



A Blueprint for Urban Redevelopment Through Capital Stacking and Partnership

**Reservoir Square
Case Study | June 2025**

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EXECUTIVE SUMMARY

Reservoir Square is a case study of how deliberate private investment, combined with perseverance and collaboration with state and local partners, can drive transformation that would otherwise be unattainable.

Across urban America, decades of disinvestment and exclusionary policies have left lasting scars on once-thriving communities. Reservoir Square is a direct response to these challenges, transforming a long-overlooked area of West Baltimore into a dynamic mixed-use development that meets the needs of a diverse range of stakeholders.

Previously home to public housing and a deteriorating retail center, unfortunately dubbed “Murder Mall,” Reservoir Square is being transformed into a community that integrates office, residential, retail, and public spaces, which respond to pressing needs in the local community and Baltimore City. The focus of this vision is not only on redevelopment but also on unlocking value, promoting economic growth, fostering community engagement, and enhancing residents' sense of belonging.

As cities confront underinvestment and aging infrastructure, the need to rethink urban spaces and expand opportunities for residents has never been more urgent. Reservoir Square demonstrates how comprehensive redevelopment can drive lasting, sustainable change.



| Reservoir Square is a transformative mixed-use redevelopment in Baltimore, MD.

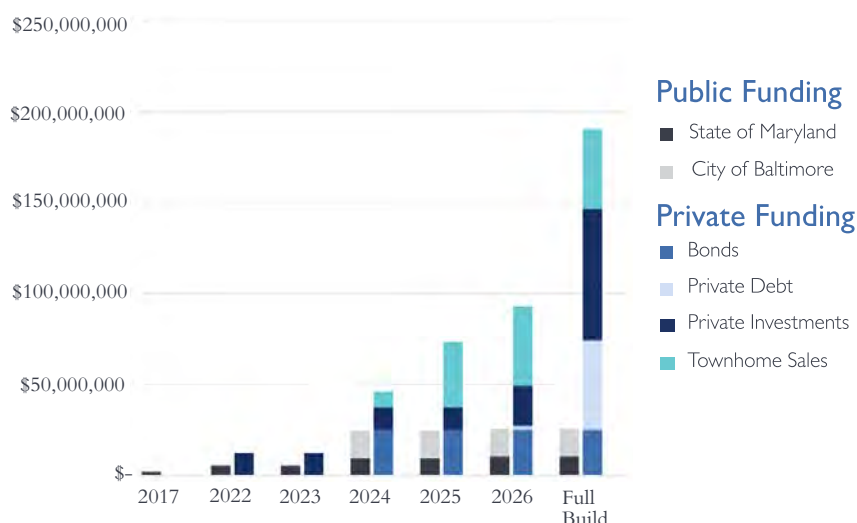
In 2014, the site stood as a stark symbol of disinvestment — a veritable poster child for the failures of the urban renewal movement — with a condemned public housing complex and a crime-ridden, deteriorating mall. A decade later, the City of Baltimore, in partnership with private sector leaders and state agencies, leveraged its leasing power to secure a \$44 million investment for West Baltimore. This milestone deal, finalized in December 2024, signals the momentum of a long-term revitalization effort and positions Reservoir Square as a potential national model for transformative community development.

This case study explores the vision, strategies, and financing mechanisms behind Reservoir Square, illustrating how strategic capital stacking, adaptable planning, and strong public-private partnerships can turn a distressed urban landscape into a thriving community asset that attracts further investment.

FROM \$2M TO \$200M

Reservoir Square began with just \$2 million in initial state funding. Through strategic, phased investment and strong community alignment, that seed capital has catalyzed \$100 million in development to date, with up to \$200 million planned. What started as a modest public commitment has grown into a transformative force that is reshaping an underinvested urban neighborhood and proving what is possible when vision meets momentum.

Reservoir Square Cumulative Investment



Despite being located in a neighborhood long constrained by enduring barriers beyond its control, Reservoir Square is poised to achieve unprecedented success.

The resolute commitment of local residents, proactive engagement from neighborhood organizations and elected officials, and the strategic vision of an experienced development team combine to drive transformative, sustainable change. This collective effort promises to reimagine Reservoir Square as a vibrant community asset that delivers lasting economic benefits for West Baltimore.



Baltimore Mayor Brandon Scott and local leaders join MCB Co-Founder P. David Bramble and the development team for the Reservoir Square groundbreaking, Sept. 2022.



Leaders, media, investors, and neighbors gather for the unveiling of Reservoir Square's grocery and retail plans, April 2025.

COMMUNITY CONTEXT AND CHALLENGES

In the 1800s, the area around the 600–800 block of West North Avenue was largely undeveloped, with scattered estates and small farms. As Baltimore industrialized in the late 19th century, the area began to urbanize, with North Avenue emerging as a key corridor attracting middle-class white residents, particularly in nearby Bolton Hill and Madison Park. By the early 1900s, the Great Migration brought Black families to Baltimore, settling in neighborhoods like Penn North and Reservoir Hill. This demographic shift laid the foundation for a dynamic, predominantly Black community along North Avenue.

In the early to mid-20th century, the 600–800 block of West North Avenue became a bustling center of Black culture and commerce. It was known as a hub for information and civic engagement, with venues like the Rialto Theatre and Nates and Leons, and landmarks such as the North Avenue Market, which housed over 200 vendors. A mix of Black-owned businesses, churches, and social clubs created a vibrant, self-sustaining community. However, after its mid-century peak, the area declined due to discriminatory policies, economic changes, and urban renewal projects, contributing to its current state of disinvestment.

The Reservoir Square project is situated within West Baltimore, a region significantly shaped by historical and socioeconomic challenges. Often referred to as the “Black Butterfly,”¹ this area encompasses a cluster of predominantly Black neighborhoods that have been negatively impacted by redlining, discriminatory housing practices, and decades of disinvestment.



Historic views of the project site include the Rialto Theatre and Levin Furniture Co. at 846 West North Avenue, illustrating the area's once-thriving cultural and commercial corridor during the early to mid-20th century.

¹ Lawrence T. Brown, *The Black Butterfly: The Harmful Politics of Race and Space in America* (Baltimore: Johns Hopkins University Press, 2021).

Redlining, a discriminatory practice occurring in the 1930s through the 1960s enforced by banks, real estate developers, and government agencies, denied residents in predominantly Black neighborhoods access to mortgages and investment based on race, leading to cycles of disinvestment and economic disparity that continue to shape West Baltimore today.

Policies systematically restricted investment in and around the site, concentrating poverty and limiting economic mobility for many generations of West Baltimore residents.

In the mid-20th century, Baltimore's industrial decline led to significant job losses, depopulation, and a shrinking tax base. Subsequent urban renewal projects and highway construction displaced Black communities, while reinvestment largely bypassed them, exacerbating economic and racial disparities.

