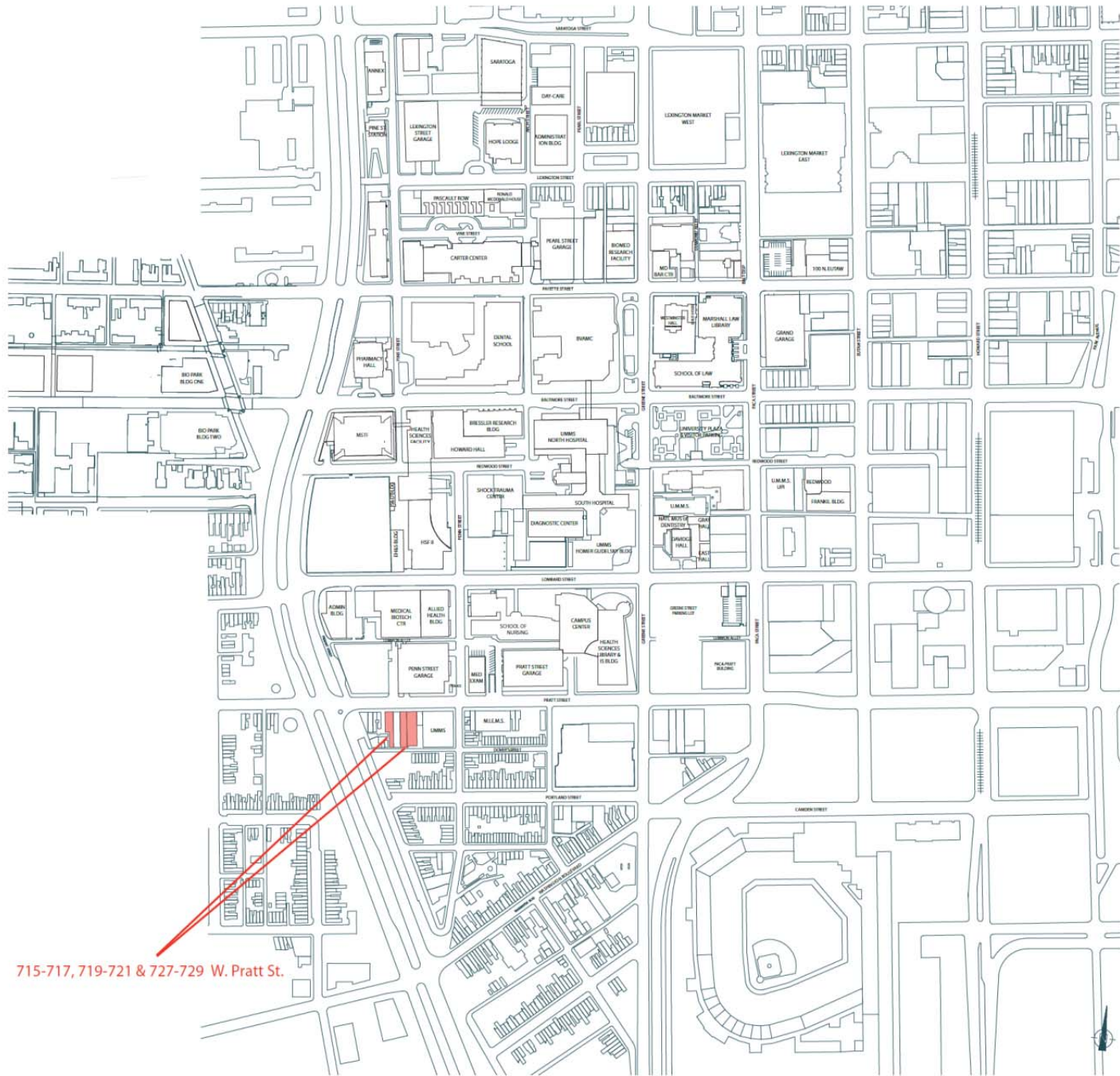
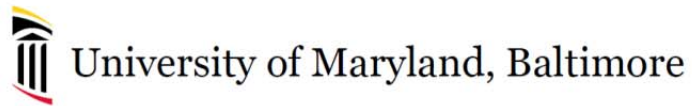
DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923

ATTACHMENT A



715-717, 719-721 & 727-729 W. Pratt St.