

Slots group in talks for larger site

Gambling parlor to replace Ray Lewis' proposed project

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The developers of a Baltimore slots parlor want to supplant a \$200 million sports-themed complex proposed by Baltimore Ravens linebacker Ray Lewis with plans to significantly enlarge their proposed casino south of M&T Bank Stadium.

The arrangement would nearly double the amount of space Baltimore City Entertainment Group has to develop. It would allow the group to expand the size of its gambling facility to include 3,750 slot machines immediately rather than starting with just 500 machines as was planned at a nearby city-owned parking lot known as Lot J, said Baltimore City Entertainment Principal Michael Cryor.

That would potentially steer more money into Baltimore's coffers, a primary objective of city leaders who have embraced slot-machine gambling.

But it would also derail much-celebrated plans by Lewis and his development team to turn the prime waterfront site into a sports-themed complex with new

office, restaurant and retail space. Lewis and his development team, led by Cormony Development Managing Director Samuel Polakoff, were picked over five other partnerships vying to build on the property.

Lewis and Cormony have reached a tentative deal to hand negotiating rights to the land over to the hopeful slots developers, Cryor said. The property is owned by the city but promised to Gate-

way South.

Representatives from Gateway South could not be reached for comment.

The deal will be completed once Baltimore City Entertainment is awarded the slot machine licenses it needs for the gaming parlor, Cryor said. Lewis and Cormony could still have a role in future development at the property, but will not be involved in the construction or operation of the slots parlor, Cryor said.

The changes to Gateway South reflect the difficult economic times many developers are finding themselves in these days, said Kimberly A. Clark, executive vice president of the Baltimore Development Corp.

The development team was unable to launch the project because of a lack of commercial tenants and construction financing, Clark said.

"Economics there have changed; these are very different times," said Clark, who is supportive of the negotiations. "We have to be willing to look at new options for Gateway South."

While that's a disappointment to city officials who initially supported the project, Baltimore City Council President Stephanie Rawlings-Blake said she thinks building a slots parlor on the land instead would make the best of a bad situation.

"I think we were very excited about the possibility of Gateway South when it was the Cormony-Ray Lewis project," Rawlings-Blake said. "Since then, the economy has taken its toll on more than one project. This is a way to make lemonade out of lemons."

The BDC has given Gateway South permission to negotiate with Baltimore City Entertainment but is not directly involved in those talks, Clark said.

From a competitive bidding process, the city picked Lewis and Cormony to reshape Gateway South, a cluster of industrial properties that were either owned or to be acquired by the city. The team was picked over other development groups that included Patrick Turner, Himmelfrich Associates Inc. and Manekin LLC. Lewis and Cormony planned to build a 90,000-square-foot sports complex, 1 million square feet of office space and another 150,000 square feet of retail and restaurant space.

Baltimore City Entertainment had planned to build its slots facility at Lot J, a city-owned parking lot adjacent to Gateway South that is a popular site for



Cryor



tailgating during Baltimore Ravens football games. The group always planned to seek up to 3,750 slot machines for its project, but phased in over a number of years after starting with 500 machines.

Lot J is a 3.7-acre site, while Gateway South is 11 acres. With the larger property, Cryor said his development team will plan to open a facility with all 3,750 machines at once.

The group would need to apply to the state commission awarding slot machine licenses for permission to move

the facility to Gateway South and to seek additional machine licenses, said Donald C. Fry, chairman of the state's slots commission and president of the Greater Baltimore Committee. Baltimore City Entertainment has already paid \$3 million for its first 500 licenses and would need to put up an additional \$19.5 million for the extra machines. Fry said the group hasn't applied to his commission to make either of those changes.

Before Baltimore City Entertainment can get even 500 machine licenses, Fry noted, the Baltimore City Council would need to approve a change in the city's zoning code to allow for slots. A City Council committee is scheduled to meet June 4 to consider the zoning change.

After Baltimore City Entertainment's initial plans were unveiled, Rawlings-Blake and other city leaders lobbied the

BDC to sit down with the slots developers and come up with a plan including more slot machines and more tax revenue for the city.

With those additional machines, the project would potentially generate about \$25.5 million a year in city revenue within the next five years, Rawlings-Blake said.

The details of how the city's share of slots money will be used have not been determined, but if all those funds go toward property taxes, it would bring the city's tax rate down by about 8 cents for every \$100 of assessed property value.

Making a Bet

Baltimore City Entertainment Group is in talks to meld its proposed slots parlor into Gateway South.