Madison Park North, a federally subsidized mixed-use complex approved in 1963 and built in the early 1970s on North Avenue, had become a major source of blight in West Baltimore by the 1990s. Residents colloquially referred to the development as the "Murder Mall" because of the high frequency of violent crime.



Reservoir Square in West Baltimore is redeveloping a site once home to public housing and the deteriorating 'Murder Mall' retail center.

Residents in West Baltimore have faced persistent shortages of essential amenities, including grocery stores, healthcare facilities, and adequate public infrastructure. This systemic neglect has perpetuated a cycle of poverty, contributing to poor health outcomes, limited educational opportunities, and substantial economic disparity. These challenges have made it difficult for the community to move beyond its historical struggles.

As the Reservoir Square project pushes forward, it seeks to address these long-standing issues through comprehensive redevelopment that prioritizes essential services and community aspirations.

THE BLACK BUTTERFLY EFFECT

Recent statistics highlight the ongoing challenges within the Black Butterfly:

Health Disparities: The 2019 Health Disparities Report from the Baltimore City Health Department reveals that residents in these neighborhoods suffer from higher rates of chronic diseases, including hypertension (47%), diabetes (20%), and asthma (18%), compared to wealthier city areas. Furthermore, life expectancy in the Black Butterfly is markedly lower, with a gap of nearly 20 years. Areas within the Black Butterfly report an average life expectancy of 63 years, while wealthier, predominantly white neighborhoods average 81 years.

Education: According to the Maryland State Department of Education's 2022 Report on Public School Performance, only 40% of high school students in the Black Butterfly graduated on time, contrasting sharply with over 80% in more affluent neighborhoods. Additionally, a 2021 report from Baltimore City Public Schools indicated that 90% of schools in these areas were rated as "underperforming" or "needs improvement."

Employment: Data from the U.S. Census Bureau's 2019 American Community Survey showed an unemployment rate of approximately 15% in Black Butterfly neighborhoods, significantly higher than the city's average of 7.5%. Furthermore, 40% of adults in these areas are classified as "disconnected youth," meaning they are neither working nor in school — a rate that exceeds the citywide figure of 28%.

Economic Opportunity: The 2020 U.S. Census reported a median household income of \$34,000 in the Black Butterfly, which is 40% lower than the citywide median of \$58,000. Additionally, a 2018 report from the Baltimore Neighborhood Indicators Alliance (BNIA) found that 40% of households in these neighborhoods live below the federal poverty line, compared to 20% in other areas of the city.

"The Black Butterfly," a term coined by Dr. Lawrence Brown, refers to a cluster of predominantly Black neighborhoods in Baltimore that form a shape resembling a butterfly on the map, flanking both sides of the city. These underinvested areas have faced historical injustices, including redlining, discriminatory housing practices, and systemic disinvestment, resulting in significant disparities in health, education, employment, and economic opportunity.

2015 CENSUS DATA

Census Tract
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2015 Census
Severely Distressed

Poverty	39.5%
Income as % AMI	47.4%
Unemployment	14.7% (1.77X)

The data demonstrates the urgent need for inclusive redevelopment initiatives like Reservoir Square. Classified as severely distressed in the 2015 census tract data, the area requires more than just physical transformation. This project is a commitment to empowering residents by expanding access to essential resources and economic opportunities. By addressing the root causes of these disparities, Reservoir Square aims to build a more equitable and prosperous future for the entire community.

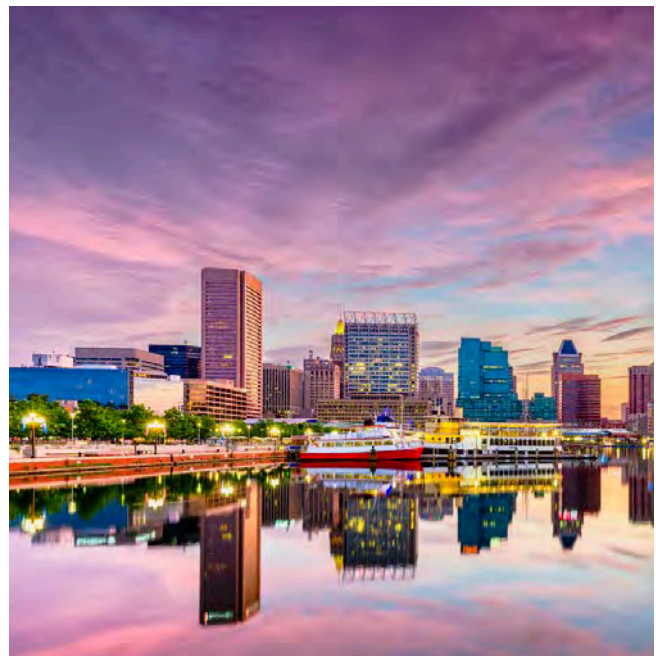
A HUB OF OPPORTUNITY & CONNECTIVITY

Despite underlying challenges, Reservoir Square is uniquely positioned for transformative redevelopment. Baltimore boasts valuable assets, including world-renowned medical institutions, prestigious educational establishments, a bustling port, and a downtown area on the brink of significant renaissance.

- The Baltimore Metropolitan Statistical Area (MSA) is home to 2.8 million people
- 8th Fastest-Growing GDP in the country among counties with at least \$50 billion in GDP
- \$8 billion worth of infrastructure and transformative development currently planned or underway

Baltimore benefits from a strategic Mid-Atlantic location, linking the city to over one-third of the nation's population within hours via highways, ports, railroads, and an international airport.

- Port of Baltimore: Ranked 1st in the U.S. for handling automobiles, light trucks, and farm and construction machinery
- Penn Station: The 8th busiest Amtrak station, with a \$7 billion redevelopment underway
- Baltimore/Washington International Airport: Serves 27 million annual passengers



Key employment sectors include life sciences, healthcare, government (federal, state, and local), and professional services.

- Baltimore is home to Maryland's only law and medical schools, making it a hub for "Eds and Meds" with a highly educated workforce.
- Federal employees play a significant role in Baltimore's workforce, reflecting the region's strong connectivity to Washington, D.C. with over 60 federal agencies and research labs within 30 miles.
- The largest employers include Johns Hopkins Health System, University of Maryland Medical System, MedStar Health, and Lifebridge Health, collectively employing an estimated 68,000 people.

Additionally, Baltimore is a cultural epicenter. The city thrives with arts and entertainment, attracting millions of visitors to its renowned museums, aquarium, and attractions each year. It's no surprise that over 26 million tourists visit Baltimore annually. Leveraging these resources, the Reservoir Square project is set to bring the city's growing momentum to West Baltimore, stimulating economic demand and fostering long-term growth in a historically underserved area.



The property sits adjacent to Interstate 83 and just west of two major educational anchors, the Maryland Institute College of Art and University of Baltimore in Midtown. It's within walking distance of multiple light rail stops and the soon-to-be-redeveloped Penn Station, making it an ideal place to build. As a transit-oriented development (TOD) located just half a mile from the North Avenue light rail station, it is poised to reconnect and revitalize the surrounding community.

VISION

Reservoir Square represents a unique opportunity to ignite a chain reaction of growth and investment along the North Avenue corridor in West Baltimore. This transformative project is designed to address the pressing needs of the community by introducing vital elements, including job training programs (via the planned Mayor's Office of Employment Development), access to fresh food, affordable workforce rental housing, home ownership options at market rates, and neighborhood retail spaces. Together, these initiatives are crucial for revitalizing this area.



Spanning eight acres and conveniently located within walking distance of public transit, Reservoir Square is positioned as a pioneering redevelopment effort, notable for its unprecedented scope and scale.



Rendering of the planned Mayor's Office of Employment Development.

DEVELOPMENT TEAM

The development of Reservoir Square is spearheaded by a dynamic and experienced team comprised of MCB Real Estate, Atapco Properties, MLR Partners, and Blank Slate Development. This collaboration brings together a wealth of expertise in urban redevelopment, community-focused initiatives, and innovative financing strategies.



MCB Real Estate stands at the forefront of transformative real estate projects on a national scale, demonstrating excellence in navigating complex urban environments to foster sustainable communities. MCB is a nationwide, vertically integrated firm with \$3 billion in assets, over 17 million square feet owned, managed, and developed, and 4 million square feet under development. The firm has earned a reputation for its expertise in structuring intricate capital stacks, enabling ambitious projects to advance even in the face of financial and regulatory obstacles.

Reservoir Square is particularly personal for P. David Bramble, Managing Partner and Co-Founder of MCB Real Estate, because he grew up nearby and would visit his mother's office, which was located in the commercial portion of the former project. Looking back, he called the property "an extremely scary place." Today, together with his wife, they are now raising their three young children several blocks away. This lived experience has been invaluable in guiding the development process, as community listening is a crucial element in every project. The team benefits from Bramble's unique perspective, ensuring that the voices of residents are heard and that the project truly reflects the needs and aspirations of the community.

"Every project we undertake is important, but this one holds deep personal significance. Growing up, I often wondered why new buildings and amenities were being developed in other areas, while my own neighborhood continued to suffer from blight. As an investor, I couldn't stand by any longer — I made it my mission to bring investment and opportunity to this community."

-P. David Bramble, Co-Founder and Managing Partner,
MCB Real Estate



Atapco Properties contributes decades of experience in mixed-use and land development, boasting a proven track record of successful projects throughout the Mid-Atlantic and beyond. Their deep understanding of for-sale lot development was essential in formulating the lead-in strategy and attracting a national homebuilder to the site.



MLR Partners is renowned for its strategic approach to public-private partnerships, offering critical insights into community engagement. The firm has been instrumental in developing financing solutions that mitigate risk and attract investment, further strengthening the project's viability. Reservoir Square is the second joint venture between MCB and MLR Partners, following their successful collaboration on the grocery-anchored Northwood Commons development adjacent to Morgan State University.



Blank Slate Development joined the project in 2024, bringing its expertise in innovative urban design and development to the retail parcel of Reservoir Square. The team's involvement follows the successful completion of an apartment building a few blocks from Reservoir Square, a parcel that had sat vacant and blighted for 40 years. Their experience in reshaping urban landscapes complements the project's goals, ensuring a future-forward development that enhances both the local economy and the quality of life for residents.

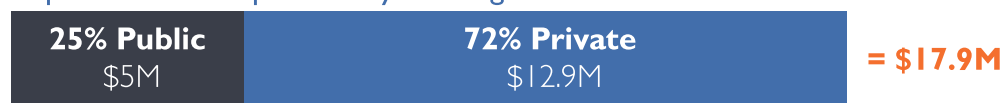
This collaborative effort ensures that Reservoir Square is not only poised for success but also positioned to create a lasting, positive impact within the community.

PHASE ONE: INFRASTRUCTURE AND TOWNHOME LOTS

CAPITAL STACK | PHASE ONE

Project C.O.R.E. Initial Demo		\$2,000,000
Project C.O.R.E. Road Construction & Utility		\$3,000,000
State's Capital Budget		\$500,000
Builder Deposits		\$1,300,000
Lot Sale Proceeds		\$3,000,000
JV Equity		\$7,900,000
Front Foot Benefit Proceeds		\$200,000
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TOTAL		\$17,900,000

Capital Stack Composition by Funding Source



PHASE ONE HIGHLIGHTS:

Closing/Construction Start: August 2022

Completion: March 2025

Scope:

- Demolition, mass grading, and creation of three new streets
- Utility connections for infrastructure development
- Development of 120 builder-ready townhome lots
- Over \$1 million in improvements to the North Avenue right-of-way
- Planting 120+ trees and establishment of a new central park/“square”

The transformation of the Reservoir Square site began in 2014 when the City of Baltimore responded to long-standing tenant complaints about property conditions and reached an agreement with the California-based owner to terminate the Section 8 contract at the Madison Park North public housing project and provide relocation vouchers for tenants.

Simultaneously, the city launched redevelopment efforts with a Choice Neighborhoods Planning Grant from the U.S. Department of Housing and Urban Development (HUD), which helped assess the area’s strengths and opportunities, laying the foundation for revitalization.

The last retail outlets closed in 2015 and, by 2016, a development contract was awarded. During this time, the development team secured a \$2 million grant from the Maryland Department of Housing and Community Development's Project C.O.R.E. program for the demolition of the Madison Park Apartments, clearing the path for redevelopment. Project C.O.R.E. has since been replaced by the Baltimore Vacant Property Reinvestment Initiative.

In 2017, the development team, led by MCB Real Estate, Atapco Properties, and MLR Partners, acquired site control and initiated a master planning process leveraging extensive community input.



Site demolition.

Following the demolition of the Madison Park public housing complex, community priorities centered on improved housing, better access to essential services such as healthcare and grocery stores, job opportunities, enhanced public safety, and a stronger sense of community through sustainable, mixed-use spaces. These priorities were reflected in the master plan, with the development team conceptualizing a mixed-use apartment building on-site, while also including office spaces and additional amenities elsewhere on the property.



Initial concept plan for the redevelopment.



An initial concept for the redevelopment included an "Innovation Village" but the appraisal gap was ultimately too large.

The project encountered several obstacles, including prolonged negotiations with Amtrak over underground land rights inherited by the rail operator and restrictive provisions from a 1973 urban renewal plan that constrained development possibilities. Beyond regulatory hurdles, financial challenges also emerged, making it clear that identifying funding gaps was the first critical step toward impactful development. The project's initial focus on a mixed-use apartment building was halted due to an appraisal gap caused by historical redlining, which resulted in depressed property values. Theresa Stegman, Vice President of Development and Structured Finance for MCB Real Estate and project executive for Reservoir Square, addressed key challenges impacting redevelopment in West Baltimore.

"The appraisal gap, particularly prevalent in West Baltimore, prevented the planned mixed-use apartment project from advancing. The long-term effects of redlining have depressed property values and rents in this area, and traditional bank debt is either unavailable or insufficient to cover project costs," said Stegman.

Rather than abandon the project, the team smartly shifted its strategy to focus on townhomes as the centerpiece of its community and economic development plan — effectively working to "build the market" by stimulating demand and investment in the area. Proceeds from lot sales, along with revenue generated from a front-foot benefit, a fee assessed to property owners to fund the up-front construction of water and sewer lines connecting their properties to public infrastructure, would also help fund a portion of the overall infrastructure costs.

This strategy aligned with the pressing need for middle-class homeownership opportunities in Baltimore.

With a revised master plan and an additional \$3 million in C.O.R.E. funding awarded in 2021 by the Maryland Department of Housing and Community Development (MD DHCD), progress accelerated as the infrastructure capital stack was assembled with a homebuilder deposit and \$500,000 from the state's capital budget. A strategic partnership with the Maryland Economic Development Corporation (MEDCO) facilitated the acquisition of key infrastructure components, structuring the funding to minimize unintended tax liabilities while maximizing impact.

The project's construction timeline did not align with the C.O.R.E. funding schedule, creating a gap that could have stalled progress. However, the team secured a \$3.5 million bridge loan from the Neighborhood Impact Investment Fund (NIIF), a Community Development Financial Institution (CDFI) Fund dedicated to inclusive growth in Baltimore's disinvested neighborhoods. This initial bridge loan became the foundation of a long-term partnership that proved invaluable in navigating the complexities of the next phase, the transformation of Reservoir Square.

The development team successfully closed on the property in 2022 and promptly launched phase one of the redevelopment.



MCB Co-Founders P. David Bramble and Peter Pinkard are joined by Baltimore Mayor Brandon Scott, development partners, investors, and family for the Sept. 2022 groundbreaking.

Phase one included the demolition of remaining building foundations from the public housing complex, mass grading, new roads, utility extensions, over \$1 million in improvements to the North Avenue right-of-way, and the creation of 120 builder-ready townhome lots. The first model lots were sold to national homebuilder Ryan Homes in February 2024.



Preparation of townhome (above) site and townhome development (below).



ATTRACTING A NATIONAL HOMEBUILDER

"It cannot be overstated how vital the involvement of a national homebuilder has been to this project, as it signals a commitment from larger entities to invest in historically overlooked areas," said Stegman. "This collaboration not only brings critical financial resources but also valuable expertise in construction and development, ensuring that all homes are high-quality and designed to attract a deep bench of potential buyers."

As of May 2025, phase one infrastructure activities have been completed, marked by the rapid sale of over 40% of the 120 townhome units, demonstrating the project's strong market appeal and alignment with demand.

Ryan Homes' success, having sold 50 units, further highlights investor confidence and demand for homes in the area. Initially priced in the upper \$300,000s, townhome prices have now risen to approximately \$490,000.



This quick uptake underscores the project's potential to drive economic growth and attract new taxpayers to the city. A stronger tax base will provide increased funding for essential public services such as education, public safety, parks, and transportation. This early success not only reflects the development's broad appeal but also signals the revitalization potential in the area, with more people eager to invest in the community's future.

"We need to have conversations about how to raise income levels in neighborhoods while also protecting the people who already live there. In Baltimore, this is more achievable than anywhere else, largely because of the abundance of vacant properties. This allows us to implement strategies that attract middle-class residents to underserved communities, like West Baltimore," said MCB's P. David Bramble

"Reservoir Square is deserving of the same level of investment that has been made in other parts of the city."



BUILDING TOWARD PHASE TWO

As the team prepared for future phases, they faced funding challenges driven by a significant valuation gap, where projected development costs exceeded the anticipated market value of the completed project. This gap introduced added complexity and financial pressure. Despite these obstacles, the team remained focused, advancing a vision for phase two and continuing to move the project forward. With infrastructure in place, they evaluated and refined multiple site plans, recognizing that securing a strong anchor tenant was essential to bridging the valuation gap, ensuring long-term viability, and aligning with key priorities for Baltimore. It also became clear that assembling a viable path forward would require close collaboration with key partners across the public and private sectors. Throughout the process, integrating an anchor institution remained a top priority.



Rendering of a proposed anchor institution at Reservoir Square.

THE ROLE OF ANCHOR INSTITUTIONS

Examples of successful anchor-plus developments include:

- | University Circle in Cleveland, Ohio (1990s-present), anchored by Case Western Reserve University and the Cleveland Clinic, has attracted retail, healthcare, and cultural institutions.
- | Kendall Square in Cambridge, Massachusetts (early 2000s), driven by the Massachusetts Institute of Technology (MIT) and Massachusetts General Hospital, spurred innovation, office space, and residential development.
- | Cortex District in St. Louis, Missouri (early 2000s), which evolved around Washington University, Saint Louis University, and Barnes Jewish Hospital, catalyzing tech innovation and attracting businesses and residents.
- | Oakland neighborhood in Pittsburgh (2000s-present), centered around the University of Pittsburgh and UPMC, fostered life sciences research, medical facilities, and housing.
- | Johns Hopkins East Baltimore campus in Baltimore, Maryland (early 2000s-present), has been a catalyst for biotechnology, education, and residential development.
- | Penn Medicine initiative in Philadelphia, Pennsylvania (2010s-present), driven by the University of Pennsylvania and Penn Medicine, has fostered workforce development, medical facilities, and housing while engaging in long-term community revitalization.

Anchor institutions, such as universities, hospitals, and government agencies, are long-term stakeholders in their communities, driving economic stability, employment, and local investment. The "anchor-plus" model was coined by the Brookings Institution as part of their research on how anchor institutions can play a more active role in urban revitalization efforts. Rather than focusing solely on their own growth, these institutions contribute to broader economic, social, and physical development in the surrounding community. Research from the Democracy Collaborative and the Brookings Institution highlights that these institutions play a crucial role in urban development by:

- **Generating Economic Growth:** Anchor institutions create jobs, support local businesses, and contribute to the tax base, strengthening the regional economy.
- **Driving Foot Traffic & Mixed-Use Dynamics:** By bringing in students, employees, and visitors daily, they help sustain retail, dining, and service businesses within mixed-use developments.
- **Enhancing Community Stability:** Because they are deeply rooted in their locations, these institutions invest in infrastructure, workforce development, and local partnerships, contributing to long-term neighborhood revitalization.
- **Providing Essential Services:** Many anchor institutions offer public health, education, and workforce training programs that directly benefit local residents.

IMPLEMENTATION AT RESERVOIR SQUARE

Recognizing these benefits, the development team prioritized securing an anchor institution to strengthen the project's impact. The solution emerged through collaboration with the Mayor's Office of Employment Development (MOED), an organization dedicated to expanding economic opportunities for Baltimore residents. By integrating MOED into the development, Reservoir Square could provide critical workforce training and job placement services while ensuring sustained economic activity in West Baltimore.

PHASE TWO HIGHLIGHTS:

Status: Under Construction

Closing: December 2024

Construction Start: March 2025

Completion: August 2026

Scope:

- 63,185 SF leased to the Baltimore City Mayor's Office of Employment Development (MOED)
- 20,000 SF Retail Center



Close-up look at the MOED building.

VISIONING A STATE-OF-THE-ART WORKFORCE DEVELOPMENT HUB

MOED serves as Baltimore's workforce development agency, connecting residents with major employers and providing essential services such as job placement, skills training, GED classes, criminal record expungement, internet access, referrals to specialized training programs, and the Youth Works summer job initiative. Each year, MOED supports over 9,000 residents, primarily BIPOC (Black, Indigenous, and People of Color) individuals facing barriers to employment. Among the 4,000 adults served annually, more than 75% secure permanent jobs with an average wage of \$18.00 per hour, and more than 70% receive benefits.

However, MOED currently operates out of six outdated buildings that were originally designed for different purposes. These facilities, totaling 110,000 square feet, lack modern infrastructure, are oversized for the agency's needs, and are scattered across Baltimore, with many located in areas not well-accessible by public transit. Recognizing these inefficiencies, the city expressed interest in consolidating all MOED offices into a single, centrally located facility to more effectively serve residents. In response, the development team proposed the construction of a state-of-the-art, 68,000 gross square-foot headquarters at Reservoir Square, designed to serve as a comprehensive employment services hub. This new facility would include purpose-built training spaces, computer labs, meeting areas, and a workforce training café, while accommodating MOED's 200+ employees.



The new MOED headquarters consolidates six outdated locations into a modern American Job Center, improving service delivery for over 9,000 residents annually.

By bringing together six functionally obsolete locations into a best-in-class American Job Center, the new headquarters would enable MOED to expand its reach, serve more employers and residents, and significantly enhance its effectiveness. Most importantly, the project would create a true “one-stop shop” for workforce development along a central transit corridor, ensuring greater accessibility and impact.



The project will feature a four-story office building designed to leave enough space on the site to accommodate a future building and parking garage.

MOED understood that their real estate decision wasn't just about space — it was about access, efficiency, and a lasting investment in the community.

When evaluating its real estate needs, MOED considered several strategic options:

I. STATUS QUO

MOED could have remained in its existing deteriorating facilities, which may have avoided immediate costs but continued to limit efficiency, accessibility, and public visibility. This option risked perpetuating operational fragmentation and diminishing service quality.

2. RENOVATE EXISTING BUILDINGS

Renovating 110,000 square feet of existing properties was considered but ultimately ruled out due to exorbitant costs and significantly longer timelines compared to new construction. The complexity of retrofitting outdated buildings made the option both financially and logistically impractical. Additionally, it conflicted with the agency's objective to centralize operations for more efficient and effective service delivery.

3. LEASE NEW OFFICE SPACE

Leasing modern office space posed several challenges. These spaces would have cost, on average, 60% more in occupancy costs than the lease agreement ultimately structured at Reservoir Square. Additionally, MOED's need for multiple, code-compliant large meeting rooms and computer labs could not be adequately accommodated within Baltimore's existing office inventory.

4. BUILD A NEW CENTRAL HUB (SELECTED OPTION)

The development team explored several lease options with the goal of minimizing the City's all-in cost, ranging from a traditional landlord-tenant relationship using a yield-on-cost approach to the selected option of using lease revenue bonds. The selected option, structured as a public-private partnership, provided the most cost-effective, long-term solution, allowing the agency to consolidate services, improve public access, and anchor economic activity in a key corridor.

The following cost comparison chart between leasing existing space and new construction illustrates the financial advantages of investing in new construction for the MOED headquarters, which will streamline operations, boost community engagement, and symbolize the City's commitment to inclusive growth and neighborhood revitalization.

COST COMPARISON | Lease and New Construction

	Traditional Office Lease Existing Baltimore Office Inventory	New Construction Yield on Cost Method	New Construction Yield on Cost Method Net of City Investment	SELECTED APPROACH New Construction Tax-Exempt Lease Revenue Bonds Net of City and State Funding
Lease Type	Full service with base year stops	NNN Lease rate determined by an 8.00% yield on the total project costs	NNN Yield on Cost Method where total project costs is net of public investment	NNN Total project costs net of public investment is amortized over a 30 year lease with option to assume property at the end of the term
Option to Purchase?	No	Yes	Yes	Yes
Base Rent (1)	\$34.00	\$55.71	\$36.72	19.65
Expense Load (2)	\$0.91	\$6.38	\$6.38	\$6.38
Parking	Not Included	Included	Included	Included
Utilities	Included	\$2.01	\$2.01	\$2.01
Janitorial	Included	\$1.37	\$1.37	\$1.37
All-In Rent	\$34.91	\$65.47	\$46.48	\$29.41

Rent Escalation	3.00%	2.25%	2.25%	2.25%
Tenant Improvement (TI) Allowance	\$35.00	\$125.00	\$125.00	\$125.00
Free On-Site Parking	Offsite	75	75	75
Parking Value (3)	\$0.00	\$1.42	\$1.42	\$1.42

Imputed All-In Cost with Additional TI and Parking

Additional TI (4)	\$90.00	0	0	0
Rate (5)	8.00%	8.00%	8.00%	8.00%
Term (years)	10	10	10	10
Additional TI Rent (6)	\$13.41	\$0.00	\$0.00	\$0.00
Offsite Parking (7)	\$1.42	\$0.00	\$0.00	\$0.00
Imputed All-In-Cost	\$49.75	\$65.47	\$46.48	\$29.41

COST COMPARISON | Lease and New Construction Notes

(1) Base Rent for traditional lease is based on a comparable property in the Mount Vernon submarket of Baltimore City. Base Rent for MOED in yield on cost scenarios calculated as follows:

Budget	\$44,000,000	\$44,000,000
(less) City Investment	\$0	(\$15,000,000)
Net Budget	\$44,000,000	\$29,000,000
Yield	8.00%	8.00%
Yield on Cost Annual Rent	\$3,520,000	\$2,320,000
Rent PSF	\$55.71	\$36.72

(2) Where a lease is full service with a base year stop, the annualized net present value of the future expense charges is used. The calculation assumes a \$10 base year stop with 3.0% annual increases over a 10 year lease, and a discount rate of 8.00%.

	(Base Yr)									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Expense Load	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30	\$12.67	\$13.05
Inc./Base Year	\$0.00	\$0.30	\$0.61	\$0.93	\$1.26	\$1.59	\$1.94	\$2.30	\$2.67	\$3.05
Discount Rate	8.00%									
NPV	\$9.07									
Annually	\$0.91									

(3) Parking value is calculated as the number of free spaces multiplied by \$100/space x 12 months divided by the SF of the Selected Approach (63,185 SF).

(4) Additional TI is the difference between the new construction MOED TI and the comparable property's TI allowance in order to provide for an apples to apples comparison of the TI value.

(5) 8.00% is used as the rate, approximately 400bps over the 10 year Treasury.

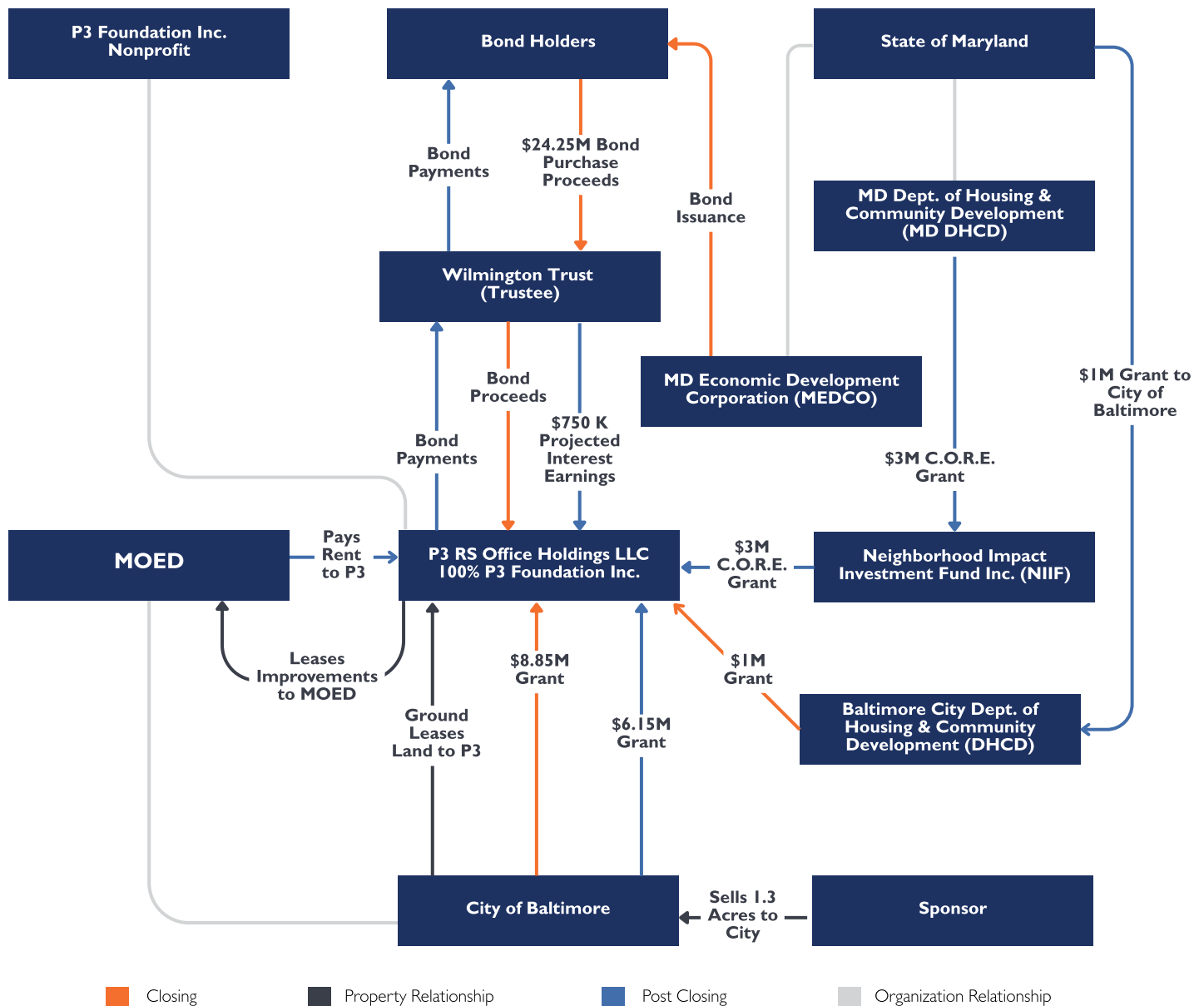
(6) The Additional TI Rent is how much the rent would increase to provide the same level of allowance as the new construction scenarios over a typical 10 year term.

(7) Offsite parking uses the same PSF Parking Value as the Selected Option to provide an apples to apples comparison.

SECURING FINANCIAL VIABILITY

Traditional sale-leaseback structures typically aim to fund 100 percent of a project's budget through rent payments. However, the City's operating budget required rent to be capped at \$19.65 per square foot, with an annual escalation of 2.25%. This approach resulted in a \$19 million funding gap, highlighting the necessity for a diversified capital strategy to advance the project.

MOED CAPITAL STRUCTURE



The project's complex capital stack illustrates the diverse financing required to bring the new MOED headquarters to life, with bridge loans, public and private grants, developer contributions, and municipal bonds all working together to fund a transformative community investment.

ASSEMBLING PHASE TWO'S CAPITAL STACK

The building's construction costs alone would total more than \$30 million, and to make the rent feasible within the City's operating budget, a subsidy of \$15 million to \$20 million was necessary. A traditional private lease structure did not appear to be the right solution, as any subsidy received by a for-profit entity would be taxed as ordinary income, diluting the impact of the grants. The development team took a more creative approach, structuring a public-private partnership where MCB would sell the land to the City and then the City would ground lease the land back to a non-profit to serve as the borrower and owner. Bond financing offered a way to secure lower-cost capital by leveraging future lease payments to attract investors. By using tax-exempt bonds, the project could lock in lower interest rates, reducing long-term costs and making the development financially viable despite rising construction expenses.

To achieve this, the Reservoir Square team once again turned to MEDCO, had the authority to issue tax-exempt bonds at rates 200 basis points lower than traditional lending. Meanwhile, NIIF reinforced its commitment in predevelopment financing for the office phase, playing a strategic role in bridging the C.O.R.E. funds and \$6.15 million in city general funds, which would come in later fiscal cycles. The bridge loans required precise structuring to align with the bonds, avoiding inter-creditor conflicts that could impact the bonds' marketability.



The new MOED headquarters brings the agency together in one modern, accessible location, solving long-standing challenges posed by outdated, oversized buildings spread across the city.

“Reservoir Square is exactly the type of catalytic project that NIIF exists to support,” explained NIIF President Mark Kaufman. “As a local place-based mission lender, it is great to use our flexible capital to help unlock a transaction of this scale and make such a significant impact in West Baltimore.”

The project was also eligible for New Markets Tax Credits (NMTCs), but this structure, which is premised on a taxable investment and private borrower, typically does not align with tax-exempt bonds. To navigate this incompatibility, the development team structured the deal by involving the P3 Foundation Inc., a nonprofit borrower, as a conduit for the financing. With \$15 million from the City of Baltimore, \$1 million from the state capital budget, and \$1.5 million from the Maryland Department of Housing and Community Development, along with an NMTC allocation from a Community Development Entity (CDE), the team secured enough funding to move forward. However, the clock was ticking, with a looming deadline of August 31, 2024, to close the deal or lose eligibility for NMTCs, as the area was no longer classified as “distressed” according to the latest census data.

Ironically, the area had improved so much under phase one of Reservoir Square that the site no longer qualified for federal needs-based programs, yet market values had not risen enough to support traditional financing. Then, mere weeks before the deadline, the CDE unexpectedly backed out, leaving no time to secure another NMTC lender. All the progress made seemed to be unraveling, leaving the development team facing the prospect of starting over.



The new homes at Reservoir Square reflect the area's growing appeal, creating a paradox where success led to the area no longer qualifying for federal needs-based programs.

PUBLIC AND PRIVATE PARTNERS JOIN FORCES

“Like an expertly executed game of Jenga, we carefully restructured the deal, removing and repositioning key pieces without letting it collapse,” Stegman said. “MOED’s importance to the City was too great to accept defeat, and in a true testament to the power of partnerships and relationships, the remaining deal partners pulled together to restructure the transaction.”

By eliminating the NMTC components, simplifying the lease structure, and securing an additional \$1.5 million in competitive C.O.R.E. funds, the team successfully closed the financing gap.

Mesirow, an independent financial services firm, underwrote \$24 million in tax-exempt lease revenue bonds issued by MEDCO, financing a significant portion of the construction costs for MOED’s new office headquarters. This highly complex financing structure required coordination across multiple funding sources and ensuring bond investors’ confidence in new construction. Despite these challenges, the team secured a high investment-grade rating and a low interest rate, ensuring the project’s long-term financial sustainability while advancing the redevelopment of West Baltimore.

According to Christopher Sheehan, Mesirow Managing Director, Public Finance, this financing was highly complex, given the combination of funding sources and substantial predevelopment and construction challenges, but the group successfully mitigated those challenges to secure a high investment grade rating and a low interest rate.

“Given the complex challenges in securing construction financing for office buildings, the team successfully delivered a historic bond financing for this to-be-built high-quality asset that will serve as the gateway to the redevelopment of West Baltimore while also furthering the economic development of the City of Baltimore,” Sheehan said. “The financing successfully embedded a dedicated funding source to operate and maintain the asset at the highest levels for its useful life.”

The bonds closed successfully in December 2024, and the project broke ground in March 2025. This critical milestone would not have been reached without innovative problem-solving and strong collaboration among public and private partners.

“There were a lot of moving parts in this transaction. The role of MEDCO was to simplify this complex deal and wrap it into one bond issuance,” said Tom Sadowski, MEDCO’s executive director. “Several financing approaches and layers of capital stack were explored, and we viewed this as the best way to complete the deal and move forward with the development. Our team played the role of honest broker between MCB, the City, and the Neighborhood Impact Investment Fund to run everything through the tax-exempt bond funnel.”

The Reservoir Square financing package represented the first time in the last 30 years that this type of bond financing was completed in the City of Baltimore, and it demonstrated what is possible when a development team is persistent, collaborative, and committed to meeting everyone’s goals.

SOURCES AT CLOSING

Bond Proceeds		\$24,252,815
Projected Interest Earnings		\$750,000
City Funds		\$8,850,000
DHCD Grant		\$1,000,000
NIIF Loan		\$6,150,000
Sponsor Advance (Max Amount)		\$3,000,000

TOTAL		\$44,002,815
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SOURCES AT COMPLETION

Bond Proceeds		\$24,252,815
Interest Earnings		\$750,000
City Funds		\$15,000,000
DHCD Grant		\$1,000,000
C.O.R.E. Funds		\$3,000,000

TOTAL		\$44,002,815
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This diverse and strategic financing structure showcases the collective dedication of all stakeholders to revitalizing the area and fostering long-term positive change in West Baltimore.

“The extreme interest in and participation by various state and city public agencies, combined with the backing of private investment partners, has provided the fuel for Reservoir Square to make a substantial positive impact that will benefit West Baltimore City residents, businesses, and related stakeholders,” according to MCB’s Bramble. “Our team was able to conquer this highly complex redevelopment through a creative approach, utilizing different financing resources. Reservoir Square serves as a model, locally and nationally, of the value of a carefully-orchestrated capital stack, with the added benefit of improving underserved communities.”



The new MOED headquarters at 850 W. North Avenue will energize the corner of W. North Avenue and Lennox Street, establishing a strong and welcoming presence in the community.

PROJECT IMPACT

Through creative financing and a commitment to place-based investing, the team overcame complex redevelopment challenges, demonstrating how strategic collaboration can revitalize historically underserved areas. As Reservoir Square advances, its 120 townhomes, commercial and retail space, and job training services will establish a thriving economic and community hub, setting a precedent for urban revitalization.

With just a \$2 million initial investment from the State, the project has unlocked over \$100 million to date, showcasing the outsized impact of smart, catalytic funding.

A key catalyst for job creation, the project involves the construction of a new headquarters for the Mayor's Office of Employment Development (MOED), which will bring 253 construction jobs to the area. The state-of-the-art facility will consolidate MOED's services into a single, accessible location, enhance workforce training through mobile navigators, and offer advanced resources such as computer labs and media studios. It will also accommodate employment events, a critical tool for connecting residents with job opportunities.



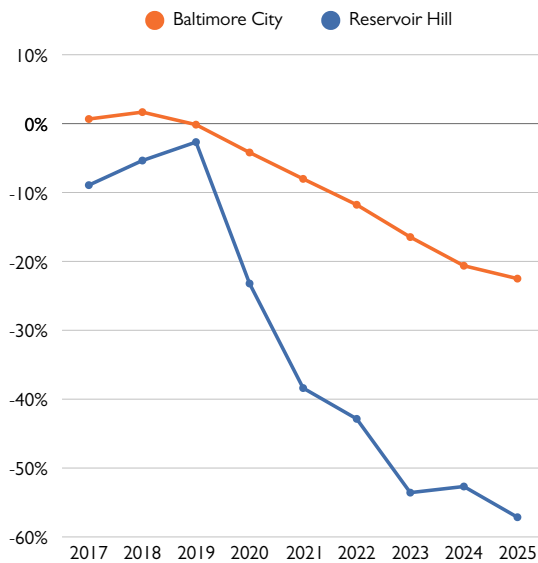
The 68,000 GSF workforce hub for MOED, part of an innovative public-private partnership, secured tax-exempt bond financing in December 2024 and is expected to open in August 2026.

“We are thrilled to unveil our new headquarters, which reflects a strategic decision to invest in new facilities rather than rehabilitate outdated ones, as the latter proved more costly and less efficient,” said MacKenzie Garvin, Esq., MOED director. “This investment not only strengthens our commitment to delivering economic justice to Baltimore's job seekers and empowering our employer partners, but also positions our agency to drive sustained economic growth and development in our city for decades to come.”

By forming a coalition with the private sector and state agencies, the City leveraged its leasing power to generate a \$44 million investment for West Baltimore, positioning the project as a national model for transformative community development.

Additionally, Reservoir Hill has made notable strides in reducing vacancy, significantly outpacing citywide trends.

Vacant Building Notices, Change Over Time
Reservoir Hill Compared to Baltimore City



Source: Baltimore City Department of Housing and Community Development Dashboard

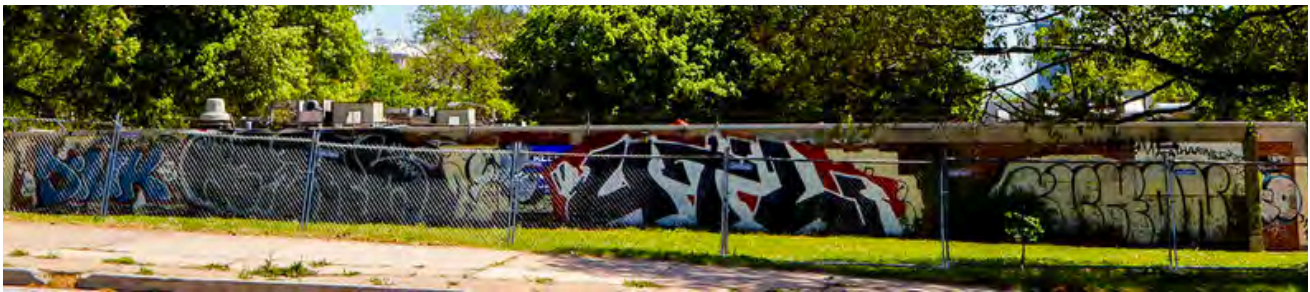
In 2016, the neighborhood had 132 vacant properties; by 2025, that number had declined to 52, representing a 60% reduction. In comparison, Baltimore City overall saw a 22% decrease, from 16,527 to 12,877 vacant properties over the same period.

This substantial progress in Reservoir Hill aligns with the launch and execution of the Reservoir Square development, underscoring the impact of targeted, community-driven investment.

LOOKING FORWARD

The pivots, creative problem-solving, and intricate capital stacking have enabled MCB Real Estate and its development partners to achieve true market transformation, strengthening Reservoir Square through bold, strategic developments that generate demand, anchor the community, and build sustained momentum.

In October 2024, MCB Real Estate and Blank Slate Development expanded Reservoir Square by acquiring 600 W. North Avenue, a 1.5-acre adjacent parcel. This addition will include 20,000 square feet of retail space for a grocer and local businesses, as well as 70 rear-accessed surface parking spaces to support the shopping center's economic viability. Early funders of this phase include the state-backed West North Avenue Development Authority (WNADA), which has designated the property as a key anchor along the North Avenue corridor.



600 W North Avenue is a dilapidated building, now reimagined as retail and integrated into the Reservoir Square development.

Another significant milestone was achieved in March 2025 when the team secured a 12,000 square foot lease with full service grocer Streets Market, just three months after closing financing with MOED. This agreement addresses the essential need for fresh food in West Baltimore and serves as a catalyst for further development, investment, and revitalization in the area.



Streets Market will bring fresh food to West Baltimore with its 12,000 square foot space, addressing a critical need in the community.



Community leaders and elected officials celebrated the announcement of a full-service grocer joining Reservoir Square, marking a significant step toward revitalizing West Baltimore and meeting the neighborhood's essential needs.

The success of Reservoir Square highlights the importance of strategic partnerships and community engagement in fostering sustainable urban growth. Beyond revitalizing West Baltimore, the project provides a replicable model for urban redevelopment that can be adapted in cities across the country. Upon full completion, Reservoir Square will represent over \$200 million in investment for West Baltimore and an annual economic impact of over \$60 million for the City of Baltimore, supporting economic growth, creating and preserving wealth for local residents, and delivering essential amenities that enhance quality of life.

“As a community member, it means everything to help bring the long-overdue quality housing, services, and retail that this neighborhood deserves. As an investor, I’m honored to be part of unlocking the true potential of this community and excited to see the ripple effect of growth and opportunity that will follow.”

-P. David Bramble, Co-Founder and Managing Partner,
MCB Real Estate

CALL TO ACTION

Reservoir Square is more than just a redevelopment project; it's a model for the future of urban communities. With visionary planning, strategic partnerships, and a focus on economic stability, it brings together homeownership, in-demand commercial spaces, and essential services for the people of West Baltimore, creating a vibrant, mixed-use environment.



The innovative financing strategies and collaborative partnerships behind Reservoir Square underscore the power of community engagement in driving sustainable growth.

As the project unfolds, it is clear that similar initiatives are essential for revitalizing urban areas nationwide. Reservoir Square not only transforms this historically underserved community but also sets a blueprint for future urban redevelopment.

That is why we call on investors, stakeholders, and community leaders to join us in this mission. Your support is crucial to building resilient neighborhoods that prioritize residents' well-being. Together, we can replicate the success of Reservoir Square, creating thriving, inclusive urban spaces where people can live, work, and flourish.

ABOUT MCB REAL ESTATE



MCB Real Estate is a leading institutional investment management firm and developer with a diverse nationwide portfolio spanning commercial office, industrial, retail, multifamily, mixed-use properties, and life sciences assets. With \$3 billion in assets under management (AUM), more than 17 million square feet owned, managed, and developed, and 4 million square feet under development, MCB is actively shaping the skylines of tomorrow. Since its founding in 2007, MCB has built a reputation for innovative problem-solving, strategic capital structuring, and a deep commitment to community-focused development.

Reservoir Square stands as a testament to MCB's ability to navigate complex financing structures and address urban challenges with forward-thinking solutions. By leveraging a multi-layered capital stack, we have transformed a historically disinvested site into a thriving, mixed-use development that drives economic growth, creates new opportunities, and restores community pride.

At MCB Real Estate, we remain steadfast in our commitment to unlocking the potential of neighborhoods that have faced historical disinvestment. Through strategic vision, strong partnerships, and innovative capital solutions, we continue to create developments that drive lasting impact. If our expertise can help you conquer your next development challenge, we invite you to connect with us.

Theresa Stegman

Vice President, Development and Structured Finance

tstegman@mcbrealestate.com

667.284.6828

MCBREALSTATE.COM

